

RIVERS EDGE Indianapolis, IN ►



INVESTOR PRESENTATION

8.2013

2<sup>nd</sup> Quarter 2013



KITE REALTY GROUP

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 888.577.5600

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**TICKER SYMBOL** :: KRG (NYSE since 2004)

**FOUNDED** :: 1971

**HEADQUARTERS** :: Indianapolis, Indiana

**PORTFOLIO** ::

57	<b>OPERATING RETAIL</b>
2	<b>OPERATING COMMERCIAL</b>
4	<b>REDEVELOPMENT</b>
4	<b>DEVELOPMENT UNDER CONSTRUCTION</b>
<b>67</b>	<b>PROPERTIES</b>

**SQUARE FOOTAGE** ::  
(MILLIONS)

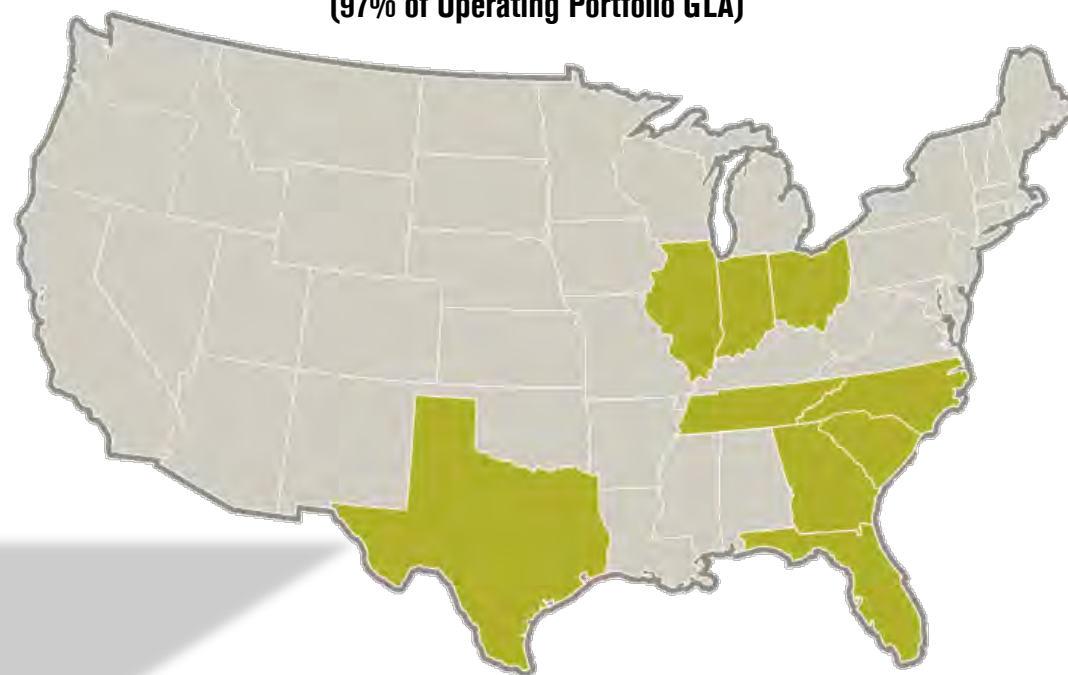
9.3	<b>OPERATING PROPERTIES</b>
2.0	<b>TOTAL REDEVELOPMENT/DEVELOPMENT</b>
<b>11.3</b>	<b>GLA/NRA</b>

**ANNUAL DIVIDEND** :: \$.24

**2012 TOTAL RETURN** :: 30.3%

**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.

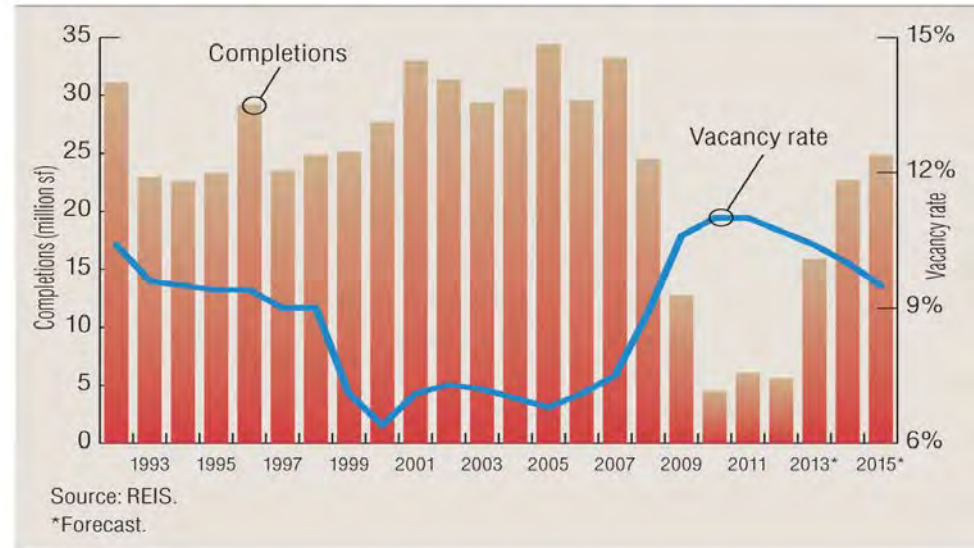
**PRIMARY MARKETS : Midwest / Southeast / Texas**  
(97% of Operating Portfolio GLA)



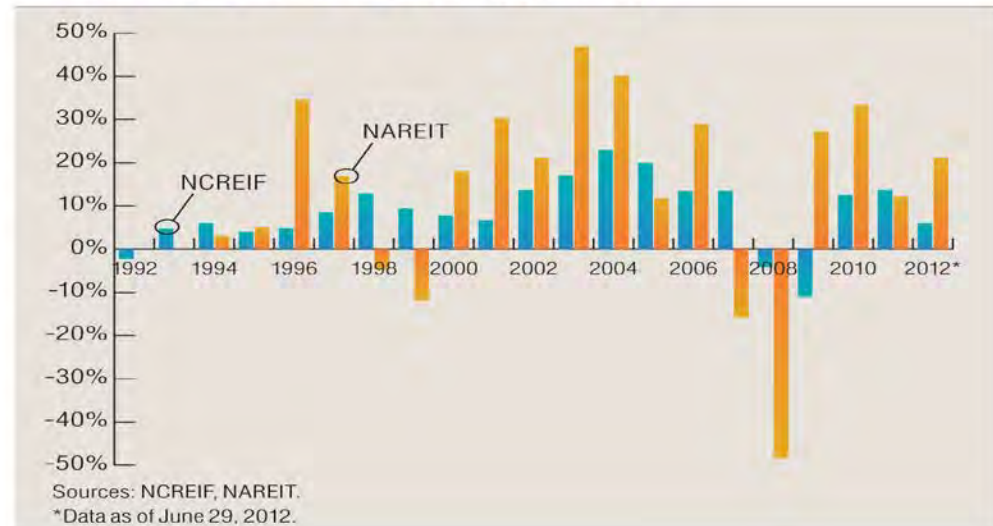
**RETAIL LANDSCAPE**

- Landlords with premium space are regaining leasing leverage.
- Capital recycling to enhance portfolio will continue.
- Limited new supply entering market.
- Retail store openings continue to increase.
- Heightened competition in grocery sector with the rise of the specialty grocers.

**U.S. Retail Completions and Vacancy Rates**



**U.S. Retail Property Total Returns**



## Executing our Strategic Objectives

- Stabilizing Delray Marketplace, Holly Springs Towne Center, and Four Corner Square.
  - Stabilized Rangeline Crossing and moved into the operating portfolio at 91.7% leased.
- Leasing progress within our Operating Portfolio.
  - 95.4% leased as of June 30, 2013, the highest occupancy achieved since Q2 2007.
- Growing Same-Store NOI.
  - 4.4% for quarter ended June 30, 2013.
  - 10<sup>th</sup> Consecutive quarter of positive SSNOI Growth.
- Acquiring quality shopping centers in specific submarkets within our primary market footprint.
  - Over \$160 million in acquisitions in previous 12 months.
- Focusing on redevelopment opportunities within our existing portfolio such as Gainesville Plaza and Kings Lake Square, where redevelopment activities have commenced.
- Growing EBITDA and de-levering the Balance Sheet.





## STABLE OPERATING PORTFOLIO

- Owned interest in 59 operating properties totaling approximately 9.3 million square feet.
- Diverse tenant base: Largest tenant (Publix Supermarket) represents 4.8% of annualized base rent.
- 5 mile demographics: Population – 125,800 ; Average Household Income - \$84,000



## INCREASED LEASING AND PRODUCTIVITY

- Same property net operating income for the second quarter of 2013 increased 4.4% over the same period in the prior year.
- Portfolio occupancy at 95.4%, up 240 bps from prior year.
- Aggregate cash rent spreads up 20% for the second quarter of 2013.
- Small shop leased percentage increased to 84.5% as of June 30, 2013 from 80.6% as of June 30, 2012.



## DEVELOPMENT AND REDEVELOPMENT PROGRESS

- Six under construction developments/redevelopments totaling \$301 million that are 83.4% pre-leased.
  - **DELRAY MARKETPLACE** :: Construction is substantially complete at Delray Marketplace in Delray Beach, Florida and tenants began opening in January and February, including Publix Supermarket and Frank Entertainment.
  - **HOLLY SPRINGS TOWNE CENTER (formerly New Hill Place)** :: Construction is substantially complete on Phase I of Holly Springs Towne Center near Raleigh, North Carolina and tenants began to open in March 2013.
  - **FOUR CORNER SQUARE** :: Construction is substantially complete at Four Corner Square near Seattle, Washington. Tenants began opening in February 2013.
  - **RANGELINE CROSSING** :: Redevelopment project in Carmel, Indiana anchored by Earth Fare. Tenants began opening in May 2013. Property transitioned to operating portfolio at 91.7% leased during the second quarter.
  - **PARKSIDE TOWN COMMONS (PHASE I AND II)** :: Located in Cary, North Carolina. To be anchored by Target, Harris Teeter, PetCo, Frank Theatres, Field & Stream, and Golf Galaxy. Projected opening for Phase I in Q2 2014 and Phase II in Q4 2014.

### ACQUISITION ACTIVITY



- In 2013, acquired three retail centers in core markets for \$88.1 million.
  - **SHOPPES OF EASTWOOD** :: In February, acquired the Publix-anchored unencumbered shopping center in Orlando, Florida during the 1st quarter for \$11.6 million.
  - **COOL SPRINGS MARKET** :: In April, acquired center anchored by Dick's Sporting Goods, Marshall's, JoAnn Fabrics, Staples, and a non-owned Kroger for \$37.5 million.
  - **CASTLETON CROSSING** :: In May, acquired center anchored by TJ Maxx, HomeGoods, Burlington Coat, and Shoe Carnival for \$39 million.

### DEBT AND CAPITAL MARKETS



- In the 2<sup>nd</sup> quarter, issued 15,525,000 common shares for \$6.55 per share resulting in net proceeds of approximately \$97.2 million, which were primarily redeployed to fund the acquisition of Castleton Crossing and Cool Springs Market.
- Company amended the terms of its existing \$200 million unsecured revolving line of credit, extending the maturity date to February 2018 and reducing the interest rate from LIBOR plus 190 bps to 290 bps to LIBOR plus 160 bps to 250 bps.
- Only \$40.8 million matures over the next 12 months.
- Unencumbered assets valued at approximately \$600 million.



## PORTFOLIO DYNAMICS

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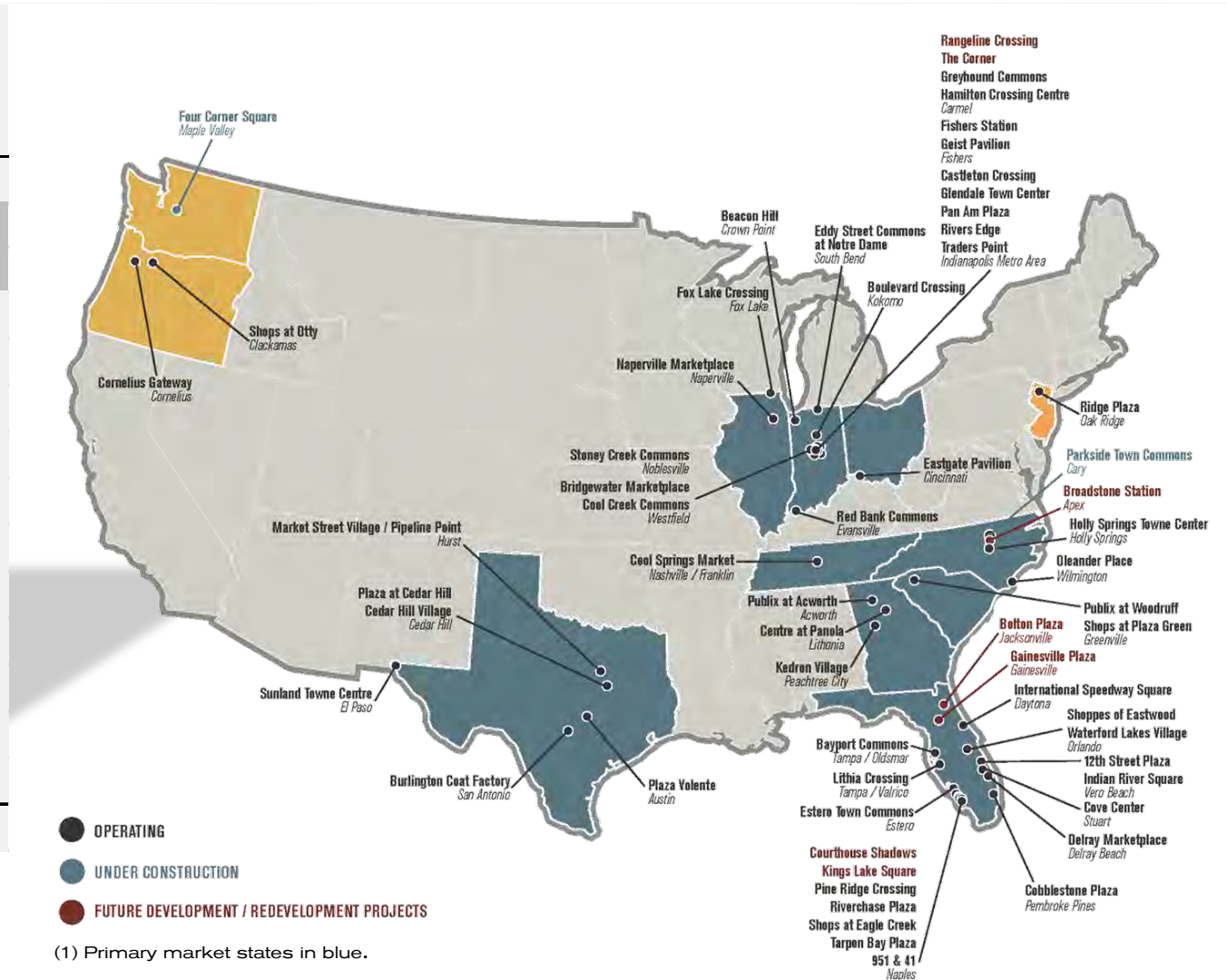
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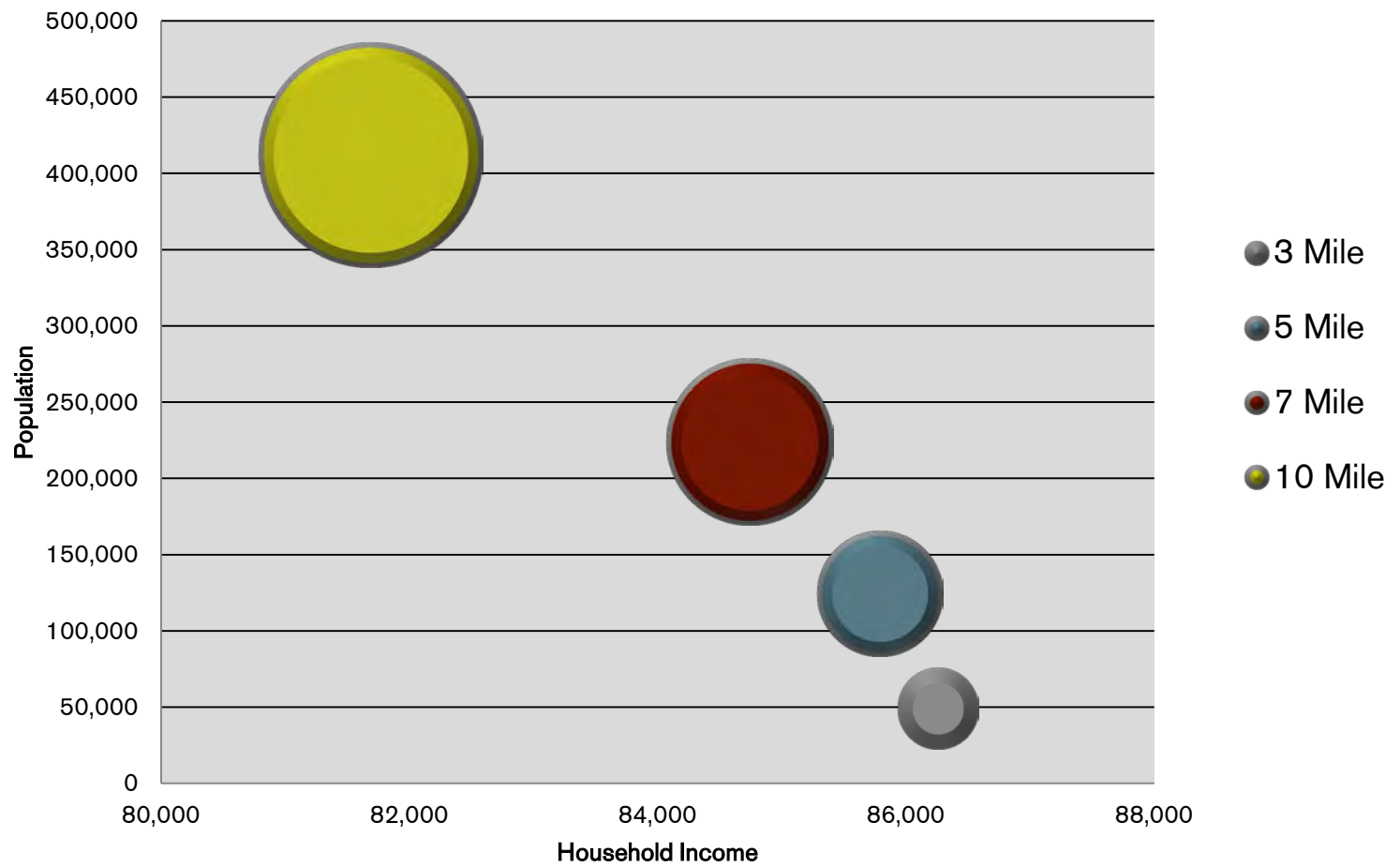
As of 6/30/13	NUMBER OF OPERATING PROPERTIES	PERCENT OF OWNED GLA/NRA
<b>INDIANA</b>	24	39.0%
<i>retail</i>	22	33.3%
<i>commercial</i>	2	5.7%
<b>FLORIDA</b>	15	23.7%
<b>TEXAS</b>	6	16.1%
<b>GEORGIA</b>	3	4.5% (i)
<b>TENNESSEE</b>	1	3.4%
<b>SOUTH CAROLINA</b>	2	4.0%
<b>ILLINOIS</b>	2	2.7%
<b>OHIO</b>	1	3.5%
<b>NEW JERSEY</b>	1	1.7%
<b>NORTH CAROLINA</b>	1	0.7%
<b>OREGON</b>	2	0.5%
<b>WASHINGTON</b>	1	0.2%
	<b>59</b>	<b>100%</b>

(i) On July 2, 2013, the Company transferred Kedron Village to the lender.



(1) Primary market states in blue.

**DEMOGRAPHIC PROFILE OF PORTFOLIO**



TOP TENANTS BY ANNUALIZED BASE RENT (ABR)	PERCENT OF PORTFOLIO ABR	S&P CREDIT RATING
Publix Supermarket	4.8%	n/a
Bed Bath Beyond / buybuyBaby	3.2%	BBB+
Dick's Sporting Goods	2.6%	n/a
TJX Companies	2.1%	A
Lowe's Home Improvement	1.8%	A-
PetSmart	1.8%	BB+
Marsh Supermarkets	1.7%	n/a
Staples	1.5%	BBB
Burlington Coat Factory	1.2%	B-
Beall's	1.2%	n/a
	21.9%	



(1) Annualized base rent represents the monthly contractual rent for June 2013 for each applicable tenant multiplied by 12. Excludes tenant reimbursements.

(2) S&P credit ratings for parent company as of 8/5/2013.

PROPERTY	STATE	MAJOR TENANTS/CO-ANCHORS	PROJECTED COST	COST TO DATE	% LEASED / COMMITTED	ACTUAL / PROJECTED OPENING
<i><b>DEVELOPMENT PROJECTS UNDER CONSTRUCTION</b></i>						
<b>DELRAY MARKETPLACE</b>	FL	Publix, Frank Theatres, Burt & Max's Grille, Charming Charlie, Chico's, Jos. A. Bank, White House   Black Market	\$ 97.5	\$ 93.6	86.9%	Q4 2012
<b>HOLLY SPRINGS TOWNE CENTER</b>	NC	Target (non-owned), Dick's Sporting Goods, Marshall's, Michaels, PETCO, Charming Charlie, Pier 1 Imports, Ulta Salon	57.0	55.5	88.6%	Q1 2013
<b>PARKSIDE TOWN COMMONS - PHASE I</b>	NC	Target (non-owned), Harris Teeter, PETCO	39.0	17.2	77.5%	Q2 2014
<b>PARKSIDE TOWN COMMONS - PHASE II</b>	NC	Frank Theatres, Golf Galaxy, Field & Stream	70.0	19.8	58.0%	Q4 2014
		Development Subtotal	\$ 263.5	\$ 186.1		
<i><b>REDEVELOPMENT PROJECTS UNDER CONSTRUCTION</b></i>						
<b>FOUR CORNER SQUARE</b>	WA	Do It Best Hardware, Walgreens, Grocery Outlet	\$ 27.5	\$ 24.1	87.1%	Q1 2013
<b>BOLTON PLAZA</b>	FL	Academy Sports & Outdoors, LA Fitness/Shops	10.3	3.5	88.7%	Q1 2014
		Redevelopment Subtotal	\$ 37.8	\$ 27.6		
		Development and Redevelopment Total	\$ 301.3	\$ 213.7		



**KEY STATS**

**OPENED** :: Q4 2012

**PROJECTED OWNED GLA** :: 255,554

**PROJECT COST** :: \$97.5M

**ANCHORED** :: Publix, Frank Theatres/IMAX Cinebowl & Grille

**SHOPS** :: Chico's, White House | Black Market, Charming Charlie, JoS. A Bank, Apricot Lane, Republic of Couture, Francesca's, Burt & Max's Grille and others.





**KEY STATS**

**OPENING** :: Q1 2013

**PROJECTED OWNED GLA** :: 204,936

**PROJECT COST** :: \$57M

**PRE-LEASED/COMMITTED** :: 88.6%

**ANCHORED** :: Target, Dick's Sporting Goods, Marshall's, Michael's, PETCO

**SHOPS** :: Charming Charlie, ULTA, Pier 1 Imports, Jos A. Banks, Children's Place



**KEY STATS**

**NEW DEVELOPMENT** :: Phase I and II

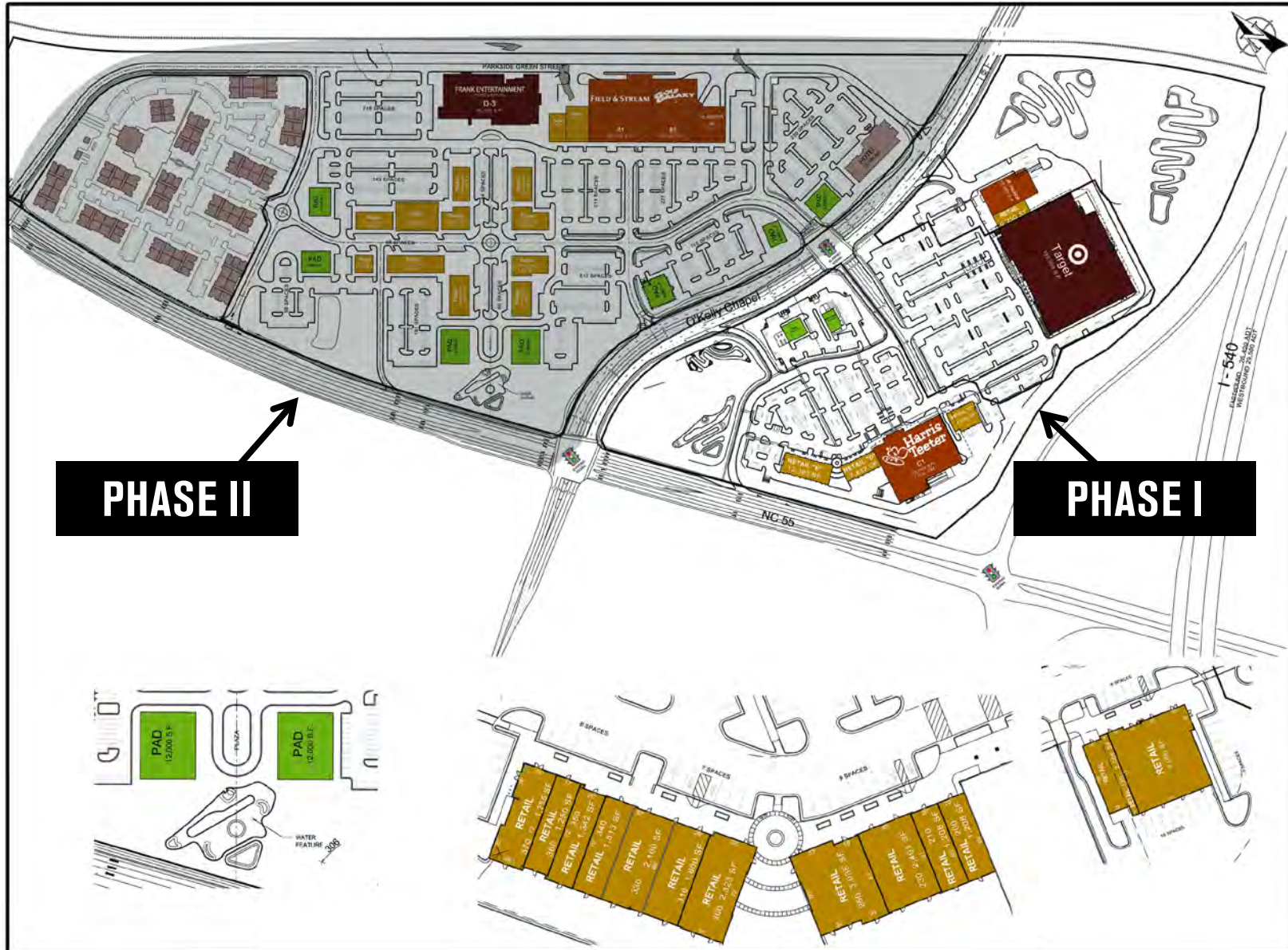
**PROJECTED OWNED GLA** :: 386,432

**PROJECT COST** :: \$109M

**PRE-LEASED/COMMITTED** :: 66.5%

**ANCHORED** :: Target, (non-owned) and Harris Teeter, PETCO, Frank Theatres, Golf Galaxy, Field & Stream









**KEY STATS**

**REDEVELOPMENT** :: Opened Q1 2013

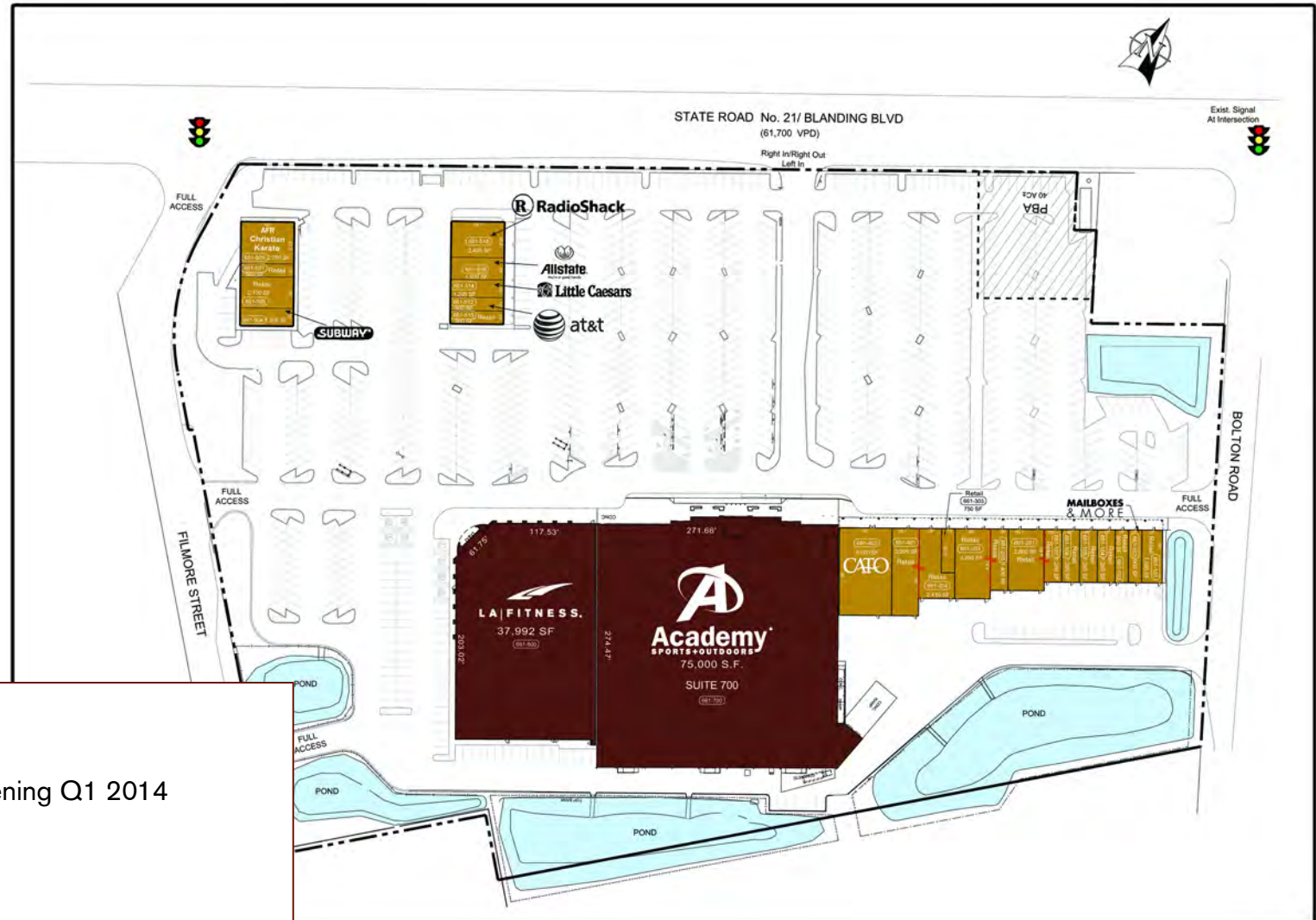
**OWNED GLA** :: 108,523

**PROJECT COST** :: \$27.5M

**PRE-LEASED/COMMITTED** :: 87.1%

**ANCHORED** :: Do It Best Hardware, Walgreens, Grocery Outlet





**KEY STATS**

**REDEVELOPMENT** :: Projected Opening Q1 2014

**PROJECTED OWNED GLA** :: 155,637

**PROJECT COST** :: \$10.3M

**PRE-LEASED/COMMITTED** :: 88.7%

**ANCHORED** :: Academy Sports & Outdoors, LA Fitness



**RANGELINE CROSSING**

**SUCCESSFULLY REDEVELOPED**

**OWNED GLA** :: 84,327

**LEASED** :: 91.7%

**ANCHORED** :: Earth Fare, Walgreens, Old National Bank, Panera Bread





**RIVERS EDGE**

**SUCCESSFULLY REDEVELOPED**

**LEASED :: 100%**

**ANCHORED :: Nordstrom Rack, The Container Store, buybuyBaby, Arhaus Furniture and BGI Fitness**



**EDDY STREET COMMONS AT NOTRE DAME**

**SUCCESSFULLY DEVELOPED**

**LEASED :: 96%**

**ANCHORED ::** Urban Outfitters, Hammes Bookstore, University of Notre Dame



**COBBLESTONE PLAZA**

**SUCCESSFULLY DEVELOPED**

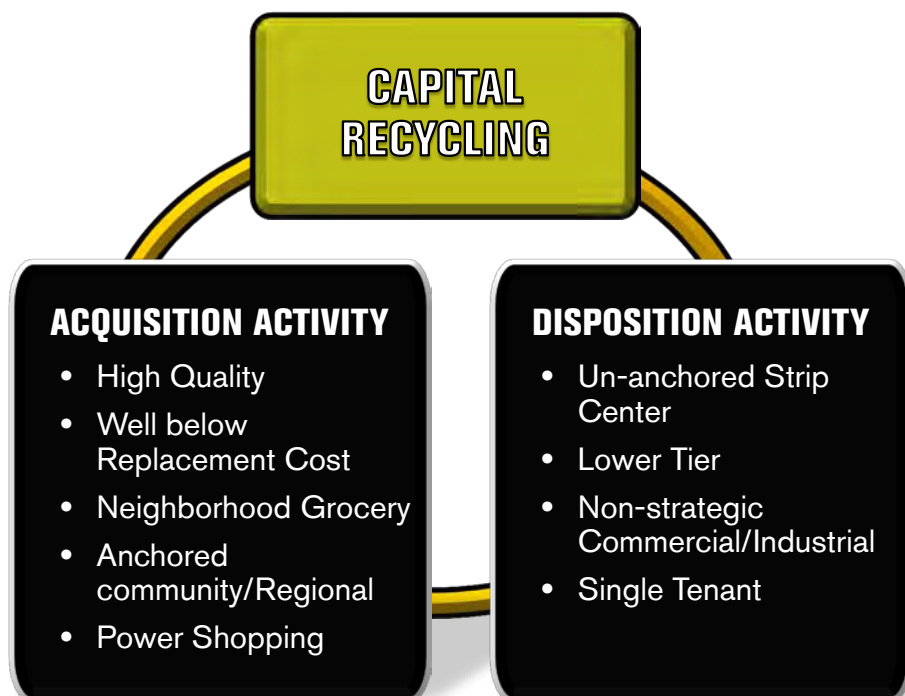
**LEASED :: 95%**

**ANCHORED :: Whole Foods**



### QUALITATIVE CAPITAL RECYCLING STRATEGY::

Continue to dispose of lower tier or un-anchored assets while recycling the capital into quality operating assets with strong tenancy, credit stability, and growth prospects.



### Acquisitions

PROPERTY NAME	LOCATION	ANCHORS	TOTAL SF	CONTRACT	
				PRICE (MM) (1)	PRICE PER SF (2)
CASTLETON CROSSING	Indianapolis, IN	TJ Maxx, HomeGoods, Burlington Coat, Shoe	280,000	\$ 39	\$ 139
COOL SPRINGS MARKET	Nashville, TN	Dick's Sporting Goods, Marshall's, JoAnn Fabrics, Staples, Kroger (non-owned)	224,000	\$ 38	\$ 167
SHOPPES OF EASTWOOD COVE CENTER	Orlando, FL	Publix	69,000	\$ 12	\$ 168
12TH STREET PLAZA	Stuart, FL	Publix, Beall's	159,000	\$ 22	\$ 139
PUBLIX AT WOODRUFF	Vero Beach, FL	Publix, SteinMart	136,000	\$ 15	\$ 111
SHOPPES AT PLAZA GREEN	Greenville, SC	Publix	68,000	\$ 9	\$ 134
	Greenville, SC	Bed, Bath, Beyond, Christmas Tree Shop, Old Navy, Sears	194,000	\$ 29	\$ 148
<b>TOTAL CLOSED</b>			<b>1,130,000</b>	<b>164</b>	<b>144</b>

### Dispositions

GATEWAY SHOPPING CENTER	Marysville, WA	Ross, PetSmart, Rite Aid	111,000	\$ 32	\$ 284
SOUTH ELGIN	South Elgin, IL	LA Fitness, Babies/Toys, Ross	128,000	\$ 25	\$ 195
50 SOUTH MORTON	Franklin, IN	Convenience Store	2,000	\$ 1	\$ 450
CORAL SPRINGS PLAZA	Coral Springs, FL	Toys/Babies Combo	46,000	\$ 9	\$ 187
KITE PEN PRODUCTS	Indpls., IN	Industrial Property	86,000	\$ 6	\$ 66
KITE McCARTY	Indpls., IN	Industrial Property	115,000	\$ 4	\$ 38
SANDIFUR PLAZA	Pasco, WA	Unanchored	12,500	\$ 3	\$ 208
ZIONSVILLE PLACE	Zionsville, IN	Unanchored	12,500	\$ 2	\$ 192
PRESTON COMMONS & FRISCO BRIDGES	Dallas, TX	Unanchored	27,500	\$ 6	\$ 204
<b>TOTAL CLOSED</b>			<b>540,500</b>	<b>88</b>	<b>224</b>

<sup>(1)</sup> Approximate Purchase Price

<sup>(2)</sup> Weighted Average Price PSF for Retail Properties Only



**CASTLETON CROSSING**

**LOCATION ::** Indianapolis, IN

**ACQUIRED ::** May, 2013

**PURCHASE PRICE ::** \$39M

**TOTAL GLA ::** 280,000

**OWNED GLA ::** 280,000

**ANCHOR ::** TJ Maxx, HomeGoods, Burlington Coat, and Shoe Carnival



**COOL SPRINGS MARKET**

**LOCATION ::** Nashville, TN

**ACQUIRED ::** April, 2013

**PURCHASE PRICE ::** \$37.5M

**TOTAL GLA ::** 285,000

**OWNED GLA ::** 224,000

**ANCHOR ::** Dick's Sporting Goods, Marshall's, JoAnn's, Staples, and a non-owned Kroger





**SHOPPES OF EASTWOOD**

**LOCATION ::** Orlando, FL

**ACQUIRED ::** January, 2013

**PURCHASE PRICE ::** \$11.6M

**TOTAL GLA ::** 69,000

**OWNED GLA ::** 69,000

**ANCHOR ::** Publix



**SHOPPES AT PLAZA GREEN**

**LOCATION ::** Greenville, SC

**ACQUIRED ::** December, 2012

**PURCHASE PRICE ::** \$28.8M

**TOTAL GLA ::** 195,534

**OWNED GLA ::** 195,534

**ANCHOR ::** Bed Bath & Beyond, Christmas Tree Store, Sears, Party City, Old Navy, AC Moore, Shoe Carnival



## OPERATIONAL METRICS/NOI GROWTH

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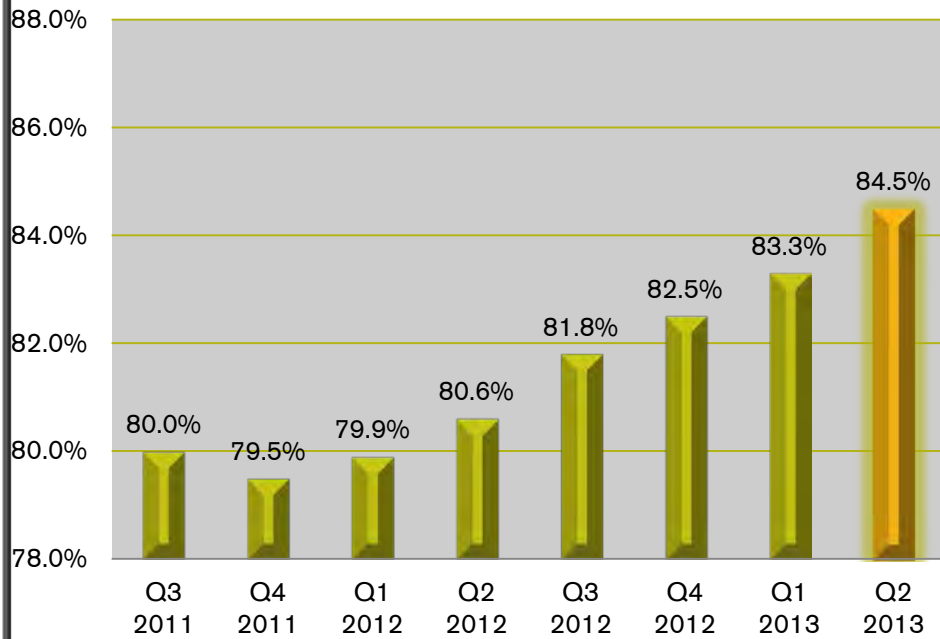
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**FOCUS ON GROWING SMALL SHOP OCCUPANCY ::**  
*6 Straight Quarters of Increased Small Shop Occupancy*

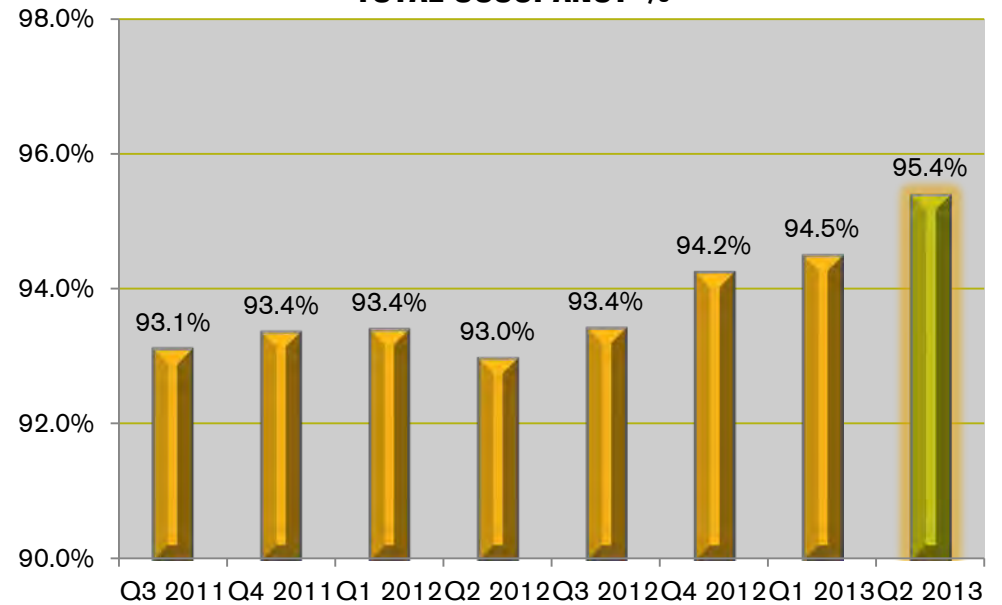
**FOCUS ON OVERALL LEASING % GAINS ::**  
*4 Consecutive Quarters of Total Leased % Growth*

**RESULT ::**  
**REVENUE GROWTH**

**SMALL SHOP OCCUPANCY %**

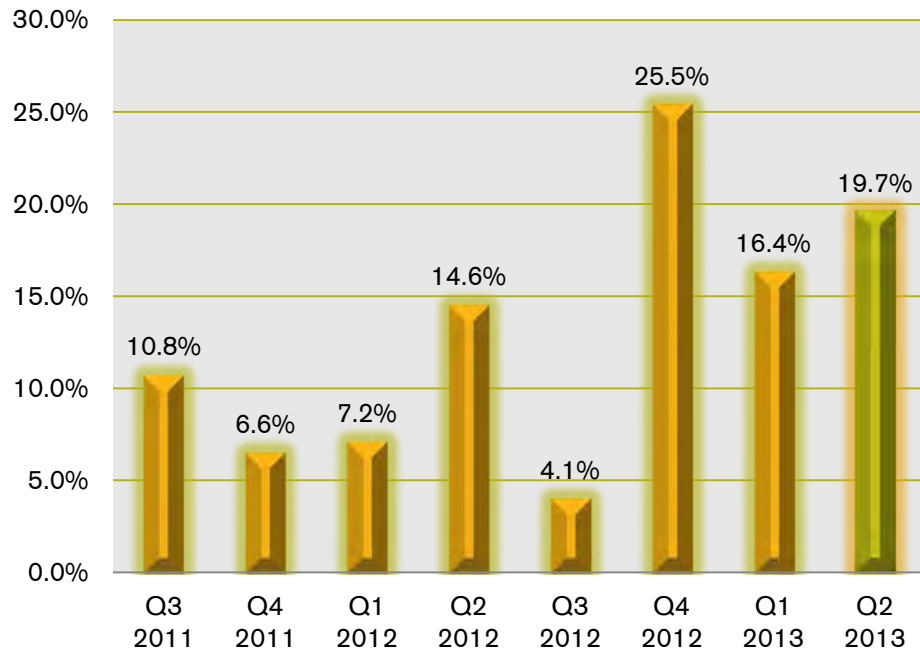


**TOTAL OCCUPANCY %**

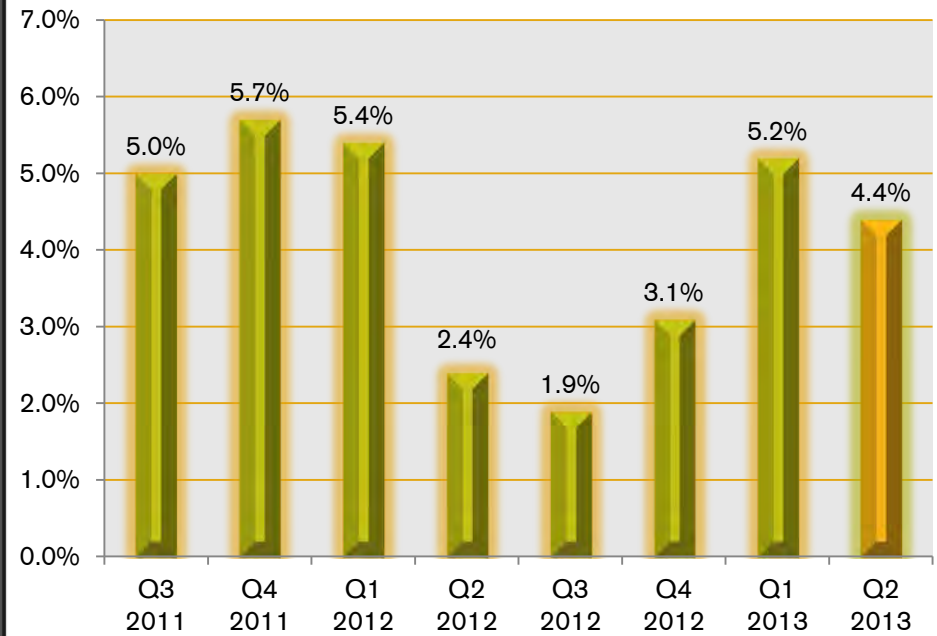


**THE QUALITY OF OUR PORTFOLIO AND ASSET LOCATIONS ALLOWS US TO INCREASE AGGREGATE LEASING SPREADS AND GENERATE SIGNIFICANT SAME PROPERTY NOI GROWTH.**

**LEASING SPREADS %**



**SAME PROPERTY NET OPERATING INCOME %**





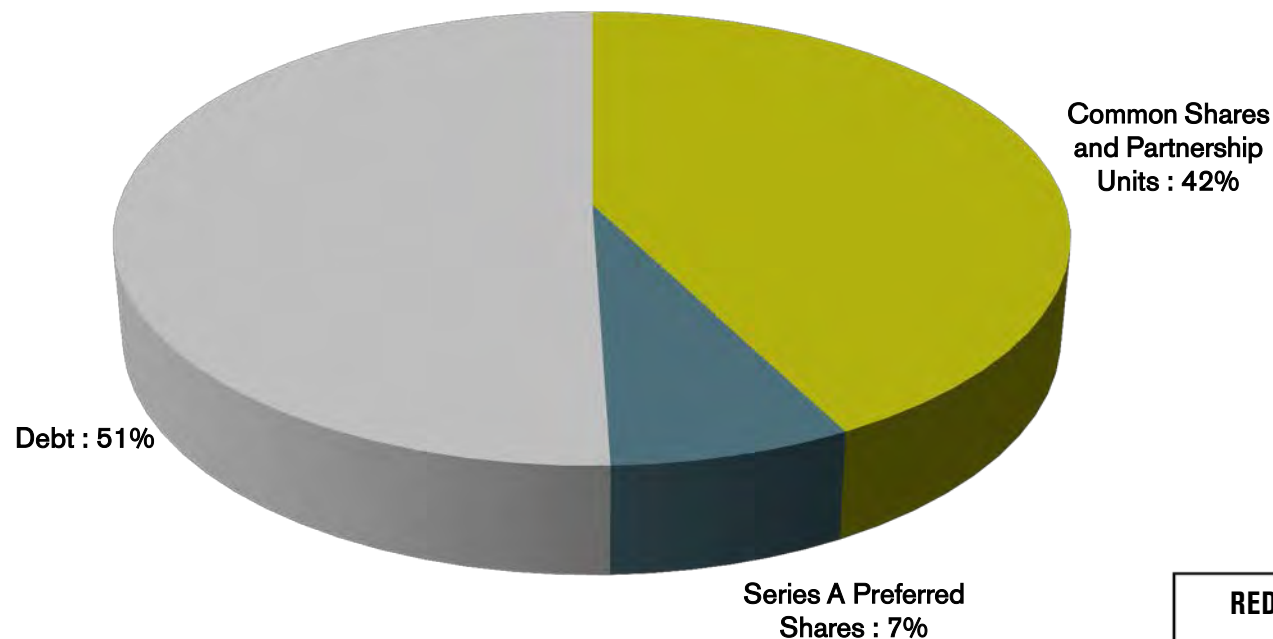
## BALANCE SHEET ACTIVITY

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**TOTAL ENTERPRISE VALUE : \$1.43B**



**REDUCED INTEREST RATE AND INCREASED FLEXIBILITY WITH THE MATURITY SCHEDULE**

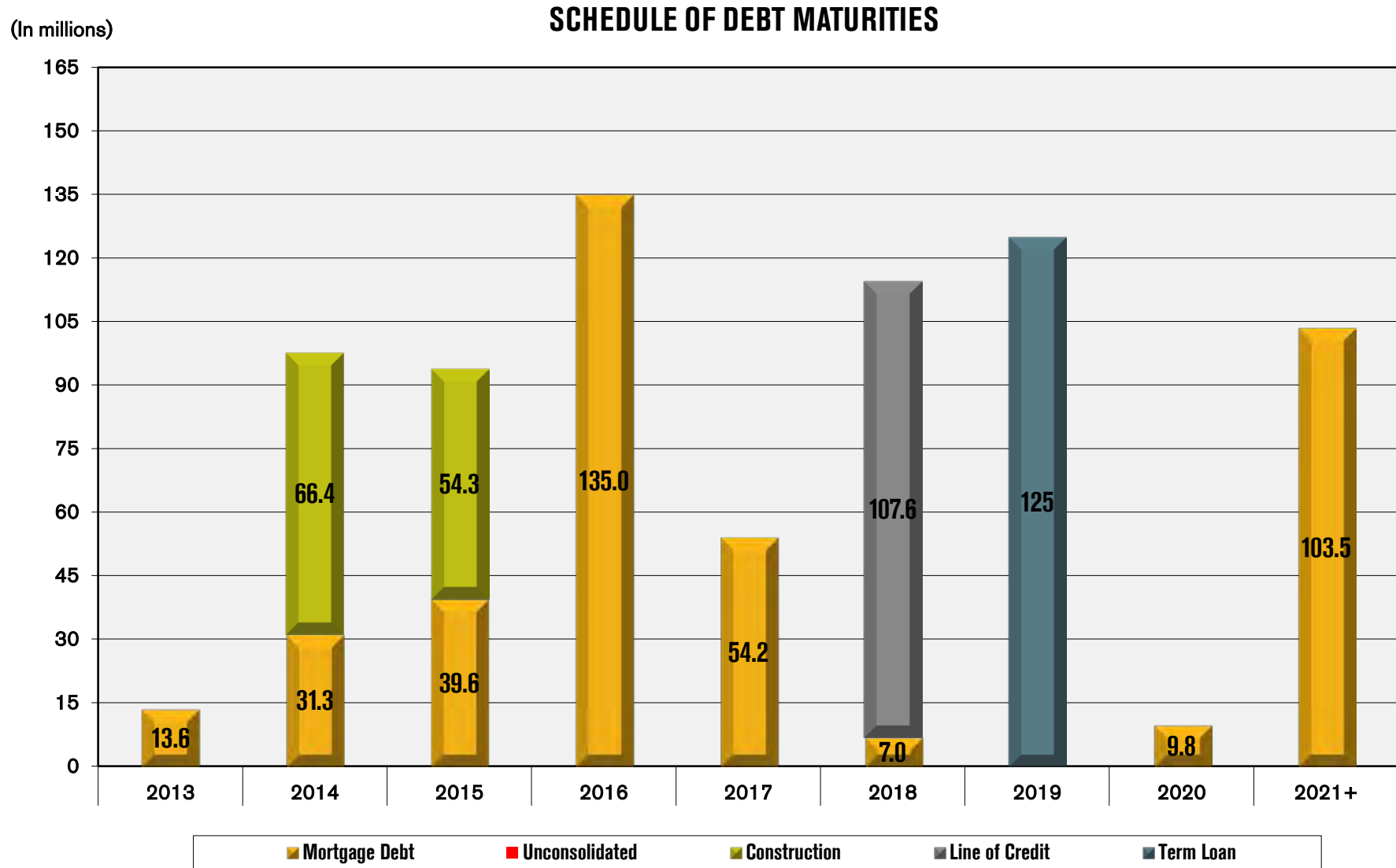
<u>WEIGHTED AVERAGE</u>	<u>2Q 13</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>INTEREST RATE</b>	4.26%	4.51%	4.81%	5.26%
<b>MATURITY (YEARS)</b>	4.1	4.6	4.0	3

**PRIMARY BALANCE SHEET INITIATIVES**

- Manage floating rate debt to a target of less than 15% of total debt.
- De-levering in process through NOI growth, acquisitions, development deliveries and non-core asset sales.

**SIGNIFICANT 2012/2013 CAPITAL MARKETS TRANSACTIONS**

- In October 2012, issued 12,075,000 common shares for \$5.20 per share resulting in net proceeds of approximately \$60 million.
- Closed on \$125 million seven-year unsecured term loan with an interest rate of LIBOR plus 210 to 310 basis points.
- Closed on an amendment to the \$200 million unsecured revolving credit facility that reduced the interest rate across the leverage grid between 15-20 basis points and extended the term to February of 2018, including a one-year extension option.
- Closed on construction loans for development/redevelopment at Four Corner Square, Rangeline Crossing, and Holly Springs Towne Center – Phase I.
- In April/May 2013, issued 15,525,000 common shares for \$6.55 per share resulting in net proceeds of approximately \$97.2 million



(1) Chart excludes annual principal payments and net premiums on fixed rate debt.  
 (2) The Company transferred Kedron Village to the lender in full satisfaction of the related debt (\$29.2mm) still included in 2017 scheduled debt maturities.





## SHAREHOLDER OBJECTIVES / RETURNS

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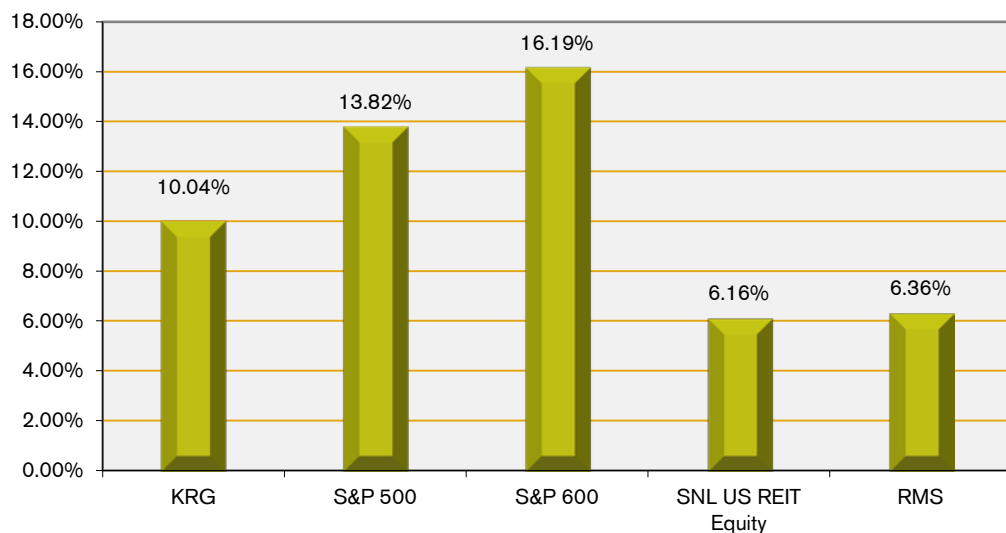
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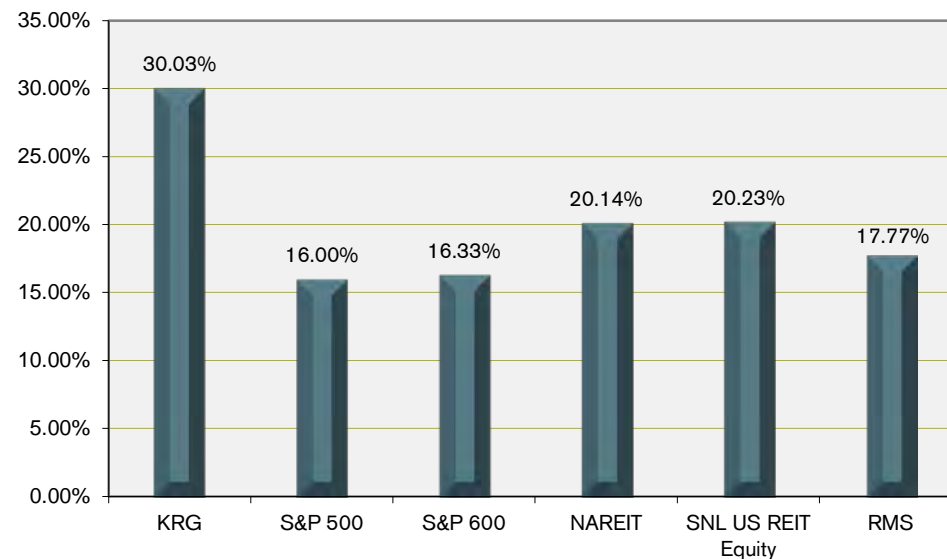
**KITE REALTY GROUP** is focused on growth, quality, and a commitment to its shareholders. Accretive growth through a larger asset base remains a strategic objective. The company is actively targeting select investment opportunities to enhance shareholder return. In addition, the company's commitment to its current developments and redevelopments will provide a high quality revenue stream generated by best-in-class assets. We will also continue to enhance the existing portfolio through active management of the various revenue streams, ensuring that every aspect of our business is producing at the highest level.

**2013 YTD TOTAL RETURNS**

(AS OF 6.30.13)



**2012 TOTAL RETURNS**





This presentation contains certain statements that are not historical fact and may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results of the Company to differ materially from historical results or from any results expressed or implied by such forward-looking statements, including, without limitation: national and local economic, business, real estate and other market conditions, particularly in light of the recent slowing of growth in the U.S. economy; financing risks, including the availability of and costs associated with sources of liquidity; the Company's ability to refinance, or extend the maturity dates of, its 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; the Company's ability to maintain its status as a real estate investment trust ("REIT") for federal income tax purposes; potential environmental and other liabilities; impairment in the value of real estate property the Company owns; risks related to the geographical concentration of our properties in Indiana, Florida and Texas; assumptions underlying our anticipated growth sources; and other factors affecting the real estate industry generally. The Company refers you to the documents filed by the Company from time to time with the Securities and Exchange Commission, specifically the section titled "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2012, which discuss these and other factors that could adversely affect the Company's results. The Company undertakes no obligation to publicly update or revise these forward-looking statements (including the FFO and net income estimates), whether as a result of new information, future events or otherwise.