

Livingston Center (Livingston, NJ)


Chapel Hill (Dallas, TX)

KITE

INVESTOR UPDATE

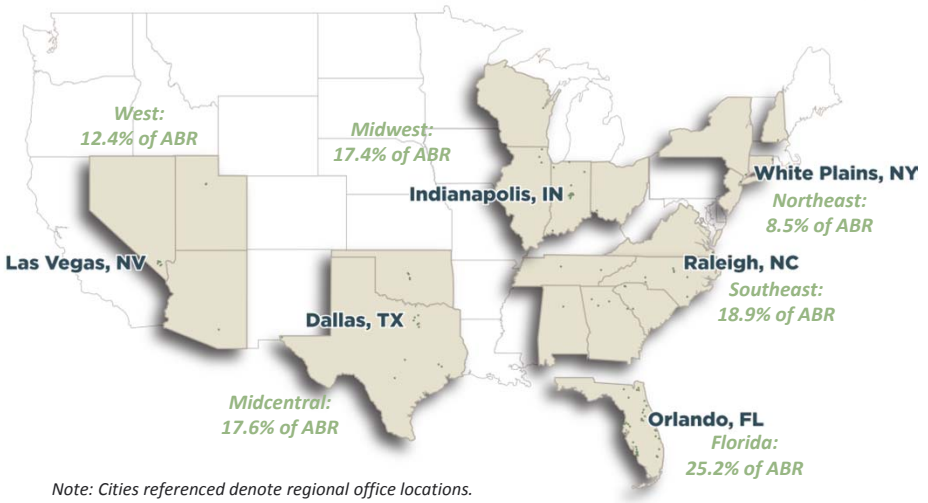
February 2016

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COMPANY SNAPSHOT

KITE REALTY GROUP TRUST	
Share Price	$25.93
Market Capitalization	$2.2bn
Enterprise Value	$3.9bn
Dividend Yield [1]	4.3%
Net Debt + Preferred / EBITDA	6.98x
Moody's / S&P Ratings	Baa3 / BBB-



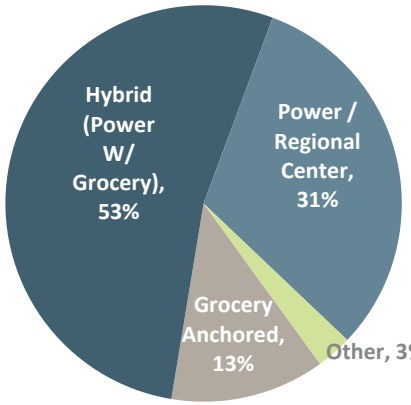
Note: Cities referenced denote regional office locations.

PORTFOLIO SUMMARY

Number of Properties	121
Number of States	20
Total GLA (SF)	24mm
Total Retail Operating Leased	95.4%
Retail Operating Shop Leased	87.6%
Annualized Base Rent (Per SF) [2]	$15.22
Average Center Size (SF)	~200,000
Portfolio Demographics [3]	
Average Household Income	$84,000
Population	> 181,000

RETAIL PORTFOLIO PRODUCT BREAKDOWN

66% Of Assets Anchored With A Grocery



Note: All data as of 12/31/15 unless otherwise noted.

1. Source: Bloomberg, as of 02/16/16. Dividend yield calculated as "Indicated Yield" per Bloomberg definition.
2. ABR excludes ground lease revenue attributable to parcels and outlots owned by the Company.
3. Demographic data for income pulled on a 3-mile radius, and population data based on a 5-mile radius. Source: STI: Popstats.

UNLOCKING THE VALUE IN 2016 AND BEYOND

KITE'S CORPORATE STRATEGY FOCUSES ON THE "CORE" OF THE BUSINESS

C ULTURE & PASSION

O PERATIONAL EXCELLENCE

R ESILIENT BALANCE SHEET

E XECUTION

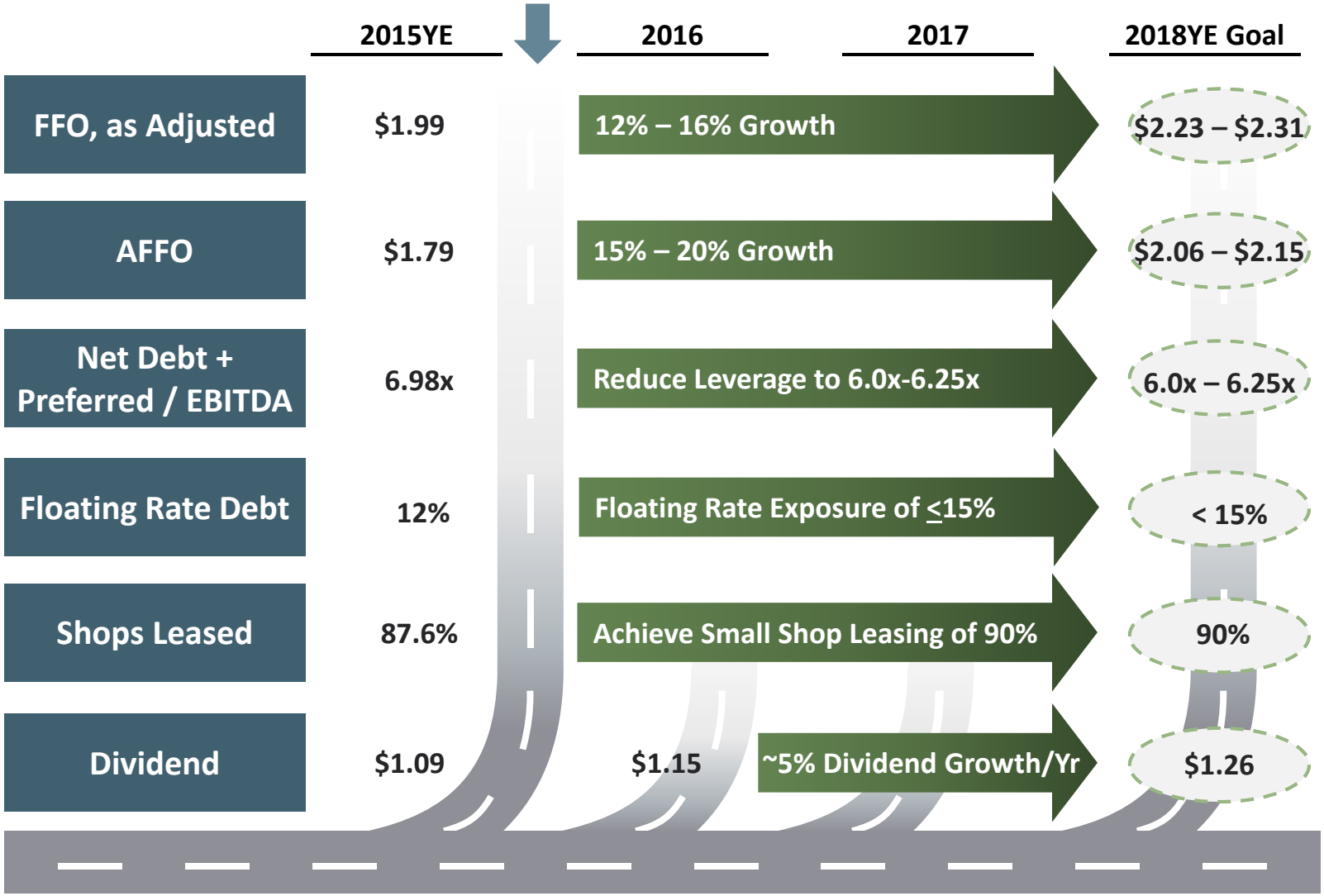


Eddy Street Commons (South Bend, IN)

KITE'S 3-YEAR ROADMAP OUTLINES THE STRATEGY TO UNLOCK THE VALUE WITHIN EACH ASPECT OF THE "CORE"

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KITE'S 3-YEAR CORE ROADMAP TO UNLOCK VALUE



Note: These are merely goals at this time and are subject to various contingencies, many of which are beyond the Company's control. These goals are based on our current expectations of future conditions and performance. The Company's actual performance may not meet these expectations.

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CULTURE & PASSION

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- MANAGEMENT TEAM CONSISTENCY FOR ~12+ YEARS
- INDUSTRY-LEADING SYSTEMS
- CUSTOMER-FOCUSED MENTALITY
- TOP-TIER OPERATING EFFICIENCY METRICS



Colleyville Downs (Dallas, TX)

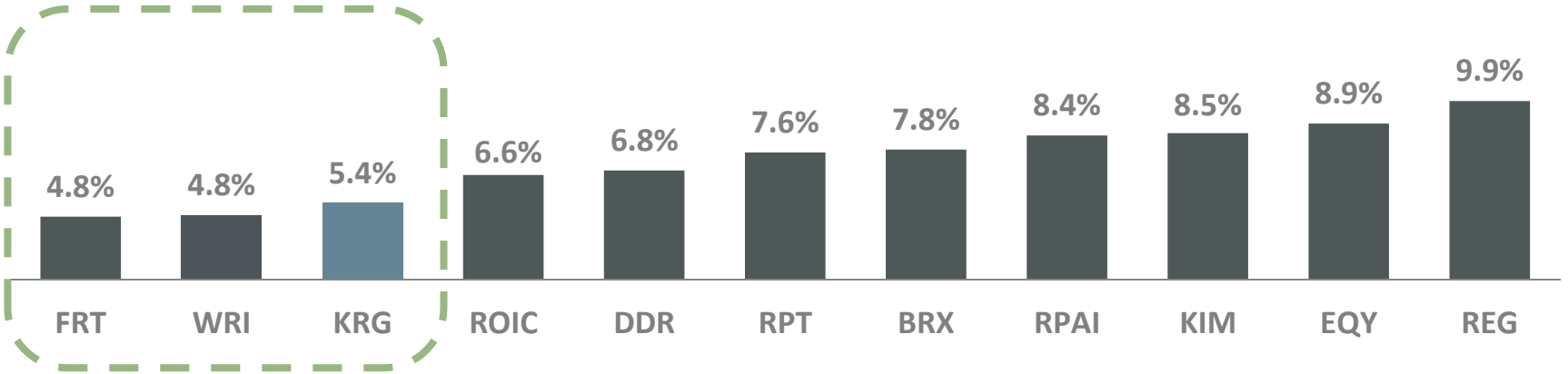
UNLOCK THE VALUE ROADMAP GOALS:

- MAINTAIN TENANT RETENTION OF >85%
- TOP-TIER INDUSTRY EFFICIENCY METRICS
- MULTIPLE TENANT TOUCHES PER TENANT EACH QUARTER

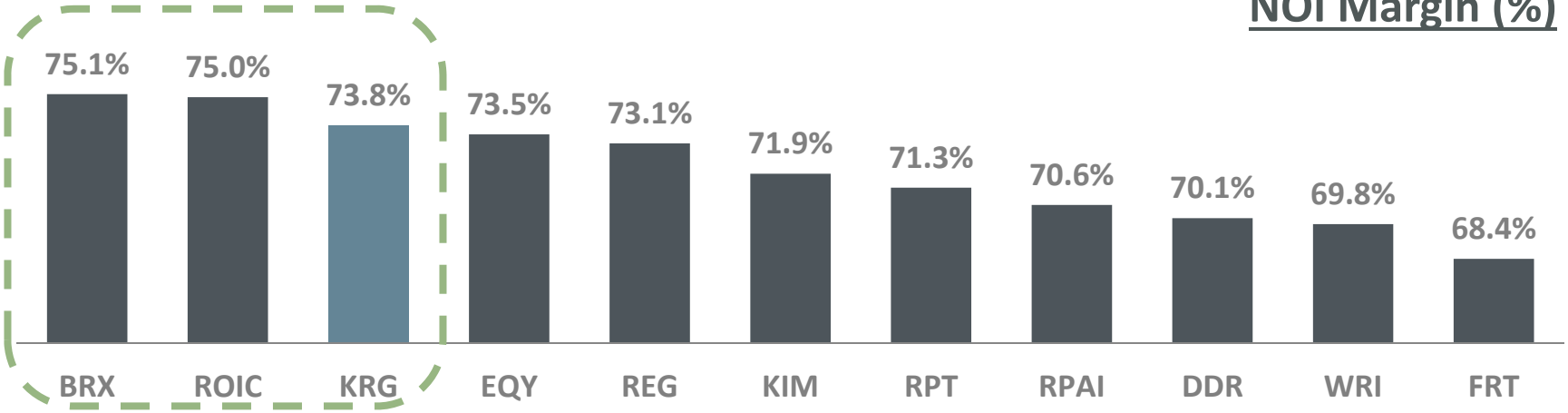
TOP-TIER OPERATING EFFICIENCY

Kite efficiency metrics are among the best in the industry

G&A / Revenues (%)



NOI Margin (%)



Source: Data reflects trailing four quarters average for KRG, KIM, DDR, FRT, REG, RPAI, WRI, and trailing three quarters average for BRX, EQY, ROIC, RPT due to fourth quarter earnings release timing. Reflects pro rata income statement figures.

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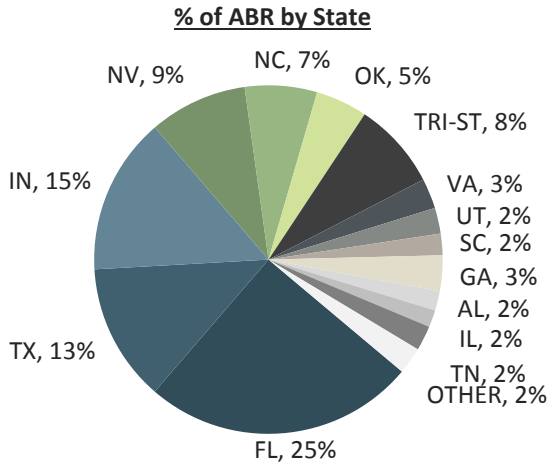
CULTURE & PASSION: TENANT FOCUSED

HIGH-QUALITY, DIVERSE REVENUE SOURCES IN TERMS OF TENANTS AND GEOGRAPHIES

HIGH-QUALITY TENANT BASE

	Top Tenants By ABR	# Stores	% ABR
1	Publix	18	3.4%
2	TJ Maxx	21	2.6%
3	PetSmart	18	2.2%
4	Bed Bath & Beyond	18	2.2%
5	Ross Dress For Less	17	2.1%
6	Lowe's	5	2.1%
7	Office Depot / Max	18	2.0%
8	Dick's Sporting Goods	9	1.9%
9	Michaels	13	1.5%
10	Walmart	6	1.5%
	Total	143	21.5%

GEOGRAPHICALLY DIVERSE



INVESTMENT GRADE RATED TOP TENANTS

2016 LEASE ACTIVITY EXAMPLES

First In Indiana: Cool Creek Commons (IN)

First In Florida: Gainesville Plaza (FL)

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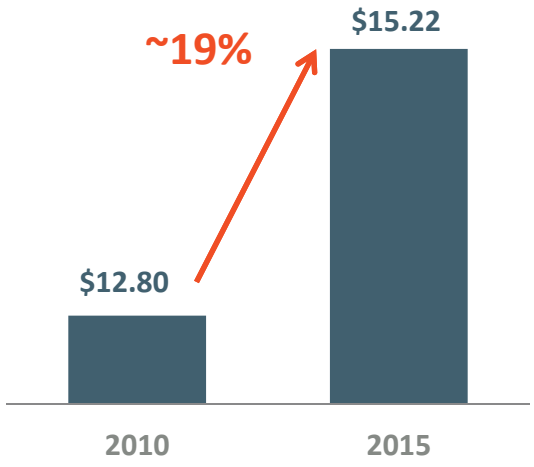
E XECUTION

- TOP-TIER FINANCIAL RESULTS
- STRONG LEASE SPREADS
- HIGH-QUALITY MANAGED PORTFOLIO

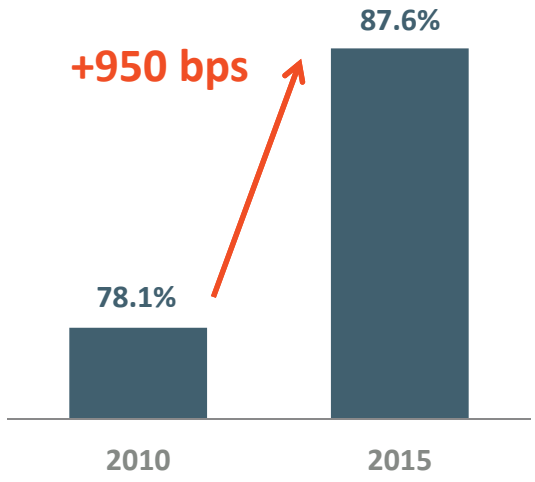
UNLOCK THE VALUE ROADMAP GOALS:

- FFO GROWTH OF 12-16%
- AFFO GROWTH OF 15-20%
- SMALL SHOPS LEASED TO 90%

ABR Per SF



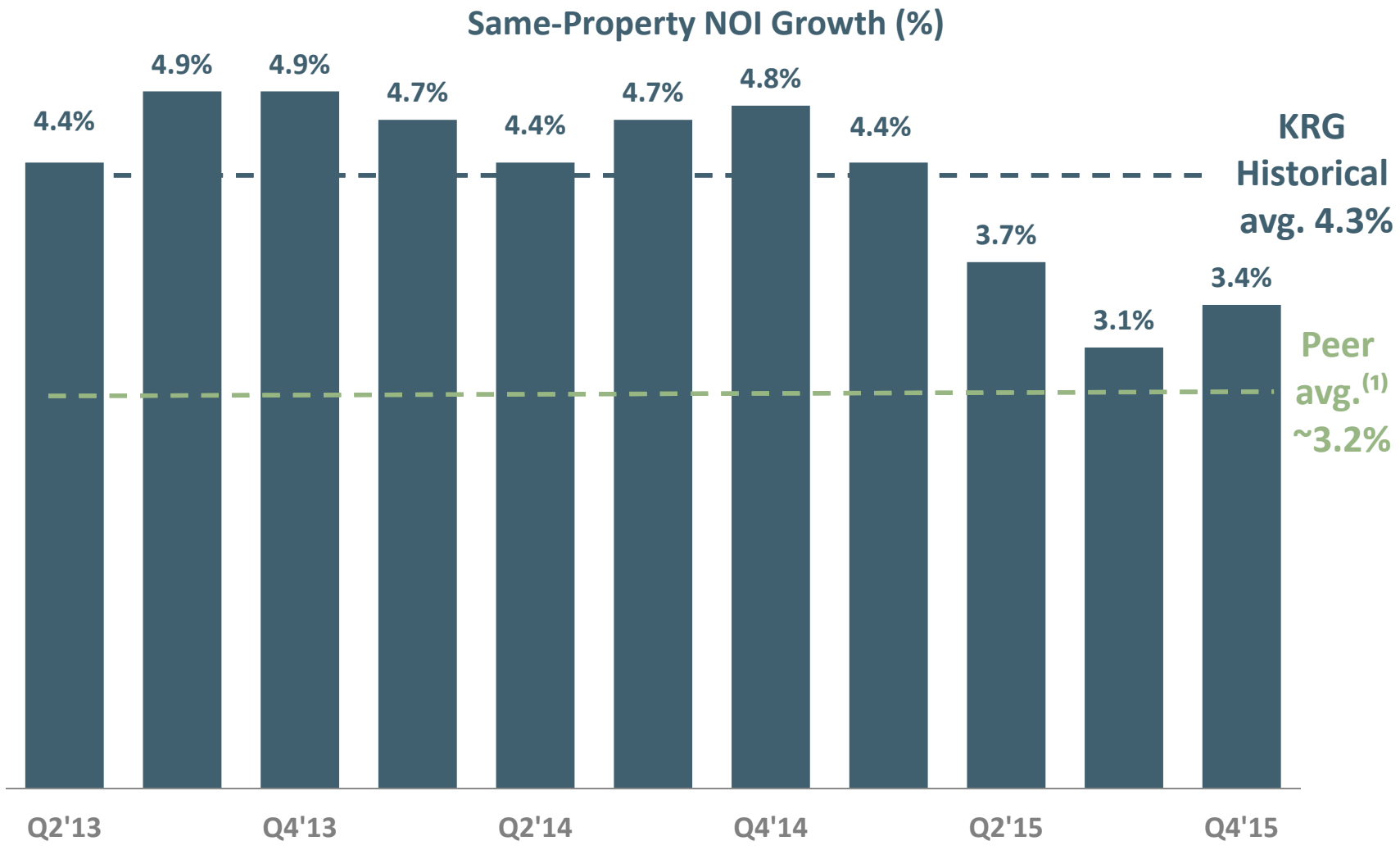
Small Shops Leased



Note: FFO and AFFO growth goals for year-end 2018 and based on per share amounts.

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HISTORICAL NOI GROWTH OUTPERFORMS SECTOR

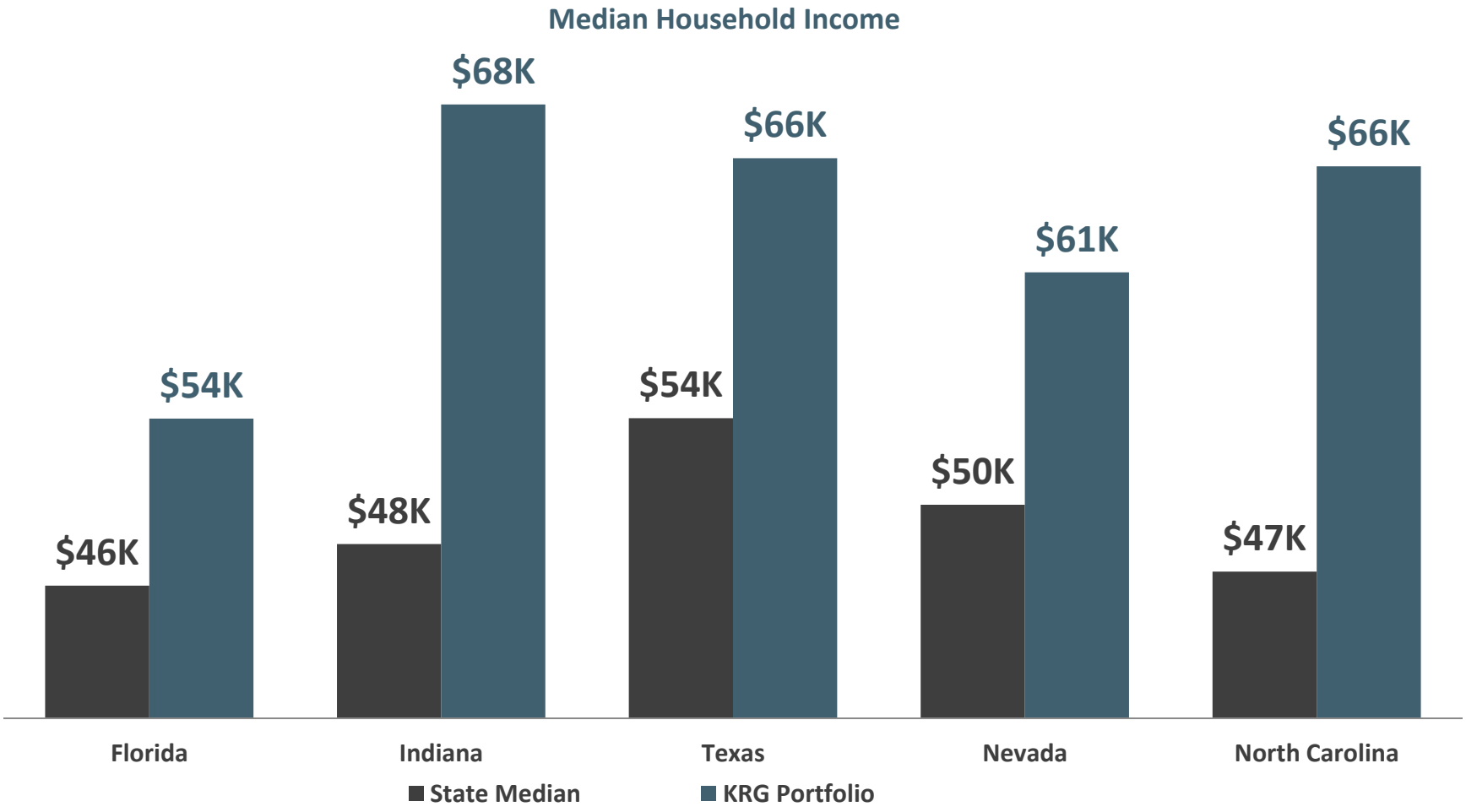


1. Peers include AKR, BRX, CDR, DDR, EQY, FRT, KIM, REG, ROIC, RPAI, RPT, WRI, as of 09/30/15. Same-store numbers exclude redevelopment.

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ASSET QUALITY SUPPORTED BY TOP SUB-MARKETS

ASSETS ACROSS THE TOP 5 MARKETS SUPERIORLY POSITIONED



Source: STI: Popstats; information based on a 3-mile radius for the KRG portfolio.

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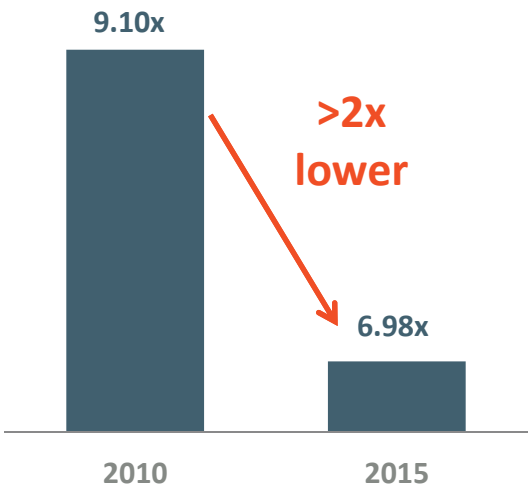
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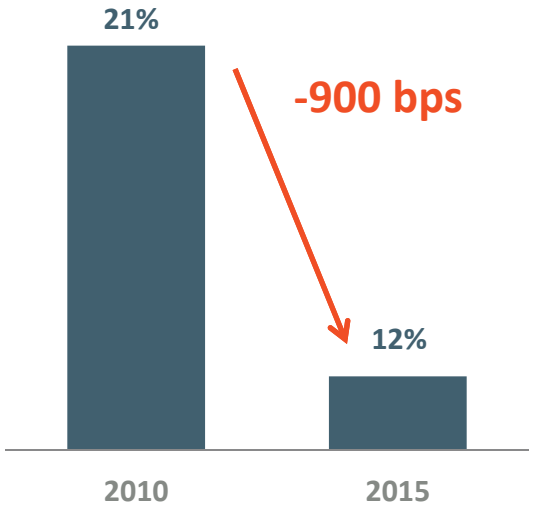
E XECUTION

- INVESTMENT GRADE RATED: Baa3 / BBB-
- WELL-STAGGERED MATURITIES
- AMPLE LIQUIDITY; FREE CASH FLOW OF $50MM

NET DEBT + PRFD / EBITDA



FLOATING RATE EXPOSURE



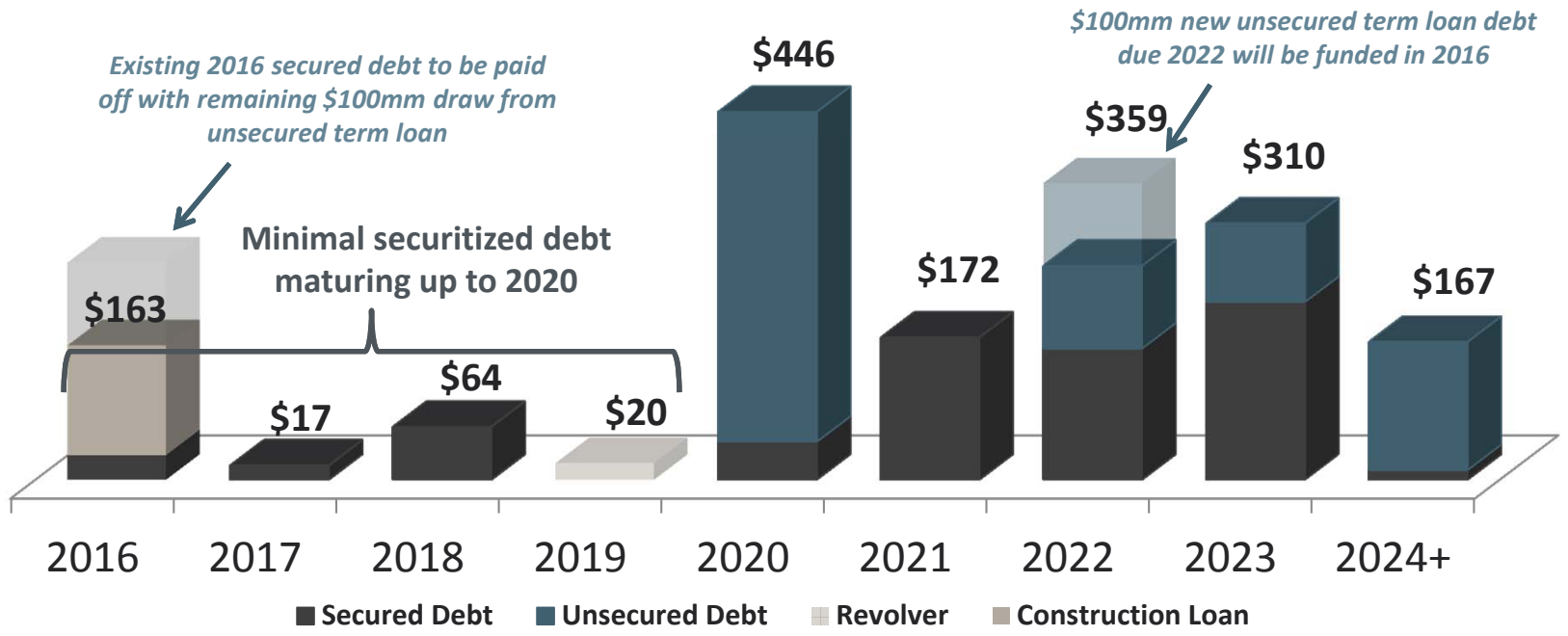
UNLOCK THE VALUE ROADMAP GOALS:

- REDUCE LEVERAGE TO 6.0x-6.25x
- MAINTAIN / IMPROVE RATINGS PROFILE
- MAINTAIN FLOATING RATE DEBT EXPOSURE OF 15% OR LESS

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WELL-STAGGERED DEBT MATURITY PROFILE

KRG'S PRO FORMA DEBT SCHEDULE (1)



1. As of 12/31/15; Chart excludes scheduled principal payments and net premiums. Term Loan in 2020 shown at final maturity after extension options exercised. Full potential revolver capacity of $500 million. Executed $200mm term loan due 2022 with delayed-draw feature. First $100mm funded at YE 2015, remaining to be funded in 2016. Remaining $100mm draw will be used to pay down 2016 secured debt.

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EXECUTION

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EXECUTION

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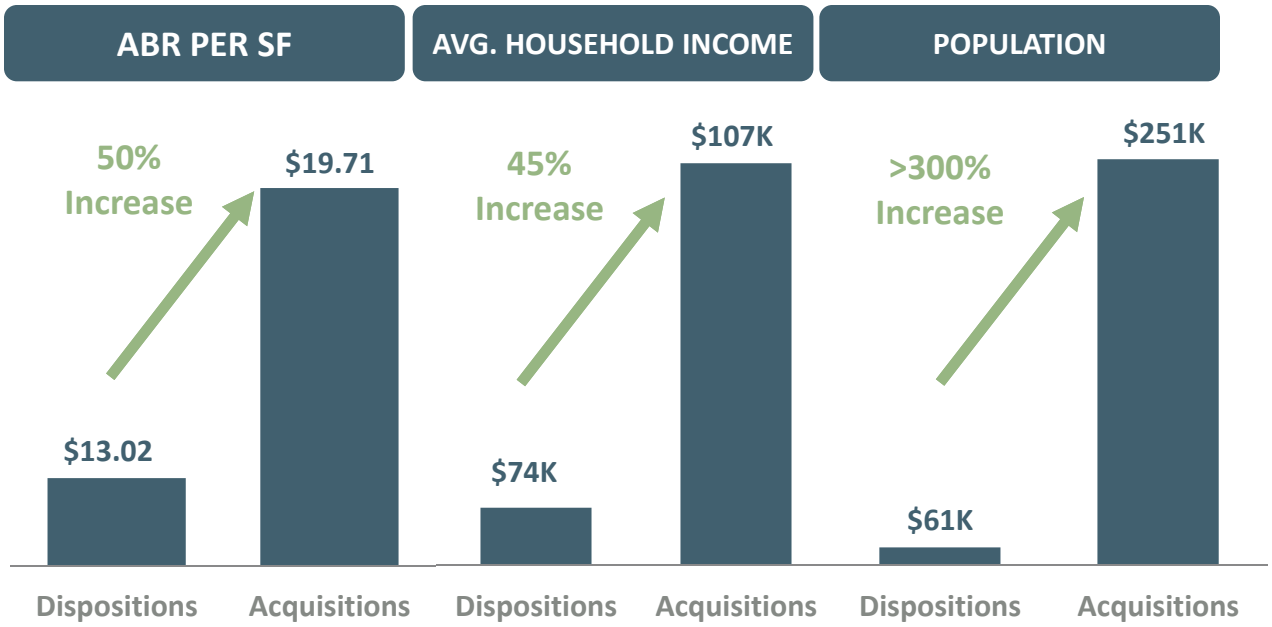
R ESILIENT BALANCE SHEET

E XECUTION

- SEAMLESS INTEGRATION OF MERGER ASSETS
- SWIFT DISPOSITION PLAN FOR NON-CORE ASSETS
- 3-R INITIATIVE IMPLEMENTED

UNLOCK THE VALUE ROADMAP GOALS:

- MAINTAIN ≥ $100mm 3-R PROJECTS
- CONTINUE NAV GROWTH
- TARGET ~5% ANNUAL DIVIDEND GROWTH



Note: Dispositions include the 15-asset disposition which closed in Q4 2014 and Q1 2016. Acquisition assets include Livingston Shopping Center, Rampart Commons, Belle Isle, Colleyville Downs and Chapel Hill. Demographic data from AGS; population data based on a 5-mile radius and household income based on a 3-mile radius.

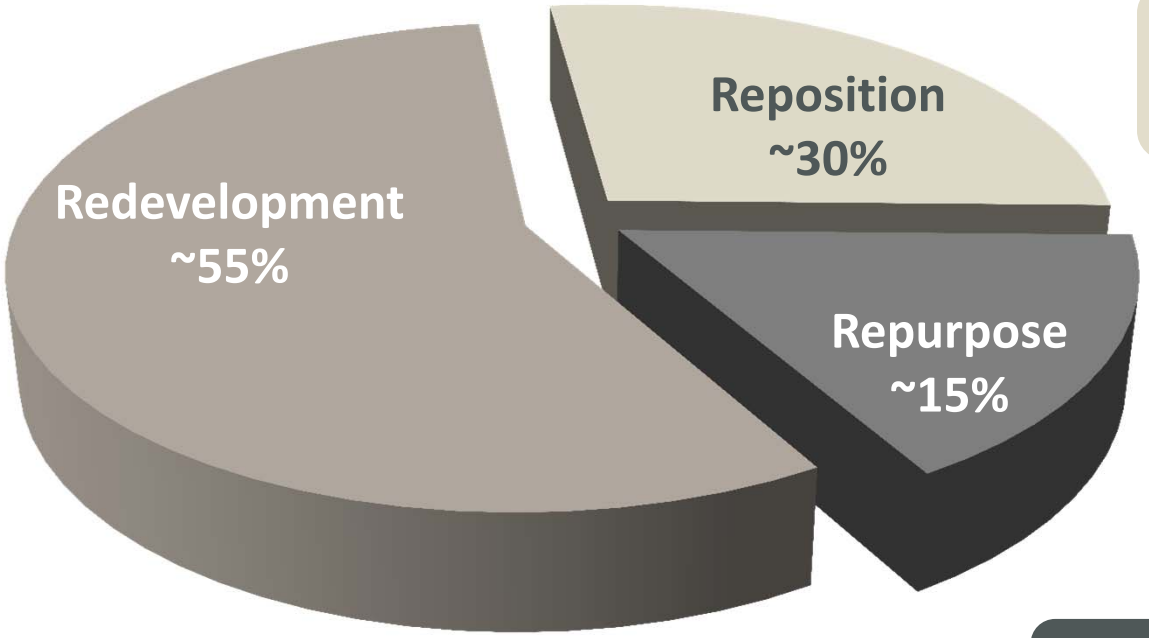
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THE 3-R INITIATIVE DRIVES NAV AND FFO GROWTH

THE 3 RS: REDEVELOPMENT, REPOSITION, REPURPOSE

The $130-145mm in redevelopment estimated to commence over the next 18 months can be broken down into the 3 categories: redevelopment, repositioning and repurposing

Redevelopment Pipeline Composition



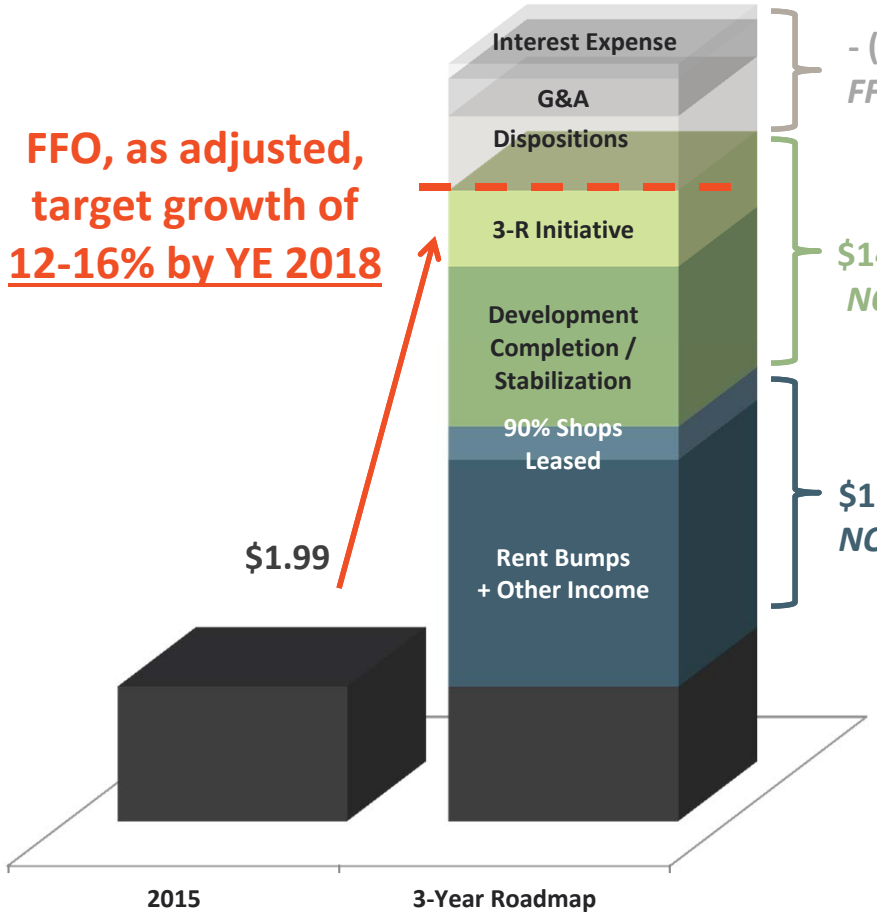
E.g. Castleton Crossing and Centennial Center
Optimizing tenant mix, modest asset enhancements

E.g. City Center and Portofino
Traditional redevelopment, involving substantial improvements

E.g. The Corner in Indianapolis
Transforming function / use of the asset to drive NOI growth

3-YEAR ROADMAP TO GROW FFO, AS ADJUSTED

3-YEAR ROADMAP TO GROW FFO, AS ADJUSTED, BY 12-16% BY YEAR END 2018



- ($6-8mm) *FFO Impact*

Reductions in FFO from interest expenses, G&A and asset sales partially offset by preferred dividend savings

$14-16mm + *NOI Impact*

Begin executing / stabilizing 3-R initiative, estimate stabilized at 9-11% returns

Stabilize remaining development and transitional assets

$13-17mm *NOI Impact*

Increase and maintain small shops at 90% leased

2016 SSNOI Guidance: 2.5%-3.5%
Future years to target 2%-3% annually

Note: These are merely goals at this time and are subject to various contingencies, many of which are beyond the Company's control. These goals are based on our current expectations of future conditions and performance. The Company's actual performance may not meet these expectations.

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FORWARD-LOOKING STATEMENTS

This presentation, together with other statements and information publicly disseminated by us, contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such statements are based on assumptions and expectations that may not be realized and are inherently subject to risks, uncertainties and other factors, many of which cannot be predicted with accuracy and some of which might not even be anticipated. Future events and actual results, performance, transactions or achievements, financial or otherwise, may differ materially from the results, performance, transactions or achievements, financial or otherwise, expressed or implied by the forward-looking statements. Risks, uncertainties and other factors that might cause such differences, some of which could be material, include but are not limited to: national and local economic, business, real estate and other market conditions, particularly in light of low growth in the U.S. economy as well as uncertainty added to the economic forecast due to the sharp drop in oil and energy prices in late 2014; financing risks, including the availability of and costs associated with sources of liquidity; our ability to refinance, or extend the maturity dates of, our indebtedness; the level and volatility of interest rates; the financial stability of tenants, including their ability to pay rent and the risk of tenant bankruptcies; the competitive environment in which we operate; acquisition, disposition, development and joint venture risks; property ownership and management risks; our ability to maintain our status as a real estate investment trust for federal income tax purposes; potential environmental and other liabilities; impairment in the value of real estate property we own; risks related to the geographical concentration of our properties in Florida, Indiana, and Texas; insurance costs and coverage; other factors affecting the real estate industry generally; and other uncertainties and factors identified in this presentation and, from time to time, in reports we file with the SEC or in other documents that we publicly disseminate, including, in particular, the section titled “Risk Factors” in our most recent Annual Report on Form 10-K. The Company undertakes no obligation to publicly update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.