

**KILROY**  
**REALTY**  
CORPORATION

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January 10, 2005

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 | 2004 Taxable Ordinary Dividend | 2004 Return of Capital | 2004 Unrecapt. Sect. 1250 Gain | 2004 Capital Gain Distribution <sup>(1)</sup> | 2005 Distribution |
|-------------|--------------|------------------------------|--------------------------------|------------------------|--------------------------------|---|-------------------|
| 12/31/03    | 1/16/04      | \$ .495000                   | .288389                        | .177693                | .006759                        | .022159                                       |                   |
| 3/31/04     | 4/16/04      | .495000                      | .288389                        | .177693                | .006759                        | .022159                                       |                   |
| 6/30/04     | 7/16/04      | .495000                      | .288389                        | .177693                | .006759                        | .022159                                       |                   |
| 9/30/04     | 10/15/04     | .495000                      | .288389                        | .177693                | .006759                        | .022159                                       |                   |
| 12/31/04    | 1/18/05      | .495000                      |                                |                        |                                |   | .495000           |

(1) Capital Gain Distribution does not include the Unrecapt. Sect. 1250 Gain.

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 | 2004 Taxable Ordinary Dividend | 2004 Return of Capital | 2004 Unrecapt. Sect. 1250 Gain | 2004 Capital Gain Distribution <sup>(1)</sup> |
|-------------|--------------|------------------------------|--------------------------------|------------------------|--------------------------------|---|
| 2/1/2004    | 2/15/2004    | \$.455000                    | .414246                        | -                      | .009525                        | .031229                                       |
| 5/1/2004    | 5/14/2004    | .487500                      | .443835                        | -                      | .010205                        | .033460                                       |
| 8/2/2004    | 8/13/2004    | .487500                      | .443835                        | -                      | .010205                        | .033460                                       |
| 11/1/2004   | 11/12/2004   | .487500                      | .443835                        | -                      | .010205                        | .033460                                       |

(1) Capital Gain Distribution does not include the Unrecapt. Sect. 1250 Gain.

Sincerely,

/S/ ANN MARIE WHITNEY \_\_\_\_\_

Ann Marie Whitney  
Senior Vice President and Controller