Eddy Street Commons (South Bend, IN)

INVESTOR UPDATE
JUNE 2017

City Center (White Plains, NY)

888 577 5600 kiterealty.com

KRG LISTED NYSE

COMPANY SNAPSHOT

KITE REALTY GROUP TRUST	
Share Price	$21.50
Market Capitalization	$1.8bn
Enterprise Value	$3.5bn
Dividend Yield [(1)]	5.6%
Moody's / S&P Ratings	Baa3 / BBB-

PORTFOLIO SUMMARY

Number of Properties		120
Number of States		20
Total GLA (SF)		24mm
Total Retail Operating Leased		95.2%
Retail Operating Shop Leased		88.6%
Annualized Base Rent (ABR) Per SF, Including 3-R [(3)] Properties		$15.99
Average Center Size (SF)		~200,000
Portfolio Demographics [(2)]		
Average Household Income	3 Mile: $85,500	5 Mile: $85,000
Population	3 Mile: 68,000	5 Mile: 168,000

Note: Unless otherwise indicated, the source of all data contained herein is publicly available information that has been filed with the Securities & Exchange Commission as of Q1'17.

1.) Source: SNL; Dividend yield calculated as most recent quarterly dividend, annualized and expressed as a percentage of the security price.

2.) Demographic data source: STI: Popstats.

3.) 3-R properties are assets that are in the process of being redeveloped, repositioned, or repurposed, as described in our Quarterly Financial Supplement.

KITE'S CORE STRATEGY INTERTWINED IN ALL ASPECTS

KITE'S CORE STRATEGY IS THE FOUNDATION FOR ACHIEVING SUCCESS IN THE FOLLOWING AREAS:

HIGH-QUALITY PORTFOLIO

- Need-based and value oriented retailers
- 93% internet resistant / omni-channel
- Over 70% ABR coming from top 50 MSAs
- Highly-trafficked centers; over 67% of assets grocery anchored
- Net seller in 2017 of non-core assets which will improve overall asset quality

OPERATIONS AND GROWTH OPPORTUNITIES

- Enhancing assets via the 3-Rs; Redevelop, Reposition, Repurpose
- Driving internal growth from concentrated management of our operating portfolio and selected redevelopment projects
- Top-tier operating metrics
- Historical same-property NOI growth of 4.2% since 2013

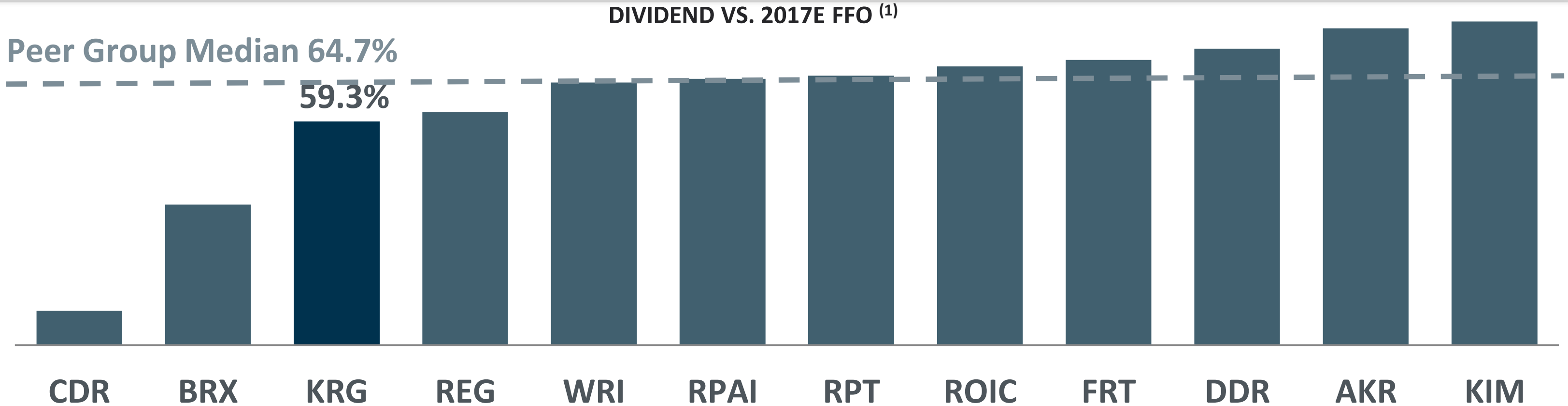
INVESTMENT GRADE BALANCE SHEET

- $40-$45mm in annual free cash flow
- Only $83mm in debt maturities through 2020
- 7% floating rate debt exposure
- Debt service coverage of 3.5x
- Target net debt / adjusted EBITDA of low 6x

KRG PROVIDES ATTRACTIVE INVESTMENT OPPORTUNITY

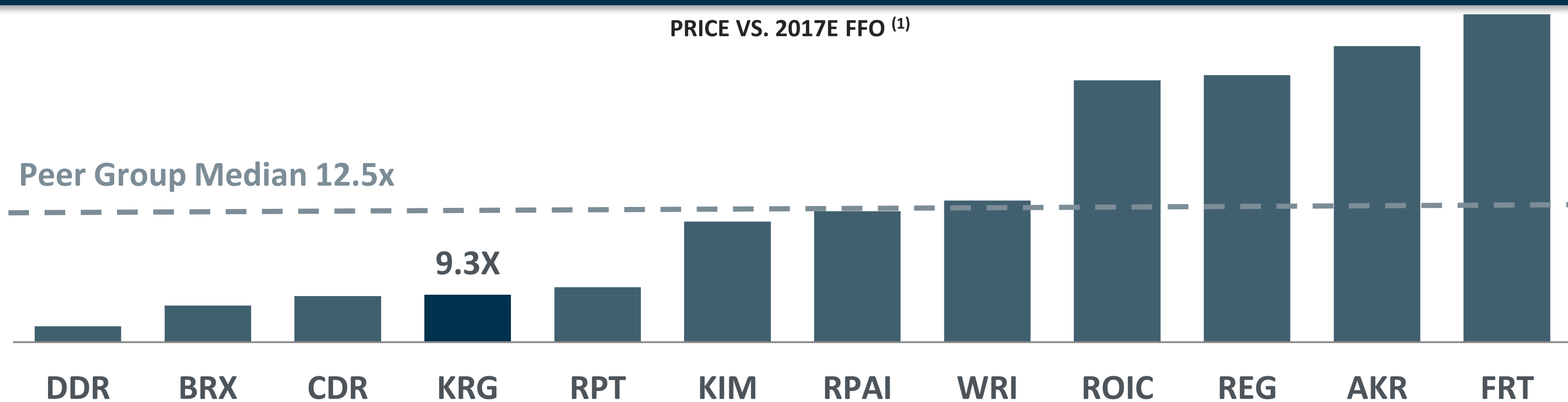
MODEST FFO PAYOUT RATIO SUPPORTS FUTURE DIVIDEND INCREASES

DIVIDEND VS. 2017E FFO [(1)]



DISCOUNTED MULTIPLE PROVIDES ATTRACTIVE OPPORTUNITY

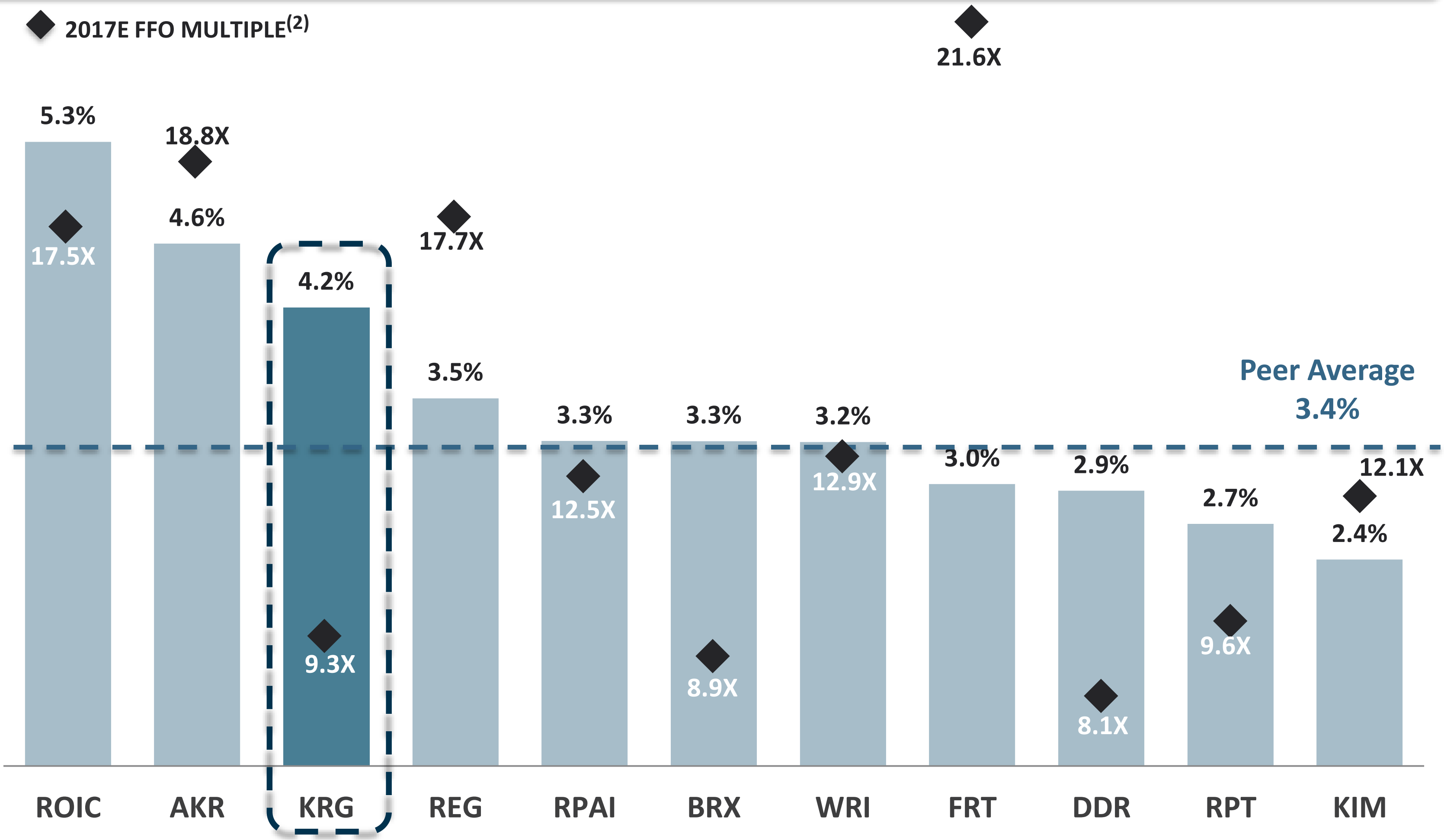
PRICE VS. 2017E FFO [(1)]



1.) 2017E FFO per share refers to consensus estimates for companies as of May 2017 per FactSet, which may not reflect the Company's or the applicable peer company's estimates. FFO Payout Ratio calculated as dividends divided by 2017E FFO, on a per share basis.

KITE'S TRADING MULTIPLE DOES NOT REFLECT ITS STRONG, CONSISTENT OPERATIONAL PERFORMANCE

QUARTERLY AVERAGE SPNOI GROWTH FROM Q1'13-Q1'17 (1)



1.) Figures exclude redevelopments, when information is available, averaged on a quarterly basis from supplemental data for Q1'13-Q1'17.
2.) 2017E FFO per share refers to consensus estimates for companies as of May 2017 per FactSet, which may not reflect the Company's or the applicable peer company's estimates.

TENANT TAKEAWAYS FROM LAS VEGAS ICSC

RECAP FROM CONFERENCE

- ✓ 195 SCHEDULED MEETINGS WITH RETAILERS, NOT INCLUDING IMPROMPTU OR UNSCHEDULED MEETINGS
- ✓ RETAILERS ARE CONTINUING TO OPEN STORES, SOME WITH AGGRESSIVE PLANS
- ✓ CONTINUED FOCUS ON THE DISCOUNT SECTOR, FOOD/RESTAURANTS, FITNESS, AND EXPERIENTIAL/ENTERTAINMENT CONCEPTS

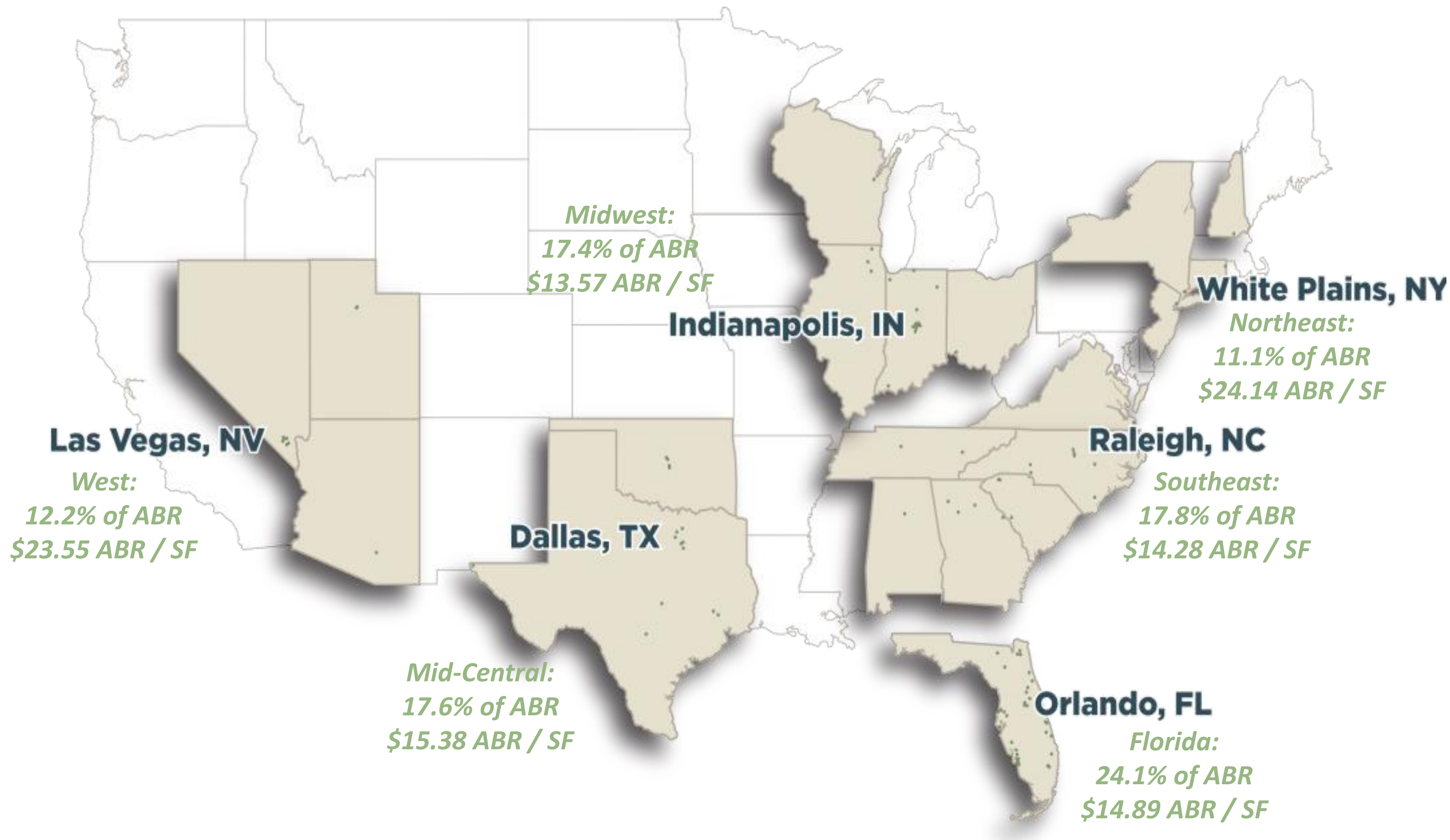
EXAMPLES OF TENANTS WITH EXPANSION PLANS

Sprouts Farmers Market
ULTA Beauty
planet fitness
Alamo Drafthouse Cinema
DSW Designer Shoe Warehouse
TJX The TJX Companies, Inc.
Burlington coat factory
Ross Dress for Less
uBreakiFix
five BELoW
amc THEATRES
Lucky's Market
Hibbett Sports
BEALLS
metro diner
Academy Sports + Outdoors

HIGH-QUALITY PORTFOLIO

WELL-POSITIONED REAL ESTATE WITH A GEOGRAPHICALLY DIVERSE FOOTPRINT

LOCAL PRESENCE IN TARGET MARKETS



FOCUS ON CREDIT STRENGTH AND HIGH-QUALITY TENANTS

STRONG MIX OF TENANTS ACROSS OUR DIVERSIFIED PORTFOLIO

	Top 10 Tenants By ABR	# Stores	% ABR
1	Publix	15	2.7%
2	TJ Maxx	22	2.5%
3	Petsmart	20	2.2%
4	Bed Bath & Beyond	19	2.2%
5	Ross Dress For Less	19	2.2%
6	Lowe's	5	1.8%
7	Office Depot / Max	16	1.6%
8	Dick's Sporting Goods	8	1.5%
9	Ascena	34	1.5%
10	Michaels	14	1.4%
	Total	172	19.6%

INVESTMENT GRADE RATED TOP TENANTS

2017 LEASE ACTIVITY EXAMPLES

DIVERSE TENANT BASE LEAVES MINIMAL EXPOSURE TO STORE CLOSURES

TENANT	TOTAL ANNOUNCED CLOSURES	NUMBER OF KRG LOCATIONS	ABR EXPOSURE	CURRENT KRG CLOSURES AS OF 5/31/17
Gander Mountain	32	1	0.1%	TBD
HH Gregg	220	1	0.1%	1
JCPenney	138	3	0.1%	None
Kmart / Sears	108 / 42	1 / 2	0.3% / 0.2%	None
Macy's	68	1	0.1%	None
Marsh Supermarkets	18	1	0.4%	1
Payless	389	9	0.3%	TBD
Rue 21	400	8	0.2%	TBD

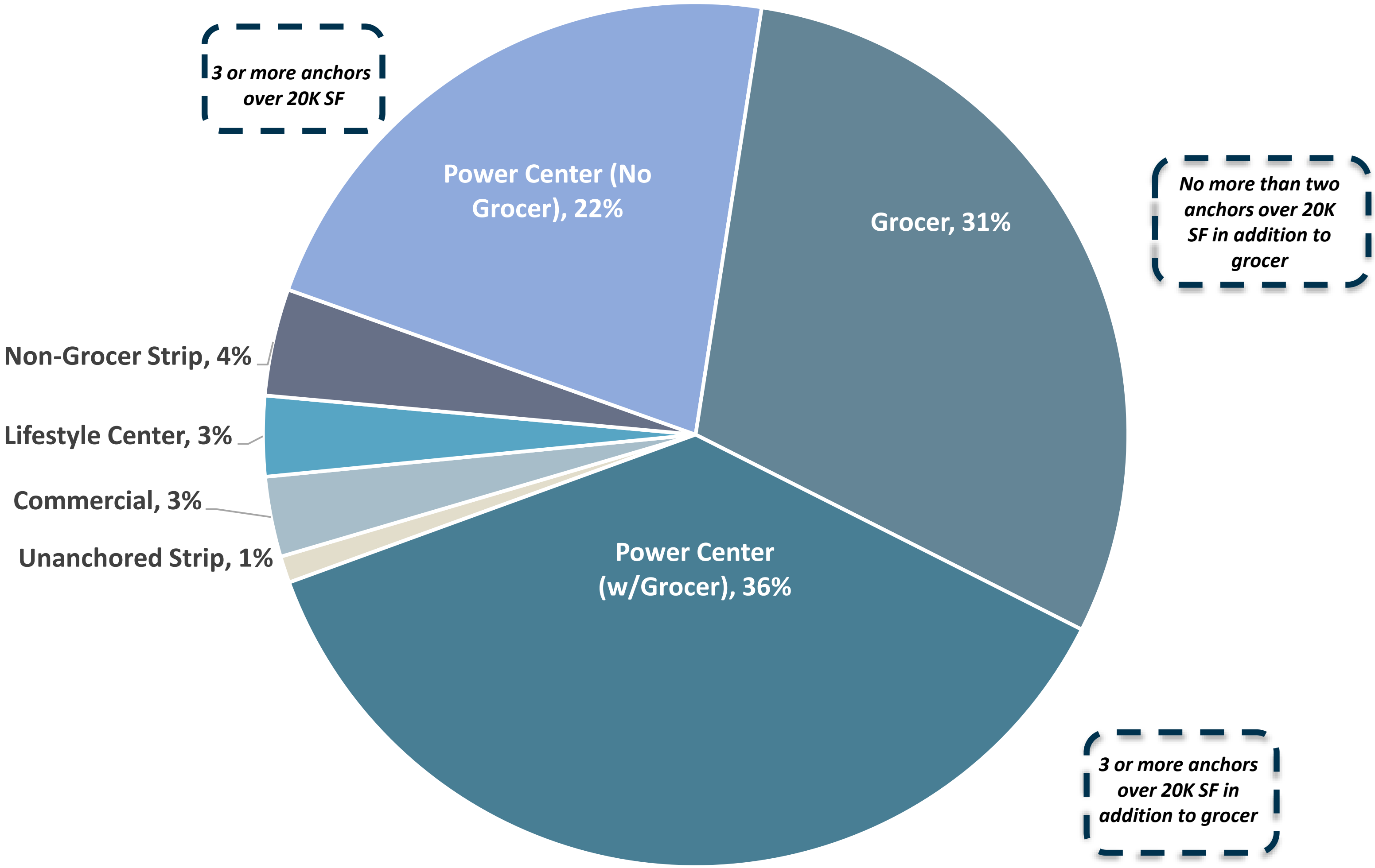
NO EXPOSURE TO THE FOLLOWING RETAILERS THAT HAVE FILED BANKRUPTCY OR HAVE ANNOUNCED STORES CLOSING

Abercrombie & Fitch, American Apparel, BCBG, bebe, Dillard's, Eastern Outfitters, Guess, Wet Seal

Note: Company has 34 Ascena stores representing 1.5% of ABR: Ann Taylor (5), Catherine's (2), Dress Barn (11), Justice (5), Lane Bryant (7), and Maurices (4). No announced closings.

NECESSITY FOCUSED RETAIL PORTFOLIO

67% OF ABR GENERATED FROM ASSETS ANCHORED WITH A GROCER (1)



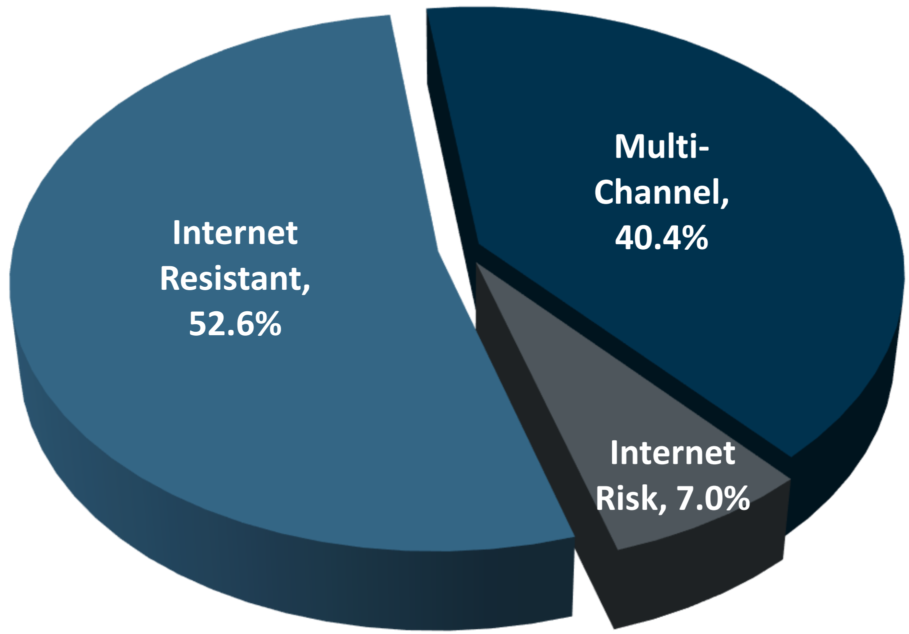
1.) Grocer includes traditional grocers, specialty grocers, and big box retailers that have a grocery component.

INTERNET RESISTANT RETAILER BASE

WELL-POSITIONED TO MANAGE EVOLVING CONSUMER PREFERENCES WITH EXPERIENTIAL TENANTS

INTERNET RESISTANT	**52.6%**
SERVICES, ENTERTAINMENT	21.7%
GROCER, SPECIALTY STORES	14.6%
RESTAURANTS	16.3%
MULTI-CHANNEL	**40.4%**
SOFT GOODS	15.1%
HOME IMPROVEMENT GOODS	11.5%
DISCOUNT RETAILERS	10.6%
SPORTING GOODS	3.2%
INTERNET RISK	**7.0%**
ELECTRONICS / BOOKS	4.8%
OFFICE SUPPLIES	2.2%

TENANT TYPE COMPOSITION BY ABR



Kite's tenant base is 80% non-apparel [1] and 93% internet resistant / multi-channel

1.) Apparel tenants comprise 63.8% of soft goods and 95.3% of discount retailers.

OPERATIONS AND GROWTH OPPORTUNITIES

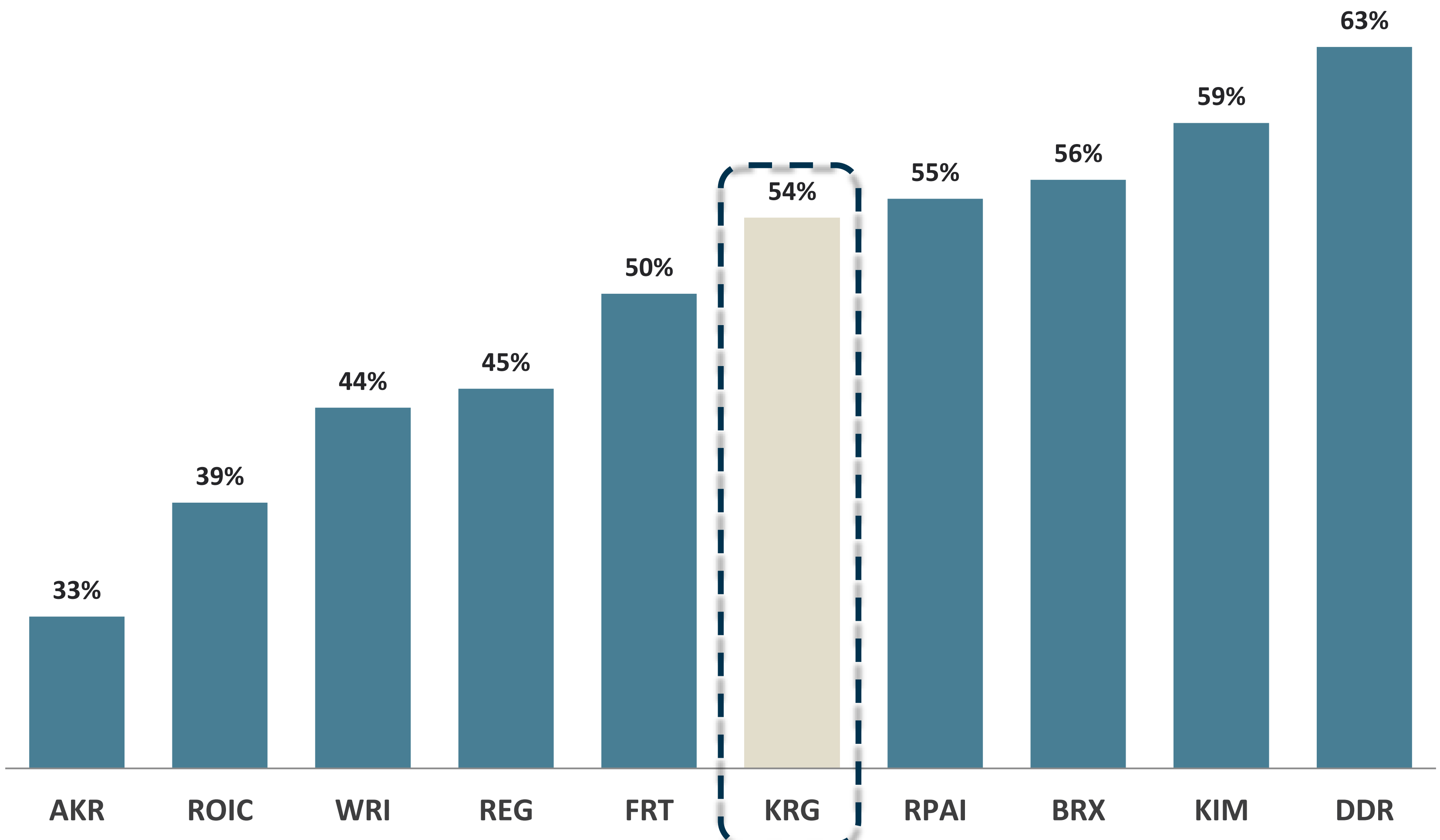
INTERNAL NOI GROWTH OPPORTUNITIES

2017 expected same-property NOI growth of 2-3% with additional growth from our current development pipeline and future 3-R projects

Operating Properties	▪ Positive cash rent spread on non-option renewals – goal of 8-10% ▪ Lease-up opportunities ◆ Increase shop occupancy to 90% ▪ Operating expense savings ▪ Overage rent increases ▪ Ancillary income increases
Current Development / Redevelopment Pipeline	▪ Complete and stabilize development and 3-R projects in process ▪ Projected annualized 2017/2018 cash NOI of $8.7mm ◆ Two current development projects totaling $91mm with $86mm incurred to date ◆ Nine current 3-R projects totaling $60.5mm-68.0mm with a targeted yield of 9%-10%
Future 3-R Projects	▪ Nine future projects with a total cost of $75-$95mm ▪ Projected annualized returns of 9%-11%

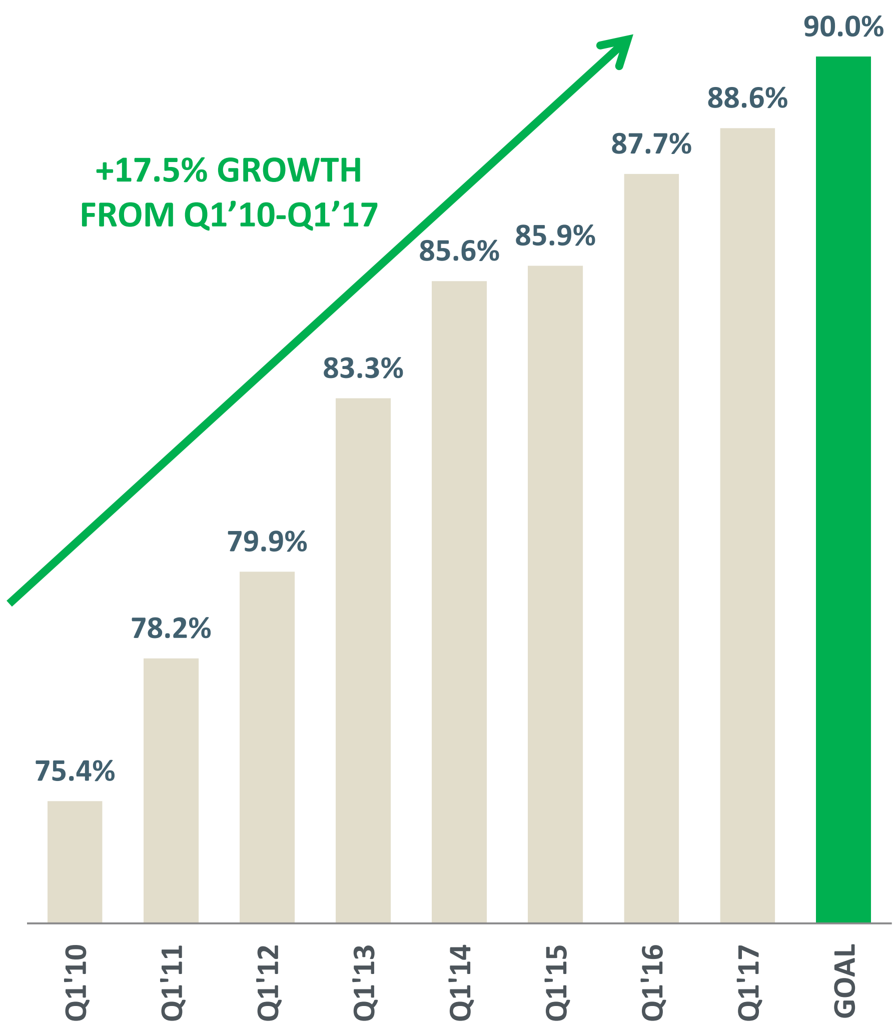
RENTAL STREAM IS WELL-BALANCED BETWEEN ANCHORS AND SHOPS

ANCHOR TENANT ABR AS A PERCENTAGE OF TOTAL PORTFOLIO ABR (1) (2)



1.) Peer data sourced from publicly available information as of Q1'17 supplemental. KRG figures include redevelopments.
2.) Anchor tenant defined as ≥ 10,000 square feet.

SMALL SHOP LEASING – AN OPPORTUNITY FOR GROWTH



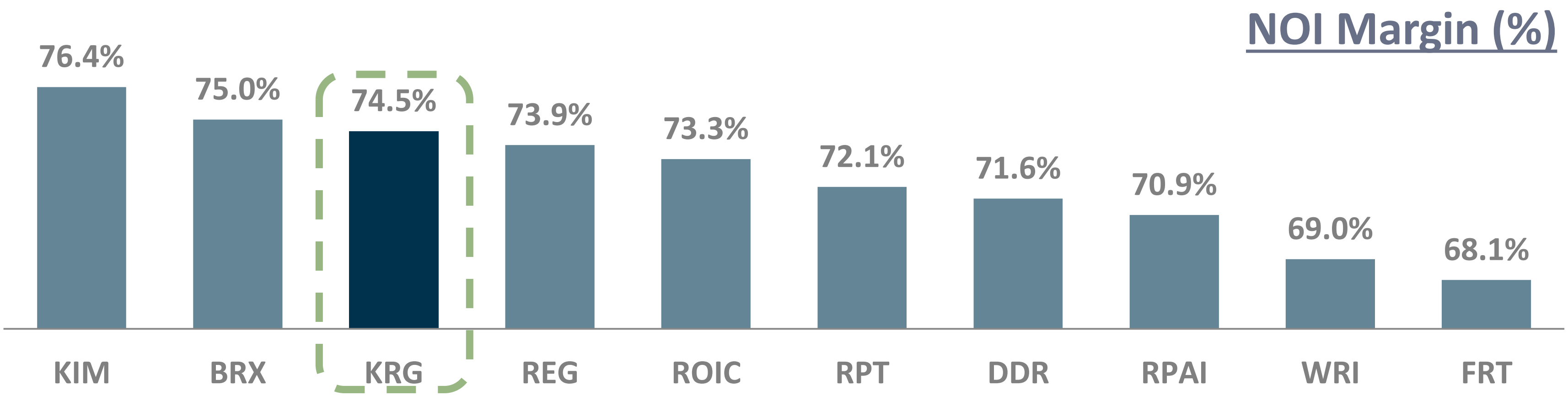
Small shop tenant base is 87% non-apparel related; of the 40 shop openings in Q1'17, only 2 were apparel related

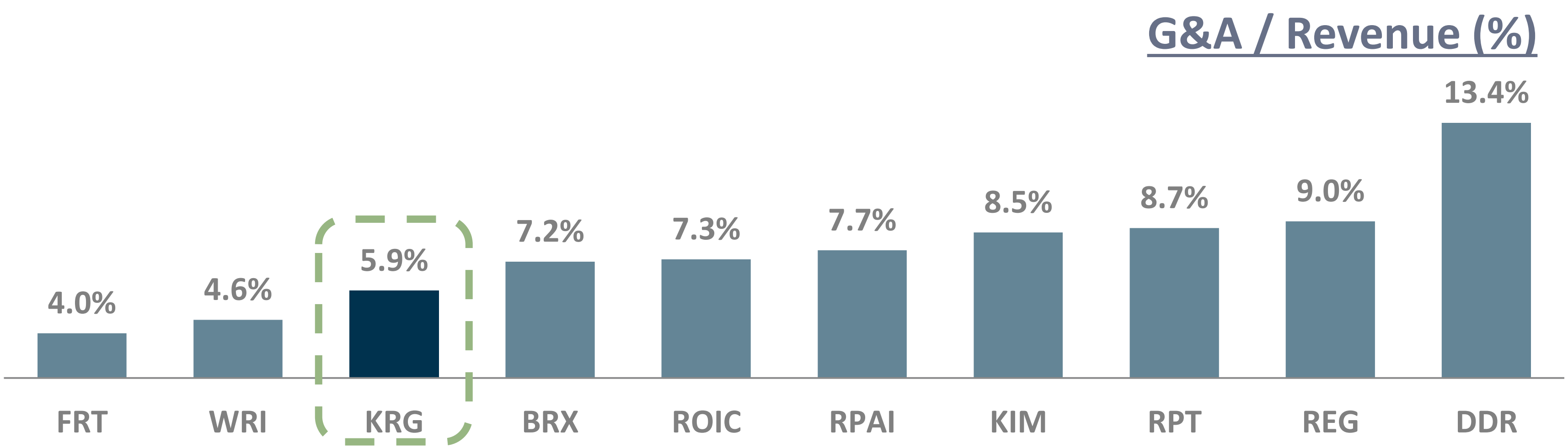
~30% of small shop ABR derived from Service Related tenants, including Beauty, Health & Fitness, and Recreational Centers

1.) KRG Supplementals Q1'10 through Q1'17.

OPERATING EFFICIENCY METRICS

KRG consistently ranks in top tier among peers for efficiency





Source: Peer data reflects trailing four quarters average as of Q1'17. Reflects pro rata income statement figures.

IN-PROCESS 3-R PROJECTS & OPPORTUNITES

3-R PLATFORM

- **Redevelop:** substantial renovations; e.g. teardowns, remerchandising, exterior / interior improvements
- **Repurpose:** substantial alterations, including changing the product-type
- **Reposition:** less substantial asset enhancements, generally $5mm or less of investment

Tarpon Bay Plaza (FL)

IN-PROCESS 3-R PROJECTS AND OPPORTUNITIES

Nine In-Process Projects; Est. Cost: $60.5mm-$68.0mm

EST. STABILIZATION PERIOD

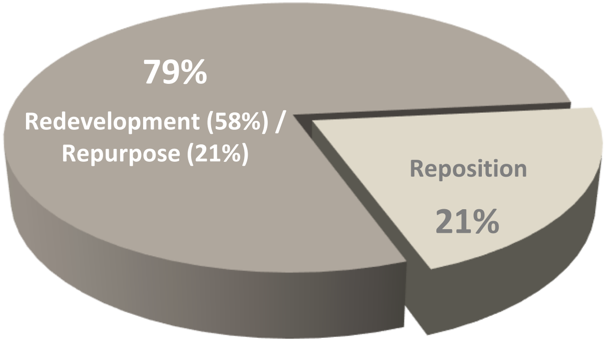
2017

- Bolton Plaza, Phase II
- Centennial Gateway
- Market Street Village
- Northdale Promenade
- Trussville Promenade

2018

- Burnt Store Promenade
- City Center
- Fishers Station
- Portofino Shopping Center, Phase II

Nine 3-R Opportunities; Est. Cost: $75.0mm-$95.0mm



Targeted Return: 9.0%-11.0%

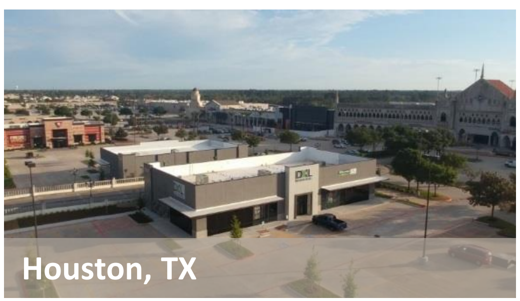
PORTOFINO SHOPPING CENTER (HOUSTON, TX): A CASE STUDY

PHASE I - COMPLETE

- **Addition of two small shop buildings on new outparcels**
- **Total Cost: $5.1 million**
- **Projected ROI: 9.1%**

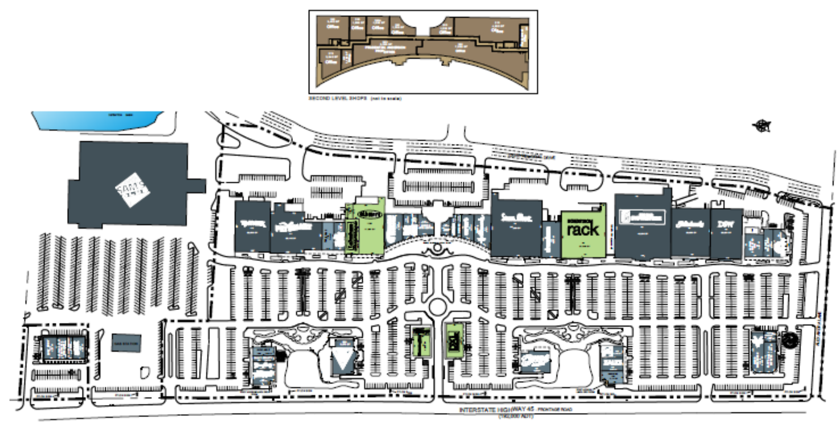
3-Mile Demographics

- **Population: 47,000**
- **Average Household Income: $121,000**



PHASE II – IN PROCESS

- **Demolition/expansion of existing vacant space to accommodate Nordstrom Rack and rightsize existing Old Navy store**
- **Shop relocation and façade renovations to better position existing space**
- **Total Cost: $6.5-$7.5 million**
- **% Total Cost Spent: 25%**
- **Projected ROI: 8.0%-8.5%**



Tenant Lineup:

NORDSTROM rack · OLD NAVY · DXL MENS APPAREL · DSW DESIGNER SHOE WAREHOUSE® · Stein Mart · PETSMART · Sam's CLUB

FISHERS STATION (INDIANAPOLIS, IN): A CASE STUDY

SUMMARY

- Previously anchored by 57,639 square foot Marsh Supermarket
- Successful negotiation of a new 123,000 square foot Kroger Marketplace drove the redevelopment of the center
- Demolition of junior anchor and small shops to realign the center and make way for the new Kroger has commenced
- Total Cost: $10.5-$11.5 million
- % Total Cost Spent: 12%
- Projected ROI: 9.5%-10.5%

3-Mile Demographics

- Population: 58,000
- Average Household Income: $104,000

BEFORE

AFTER

INVESTMENT GRADE BALANCE SHEET

RESILIENT BALANCE SHEET

- **Moody's / S&P Ratings: Baa3 / BBB-**
- **Debt Service Coverage: 3.5x**
- **Net Debt / Adjusted EBITDA: 6.9x**
- **Secured Debt / Undepreciated Total Assets: 16.7%**
- **Unencumbered Assets / Total Assets: 65%**
- **Weighted Average Debt Maturity: 6.2 Years**

Cobblestone Plaza (FL)

ACTIONS TAKEN OVER THE LAST YEAR

Issued an inaugural $300mm public offering of Senior Unsecured Notes

Repaid $400mm Term Loan maturing in 2020 with new $200mm 5 year Term Loan and note proceeds

Refinanced the $500mm Revolving Credit Agreement, extending the maturity 2 years, reducing interest rate and improving covenants

Repaid $165mm in CMBS debt and repaid the Parkside Town Commons loan

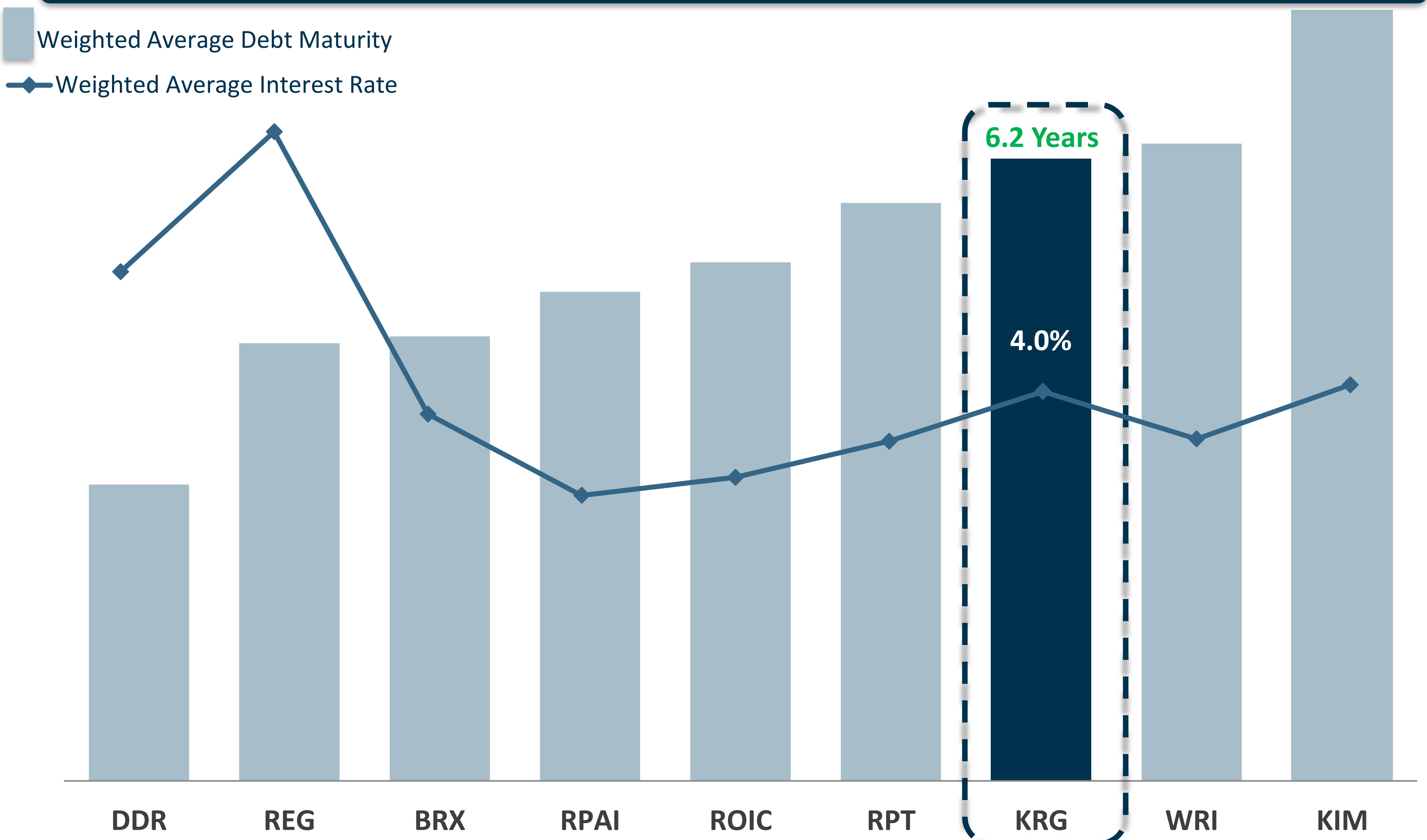
Refinanced the Delray Marketplace construction loan with a new 5 year loan

Today, only $83mm debt maturing through 2020 (1)

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

EFFICIENT DEBT STRUCTURE RELATIVE TO PEERS

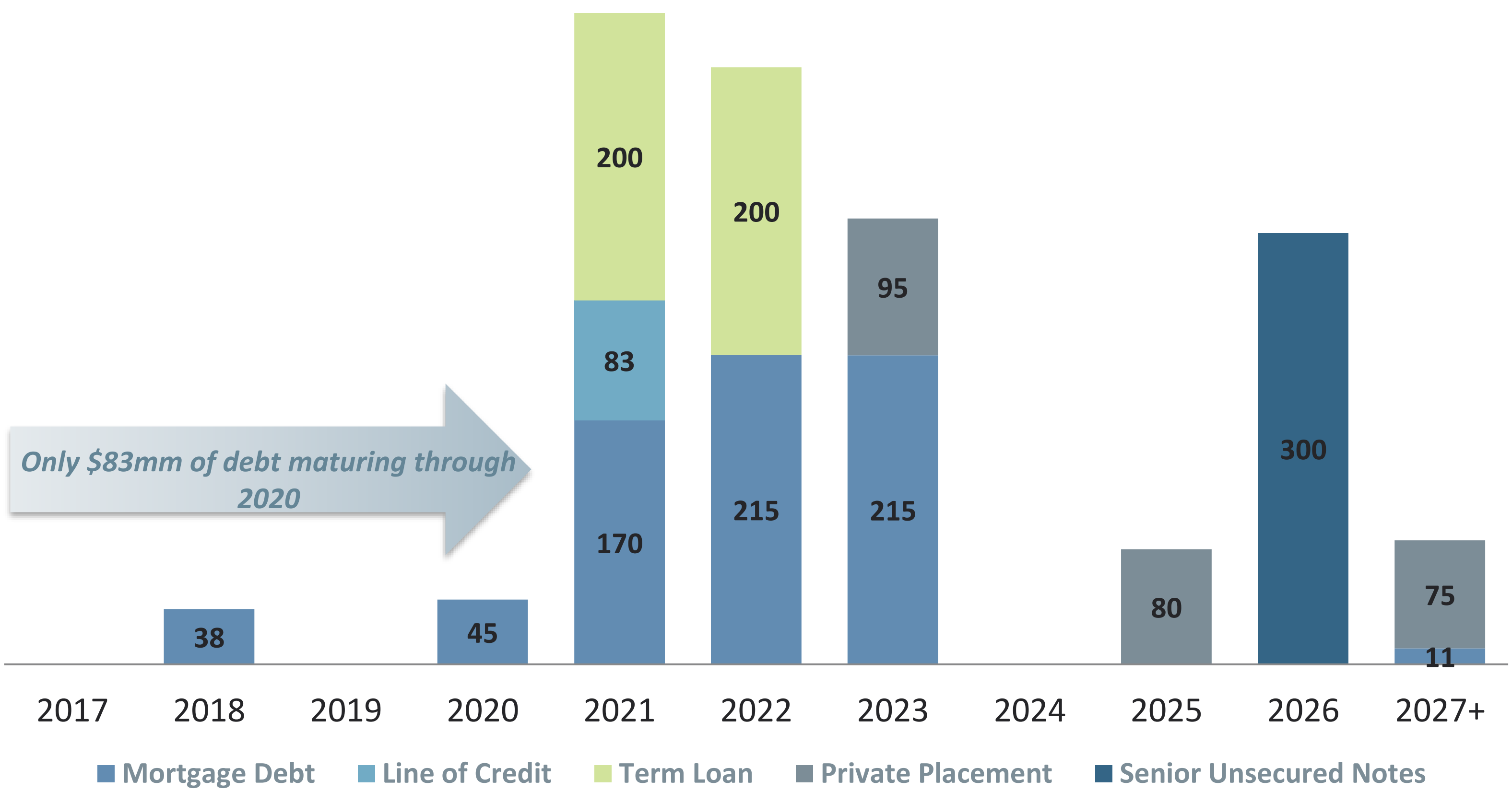
WEIGHTED AVERAGE MATURITIES AND WEIGHTED AVERAGE INTEREST RATES



Note: Peer data sourced from publicly available information as of Q1'17 supplemental.

WELL-STAGGERED DEBT MATURITY PROFILE

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



1.) Chart 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;
- 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, 2016, 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

Free Cash Flow

Free Cash Flow is reflected on an annual basis and is defined as Funds From Operations (FFO) as adjusted, less capital expenditures, capitalized internal costs, tenant improvements, plus non-cash items, and after dividends paid.

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. For informational purposes, the Company has also provided FFO adjusted for a severance charge in 2016. The Company believes this supplemental information provides a meaningful measure of our operating performance. The Company believes our presentation of FFO, as adjusted, provides investors with another financial measure that may facilitate comparison of operating performance between periods and among our peer companies. 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.

Adjusted Funds from Operations

Adjusted Funds From Operations (“AFFO”) is a non-GAAP financial measure of operating performance used by many companies in the REIT industry. AFFO should not be considered an alternative to net earnings, as an indication of the company's performance or to cash flow as a measure of liquidity or ability to make distributions. Management considers AFFO a useful supplemental measure of the company’s performance. The Company’s computation of AFFO may differ from the methodology for calculating AFFO used by other REITs, and therefore, may not be comparable to such other REITs.

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 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.

NON-GAAP FINANCIAL MEASURES

Net Operating Income and Same Property Net Operating Income (Cont.)

The Company also uses 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, straight-line rent revenue, bad debt expense and recoveries, 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 for the full period presented, which eliminates disparities in net income due to the redevelopment, acquisition or disposition of properties during the particular period presented and thus provides a more consistent metric for the comparison of our properties.

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 12 months after construction is substantially complete and 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 March 31, 2017, the Company excluded nine redevelopment properties from the same property pool that met these criteria and were owned in both comparable periods.

Earnings Before Interest Expense, Income Tax Expense, Depreciation and Amortization (EBITDA)

We define EBITDA, a non-GAAP financial measure, as net income before depreciation and amortization, interest expense and income tax expense of taxable REIT subsidiary. For informational purposes, we have also provided Adjusted EBITDA, which we define as EBITDA less (i) EBITDA from unconsolidated entities, (ii) gains on sales of operating properties or impairment charges, (iii) other income and expense, (iv) noncontrolling interest EBITDA and (v) other non-recurring activity or items impacting comparability from period to period. Annualized Adjusted EBITDA is Adjusted EBITDA for the most recent quarter multiplied by four. Net Debt to Adjusted EBITDA is our share of net debt divided by Annualized Adjusted EBITDA. EBITDA, Adjusted EBITDA, Annualized Adjusted EBITDA and Net Debt to Adjusted EBITDA, as calculated by us, are not comparable to EBITDA and EBITDA-related measures reported by other REITs that do not define EBITDA and EBITDA-related measures exactly as we do. EBITDA, Adjusted EBITDA and Annualized Adjusted EBITDA do not represent cash generated from operating activities in accordance with GAAP, and should not be considered alternatives to net income as an indicator of performance or as alternatives to cash flows from operating activities as an indicator of liquidity.

Considering the nature of our business as a real estate owner and operator, we believe that EBITDA, Adjusted EBITDA and the ratio of Net Debt to Adjusted EBITDA are helpful to investors in measuring our operational performance because they exclude 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. For informational purposes, we have also provided Annualized Adjusted EBITDA, adjusted as described above. We believe this supplemental information provides a meaningful measure of our operating performance. We believe presenting EBITDA and the related measures in this manner allows investors and other interested parties to form a more meaningful assessment of our operating results.

APPENDIX – RECONCILIATION OF FFO TO NET INCOME

($ in thousands, except per share data)

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Funds From Operations		
Consolidated net income	$ 437	$ 1,975
Less: net income attributable to noncontrolling interests in properties	(432)	(461)
Less: gain on sale of operating property	(8,870)	—
Add: impairment charge	7,411	—
Add: depreciation and amortization of consolidated entities, net of noncontrolling interests	45,366	42,052
FFO of the Operating Partnership[1]	43,912	43,566
Less: Limited Partners' interests in FFO	(989)	(981)
FFO attributable to Kite Realty Group Trust common shareholders[1]	$ 42,923	$ 42,585
FFO, as defined by NAREIT, per share of the Operating Partnership - basic	$ 0.51	$ 0.51
FFO, as defined by NAREIT, per share of the Operating Partnership - diluted	$ 0.51	$ 0.51
FFO of the Operating Partnership[1]	$ 43,912	$ 43,566
Add: severance charge	—	500
FFO, as adjusted, of the Operating Partnership	$ 43,912	$ 44,066
FFO, as adjusted, per share of the Operating Partnership - basic	$ 0.51	$ 0.52
FFO, as adjusted, per share of the Operating Partnership - diluted	$ 0.51	$ 0.52
Weighted average common shares outstanding - basic	83,565,325	83,348,507
Weighted average common shares outstanding - diluted	83,643,608	83,490,979
Weighted average common shares and units outstanding - basic	85,529,910	85,271,012
Weighted average common shares and units outstanding - diluted	85,608,193	85,413,485
FFO, as defined by NAREIT, per diluted share		
Consolidated net income	$ 0.01	$ 0.02
Less: net income attributable to noncontrolling interests in properties	(0.01)	(0.01)
Less: gains on sales of operating properties	(0.10)	—
Add: impairment charge	0.08	—
Add: depreciation and amortization of consolidated entities, net of noncontrolling interests	0.53	0.50
FFO, as defined by NAREIT, of the Operating Partnership per diluted share[1]	$ 0.51	$ 0.51
Add: severance charge	—	0.01
FFO, as adjusted, of the Operating Partnership per diluted share	$ 0.51	$ 0.52

1.) “FFO of the Operating Partnership" measures 100% of the operating performance of the Operating Partnership’s real estate properties. “FFO attributable to Kite Realty Group Trust common shareholders” reflects a reduction for the redeemable noncontrolling weighted average diluted interest in the Operating Partnership.

APPENDIX – RECONCILIATION OF SAME PROPERTY NOI TO NET INCOME

($ in thousands)

	Three Months Ended March 31,		
	2017	**2016**	**% Change**
Number of properties for the quarter[1]	105	105	
Leased percentage	95.1%	95.5%	
Economic Occupancy percentage[2]	93.9%	93.3%	
Minimum rent	$ 58,781	$ 57,358	
Tenant recoveries	16,826	16,410	
Other income	285	142	
	75,892	73,910	
Property operating expenses	(9,754)	(9,367)	
Real estate taxes	(10,043)	(10,128)	
	(19,797)	(19,495)	
Net operating income - same properties[3]	**$ 56,095**	**$ 54,415**	**3.1%**
Net operating income - same properties excluding the impact of the 3-R initiative[4]			**4.0%**
Reconciliation of Same Property NOI to Most Directly Comparable GAAP Measure:			
Net operating income - same properties	$ 56,095	$ 54,415	
Net operating income - non-same activity[5]	10,734	10,808	
Other expense, net	(106)	(392)	
General, administrative and other	(5,470)	(5,291)	
Impairment charge	(7,411)	—	
Depreciation expense	(45,830)	(42,240)	
Interest expense	(16,445)	(15,325)	
Gain on sale of operating property	8,870	—	
Net income attributable to noncontrolling interests	(432)	(573)	
Net income attributable to common shareholders	$ 5	$ 1,402	

1.) Same property analysis excludes operating properties in redevelopment 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 during the period.
3.) Same Property NOI excludes net gains from outlot sales, straight-line rent revenue, bad debt expense and recoveries, lease termination fees, amortization of lease intangibles and significant prior period expense recoveries and adjustments, if any.
4.) See pages 27 and 28 of the Q1 Supplemental for further detail of the properties included in the 3-R initiative.
5.) Includes non-cash activity across the portfolio as well as net operating income from properties not included in the same property pool.

APPENDIX – RECONCILIATION OF EBITDA / ADJUSTED EBITDA TO NET INCOME

($ in thousands)	Three Months Ended March 31, 2017
Consolidated net income	$ 437
Adjustments to net income	
Depreciation and amortization	45,830
Interest expense	16,445
Income tax benefit of taxable REIT subsidiary	(33)
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	62,679
Adjustments to EBITDA:	
Unconsolidated EBITDA	34
Gain on sale of operating property	(8,870)
Impairment charge	7,411
Pro-forma adjustment[1]	(308)
Other income and expense, net	139
Noncontrolling interest	(432)
Adjusted EBITDA	60,653
Annualized Adjusted EBITDA[2]	$ 242,612
Company share of net debt:	
Mortgage and other indebtedness	1,726,873
Less: Partner share of consolidated joint venture debt[3]	(13,373)
Less: Cash, cash equivalents, and restricted cash	(32,250)
Less: Net debt premiums and issuance costs, net	910
Company Share of Net Debt	1,682,160
Net Debt to Adjusted EBITDA	6.9x

1.) Relates to current quarter GAAP operating income for Cove Center operating property that was sold during the quarter.
2.) Represents Adjusted EBITDA for the three months ended March 31, 2017 (as shown in the table above) multiplied by four.
3.) Partner share of consolidated joint venture debt is calculated based upon the partner's pro-rata ownership of the joint venture, multiplied by the related secured debt balance. In all cases, this debt is the responsibility of the consolidated joint venture.