

KILROY
REALTY

CORPORATION

Suite #200 • 12200 W. Olympic Boulevard • Los Angeles • California • 90064
Fax (310) 481-6550 • Tel. (310) 481-8400

January 9, 2007

To Whom It May Concern:

Common Stock:

The Company's distributions per share of Common Stock CUSIP #49427F108, traded under the symbol KRC, are to be classified as follows for income tax purposes:

Record Date	Payable Date	Total Distribution per Share	2006 Taxable Ordinary Dividend	2006 Total Capital Gain Distribution	2006 Unrecaptured Section 1250 Gain ⁽¹⁾	2006 Return of Capital
12/30/05	1/18/06	\$.510000	\$.112146	\$.000708	-	\$.397146
3/31/06	4/18/06	.530000	.116544	.000736	-	.412720
6/30/06	7/18/06	.530000	.116544	.000736	-	.412720
9/29/06	10/18/06	.530000	.116544	.000736	-	.412720

(1) Unrecaptured Section 1250 Gain is a subset of, and is included in, the Total Capital Gain Distribution amount.

Series E Preferred Stock:

The Company's distributions per share of Series E Preferred Stock CUSIP #49427F405, traded under the symbol KRC-pe, are to be classified as follows for income tax purposes:

Record Date	Payable Date	Total Distribution per Share	2006 Taxable Ordinary Dividend	2006 Total Capital Gain Distribution	2006 Unrecaptured Section 1250 Gain ⁽¹⁾	2006 Return of Capital
1/31/2006	2/15/2006	\$.487500	\$.484592	\$.002908	-	-
4/28/2006	5/15/2006	.487500	.484592	.002908	-	-
7/31/2006	8/15/2006	.487500	.484592	.002908	-	-
10/31/2006	11/15/2006	.487500	.484592	.002908	-	-

(1) Unrecaptured Section 1250 Gain is a subset of, and is included in, the Total Capital Gain Distribution amount.

Series F Preferred Stock:

The Company's distributions per share of Series F Preferred Stock CUSIP #49427F504, traded under the symbol KRC-pf, are to be classified as follows for income tax purposes:

Record Date	Payable Date	Total Distribution per Share	2006 Taxable Ordinary Dividend	2006 Total Capital Gain Distribution	2006 Unrecaptured Section 1250 Gain ⁽¹⁾	2006 Return of Capital
1/31/2006	2/15/2006	\$.468750	\$.465954	\$.002796	-	-
4/28/2006	5/15/2006	.468750	.465954	.002796	-	-
7/31/2006	8/15/2006	.468750	.465954	.002796	-	-
10/31/2006	11/15/2006	.468750	.465954	.002796	-	-

(1) Unrecaptured Section 1250 Gain is a subset of, and is included in, the Total Capital Gain Distribution amount.

Sincerely,

/S/ HEIDI R. ROTH

Heidi R. Roth
Senior Vice President and Controller