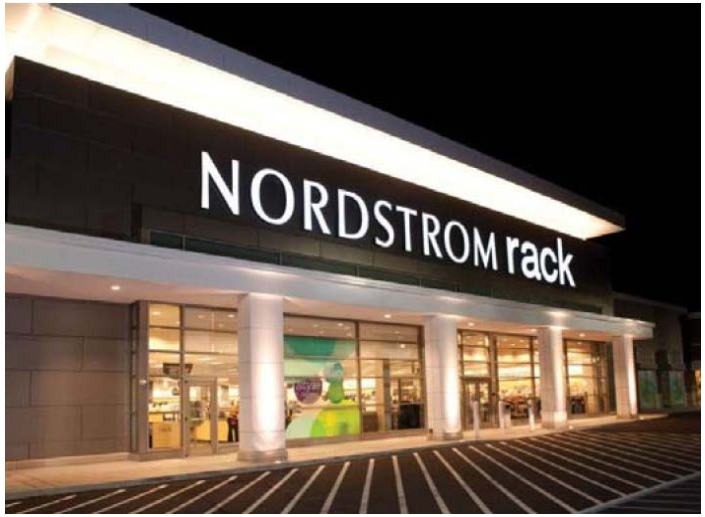
KITE REALTY GROUP





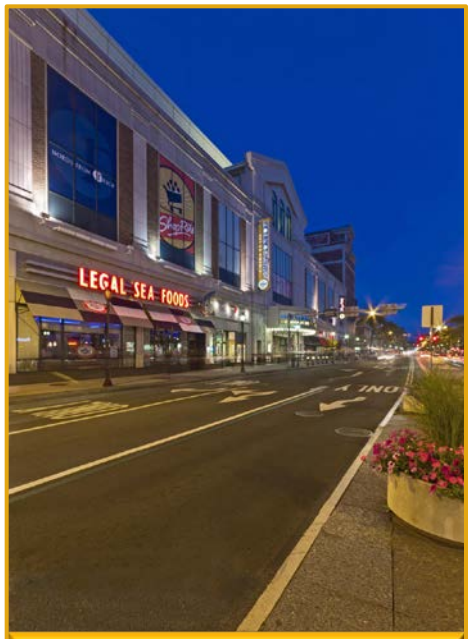


Investor Presentation

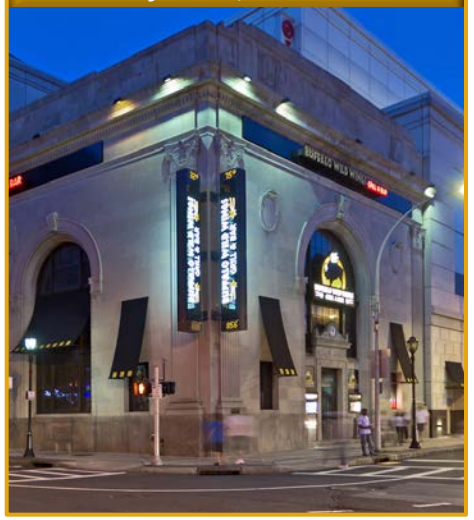
September 2014

AGENDA

- COMPANY & PORTFOLIO OVERVIEW
- PERFORMANCE UPDATE
- FUTURE GROWTH INITIATIVES & VALUE ADD OPPORTUNITIES
- WRAP UP



City Center, New York



KITE REALTY GROUP



North Carolina



COMPANY & PORTFOLIO OVERVIEW

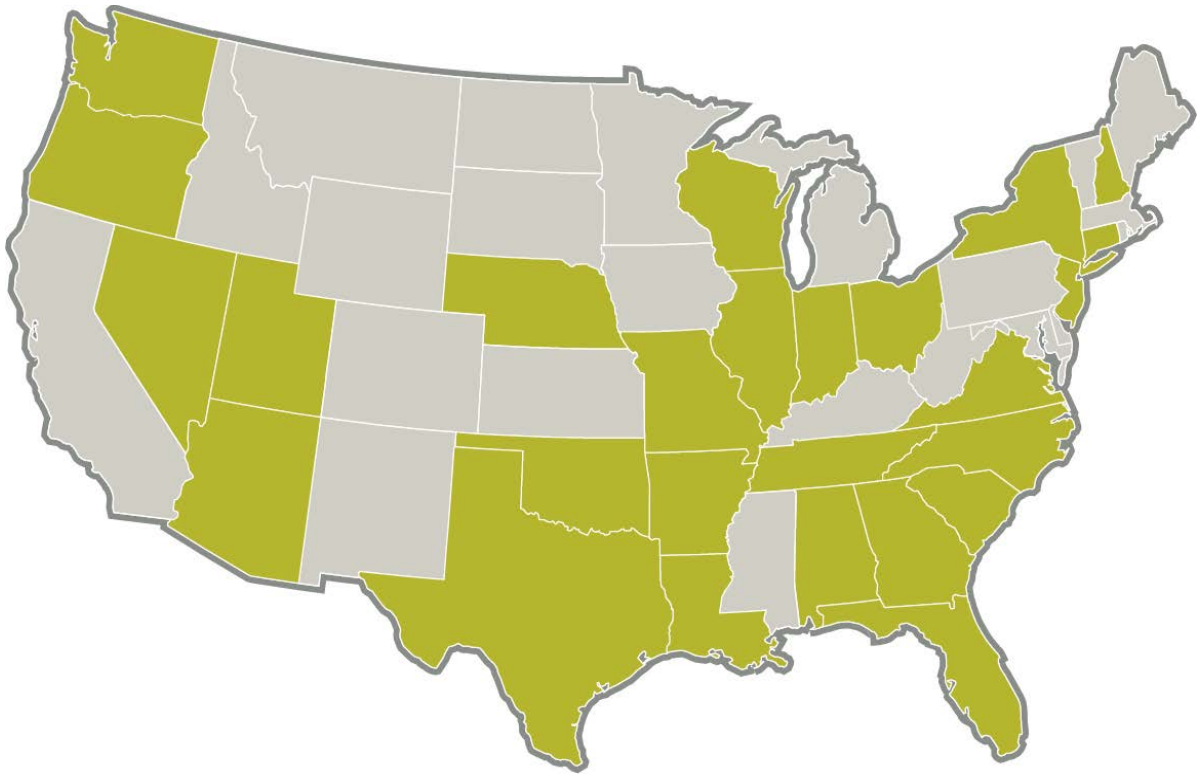
KRG LISTED NYSE

888.577.5600

kiterealty.com

TICKER SYMBOL ::	KRG (NYSE since 2004)	
FOUNDED ::	1971	
HEADQUARTERS ::	Indianapolis, Indiana	
PORTFOLIO :: (1)		
124	**OPERATING RETAIL**	
2	**OPERATING OFFICE**	
4	**REDEVELOPMENT**	
3	**DEVELOPMENT**	
133	**PROPERTIES**	
SQUARE FOOTAGE :: (1)		
(MILLIONS)		
19.6	**OPERATING PROPERTIES**	
1.0	**REDEVELOPMENT/DEVELOPMENT**	
20.6	**GLA/NRA**	
ANNUAL COMMON DIVIDEND :: $1.04 (2)		
2013-2014 YTD TOTAL RETURN :: 26.4% (3)		

KITE REALTY GROUP TRUST is a full-service, vertically-integrated real estate company engaged primarily in the ownership, operation, development, construction, and acquisition of high-quality neighborhood and community shopping centers in selected growth markets in the United States.



(1) These figures include the merger with Inland Diversified which closed on July 1, 2014.
(2) Annual amount adjusted for 1 for 4 reverse share split; reflects the most recently paid quarterly dividend.
(3) Per SNL; as of 09/04/14 close. Prior closing levels adjusted for August 2014 reverse stock split.

KRG LISTED NYSE

CURRENT PORTFOLIO SNAPSHOT

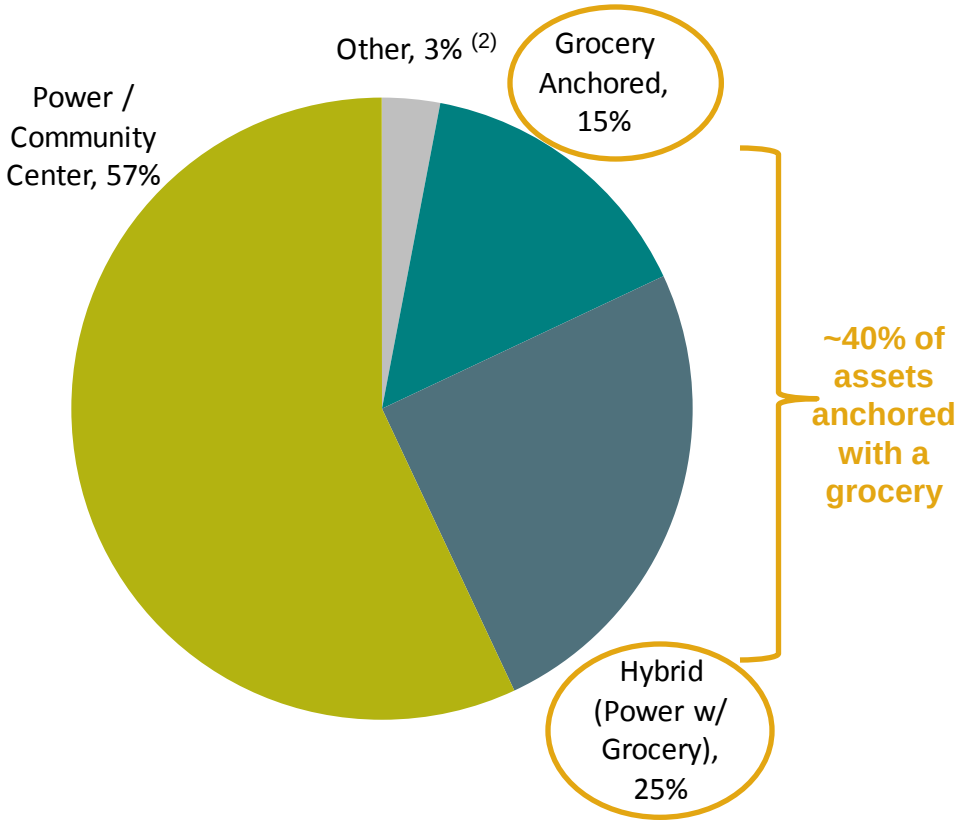
Summary Statistics (1)

Number of Properties / Owned SF	133 / 20.6mm
Total Occupancy (Owned SF)	95.5%
Shop Occupancy (Owned SF)	86.1%
Annualized Base Rent per SF	$13.81
Annualized Base Rent per SF (excluding ground leases)	$15.00
Number of States	26
Ground Lease (ABR)	$18.0mm
Portfolio Demographics (3-mile):	
Population / Growth (2013-2018)	~54,000 / ~8%
Average Household Income	~$76,000

(1) Data pro forma for Inland Diversified, as of July 1, 2014.
(2) Other includes office and single tenant shops.
Source: demographic data from AGS.

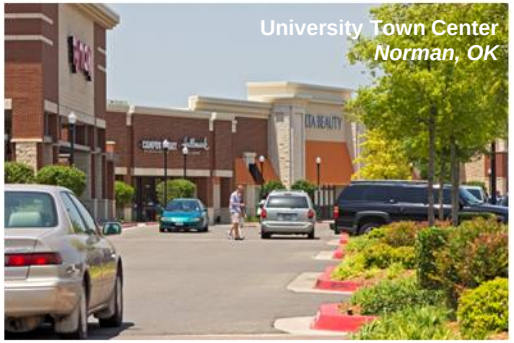
Retail Diversification By ABR (1)

By Property Type



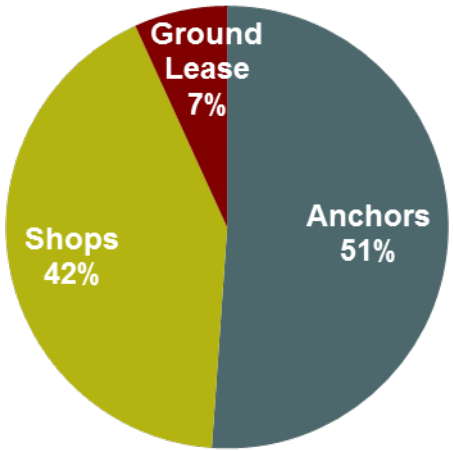
HIGH-QUALITY PORTFOLIO WITH STAGGERED LEASE EXPIRATIONS



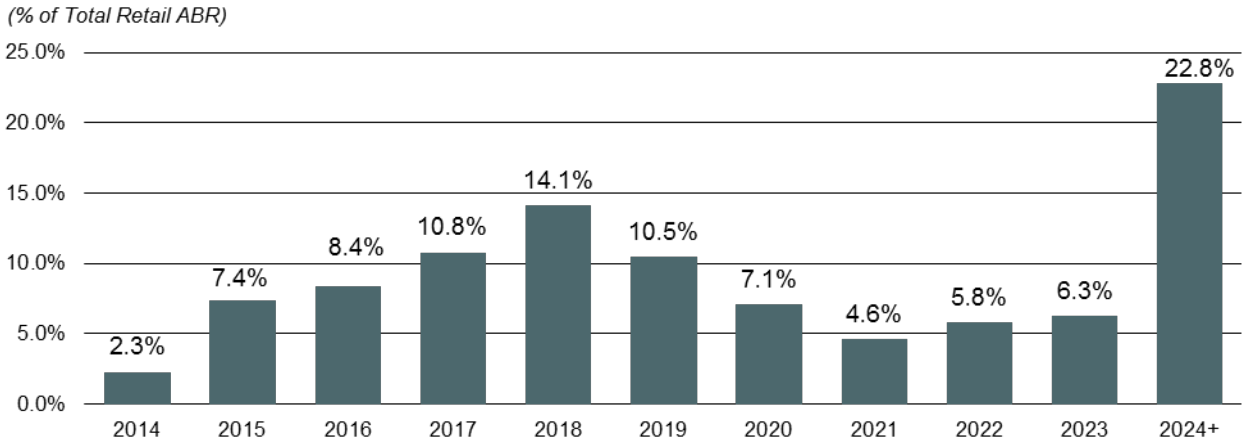




Retail ABR Breakdown



Lease Expirations



Note: Data pro forma for Inland Diversified, as of July 1, 2014.

Top 10 properties and tenants in aggregate account for less than 25% of total ABR and no single tenant contributes more than 4% ABR

Top 10 Properties By ABR (1)

Property	Location	Owned GLA
City Center	White Plains, NY	365,905
Centennial Center	Las Vegas, NV	857,832
Landstown Commons	Virginia Beach, VA	409,747
Portofino Shopping Center	Houston, TX	371,792
Delray Marketplace	Delray, FL	260,153
Bayonne Crossing	Bayonne, NJ	360,045
The Landing at Tradition	Port St. Lucie, FL	359,758
Eastern Beltway	Las Vegas, NV	525,226
Perimeter Woods	Charlotte, NC	303,328
Traders Point	Indianapolis, IN	279,684
Total		**4,093,470**

(1) As of July 1, 20014; includes development and redevelopment projects.

Top 10 Tenants By ABR (1)

Tenants	S&P Rating	% PF ABR
Publix	n/a	3.6%
PETSMART	BB+	2.5%
T.J.maxx	A+	2.3%
Office DEPOT Max	B-	2.2%
DICK'S SPORTING GOODS	n/a	2.0%
LOWE'S	A-	1.9%
ROSS DRESS FOR LESS	A-	1.9%
BED BATH & BEYOND	BBB+	1.8%
Michaels Where Creativity Happens	n/a	1.5%
Walgreens	BBB	1.5%
Total		**21.2%**

TOP 10 BEST CITIES FOR JOB GROWTH

Existing portfolio and focus areas for acquisition, development and redevelopment projects are concentrated in the country's fastest job growth cities

Top 10 Cities For Job Growth (1)	In Portfolio (2)
Naples, FL	✓
Austin, TX	✓
McAllen, TX	
Greeley, CO	
Dallas, TX	✓
Cape Coral, FL	✓
Raleigh, NC	✓
Port St. Lucie, FL	✓
Houston, TX	✓
San Antonio, TX	✓

Portfolio Highlights (3)

- 7 properties, totaling ~915,000 GLA, in #1 city of Naples
- Portfolio presence in 8 of the top 10 U.S. cities for job growth
- 100% of development pipeline located in top cities for job growth

(1) Source: Forbes Magazine, 2014.
(2) Cape Coral properties include Ft. Myers and Estero properties.
(3) Naples properties include a redevelopment project, Courthouse Shadows.

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Draper Crossing (UT)


Glendale Town Center (IN)

PERFORMANCE UPDATE



KEY MILESTONES

- In discussions with a potential buyer for several assets to further optimize our existing portfolio
- Successfully completed $2 billion merger with Inland Diversified on July 1st, 2014
- Acquired nine-property portfolio in November 2013 – 38% of ABR in Houston, Texas



CONSISTENT OPERATING PERFORMANCE (1)

- Same property NOI growth of 4.4% for quarter ended June 30, 2014
- 6th consecutive quarter of same property NOI growth above 4%
- Averaging 16% blended leasing spreads in 2013 and 2014
- Portfolio is 95.2% leased; has never been less than 90% leased since IPO in 2004
- Small shop leased percentage increased to 85.5%, up from 84.5% at June 30, 2013



FURTHER ENHANCE BALANCE SHEET FLEXIBILITY

- Increased liquidity, lowered borrowing costs and de-levered the balance sheet
- Increased borrowing capacity on the Revolver from $200 million to $500 million
- Reduced rate on the Revolver by 25-50 bps and the Term Loan rate by 10-55 bps across the leverage grid
- Pro forma Net Debt to Adjusted EBITDA expected to improve from the current 7.2x to 6.5x with closing of merger



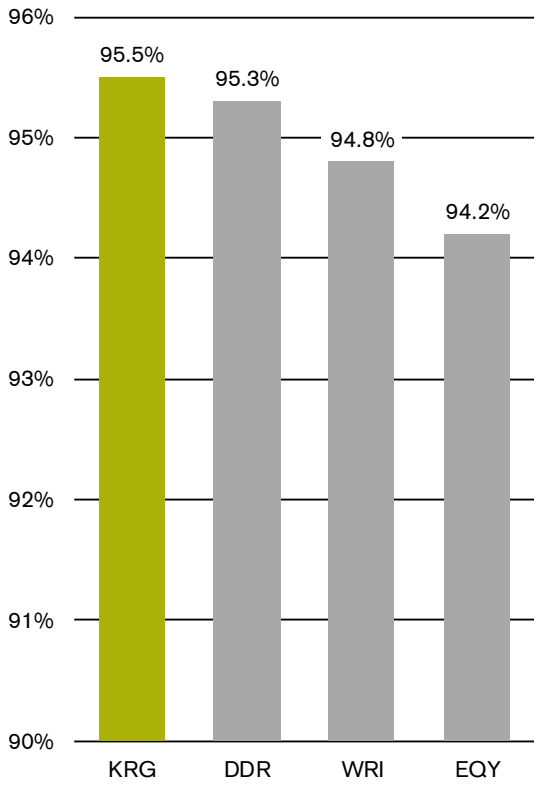
DEVELOPMENT AND REDEVELOPMENT PROGRESS

- Complete development and redevelopment projects currently under construction, totaling $183 million and 77% pre-leased
- **PARKSIDE TOWN COMMONS:** Raleigh MSA, North Carolina. Anchored by Target, Harris Teeter, Petco, Frank Theatre, Field & Stream and Golf Galaxy. Opened Phase I in 2nd quarter; Phase II is currently partially open
- **HOLLY SPRINGS TOWNE CENTER (Phase II):** Raleigh MSA, North Carolina. Construction is underway with a projected opening in the 3rd quarter of 2015
- **BOLTON PLAZA:** Jacksonville, Florida. Projected to be substantially completed in September of 2014. Anchored by Academy Sports & LA Fitness
- **GAINESVILLE PLAZA:** Gainesville, Florida. Project is underway and will be anchored by Burlington Coat Factory and Ross Dress for Less. Projected opening in late 2014

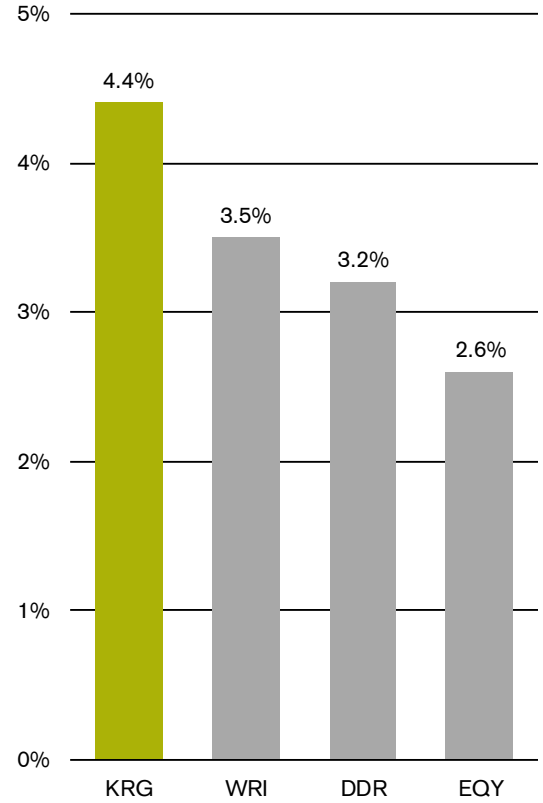
(1) KRG portfolio as of June 30, 2014.

Continued strong operating performance; industry-leader in key metrics compared to peers

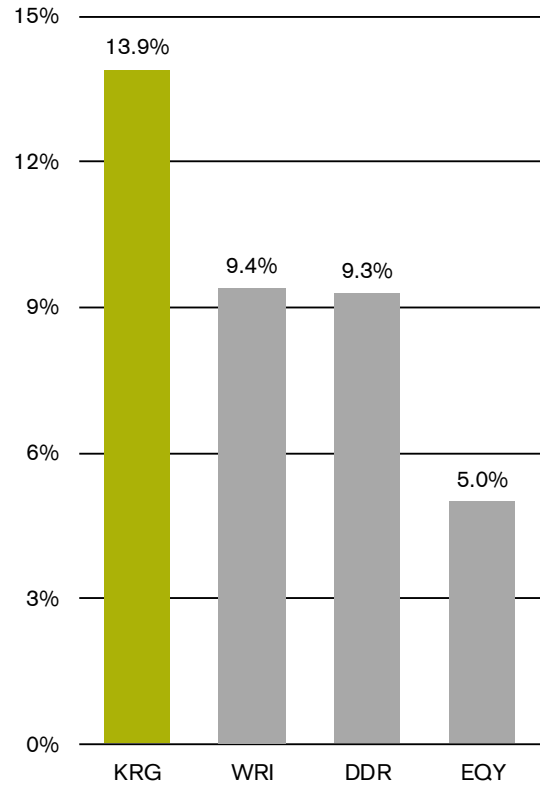
Portfolio Occupancy (1)



Same Property NOI Growth



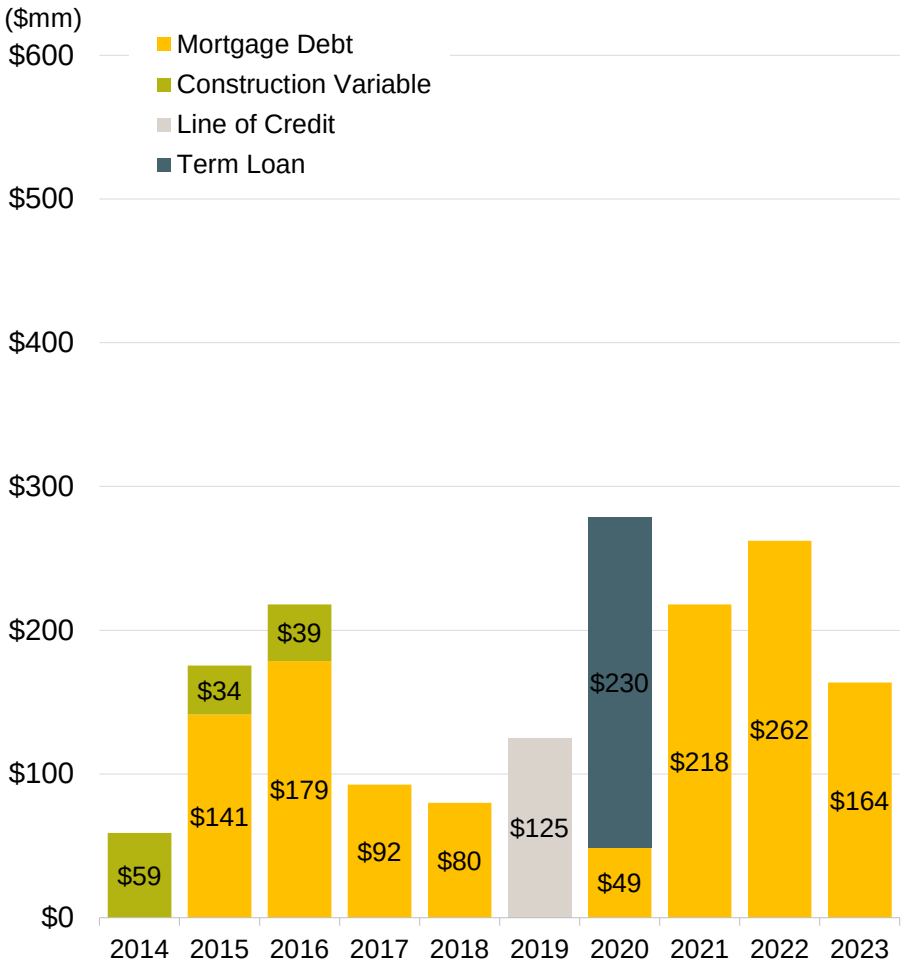
Cash Lease Spreads



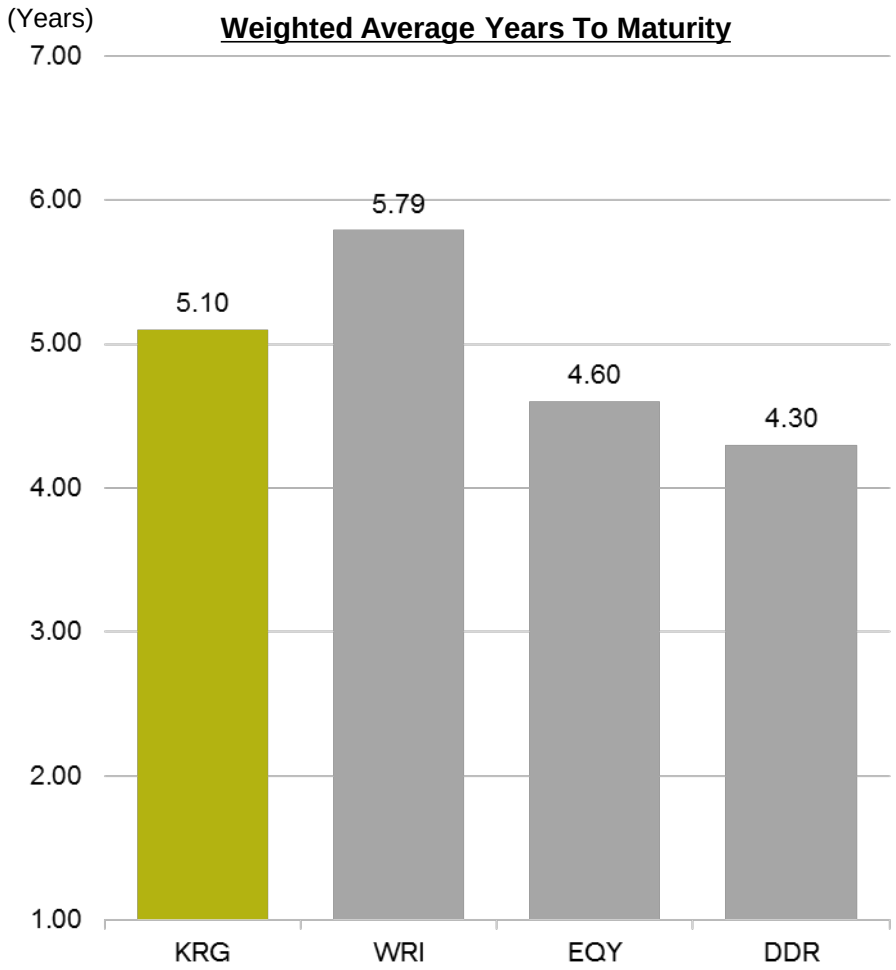
Source: Company filings; as of Q2 2014 unless otherwise noted.
(1.) As of July 1, 2014.

A well-staggered and extended debt maturity schedule provides balance sheet stability and the financial flexibility to execute growth strategy

Pro Forma Debt Maturity Schedule (1)



Continued Extension Of Debt Maturities (2)

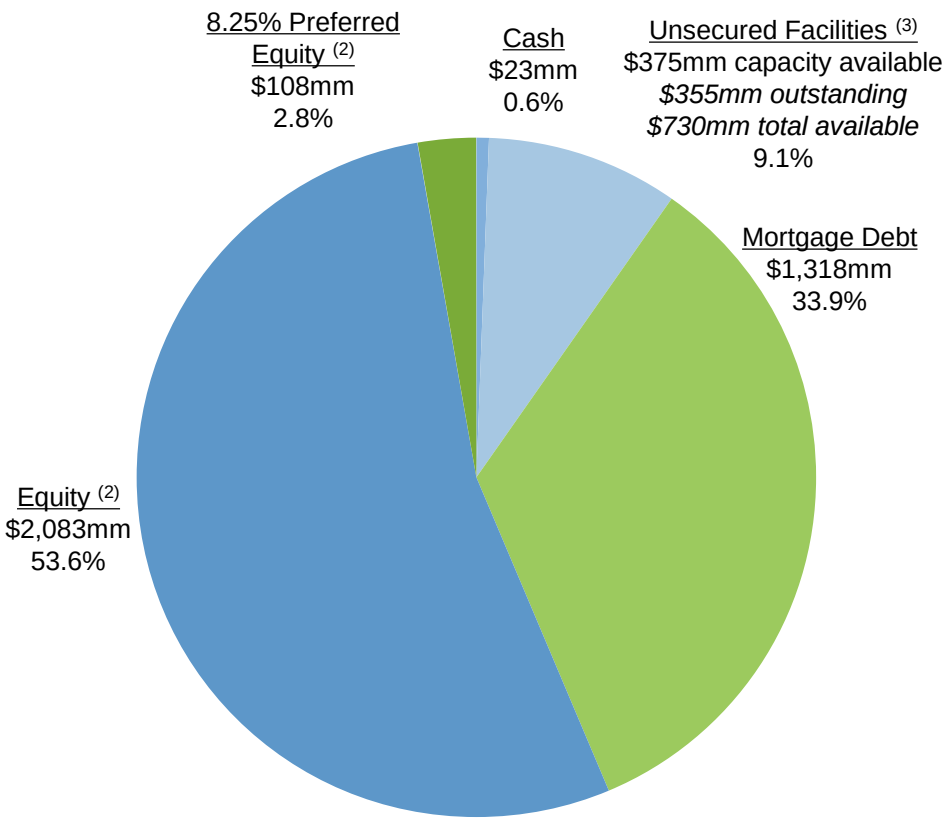


(1) As of July 2014. Chart excludes annual principal payments and net premiums on fixed rate. Schedule reflects post merger loan paydowns of the unsecured credit facility to $125 million, Rangeline Crossing, Four Corner Square and Tamiami Crossing. *Note: Revolver and Term Loan are shown at final maturities after extension options exercised.*

(2) Source: Company filings, Q2 2014. KRG numbers as of July 2014.

Multiple sources of liquidity and strong capital structure with a focus on achieving and maintaining investment grade metrics

Pro Forma Capital Structure As Of 06/30/14 (1)



Balance Sheet Strategy

- Financial flexibility allows us to focus on operations and our growth strategy
- A balanced approach manages shareholder return while meeting investment grade credit metrics
- Continue to expand unencumbered asset pool

(1) Chart excludes annual principal payments and net premiums on fixed rate. Schedule reflects post merger loan paydowns of the unsecured credit facility to $125 million, Rangeline Crossing, Four Corner Square and Tamiami Crossing. *Note: Revolver and Term Loan are shown at final maturities assuming extension options exercised.*
(2) Share price of $6.14 as of 06/30/14. Note: Preferred stock is redeemable beginning December 2015.
(3) Ability to create an additional $64mm of LOC capacity using unencumbered asset pool.

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King's Lake (FL) (before)



King's Lake (FL) (after)

FUTURE GROWTH INITIATIVES & VALUE-ADD OPPORTUNITIES

KRG will continue to be focused on generating strong operational performance and maintaining a conservative capital structure to drive shareholder value

Company Objectives

- Become a "must own" company for investors by driving shareholder value
- Selectively cull combined portfolio and redeploy capital into higher quality, growth assets
- Establish position as a leading company in target markets

Operational Strategy

- Expand and refine targeted markets and enhance asset quality to improve performance
- Generate efficiencies through the integration of operating procedures and systems
- Continue to utilize development and redevelopment expertise to drive growth

Financial Strategy

- Lower leverage and conservative balance sheet provides financial flexibility
- Staggered debt maturity schedule minimizes refinancing risk
- Strong liquidity profile
- Establish path to investment grade rating and reduce overall cost of capital

COMPANY OBJECTIVES & KEY LEVERS FOR GROWTH

Various growth levers can be utilized to enhance the existing portfolio and shareholder value while maintaining a prudent and balanced business plan

Summary Of Recent Events & Actions

Portfolio Enhancement

- ✓ Announced dispositions, in non-core markets with strategic plan to recycle capital in select markets
- ✓ Petco opened at Parkside Phase I; Field & Stream and Golf Galaxy opened at Parkside Phase II
- ✓ King's Lake Square redevelopment in Naples, FL completed in Q2 2014
- ✓ Bolton Plaza redevelopment in Jacksonville, FL expected to be completed in Q3 2014

Strong Operating Performance

- ✓ Six consecutive quarters of 4% SSNOI, 4.4% in Q2
- ✓ Continued improvement in small shop leasing, currently 85.5% leased
- ✓ Achieved 7.7% cash rent spread on renewals in Q2

Financial Flexibility

- ✓ Increased borrowing capacity by $300mm
- ✓ Reduced rate on the revolver and term loan
- ✓ Extended debt profile by ~45%, to a weighted average of 5.1 years
- ✓ Established investment grade quality metrics

COMPANY OBJECTIVES & KEY LEVERS FOR GROWTH

Events on the horizon and key goals for the future position KRG well for future growth and operational performance

Near-Term Targets & Rationale

Portfolio Enhancement

- Recycle sale proceeds into high quality assets
- Stabilize Parkside development in 2H 2015
- Holly Springs, Phase II target opening by 2H 2015
- Construction to begin mid-2015 at Tamiami Crossing (25 acres in Naples in land held for development)
- Conducted detailed analysis of existing portfolio by region to identify opportunities
- Estimated $75-100mm of potential repositioning and redevelopment prospects identified

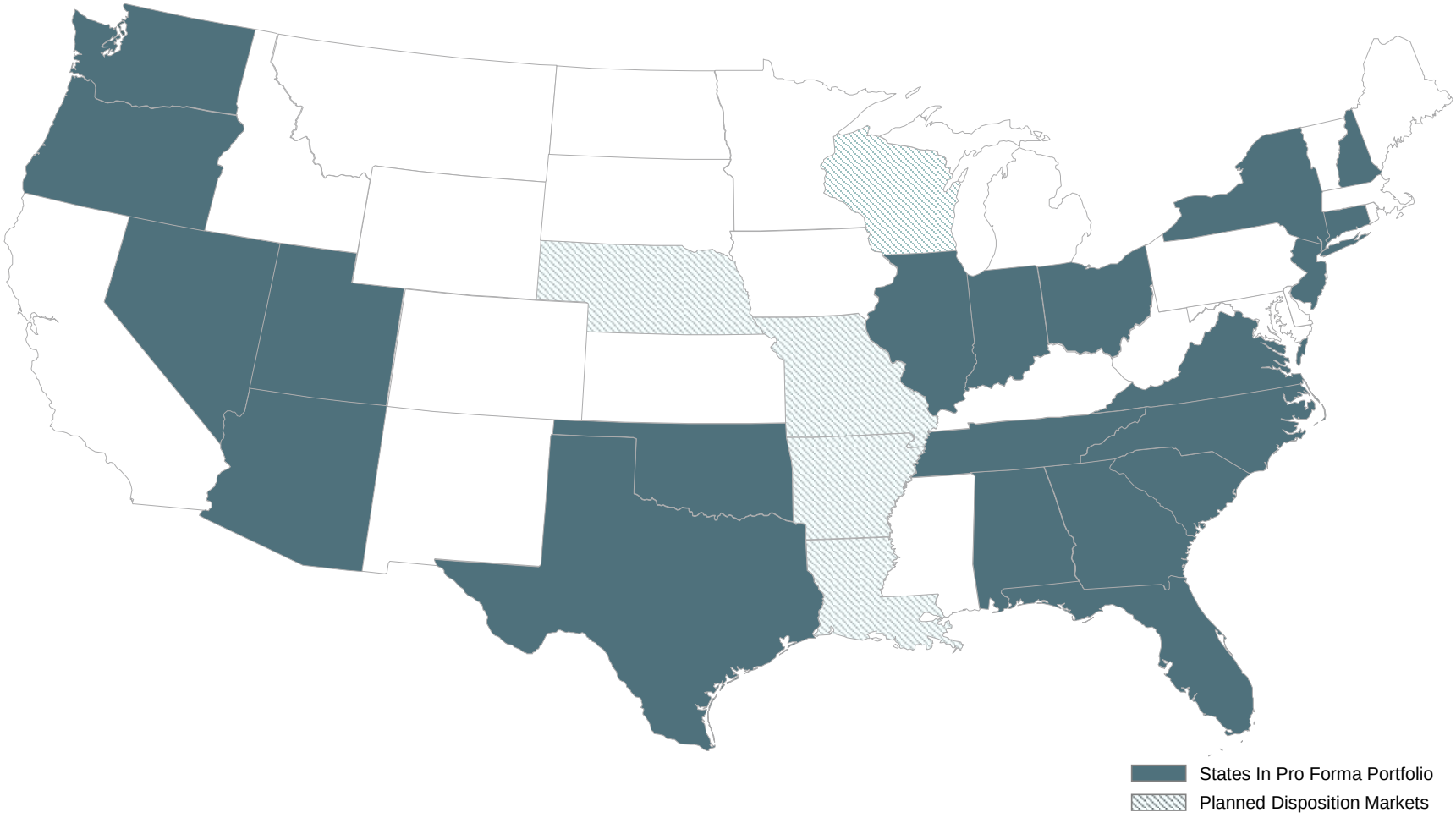
Strong Operating Performance

- Focus on intense asset management with a goal of 90% tenant retention
- Target cash renewal spread growth of 5%
- Continue to improve small shop leasing %

Financial Flexibility

- Achieve Net Debt to Adj. EBITDA of 6.0-6.5x
- Achieve investment grade ratings
- Ability to unencumber an additional 20-25% of NOI over the next ~18 months via prepayable and maturing debt
- Ability to call 8.25% preferred shares in 2015

Continue to focus on strategic plan for long-term expansion in core markets



MARKET DISCOUNTS KITE PERFORMANCE

Despite strong overall performance and outlined growth path, the market appears to be discounting the valuation

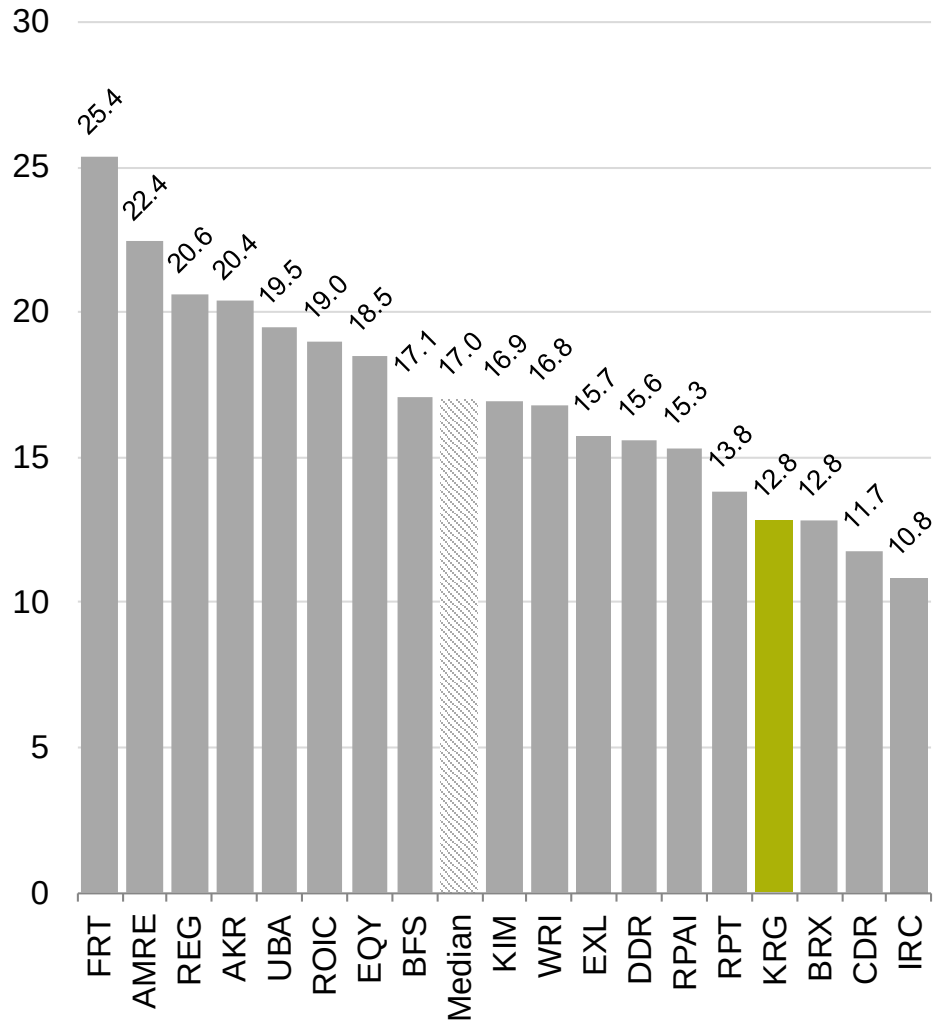
In Summary

- Strategic M&A execution
- Focused on key growth markets
- Diversified property and tenant base
- Industry-leading operating metrics
- Enhanced balance sheet and financial flexibility

Growth & Value Creation Initiatives

- Outlined path to growth focused on value creation via improving asset quality
- Utilize embedded development skills in operating platform via redevelopment

Price / FFO Multiple 2014E (1)



1. Source: SNL.

FORWARD – LOOKING STATEMENTS

Certain statements in this presentation that are not in the present or past tense or that discuss the Company's expectations (including any use of the words "anticipate," "assume," "believe," "estimate," "expect," "forecast," "guidance," "intend," "may," "might," "outlook," "project", "should" or similar expressions) are forward-looking statements within the meaning of the federal securities laws and as such are based upon current beliefs as to the outcome and timing of future events. These forward-looking statements, which are based on current expectations, estimates and projections about the industry and markets in which the Company operates and beliefs of and assumptions made by management, involve uncertainties that could significantly affect the financial results of the Company. There can be no assurance that actual future developments affecting the Company will be those anticipated by the Company. These forward-looking statements involve risks and uncertainties (some of which are beyond the control of the Company) and are subject to change based upon various factors including, but not limited to, the following risks and uncertainties: changes in the real estate industry and in performance of the financial markets and interest rates; the demand for and market acceptance of the Company's properties for rental purposes; the ability of the Company to enter into new leases or renewal leases on favorable terms; the amount and growth of the Company's expenses; tenant financial difficulties and general economic conditions, including interest rates, as well as economic conditions and competition in those areas where the Company owns properties; risks associated with joint venture partners; risks associated with the ownership and development of real property; the outcome of claims and litigation involving or affecting the Company; the ability to satisfy conditions necessary to close pending transactions and the ability to successfully integrate pending transactions; applicable regulatory changes; risks associated with acquisitions, including the integration of the Company's and Inland Diversified Real Estate Trust, Inc.'s businesses; risks associated with achieving expected revenue synergies or cost savings; and other risks and uncertainties detailed from time to time in the Company's filings with the Securities and Exchange Commission (the "SEC"). Should one or more of these risks or uncertainties occur, or should underlying assumptions prove incorrect, the business, financial condition, liquidity, cash flows and financial results of the Company could differ materially from those expressed in the forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made. New risks and uncertainties arise over time, and it is not possible for us to predict the occurrence of those matters or the manner in which they may affect us. The Company does not undertake to update forward-looking statements (including EBITDA and net debt to adjusted EBITDA estimates) except as may be required by law.