

KITE

September 2018

INVESTOR UPDATE

888 577 5600 kiterealty.com

KRG LISTED NYSE

KITE

Kite Realty Group Trust is a full-service, vertically integrated real estate investment trust (REIT) that provides communities with convenient and beneficial shopping experiences. We connect consumers to tenants in desirable markets through our portfolio of open-air shopping centers. Using operational, development, and redevelopment expertise, we continuously optimize our portfolio to maximize value and return to our shareholders.

PUBLICLY TRADED SINCE 2004

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with a successful history in the real estate industry dating back to the 1960s.

$3.4 BILLION+

in assets across our portfolio.

115 PROPERTIES

in desirable markets across the country.

22.5 MILLION SF

plus two developments (0.7mm SF) currently under construction.

19 STATES

Arizona, Connecticut, Florida, Georgia,Illinois, Indiana, Nevada, New Hampshire, New Jersey, New York, North Carolina, Ohio, Oklahoma, South Carolina, Tennessee, Texas, Utah, Virginia, and Wisconsin

*Information as of 6/30/18

KRG LISTED NYSE **kiterealty.com 888 577 5600**
30 South Meridian Street, Suite 1100, Indianapolis, IN 46204



















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COMPANY SNAPSHOT

Community-Driven Open-Air Shopping Centers

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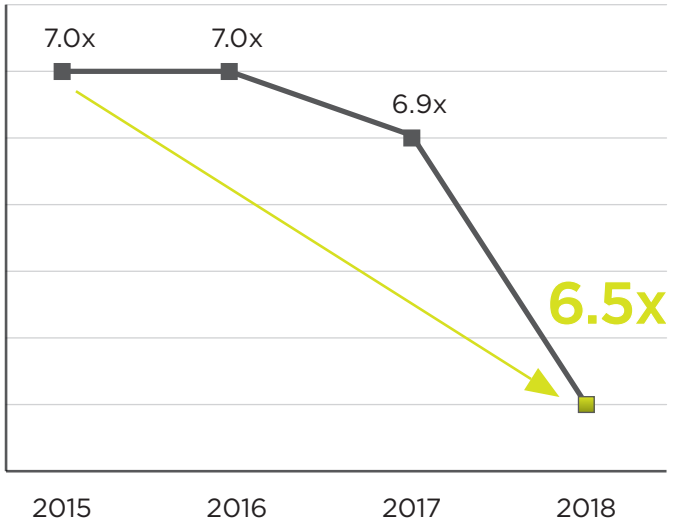
WHY KITE?

- **High-quality, geographically balanced portfolio with diverse tenant base**
- **Self-funded redevelopment, repurpose, and reposition ("3-R") program[1]**
- **Investment grade, flexible balance sheet**
- **Well-covered dividend with attractive yield[2]**
- **Experienced, disciplined team focused on operational excellence**

KRG FACTS	KRG LISTED NYSE
Number of Properties	**115**
Total GLA (SF)	**22.5mm**
Total Retail Operating Portfolio Leased	**93.6%**
Percent Leased Anchors	**95.0%**
Percent Leased Shops	**90.4%**
Annualized Base Rent (ABR) Per SF, Including 3-R Properties[1]	**$16.66**
Average Center Size (SF)	**~200,000**
Dividend Yield[2]	**7.4%**
FFO Payout	**61.1%**
Moody's / S&P Ratings	**Baa3 / BBB-**

NET DEBT TO EBITDA RATIO



Note: Unless otherwise indicated, the source of all Company data is publicly available information that has been filed with the Securities and Exchange Commission as of June 30, 2018.
(1) 3-R Properties are assets that are in the process of being redeveloped, repositioned, or repurposed, as described in our Quarterly Financial Supplement.
(2) Dividend yield calculated as most recent quarterly dividend, annualized and expressed as a percentage of the share price. Future dividends will be declared solely at the discretion of the Board of Trustees.

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CORE STRATEGY

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BUILDING VALUE AND CRITICAL MASS AROUND REGIONAL FOOTPRINTS

HIGH-QUALITY PORTFOLIO

Focused on experiential and diverse tenant offerings

- **75%** of ABR derived from top 50 MSAs and destination locations[1]
- **93%** of tenants are service/specialty/multi-channel
- **81%** of ABR derived from community centers / neighborhood centers / lifestyle centers

OPERATIONS AND GROWTH OPPORTUNITIES

Completed joint venture with TH Real Estate and will continue to capitalize on portfolio-strengthening opportunities

- **$3.9mm** of additional cash NOI from in-process 3-R and transitional projects
- **3.2%** average annual same-property NOI growth over the last four years[2]
- **8.1%** annualized return on three completed 2018 3-R projects

INVESTMENT GRADE BALANCE SHEET

All-time high liquidity level of close to $500 million

- **$37.7mm** in debt maturities through 2020
- **7%** floating rate debt exposure
- **6.5x** Net Debt to EBITDA ratio

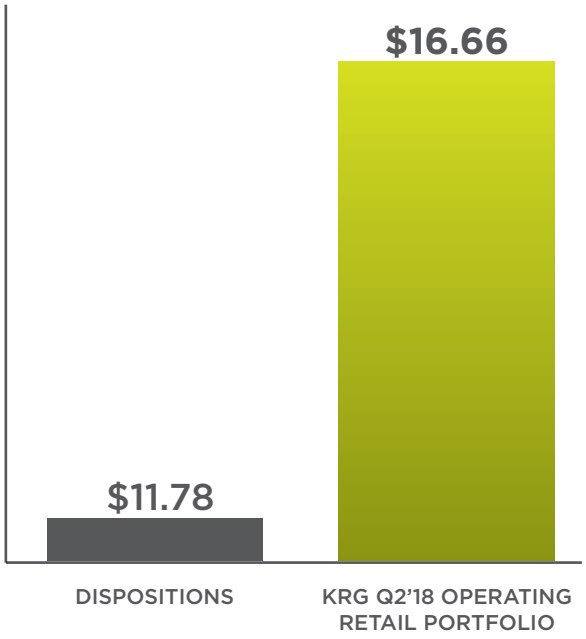
(1) Destination locations include Naples, FL properties and college markets.
(2) Historical numbers adjusted to include bad debt expense.

HIGH-QUALITY PORTFOLIO

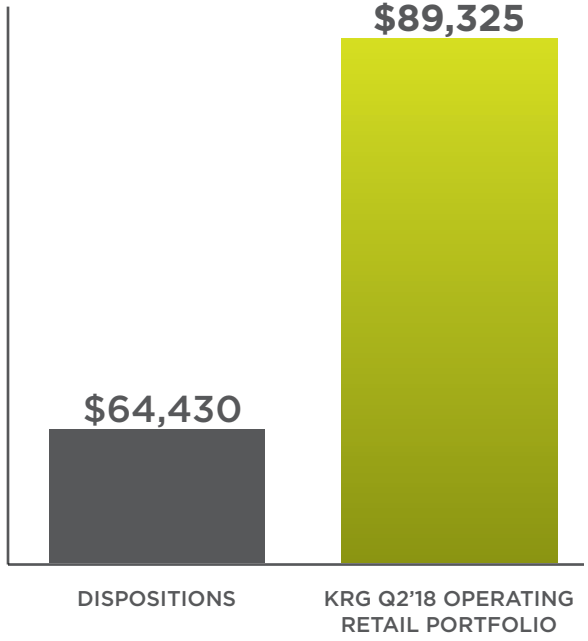
STRATEGIC DISPOSITIONS

$155 MILLION IN DISPOSITIONS OVER THE LAST SEVEN QUARTERS

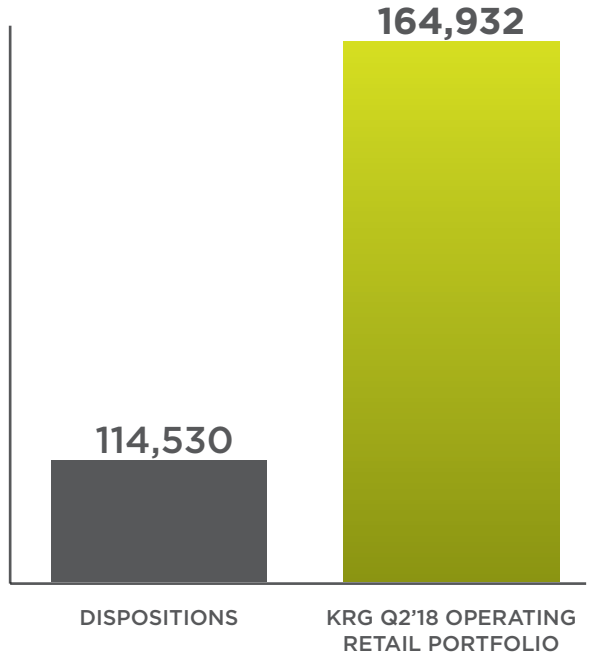
IMPROVED ABR



IMPROVED HOUSEHOLD INCOME



IMPROVED POPULATION DENSITY



Note: Demographic data source: STI: Popstats based on estimated 2018 data on a 5-mile radius from the US Census Bureau.
Dispositions during this period were Publix at St. Cloud, Cove Center, Clay Marketplace, The Shops at Village Walk, Wheatland Town Crossing, Trussville Promenade I & II, and Memorial Commons.

HIGH-QUALITY PORTFOLIO

GEOGRAPHIC DIVERSITY

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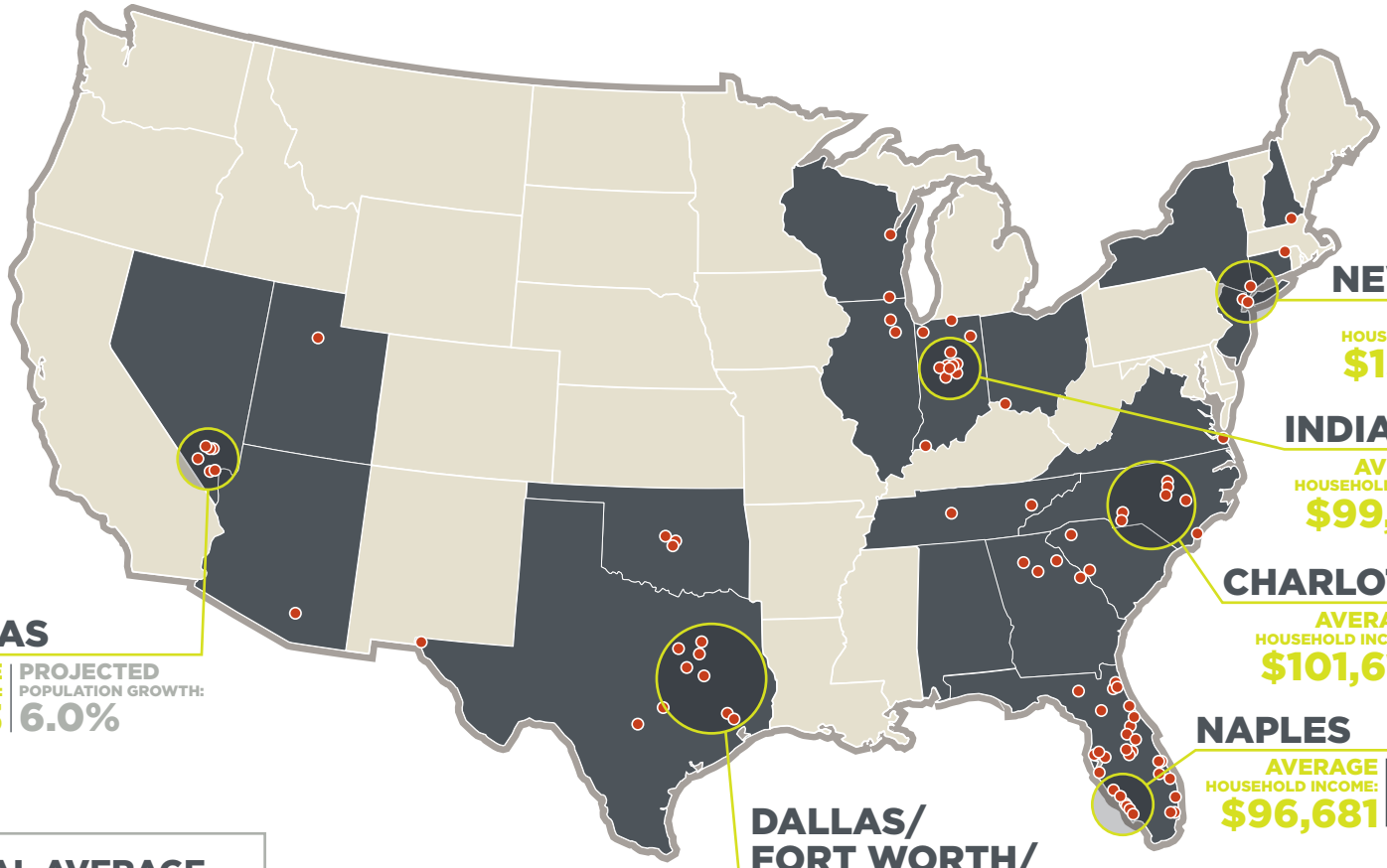
75% OF ABR FROM TOP 50 MSAs AND DESTINATION LOCATIONS, INCLUDING HIGH-GROWTH MARKETS



NEW YORK

AVERAGE HOUSEHOLD INCOME: **$153,291** | PROJECTED POPULATION GROWTH: **1.5%**

INDIANAPOLIS

AVERAGE HOUSEHOLD INCOME: **$99,357** | PROJECTED POPULATION GROWTH: **6.0%**

CHARLOTTE/RALEIGH

AVERAGE HOUSEHOLD INCOME: **$101,616** | PROJECTED POPULATION GROWTH: **13.0%**

NAPLES

AVERAGE HOUSEHOLD INCOME: **$96,681** | PROJECTED POPULATION GROWTH: **10.5%**

LAS VEGAS

AVERAGE HOUSEHOLD INCOME: **$77,943** | PROJECTED POPULATION GROWTH: **6.0%**

DALLAS/ FORT WORTH/ HOUSTON

AVERAGE HOUSEHOLD INCOME: **$97,455** | PROJECTED POPULATION GROWTH: **8.0%**

NATIONAL AVERAGE

AVERAGE HOUSEHOLD INCOME: **$79,995** | PROJECTED POPULATION GROWTH: **4.0%**

Note: Demographic data source: STI: Popstats based on estimated 2018 data on a 5-mile radius from the US Census Bureau, weighted by ABR. Projected Population Growth 2018-2023.

HIGH-QUALITY PORTFOLIO

STRATEGIC ASSET MIX

PROPERTY CLASSIFICATION BY ABR[1]

COMMUNITY CENTER PORTFOLIO — 57% OF ABR

Average 2018 Household Income	$90,918
Average 2018 Population	164,356



PARKSIDE TOWN COMMONS MSA: Raleigh, NC

NEIGHBORHOOD CENTER/ LIFESTYLE CENTER/ OTHER PORTFOLIO — 24% OF ABR

Average 2018 Household Income	$88,796
Average 2018 Population	152,959



COBBLESTONE PLAZA MSA: Pembroke Pines, FL

POWER CENTER PORTFOLIO — 19% OF ABR

Average 2018 Household Income	$84,954
Average 2018 Population	183,074



LANDSTOWN COMMONS MSA: Virginia Beach, VA

(1) STI: Popstats based on estimated 2018 data on a 5-mile radius from the U.S. Census Bureau, weighted by ABR. Property classification based on definition by the International Council of Shopping Centers (ICSC). In summary:
Neighborhood Center: Convenience-oriented center often anchored by a grocery that comprises 30-50% of GLA. Trade Area: 1-3 miles.
Community Center: Larger center with general merchandise or convenience-oriented offerings. Trade Area: 3-6 miles.
Power Center: Category-dominant anchors, including discount, off-price, and wholesale clubs with minimal small shop tenants. Trade area: 5-10 miles.

HIGH-QUALITY PORTFOLIO

DIVERSE TENANT BASE

	Top 10 Tenants by ABR[1]	Credit Rating[2]	# Stores[1]	% ABR[1]
1	**Publix Supermarkets, Inc.**	NR	14	2.5%
2	**The TJX Companies, Inc.**	A+	21	2.5%
3	**Bed Bath & Beyond, Inc.**	BBB-	19	2.3%
4	**Petsmart, Inc.**	CCC	18	2.1%
5	**Ross Stores, Inc.**	A-	17	2.1%
6	**Lowe's Companies, Inc.**	A-	5	1.9%
7	**Dick's Sporting Goods, Inc.**	NR	8	1.6%
8	**Nordstrom, Inc.**	BBB+	6	1.5%
9	**Ascena Retail Group**	B	32	1.5%
10	**Michaels Stores, Inc.**	B+	14	1.4%
	TOTAL		**154**	**19.4%**

RECENT LEASE ACTIVITY EXAMPLES

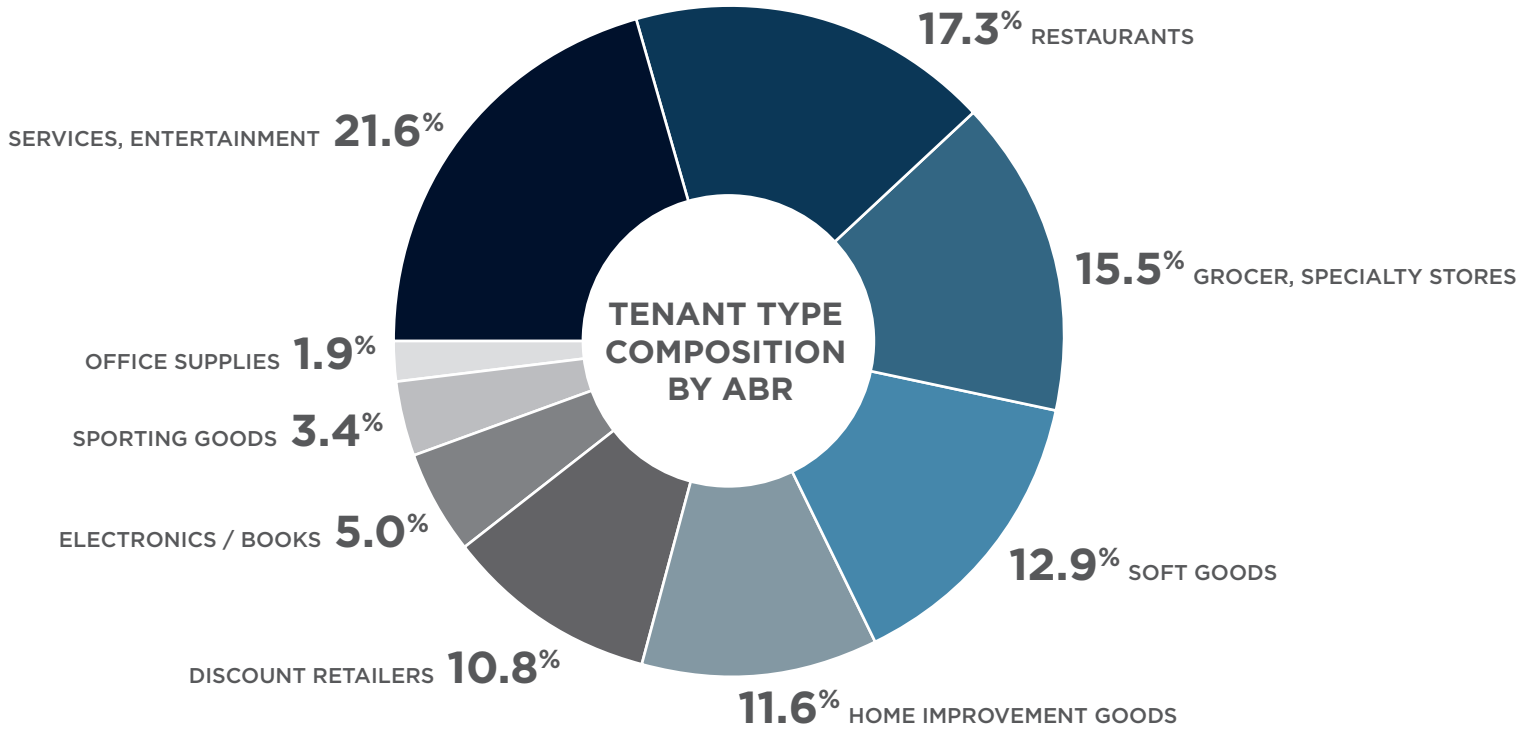
Michaels
HomeGoods
bluemercury makeup • skincare • spa
CLUB PILATES
LIVERY
ULTA BEAUTY
CLUB CHAMPION Better fit...Lower scores
IMPROV
SKECHERS
REGAL CINEMAS

(1) Per the Q2'18 supplemental.
(2) Credit Rating from S&P, as of 9/18/18

HIGH-QUALITY PORTFOLIO

DIVERSE TENANT BASE

WELL-POSITIONED TO MANAGE EVOLVING CONSUMER PREFERENCES



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OPERATIONS AND GROWTH OPPORTUNITIES

INCREASING VALUE

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EMBEDDED NOI GROWTH OPPORTUNITIES IN PORTFOLIO

3-R INITIATIVE / DEVELOPMENT / ACQUISITIONS

- **$3.9mm** of additional cash NOI from in-process 3-R and transitional projects
- Identified 3-R opportunities with a total cost of **$40mm - $56mm** and projected returns of **9-11%**
- Formed strategic partnership with TH Real Estate to capitalize on portfolio-strengthening opportunities

CONTRACTUAL RENT STEPS / FIXED CAM RECOVERY

- ABR of leases executed in last four quarters is **13.2%** higher than the ABR for the operating retail portfolio, including 3-R properties
- Embedded average contractual rent bumps of **~1.5%**
- Fixed CAM recovery initiative, **~26%** of current operating portfolio with goal to increase to **~50%**

OCCUPANCY GROWTH

- Big Box Surge Initiative - executed **4** anchor leases through Q2'18
- A **1%** increase in anchor lease percentage at average ABR would create additional revenue of **$1.3mm**
- Small shops leased at **90.4%**, with a goal of **92%**
- Executed new leases at 30 South Meridian headquarters building, growing office portfolio leased percentage **5.7%** to **96.2%**

OPERATING PROPERTIES

- Attractive NOI Margin: **74.3%**, trailing twelve months
- Efficient G&A / Revenues: **6.3%**, trailing twelve months
- Opportunity Areas: Operating expense savings, overage rent, and ancillary income

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OPERATIONS AND GROWTH OPPORTUNITIES

3-R OVERVIEW

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KITE'S 3-R PLATFORM HAS GENERATED ATTRACTIVE RISK-ADJUSTED RETURNS, IMPROVING CASH FLOW AND ASSET QUALITY

REDEVELOP

Substantial renovations, including teardowns, remerchandising, and exterior/interior improvements

REPURPOSE

Significant property alterations, including product-type changes

REPOSITION

Less substantial asset enhancements, generally representing investment of $5mm or less

COMPLETED

$33.6mm of 3-R projects in 2018 with 8.1% Return on Investment (ROI)

IN-PROCESS

$36.5mm - $40mm of projects with 9.5-10.5% ROI

IDENTIFIED OPPORTUNITIES

$40mm - $56mm of projects with 9-11% ROI

CITY CENTER MSA: White Plains, NY



PORTOFINO SHOPPING CENTER MSA: Houston, TX



SOURCES OF CAPITAL

Free cash flow + strategic property sales

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OPERATIONS AND GROWTH OPPORTUNITIES

3-R ENHANCEMENTS

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3-R RETURN ON INVESTMENT SUPPORTED BY NEW, HIGH-QUALITY TENANTS

Property	Former Tenants/Spaces	Replacement Tenants
Beechwood Promenade *MSA: Athens, GA*	Underutilized Shop Space	Michaels, Starbucks
Bolton Plaza *MSA: Jacksonville, FL*	Vacant Shops	Marshalls, ALDI
Burnt Store Marketplace *MSA: Punta Gorda, FL*	Vacant Shops and Old Format Publix	Publix *New Format*, Anytime Fitness
Castleton Crossing *MSA: Indianapolis, IN*	Perkins Family Restaurant	Chipotle Mexican Grill, Verizon, Capriotti's Sandwich Shop New Small Shop Building
Northdale Promenade *MSA: Tampa, FL*	Underutilized/Vacant Small Shop Space	Ulta Beauty, Tuesday Morning, Crispers
Portofino Shopping Center - Phases I/II *MSA: Houston, TX*	Sports Authority, Conn's SINCE 1890 Vacant Land/ Outdated Water Features	T.J.maxx, PGA TOUR SUPERSTORE, Nordstrom rack Two New Small Shop Buildings
Rampart Commons *MSA: Las Vegas, NV*	Vacant Shops	Est. 2002 North Italia, Athleta, Flower Child, bluemercury

INVESTMENT GRADE BALANCE SHEET

STRONG BALANCE SHEET

Well-Staggered Debt Maturity Profile

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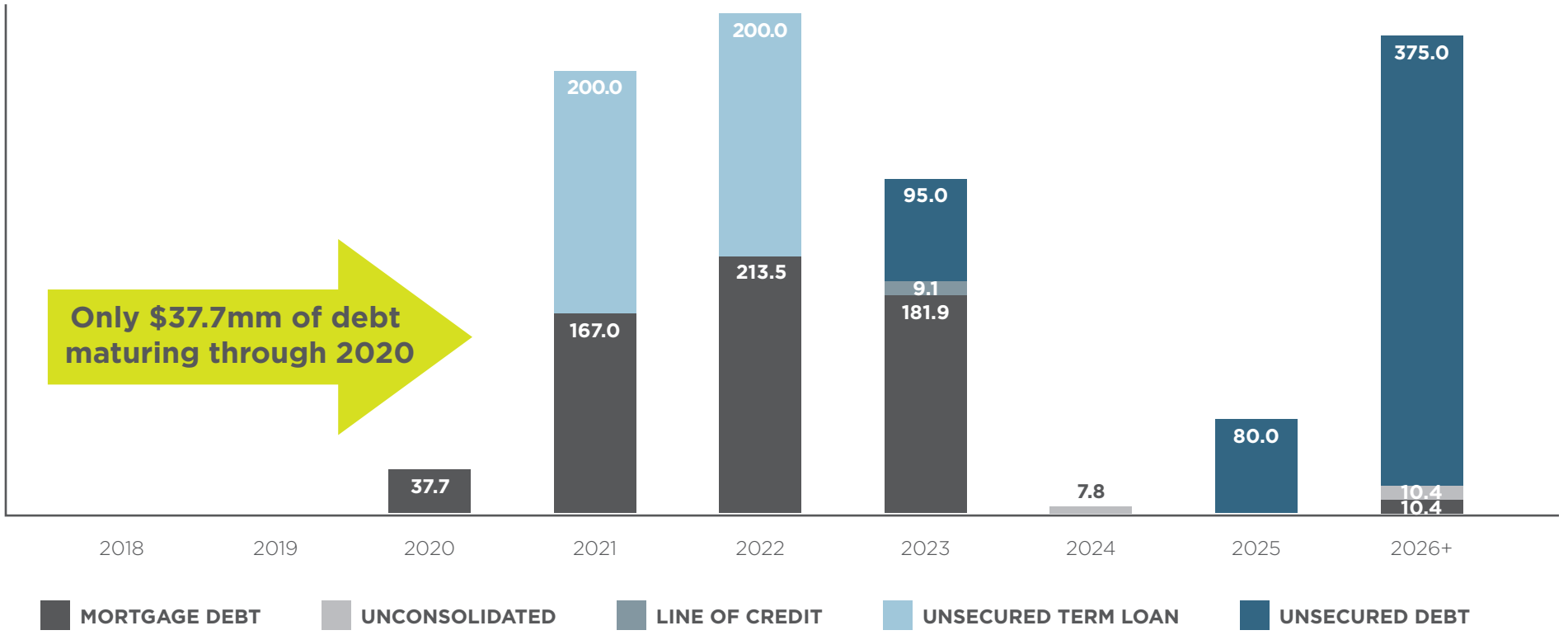
SCHEDULE OF DEBT MATURITIES ($ IN MILLIONS)[1]



(1) Excludes annual principal payments and net premiums on fixed rate debt.

DISCLAIMER

FORWARD-LOOKING STATEMENTS

This supplemental information package, 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 economic uncertainty caused by fluctuations in the prices of oil and other energy sources and inflationary trends or outlook;
- 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 the Company operates;
- 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 the Company owns;
- the impact of online retail and the perception that such retail has on the value of shopping center assets;
- risks related to the geographical concentration of our properties in Florida, Indiana and Texas;
- insurance costs and coverage;
- risks associated with cybersecurity attacks and the loss of confidential information and other business disruptions;
- other factors affecting the real estate industry generally; and
- other risks identified in reports the Company files with the Securities and Exchange Commission ("the SEC") or in other documents that it publicly disseminates, including, in particular, the section titled "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, and in our quarterly reports on Form 10-Q.

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.

NON-GAAP FINANCIAL MEASURES

FUNDS FROM OPERATIONS

Funds from Operations (FFO) is a widely used performance measure for real estate companies and is provided here as a supplemental measure of operating performance. The Company calculates FFO, a non-GAAP financial measure, in accordance with the best practices described in the April 2002 National Policy Bulletin of the National Association of Real Estate Investment Trusts ("NAREIT"). The NAREIT white paper defines FFO as net income (determined in accordance with GAAP), excluding gains (or losses) from sales and impairments of depreciated property, plus depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures.

Considering the nature of our business as a real estate owner and operator, the Company believes that FFO is helpful to investors in measuring our operational performance because it excludes various items included in net income that do not relate to or are not indicative of our operating performance, such as gains or losses from sales of depreciated property and depreciation and amortization, which can make periodic and peer analyses of operating performance more difficult. FFO should not be considered as an alternative to net income (determined in accordance with GAAP) as an indicator of our financial performance, is not an alternative to cash flow from operating activities (determined in accordance with GAAP) as a measure of our liquidity, and is not indicative of funds available to satisfy our cash needs, including our ability to make distributions. Our computation of FFO may not be comparable to FFO reported by other REITs that do not define the term in accordance with the current NAREIT definition or that interpret the current NAREIT definition differently than we do. A reconciliation of net income (computed in accordance with GAAP) to FFO is included in the Q2'18 Financial Supplement.

NON-GAAP FINANCIAL MEASURES

NET OPERATING INCOME AND SAME PROPERTY NET OPERATING INCOME

The Company uses property net operating income ("NOI"), a non-GAAP financial measure, to evaluate the performance of our properties. The Company defines NOI as income from our real estate, including lease termination fees received from tenants, less our property operating expenses. NOI excludes amortization of capitalized tenant improvement costs and leasing commissions and certain corporate level expenses. The Company believes that NOI is helpful to investors as a measure of our operating performance because it excludes various items included in net income that do not relate to or are not indicative of our operating performance, such as depreciation and amortization, interest expense, and impairment, if any.

The Company also uses same property NOI ("Same Property NOI"), a non-GAAP financial measure, to evaluate the performance of our properties. Same Property NOI excludes properties that have not been owned for the full period presented. It also excludes net gains from outlot sales, straightline rent revenue, lease termination fees, amortization of lease intangibles and significant prior period expense recoveries and adjustments, if any. The Company believes that Same Property NOI is helpful to investors as a measure of our operating performance because it includes only the NOI of properties that have been owned and fully operational for the full quarters presented. The Company believes such presentation eliminates disparities in net income due to the acquisition or disposition of properties during the particular quarters presented and thus provides a more consistent comparison of our properties. The year-to-date results represent the sum of the individual quarters, as reported.

NOI and Same Property NOI should not, however, be considered as alternatives to net income (calculated in accordance with GAAP) as indicators of our financial performance. Our computation of NOI and Same Property NOI may differ from the methodology used by other REITs, and therefore may not be comparable to such other REITs.

When evaluating the properties that are included in the same property pool, the Company has established specific criteria for determining the inclusion of properties acquired or those recently under development. An acquired property is included in the same property pool when there is a full quarter of operations in both years subsequent to the acquisition date. Development and redevelopment properties are included in the same property pool four full quarters after the properties have been transferred to the operating portfolio. A redevelopment property is first excluded from the same property pool when the execution of a redevelopment plan is likely and the Company begins recapturing space from tenants. For the quarter ended June 30, 2018, the Company excluded six redevelopment properties and the recently completed City Center, Northdale Promenade, and Burnt Store Marketplace redevelopments from the same property pool that met these criteria and were owned in both comparable periods.

APPENDIX – RECONCILIATION OF SAME PROPERTY NOI TO NET INCOME

($ in thousands)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2018	**2017**	**% Change**	**2018**	**2017**	**% Change**
Number of properties for the quarter[1]	102	102				
Leased percentage at period end	93.7%	94.7%		93.7%	94.7%	
Economic Occupancy percentage[2]	93.0%	93.9%		93.1%	93.9%	
Minimum rent	$ 58,168	$ 57,500		$ 115,820	$ 114,628	
Tenant recoveries	16,451	16,217		33,133	32,534	
Other income	240	173		510	457	
	74,859	73,890		149,463	147,619	
Property operating expenses	(10,795)	(9,988)		(21,467)	(20,505)	
Bad debt expense	(452)	(865)		(816)	(1,463)	
Real estate taxes	(9,743)	(9,940)		(19,690)	(19,711)	
	(20,990)	(20,793)		(41,973)	(41,679)	
Same Property NOI[3]	**$ 53,869**	**$ 53,097**	**1.5%**	**$ 107,490**	**$ 105,940**	**1.5%**
Reconciliation of Same Property NOI to Most Directly Comparable GAAP Measure:						
Net operating income - same properties	$ 53,869	$ 53,097		$ 107,490	$ 105,940	
Net operating income - non-same activity[4]	13,891	16,185		25,447	30,172	
Other income (expense), net	876	(83)		2,111	(189)	
General, administrative and other	(5,553)	(5,488)		(11,499)	(10,958)	
Impairment charges	(14,777)	—		(38,847)	(7,411)	
Depreciation and amortization expense	(40,451)	(42,710)		(79,006)	(88,540)	
Interest expense	(16,746)	(16,433)		(33,084)	(32,878)	
Gains on sales of operating properties	7,829	6,290		8,329	15,160	
Net income attributable to noncontrolling interests	(304)	(678)		(225)	(1,110)	
Net (loss) income attributable to common shareholders	$ (1,366)	$ 10,180		$ (19,284)	$ 10,186	

(1) Same Property NOI excludes six properties in redevelopment, the recently completed City Center, Northdale Promenade, Burnt Store Marketplace, and ParksideTown Commons - Phase II, as well as office properties (Thirty South Meridian and Eddy Street Commons).
(2) Excludes leases that are signed but for which tenants have not yet commenced the payment of cash rent. Calculated as a weighted average based on the timing of cash rent commencement and expiration during the period.
(3) Same Property NOI excludes net gains from outlot sales, straight-line rent revenue, lease termination fees, amortization of lease intangibles and significant prior period expense recoveries and adjustments, if any.
(4) Includes non-cash activity across the portfolio as well as net operating income from properties not included in the same property pool.

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