



QUARTERLY FINANCIAL SUPPLEMENT AND EARNINGS PRESS RELEASE

JUNE 30, 2014

KITE REALTY GROUP TRUST

INVESTOR RELATIONS CONTACTS:

Dan Sink, Chief Financial Officer
Adam Basch, Investor Relations

QUARTERLY FINANCIAL SUPPLEMENT AND EARNINGS PRESS RELEASE – JUNE 30, 2014

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PRESS RELEASE

Contact Information:
Kite Realty Group Trust
Dan Sink, Chief Financial Officer
(317) 577-5609
dsink@kiterealty.com

Investors/Media:
Kite Realty Group Trust
Adam Basch, Investor Relations
(317) 578-5161
abasch@kiterealty.com

Kite Realty Group Trust Reports Second Quarter 2014 Results

Indianapolis, Ind., July 31, 2014 – Kite Realty Group Trust (NYSE: KRG) (the “Company”) announced today its operating results for the second quarter ended June 30, 2014. Financial statements and exhibits attached to this release include results for the three and six months ended June 30, 2014 and 2013.

“We continue to execute on our strategic plan as evidenced by another quarter of excellent operating results,” said John A. Kite, Chairman and CEO. “Our portfolio fundamentals and operating metrics continue to be among the leaders in the shopping center sector. We achieved 30% year-over-year as adjusted FFO per share growth in the quarter, posted strong same property net operating income growth of 4.4% and generated cash spreads on lease renewals of 7.7%. We also closed on our merger with Inland Diversified earlier this month which strengthens our balance sheet and considerably bolsters our liquidity position to approximately \$400 million. We also expect to significantly increase our cash flow from combined operations in the second half of 2014 and beyond.”

Second Quarter Financial Results

- **As adjusted for \$3.3 million of merger and acquisition costs, Funds From Operations (FFO), was \$17.4 million, or \$0.13 per diluted common share, for the second quarter of 2014 which represents a 30% per share increase over the second quarter of last year.**
- **Revenue from recurring property operations increased 40% in the second quarter of 2014 over the second quarter of 2013.**

For the three months ended June 30, 2014, FFO was \$14.1 million, or \$0.10 per diluted common share for Kite Realty Group, L.P.’s real estate properties in which the Company owns an interest (the “Kite Portfolio”), compared to \$10.1 million, or \$0.10 per diluted common share, for the same period in the prior year. As adjusted for costs associated with our recently completed merger with Inland Diversified Real Estate Trust (“Inland Diversified”), FFO for the three months ended June 30, 2014 was \$17.4 million, or \$0.13 per diluted common share for the Kite Portfolio, compared to \$10.1 million, or \$0.10 per diluted common share, for the same period in the prior year.

For the six months ended June 30, 2014, FFO was \$27.1 million, or \$0.20 per diluted common share for the Kite Portfolio, compared to \$21.5 million, or \$0.24 per diluted common share for the same period of the prior year. As adjusted for merger and acquisition costs of \$7.8 million, FFO for the six months ended June 30, 2014 was \$34.9 million, or \$0.25 per diluted common share for the Kite Portfolio, compared to \$21.7 million, or \$0.24 per diluted common share, in the same period of the prior year.

Net loss attributable to common shareholders for the three months ended June 30, 2014 was \$5.1 million compared to a net loss of \$8.7 million for the same period in 2013. Net loss attributable to common shareholders during the three months ended June 30, 2014 included merger and acquisition costs of \$3.3 million while the three months ended June 30, 2013 included a \$5.4 million impairment charge.

Net loss attributable to common shareholders was \$2.9 million for the first six months of 2014 compared to an \$8.8 million net loss in the same period of the prior year. Net loss in the current year includes gains on sales of operating properties totaling \$6.7 million, offset by merger and acquisition costs of \$7.8 million. The prior year includes a \$5.4 million impairment charge.

Total revenue from property operations for the three months ended June 30, 2014 increased 40% over the same period in the prior year and reflects the effects of acquisition of the nine-property portfolio in November of 2013, the delivery of development and redevelopment properties into operations, and the completion of anchor tenant renovations.

Total revenue from property operations for the six months ended June 30, 2014 increased 47% over the same period in 2013, mainly due to the acquisition of operating properties and the transition of development properties to operating status.

Portfolio Operations

- **Same property net operating income increased 4.4% in the second quarter of 2014 over the same period in the prior year.**
- **The total portfolio was 95.2% leased at the end of the second quarter of 2014.**
- **Executed 45 new and renewal leases for 174,450 square feet during the second quarter of 2014 for an aggregate cash rent spread on comparable leases of 13.9%.**

As of June 30, 2014, the Company owned interests in 66 operating properties totaling approximately 11.7 million square feet. The owned GLA in the Company's retail operating portfolio was 95.2 % leased as of June 30, 2014, compared to 95.4% leased as of June 30, 2013.

Same property net operating income, which includes 50 operating properties, increased 4.4% in the second quarter of 2014 compared to the same period in the prior year. The leased percentage of these properties increased to 96.3% at June 30, 2014 from 95.9% at June 30, 2013.

The Company executed 45 new and renewal leases during the second quarter of 2014 totaling 174,450 square feet. Cash spreads on new leases executed in the quarter were up 32.0% while cash spreads on renewals were up 7.7% for a blended spread of 13.9%.

As previously announced, several new anchor and national tenants, representing 151,000 square feet of GLA, opened for business during the second quarter of 2014. These tenants include Publix Supermarkets at King's Lake Square in Naples, Florida; Harris Teeter, Massage Envy, and Sleepy's at Parkside Town Commons in Raleigh, North Carolina; Total Wine & More at International Speedway Square in Daytona Beach, Florida; Panera Bread at Bolton Plaza in Jacksonville, Florida; and Walgreens at Four Corner Square in Maple Valley, Washington.

Investments in Properties

- **Substantially completed the redevelopment of Kings Lake Square, a retail shopping center in Naples, Florida, that was 88% leased at quarter-end, and transitioned the property into the operating portfolio.**

Development

As of June 30, 2014, the Company owned interests in three development projects under construction which include Phase II of Holly Springs Towne Center and Phases I and II of Parkside Town Commons, all near Raleigh, North Carolina. Phase II of Holly Springs Towne Center is anchored by Target, Frank Theatres, Bed Bath & Beyond and DSW while Parkside Town Commons Phase I and II is anchored by Target, Frank Theatres, Harris Teeter, PETCO, Golf Galaxy and Field & Stream. These projects were in aggregate 73.6% pre-leased or committed as of June 30, 2014 with a total estimated cost of approximately \$158.0 million, of which approximately \$95.5 million had been incurred as of June 30, 2014.

Redevelopment

The Company substantially completed the King's Lake Square redevelopment in Naples, Florida with a new 20-year Publix lease as well as an updated Starbucks and other national and regional tenants. Publix reopened for business on April 24.

The Company owns two additional redevelopment properties under construction that were in the aggregate 83.5% pre-leased or committed as of June 30, 2014. Gainesville Plaza in Gainesville, Florida will be anchored by Burlington Coat Factory and Ross Dress for Less and Bolton Plaza in Jacksonville, Florida is anchored by LA Fitness and Academy Sports & Outdoors. We expect Gainesville to open for operations in late 2014 and Bolton Plaza to be substantially complete in September 2014.

During the second quarter, the Company commenced redevelopment of its Hamilton Crossing operating property in Carmel, Indiana as the Company allowed its lease with Office Depot to expire. The Company intends to re-tenant and refurbish the center and revise the layout.

Merger with Inland Diversified

The Company closed on the \$2.1 billion merger with Inland Diversified Real Estate Trust on July 1, 2014. The Company now owns 133 properties containing approximately 20.6 million square feet of owned GLA in 26 states. As of June 30, 2014, the pro forma combined portfolio was 95.5% leased. With the closing of the merger, the Company has properties in new attractive markets such as Westchester, NY; Bayonne, NJ; Las Vegas, NV; Virginia Beach, VA; and Salt Lake City, UT.

Capital Markets Activities

- **On July 1, 2014, the Company amended and restated its unsecured revolving credit facility, increasing the credit capacity to \$500 million.**
- **Total cash and available credit was approximately \$400 million after the closing of the amended unsecured revolving credit facility.**

On July 1, 2014, the Company amended its unsecured revolving credit facility (the “Revolver”) and its unsecured term loan (the “Term Loan”). Borrowing capacity on the Revolver was increased from \$200 million to \$500 million. The maturity date of the amended Revolver is July 1, 2019, including a twelve-month extension option and the LIBOR-based interest rate was reduced to LIBOR plus 140 to 200 basis points, depending on the Company’s leverage ratio, a decrease of between 25 to 50 basis points across the leverage grid. The Term Loan principal amount remains at \$230 million. The maturity date of the amended Term Loan is January 1, 2020, including a six-month extension option and the LIBOR-based interest rate was reduced to LIBOR plus 135 to 190 basis points, depending on the Company’s leverage ratio, a decrease of between 10 to 55 basis points across the leverage grid.

Distributions and Shareholders’ Equity

On June 13, 2014, the Board of Trustees declared a quarterly common share distribution of \$0.065 per common share for the quarter ended June 30, 2014 payable to shareholders of record as of June 24, 2014. This distribution was paid on July 1, 2014.

On May 9, 2014, the Board of Trustees declared a quarterly preferred share cash distribution of \$0.515625 per preferred share covering the distribution period from March 2, 2014 to June 1, 2014 payable to shareholders of record as of May 21, 2014. This distribution was paid on May 30, 2014.

On July 18, the Board of Trustees approved a reverse share split at a ratio of 1-for-4. The reverse share split is expected to take effect at about 5:00 p.m. Eastern time on August 11, 2014. As a result of the reverse share split, the number of outstanding common shares of the Company will be reduced from approximately 332.7 million to approximately 83.2 million. The Company expects that a corresponding adjustment will be made to its quarterly share dividend.

2014 Earnings Guidance

The Company is increasing its as adjusted FFO guidance for the year ending December 31, 2014 to be within a range of \$0.49 to \$0.52 per diluted common share and net loss to be within a range of \$(0.14) to \$(0.11) per diluted common share. Guidance assumptions include the effects of the merger with Inland Diversified and exclude merger and acquisition costs. Following is a reconciliation of the earnings guidance range from net loss per diluted common share to FFO per diluted common share and adjusted FFO per diluted common share.

Guidance Range for Full Year 2014

	<u>Low</u>	<u>High</u>
Net loss per diluted common share	\$(0.14)	\$(0.11)
Less: Dividends on preferred shares	(0.06)	(0.06)

Less: Gain on sales of operating properties	(0.05)	(0.05)
Add: Depreciation and amortization	0.54	0.54
FFO per diluted common share	0.29	0.32
Add: Merger and acquisition costs	0.20	0.20
FFO per diluted common share, as adjusted	<u>\$ 0.49</u>	<u>\$ 0.52</u>

Reflecting the effects of the Company's announced 1-for-4 share split, which is expected to become effective on August 11, 2014, the guidance range for FFO per diluted common share, as adjusted would be \$1.96 to \$2.08.

Non-GAAP Financial Measures

Given the nature of the Company's business as a real estate owner and operator, the Company believes that FFO and FFO, as adjusted, are helpful to investors when measuring operating performance because they exclude various items included in net income or loss that do not relate to or are not indicative of operating performance, such as gains or losses from sales and impairments of operating properties, and depreciation and amortization, which can make periodic and peer analyses of operating performance more difficult. For informational purposes, we have also provided FFO adjusted for first and second quarter 2014 costs associated with our merger with Inland Diversified and the first quarter 2013 write-off of deferred loan costs. We believe this supplemental information provides a more meaningful measure of our operating performance. The Company believes presenting FFO and adjusted FFO in this manner allows investors and other interested parties to form a more meaningful assessment of the Company's operating results. Reconciliations of net income to FFO and adjusted FFO are included in the attached table.

Earnings Conference Call

The Company will conduct a conference call to discuss its financial results on Friday, August 1st at 1:00 p.m. Eastern time. A live webcast of the conference call will be available online on the Company's corporate website at www.kiterealty.com. The dial-in numbers are (877) 703-6107 for domestic callers and (857) 244-7306 for international callers (passcode 54259352). In addition, a webcast replay of the call will be available until September 30, 2014.

About Kite Realty Group Trust

Kite Realty Group Trust is a full-service, vertically integrated real estate investment trust engaged in the ownership, operation, management, leasing, acquisition, construction, redevelopment and development of neighborhood and community shopping centers in selected markets in the United States. At July 1, 2014 and after giving effect to the merger with Inland Diversified Real Estate Trust, Inc., the Company owned interests in a portfolio of 133 operating, development and redevelopment properties totaling approximately 20.6 million owned square feet across 26 states. For more information, please visit the Company's website at www.kiterealty.com.

Safe Harbor

This press release 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, 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 (including the Company's ability to successfully integrate the operations of the properties acquired in connection with the merger with Inland Diversified Real Estate Trust, Inc.), property ownership and management risks, the Company's ability to maintain its 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, risks related to the geographical concentration of our properties in Indiana, Florida and Texas, the dilutive effects of future offerings of issuing additional securities, 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, 2013, 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, whether as a result of new information, future events or otherwise.

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Kite Realty Group Trust
Consolidated Balance Sheets
(Unaudited)

	<u>June 30,</u> <u>2014</u>	<u>December 31,</u> <u>2013</u>
Assets:		
Investment properties, at cost:		
Land	\$ 343,372,841	\$ 333,458,070
Land held for development	55,943,799	56,078,488
Buildings and improvements	1,384,322,981	1,351,641,925
Furniture, equipment and other	5,889,005	4,970,310
Construction in progress	88,111,081	130,909,478
	<u>1,877,639,707</u>	<u>1,877,058,271</u>
Less: accumulated depreciation	<u>(251,414,868)</u>	<u>(232,580,267)</u>
	1,626,224,839	1,644,478,004
Cash and cash equivalents	22,628,414	18,134,320
Tenant receivables, including accrued straight-line rent of \$15,673,299 and \$14,490,070, respectively, net of allowance for uncollectible accounts	27,608,726	24,767,556
Other receivables	3,807,369	4,566,679
Escrow deposits	9,925,188	11,046,133
Deferred costs, net	53,579,731	56,387,586
Prepaid and other assets	3,704,711	4,546,752
Total Assets	<u>\$ 1,747,478,978</u>	<u>\$ 1,763,927,030</u>
Liabilities and Equity:		
Mortgage and other indebtedness	\$ 874,516,933	\$ 857,144,074
Accounts payable and accrued expenses	54,995,861	61,437,187
Deferred revenue and other liabilities	40,462,089	44,313,402
Total Liabilities	<u>969,974,883</u>	<u>962,894,663</u>
Commitments and contingencies		
Redeemable noncontrolling interests in the Operating Partnership	40,781,994	43,927,540
Equity:		
Kite Realty Group Trust Shareholders' Equity:		
Preferred Shares, \$.01 par value, 40,000,000 shares authorized, 4,100,000 shares issued and outstanding.	102,500,000	102,500,000
Common Shares, \$.01 par value, 450,000,000 shares authorized, 131,547,538 shares and 130,826,217 shares issued and outstanding, respectively	1,315,475	1,308,262
Additional paid in capital	824,073,343	821,526,172
Accumulated other comprehensive (loss) income	(1,424,608)	1,352,850
Accumulated deficit	<u>(193,105,408)</u>	<u>(173,130,113)</u>
Total Kite Realty Group Trust Shareholders' Equity	733,358,802	753,557,171
Noncontrolling Interests	<u>3,363,299</u>	<u>3,547,656</u>
Total Equity	<u>736,722,101</u>	<u>757,104,827</u>
Total Liabilities and Equity	<u>\$ 1,747,478,978</u>	<u>\$ 1,763,927,030</u>

Kite Realty Group Trust
Consolidated Statements of Operations
For the Three and Six Months Ended June 30, 2014 and 2013
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Revenue:				
Minimum rent	\$ 31,221,687	\$ 22,652,292	\$ 62,481,723	\$ 43,132,499
Tenant reimbursements	8,315,228	5,537,062	17,478,089	11,092,810
Other property related revenue	1,306,140	1,726,628	3,543,155	6,731,666
Total revenue	40,843,055	29,915,982	83,502,967	60,956,975
Expenses:				
Property operating	6,890,778	5,032,725	14,206,034	10,133,563
Real estate taxes	4,303,135	3,449,818	9,416,158	6,960,778
General, administrative and other	2,313,358	1,814,287	5,419,460	3,954,236
Merger and acquisition costs	3,280,098	236,613	7,760,487	413,512
Impairment charge	—	5,371,428	—	5,371,428
Depreciation and amortization	19,737,108	13,807,431	37,176,713	25,192,395
Total expenses	36,524,477	29,712,302	73,978,852	52,025,912
Operating income	4,318,578	203,680	9,524,115	8,931,063
Interest expense	(7,521,991)	(6,942,818)	(14,904,836)	(13,270,926)
Income tax expense of taxable REIT subsidiary	(75,614)	(104,833)	(22,468)	(75,881)
Other income (expense)	83,323	(39,045)	(9,621)	7,863
Loss from continuing operations	(3,195,704)	(6,883,016)	(5,412,810)	(4,407,881)
Discontinued operations¹:				
Income from operations	—	(370,796)	—	(789,163)
Gain on sale of operating property, net	—	—	3,198,772	—
(Loss) income from discontinued operations	—	(370,796)	3,198,772	(789,163)
Loss before gain on sale of operating properties	(3,195,704)	(7,253,812)	(2,214,038)	(5,197,044)
Gain on sale of operating properties ¹	—	—	3,489,338	—
Consolidated net (loss) income	(3,195,704)	(7,253,812)	1,275,300	(5,197,044)
Net loss attributable to noncontrolling interests	219,502	661,009	80,590	636,154
Net (loss) income attributable to Kite Realty Group Trust	(2,976,202)	(6,592,803)	1,355,890	(4,560,890)
Dividends on preferred shares	(2,114,063)	(2,114,063)	(4,228,125)	(4,228,125)
Net loss attributable to common shareholders	\$ (5,090,265)	\$ (8,706,866)	\$ (2,872,235)	\$ (8,789,015)
Net (loss) income per common share attributable to Kite Realty Group Trust common shareholders – basic and diluted				
Loss from continuing operations attributable to common shareholders	\$ (0.04)	\$ (0.09)	\$ (0.04)	\$ (0.10)
Income from discontinued operations attributable to common shareholders	0.00	(0.01)	0.02	(0.00)
Net loss attributable to common shareholders	\$ (0.04)	\$ (0.10)	\$ (0.02)	\$ (0.10)
Weighted average common shares outstanding – basic and diluted				
	131,537,866	91,066,817	131,282,150	84,486,979
Dividends declared per common share	\$ 0.065	\$ 0.06	\$ 0.125	\$ 0.12
Loss attributable to Kite Realty Group Trust common shareholders:				
Loss from continuing operations	\$ (5,090,265)	\$ (8,361,511)	\$ (5,917,227)	\$ (8,057,908)
(Loss) income from discontinued operations	—	(345,355)	3,044,992	(731,107)
Net loss attributable to Kite Realty Group Trust common shareholders	\$ (5,090,265)	\$ (8,706,866)	\$ (2,872,235)	\$ (8,789,015)

1 The Financial Accounting Standards Board ("FASB") has issued ASU 2014-08 regarding the criteria for reporting discontinued operations. The Company has elected to early adopt this standard. Therefore, beginning in the first quarter of 2014, activity related to individual properties sold or held for sale will no longer be included as discontinued operations on the consolidated statements of operations unless such activity represents a strategic shift that has or will have a major effect on the Company's operations and financial results or unless the asset was held for sale at the end of a prior reporting period.

Kite Realty Group Trust
Funds From Operations
For the Three and Six Months Ended June 30, 2014 and 2013
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Funds From Operations				
Consolidated net (loss) income	\$ (3,195,704)	\$ (7,253,812)	\$ 1,275,300	\$ (5,197,044)
Less dividends on preferred shares	(2,114,063)	(2,114,063)	(4,228,125)	(4,228,125)
Less net income attributable to noncontrolling interests in properties	(49,842)	(29,795)	(76,475)	(61,772)
Less gain on sale of operating properties	—	—	(6,784,887)	—
Add impairment charge	—	5,371,428	—	5,371,428
Add depreciation and amortization, net of noncontrolling interests	19,511,682	14,078,520	36,950,890	25,639,803
Funds From Operations of the Kite Portfolio ¹	14,152,073	10,052,278	27,136,703	21,524,290
Less redeemable noncontrolling interests in Funds From Operations	(679,739)	(673,452)	(1,304,591)	(1,583,477)
Funds From Operations allocable to the Company ¹	<u>\$ 13,472,334</u>	<u>\$ 9,378,826</u>	<u>\$ 25,832,112</u>	<u>\$ 19,940,813</u>
Basic and Diluted FFO per share of the Kite Portfolio	<u>\$ 0.10</u>	<u>\$ 0.10</u>	<u>\$ 0.20</u>	<u>\$ 0.24</u>
Funds From Operations of the Kite Portfolio	\$ 14,152,073	\$ 10,052,278	\$ 27,136,703	\$ 21,524,290
Add back: merger and acquisition costs	3,280,098	—	7,760,487	—
Add back: accelerated amortization of deferred financing fees	—	—	—	171,572
Funds From Operations of the Kite Portfolio, as adjusted	<u>\$ 17,432,171</u>	<u>\$ 10,052,278</u>	<u>\$ 34,897,190</u>	<u>\$ 21,695,862</u>
Basic and Diluted FFO per share of the Kite Portfolio, as adjusted	<u>\$ 0.13</u>	<u>\$ 0.10</u>	<u>\$ 0.25</u>	<u>\$ 0.24</u>
Basic weighted average Common Shares outstanding	<u>131,537,866</u>	<u>91,066,817</u>	<u>131,282,150</u>	<u>84,486,979</u>
Diluted weighted average Common Shares outstanding	<u>131,745,088</u>	<u>91,391,141</u>	<u>131,483,282</u>	<u>84,801,949</u>
Basic weighted average Common Shares and Units outstanding	<u>138,175,595</u>	<u>97,799,238</u>	<u>137,922,409</u>	<u>91,221,006</u>
Diluted weighted average Common Shares and Units outstanding	<u>138,382,817</u>	<u>98,123,563</u>	<u>138,123,542</u>	<u>91,535,976</u>

Kite Realty Group Trust
Same Property Net Operating Income
For the Three and Six Months Ended June 30, 2014 and 2013
(Unaudited)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2014	2013	% Change	2014	2013	% Change
Number of properties at period end ¹	50	50		50	50	
Leased percentage at period end	96.3%	95.9%		96.3%	95.9%	
Minimum rent	\$ 18,369,497	\$ 17,535,330		\$ 37,142,381	\$ 35,517,475	
Tenant recoveries	5,355,566	5,027,093		11,535,599	10,657,285	
Other income	481,290	438,707		1,257,988	1,122,386	
	<u>24,206,353</u>	<u>23,001,130</u>		<u>49,935,968</u>	<u>47,297,146</u>	
Property operating expenses	4,963,143	4,583,604		10,813,951	9,908,342	
Real estate taxes	<u>3,332,223</u>	<u>3,180,526</u>		<u>6,894,578</u>	<u>6,567,139</u>	
	<u>8,295,366</u>	<u>7,764,130</u>		<u>17,708,529</u>	<u>16,475,481</u>	
Net operating income – same properties (50 properties)²	\$ 15,910,987	\$ 15,237,000	4.4%	\$ 32,227,439	\$ 30,821,665	4.6%
<i>Reconciliation to Most Directly Comparable GAAP</i>						
Net operating income - same properties	\$ 15,910,987	\$ 15,237,000		\$ 32,227,439	\$ 30,821,665	
Net operating income - non-same activity	13,738,155	6,196,439		27,653,336	13,040,969	
Other income (expense), net	7,709	(143,878)		(32,089)	(68,018)	
General and administrative expense	(2,313,358)	(1,814,287)		(5,419,460)	(3,954,236)	
Merger and acquisition costs	(3,280,098)	(236,613)		(7,760,487)	(413,512)	
Impairment charge	-	(5,371,428)		-	(5,371,428)	
Depreciation expense	(19,737,108)	(13,807,431)		(37,176,713)	(25,192,395)	
Interest expense	(7,521,991)	(6,942,818)		(14,904,836)	(13,270,926)	
Discontinued operations	-	(370,796)		-	(789,163)	
Gain on sales of operating properties	-	-		6,688,110	-	
Net loss attributable to noncontrolling interests	219,502	661,009		80,590	636,154	
Dividends on preferred shares	<u>(2,114,063)</u>	<u>(2,114,063)</u>		<u>(4,228,125)</u>	<u>(4,228,125)</u>	
Net loss attributable to common shareholders	\$ (5,090,265)	\$ (8,706,866)		\$ (2,872,235)	\$ (8,789,015)	

1 Same Property analysis excludes operating properties in redevelopment

2 Same Property net operating income 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 year expense recoveries and adjustments, if any.

The Company believes that Net Operating Income is helpful to investors as a measure of its operating performance because it excludes various items included in net income that do not relate to or are not indicative of its operating performance, such as depreciation and amortization, interest expense, and impairment, if any. The Company believes that Same Property NOI is helpful to investors as a measure of its 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 the Company's properties. NOI and Same Property NOI should not, however, be considered as alternatives to net income (calculated in accordance with GAAP) as indicators of the Company's financial performance.

CORPORATE PROFILE

General Description

Kite Realty Group Trust is a full-service, vertically integrated real estate company engaged primarily in the development, construction, acquisition, ownership and operation of high-quality neighborhood and community shopping centers in selected markets in the United States. We are organized as a real estate investment trust ("REIT") for federal income tax purposes. As of June 30, 2014, we owned interests in 70 properties totaling approximately 12.2 million square feet and an additional 0.7 million square feet in three development projects currently under construction. We completed our merger with Inland Diversified Real Estate Trust ("Inland Diversified") on July 1, 2014. We now own 133 properties and 20.6 million owned square feet. See Appendix for Combined Company Supplemental Data.

Our strategy is to maximize the cash flow of our operating properties, successfully complete the construction and lease-up of our development portfolio and identify additional growth opportunities in the form of acquisitions and redevelopments. New investments are focused in the shopping center sector in markets where we currently operate and where we believe we can leverage our existing infrastructure and relationships to generate attractive risk-adjusted returns.

Company Highlights as of June 30, 2014

	<u># of Properties</u>	<u>Total GLA /NRA</u>	<u>Owned GLA /NRA</u>
<u>Operating Properties</u> ¹	66	11,683,173	8,876,729
<u>Redevelopment Properties:</u>			
- Under Construction	2	320,302	318,330
- Pending Construction	2	212,163	204,463
Subtotal Redevelopment Properties	4	532,465	522,793
Total Operating and Redevelopment Properties	70	12,215,638	9,399,522
<u>Development Projects:</u>			
- Under Construction	3	734,791	513,368
Total All Properties	73	12,950,429	9,912,890
	<u>Retail</u>	<u>Commercial</u>	<u>Total</u>
Operating Properties – Leased Percentage	95.2%	95.2%	95.2%
States			12

Stock Listing: New York Stock Exchange symbol: KRG

¹ 64 retail and two office properties

CONTACT INFORMATION

Corporate Office

30 South Meridian Street, Suite 1100
Indianapolis, IN 46204
(888) 577-5600
(317) 577-5600
www.kiterealty.com

Investor Relations Contacts:

Dan Sink, Chief Financial Officer
Kite Realty Group Trust
30 South Meridian Street, Suite 1100
Indianapolis, IN 46204
(317) 577-5609
dsink@kiterealty.com

Adam Basch, Investor Relations
Kite Realty Group Trust
30 South Meridian Street, Suite 1100
Indianapolis, IN 46204
(317) 578-5161
abasch@kiterealty.com

Transfer Agent:

Broadridge
Ms. Kristen Tartaglione
51 Mercedes Way
Edgewood, NY 11717
(631) 392-5810

Stock Specialist:

Barclays Capital
45 Broadway
20th Floor
New York, NY 10006
(646) 333-7000

Analyst Coverage:

Bank of America/Merrill Lynch
Mr. Jeffrey Spector/Mr. Craig Schmidt
(646) 855-1363/(646) 855-3640
jeff.spector@baml.com
craig.schmidt@baml.com

BMO Capital Markets
Mr. Paul E. Adornato
(212) 885-4170
paul.adornato@bmo.com

Capital One Securities, Inc.
Mr. Christopher Lucas/Mr. Vineet Khanna
(571) 633-8151/(571) 835-7013
christopher.lucas@capitalone.com
vineet.khanna@capitalone.com

Citigroup Global Markets
Mr. Michael Bilerman/Ms. Christy McElroy
(212) 816-1383/(212) 816-6981
michael.bilerman@citigroup.com
christy.mcelroy@citigroup.com

Evercore Partners
Mr. Benjamin Yang, CFA/ Ms. Catherine Klinchuch
(415) 229-8070/(212) 497-0897
ben.yang@evercore.com
catherine.klinchuch@evercore.com

Hilliard Lyons
Ms. Carol L. Kemple
(502) 588-1839
ckemple@hilliard.com

Analyst Coverage:

Janney Capital Market
Mr. Michael Gorman/Mr. Timothy Feron
(215) 665-6224/(215) 665-4493
mgorman@janney.com
tferon@janney.com

KeyBanc Capital Markets
Mr. Jordan Sadler/Mr. Todd Thomas
(917) 368-2280/(917) 368-2286
tthomas@keybanccm.com
jsadler@keybanccm.com

Raymond James
Mr. Paul Puryear/Mr. R. J. Milligan
(727) 567-2253/(727) 567-2660
paul.puryear@raymondjames.com
richard.milligan@raymondjames.com

Stifel, Nicolaus & Company, Inc.
Mr. Nathan Isbee
(443) 224-1346
nisbee@stifel.com

Wells Fargo Securities, LLC
Mr. Jeffrey J. Donnelly, CFA/ Ms. Tamara Figue
(617) 603-4262/(443) 263-6568
jeff.donnelly@wellsfargo.com
tamara.figue@wellsfargo.com

IMPORTANT NOTES

Interim Information

This Quarterly Financial Supplement contains historical information of Kite Realty Group Trust (“the Company” or “KRG”) and is intended to supplement the Company’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2014 to be filed on or about August 8, 2014, which should be read in conjunction with this supplement. The supplemental information is unaudited, although it reflects all adjustments which, in the opinion of management, are necessary for a fair presentation of operating results for the interim periods.

Forward-Looking Statements

This supplemental information package 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 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 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, Texas and North Carolina;
- 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, 2013, 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.

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. We calculate FFO in accordance with the best practices described in the April 2002 National Policy Bulletin of the National Association of Real Estate Investment Trusts (NAREIT), which we refer to as the White Paper. The White Paper defines FFO as net income (determined in accordance with generally accepted accounting principles (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, we believe 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, we have also provided FFO adjusted for the write-off of deferred financing costs in the first quarter of 2013 and costs incurred in the first and second quarters of 2014 related to our merger with Inland Diversified Real Estate Trust (“IDIV”). We believe this supplemental information provides a meaningful measure of our operating performance. We believe our presentation of adjusted FFO 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.

Net Operating Income

Net operating income (NOI) is provided here as a supplemental measure of operating performance. NOI is defined as property revenues less property operating expenses, excluding depreciation and amortization, interest expense, impairment, and other items. We believe this presentation of NOI is helpful to investors as a measure of our operational performance because it is widely used in the real estate industry to measure the performance of real estate assets without regard to various items, included in net income, that do not relate to or are not indicative of operating performance, such as depreciation and amortization, which can vary depending upon accounting methods and book value of assets. We also believe NOI helps our investors to meaningfully compare the results of our operating performance from period to period by removing the impact of our capital structure (primarily interest expense on our outstanding indebtedness) and depreciation of the basis in our assets from our operating results. NOI should not, however, be considered as an alternative to net income (determined in accordance with GAAP) as an indicator of our financial performance.

CORPORATE STRUCTURE CHART – JUNE 30, 2014



CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	June 30, 2014	December 31, 2013
Assets:		
Investment properties, at cost:		
Land	\$ 343,372,841	\$ 333,458,070
Land held for development	55,943,799	56,078,488
Buildings and improvements	1,384,322,981	1,351,641,925
Furniture, equipment and other	5,889,005	4,970,310
Construction in progress	88,111,081	130,909,478
	<u>1,877,639,707</u>	<u>1,877,058,271</u>
Less: accumulated depreciation	(251,414,868)	(232,580,267)
	<u>1,626,224,839</u>	<u>1,644,478,004</u>
Cash and cash equivalents	22,628,414	18,134,320
Tenant receivables, including accrued straight-line rent of \$15,673,299 and \$14,490,070, respectively, net of allowance for uncollectible accounts	27,608,726	24,767,556
Other receivables	3,807,369	4,566,679
Escrow deposits	9,925,188	11,046,133
Deferred costs, net	53,579,731	56,387,586
Prepaid and other assets	3,704,711	4,546,752
Total Assets	<u>\$ 1,747,478,978</u>	<u>\$ 1,763,927,030</u>
Liabilities and Equity:		
Mortgage and other indebtedness	\$ 874,516,933	\$ 857,144,074
Accounts payable and accrued expenses	54,995,861	61,437,187
Deferred revenue and other liabilities	40,462,089	44,313,402
Total Liabilities	<u>969,974,883</u>	<u>962,894,663</u>
Commitments and contingencies		
Redeemable noncontrolling interests in the Operating Partnership	40,781,994	43,927,540
Equity:		
Kite Realty Group Trust Shareholders' Equity:		
Preferred Shares, \$.01 par value, 40,000,000 shares authorized, 4,100,000 shares issued and outstanding.	102,500,000	102,500,000
Common Shares, \$.01 par value, 450,000,000 shares authorized, 131,547,538 shares and 130,826,217 shares issued and outstanding, respectively	1,315,475	1,308,262
Additional paid in capital	824,073,343	821,526,172
Accumulated other comprehensive (loss) income	(1,424,608)	1,352,850
Accumulated deficit	(193,105,408)	(173,130,113)
Total Kite Realty Group Trust Shareholders' Equity	<u>733,358,802</u>	<u>753,557,171</u>
Noncontrolling Interests	<u>3,363,299</u>	<u>3,547,656</u>
Total Equity	<u>736,722,101</u>	<u>757,104,827</u>
Total Liabilities and Equity	<u>\$ 1,747,478,978</u>	<u>\$ 1,763,927,030</u>

CONSOLIDATED STATEMENTS OF OPERATIONS – THREE AND SIX MONTHS (UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Revenue:				
Minimum rent	\$ 31,221,687	\$ 22,652,292	\$ 62,481,723	\$ 43,132,499
Tenant reimbursements	8,315,228	5,537,062	17,478,089	11,092,810
Other property related revenue	1,306,140	1,726,628	3,543,155	6,731,666
Total revenue	40,843,055	29,915,982	83,502,967	60,956,975
Expenses:				
Property operating	6,890,778	5,032,725	14,206,034	10,133,563
Real estate taxes	4,303,135	3,449,818	9,416,158	6,960,778
General, administrative and other	2,313,358	1,814,287	5,419,460	3,954,236
Merger and acquisition costs	3,280,098	236,613	7,760,487	413,512
Impairment charge	—	5,371,428	—	5,371,428
Depreciation and amortization	19,737,108	13,807,431	37,176,713	25,192,395
Total expenses	36,524,477	29,712,302	73,978,852	52,025,912
Operating income	4,318,578	203,680	9,524,115	8,931,063
Interest expense	(7,521,991)	(6,942,818)	(14,904,836)	(13,270,926)
Income tax expense of taxable REIT subsidiary	(75,614)	(104,833)	(22,468)	(75,881)
Other income (expense)	83,323	(39,045)	(9,621)	7,863
Loss from continuing operations	(3,195,704)	(6,883,016)	(5,412,810)	(4,407,881)
Discontinued operations¹:				
Income from operations	—	(370,796)	—	(789,163)
Gain on sale of operating property, net	—	—	3,198,772	—
(Loss) income from discontinued operations	—	(370,796)	3,198,772	(789,163)
Loss before gain on sale of operating properties	(3,195,704)	(7,253,812)	(2,214,038)	(5,197,044)
Gain on sale of operating properties ¹	—	—	3,489,338	—
Consolidated net (loss) income	(3,195,704)	(7,253,812)	1,275,300	(5,197,044)
Net loss attributable to noncontrolling interests	219,502	661,009	80,590	636,154
Net (loss) income attributable to Kite Realty Group Trust	(2,976,202)	(6,592,803)	1,355,890	(4,560,890)
Dividends on preferred shares	(2,114,063)	(2,114,063)	(4,228,125)	(4,228,125)
Net loss attributable to common shareholders	\$ (5,090,265)	\$ (8,706,866)	\$ (2,872,235)	\$ (8,789,015)
Net (loss) income per common share attributable to Kite Realty Group Trust common shareholders – basic and diluted				
Loss from continuing operations attributable to common shareholders	\$ (0.04)	\$ (0.09)	\$ (0.04)	\$ (0.10)
Income from discontinued operations attributable to common shareholders	0.00	(0.01)	0.02	(0.00)
Net loss attributable to common shareholders	\$ (0.04)	\$ (0.10)	\$ (0.02)	\$ (0.10)
Weighted average common shares outstanding – basic and diluted				
	131,537,866	91,066,817	131,282,150	84,486,979
Dividends declared per common share	\$ 0.065	\$ 0.06	\$ 0.125	\$ 0.12
Loss attributable to Kite Realty Group Trust common shareholders:				
Loss from continuing operations	\$ (5,090,265)	\$ (8,361,511)	\$ (5,917,227)	\$ (8,057,908)
(Loss) income from discontinued operations	—	(345,355)	3,044,992	(731,107)
Net loss attributable to Kite Realty Group Trust common shareholders	\$ (5,090,265)	\$ (8,706,866)	\$ (2,872,235)	\$ (8,789,015)

¹ The Financial Accounting Standards Board (“FASB”) has issued ASU 2014-08 regarding the criteria for reporting discontinued operations. The Company has elected to early adopt this standard. Therefore, beginning in the first quarter of 2014, activity related to individual properties sold or held for sale will no longer be included as discontinued operations on the consolidated statements of operations unless such activity represents a strategic shift that has or will have a major effect on the Company’s operations and financial results or unless the asset was held for sale at the end of a prior reporting period.

FUNDS FROM OPERATIONS AND ADJUSTED FUNDS FROM OPERATIONS (‘AFFO’)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Funds From Operations				
Consolidated net (loss) income	\$ (3,195,704)	\$ (7,253,812)	\$ 1,275,300	\$ (5,197,044)
Less dividends on preferred shares	(2,114,063)	(2,114,063)	(4,228,125)	(4,228,125)
Less net income attributable to noncontrolling interests in properties	(49,842)	(29,795)	(76,475)	(61,772)
Less gain on sale of operating properties	—	—	(6,784,887)	—
Add impairment charge	—	5,371,428	—	5,371,428
Add depreciation and amortization, net of noncontrolling interests	19,511,682	14,078,520	36,950,890	25,639,803
Funds From Operations of the Kite Portfolio ¹	14,152,073	10,052,278	27,136,703	21,524,290
Less redeemable noncontrolling interests in Funds From Operations	(679,739)	(673,452)	(1,304,591)	(1,583,477)
Funds From Operations allocable to the Company ¹	\$ 13,472,334	\$ 9,378,826	\$ 25,832,112	\$ 19,940,813
Basic and Diluted FFO per share of the Kite Portfolio	\$ 0.10	\$ 0.10	\$ 0.20	\$ 0.24
Funds From Operations of the Kite Portfolio	\$ 14,152,073	\$ 10,052,278	\$ 27,136,703	\$ 21,524,290
Add back: merger and acquisition costs	3,280,098	—	7,760,487	—
Add back: accelerated amortization of deferred financing fees	—	—	—	171,572
Funds From Operations of the Kite Portfolio, as adjusted	\$ 17,432,171	\$ 10,052,278	\$ 34,897,190	\$ 21,695,862
Basic and Diluted FFO per share of the Kite Portfolio, as adjusted	\$ 0.13	\$ 0.10	\$ 0.25	\$ 0.24
Basic weighted average Common Shares outstanding	131,537,866	91,066,817	131,282,150	84,486,979
Diluted weighted average Common Shares outstanding	131,745,088	91,391,141	131,483,282	84,801,949
Basic weighted average Common Shares and Units outstanding	138,175,595	97,799,238	137,922,409	91,221,006
Diluted weighted average Common Shares and Units outstanding	138,382,817	98,123,563	138,123,542	91,535,976
AFFO				
Total FFO of the Kite Portfolio, as adjusted	\$ 17,432,171	\$ 10,052,278	\$ 34,897,190	\$ 21,695,862
Add:				
Depreciation of non-real estate assets	128,849	97,276	225,824	187,254
Amortization of deferred financing costs	537,930	510,927	1,059,394	1,106,492
Stock-based compensation	634,010	354,410	1,099,877	680,322
Less:				
Straight-line rent and above/below market rent	1,662,851	1,745,597	3,714,385	2,957,589
Amortization of debt premium	2,021	76,361	4,042	122,989
Maintenance capital expenditures	326,596	266,532	735,715	435,898
Revenue enhancing T/I - retail ²	1,066,565	1,854,180	1,368,125	3,091,324
External leasing commissions	262,549	298,311	499,711	512,838
Revenue enhancing T/I - office	334,090	—	525,091	319,551
Total AFFO available to shareholders	\$ 15,078,288	\$ 6,773,910	\$ 30,435,216	\$ 16,229,741
Total AFFO per share	\$ 0.11	\$ 0.07	\$ 0.22	\$ 0.18

1 “Funds From Operations of the Kite Portfolio measures 100% of the operating performance of the Operating Partnership’s real estate properties and construction and service subsidiaries in which the Company owns an interest. “Funds From Operations allocable to the Company” reflects a reduction for the redeemable noncontrolling weighted average diluted interest in the Operating Partnership.

2 Excludes anchor retensing projects

OTHER FINANCIAL INFORMATION

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Other Financial Information:				
Capital expenditures ¹				
Tenant improvements – Retail	\$ 1,066,565	\$ 1,854,180	\$ 1,368,125	\$ 3,091,324
Tenant improvements – Commercial	334,090	—	525,091	319,551
Leasing commissions – Retail	262,549	298,311	470,273	512,838
Leasing commissions – Commercial	—	—	29,438	—
Capital improvements ²	326,596	266,532	735,715	435,898
Scheduled debt principal payments	1,477,680	1,698,198	3,021,09	3,426,507
Straight line rent – total	707,751	1,077,844	1,752,926	1,686,838
Market rent amortization income from acquired leases	955,100	667,753	1,961,459	1,270,751
Amortization of debt premium	2,021	76,361	4,042	122,989
Non-cash compensation expense	634,010	354,410	1,099,877	680,322
Capitalized interest	1,094,893	1,167,520	2,490,227	2,946,213
Mark to market lease amount in Deferred revenue and other liabilities on consolidated balance sheet	30,746,755	11,788,340		
Acreage of undeveloped, vacant land in the operating portfolio ³	30.2			
Amortized of Deferred Financing costs	\$ 537,930	\$ 510,927	\$ 1,059,394	\$ 1,106,492

- 1 Excludes landlord work, tenant improvements and leasing commissions relating to development and redevelopment projects and first-generation space. Also excludes \$1.5 million and \$3.2 million of anchor tenant reanchoring costs for the three and six months ended June 30, 2014.
- 2 A portion of these capital improvements are reimbursed by tenants and are revenue producing.
- 3 Not reflected in construction in progress and land held for development on the consolidated balance sheet (book value \$5.9 million at June 30, 2014).
- 4 Reflects impact for full quarter for operating property tenants commencing cash rent in the quarter offset by terminated tenants.

MARKET CAPITALIZATION AS OF JUNE 30, 2014

	Percent of Total Equity	Total Market Capitalization	Percent of Total Market Capitalization
Equity Capitalization:			
Total Common Shares Outstanding	95.2%	131,547,538	
Operating Partnership ("OP") Units Outstanding	4.8%	6,635,784	
Combined Common Shares and OP Units	<u>100.0%</u>	<u>138,183,322</u>	
Market Price of Common Shares		\$ 6.14	
Series A Preferred Shares (\$26.27/share)		107,707,000	
Total Equity Capitalization		<u>956,152,597</u>	53%
Debt Capitalization:			
Company Consolidated Outstanding Debt		874,516,933	
Less: Partner Share of Consolidated Joint Venture Debt ²		<u>(10,966,146)</u>	
Company Share of Outstanding Debt		863,550,787	
Less: Cash and Cash Equivalents		(22,628,414)	
Total Net Debt Capitalization		<u>840,922,373</u>	47%
Total Enterprise Value		<u>\$ 1,797,074,970</u>	<u>100%</u>

RATIO OF DEBT TO TOTAL UNDEPRECIATED ASSETS AS OF JUNE 30, 2014

Consolidated Undepreciated Real Estate Assets	\$ 1,877,639,706
Escrow and Other Deposits	9,925,188
	<u>\$ 1,887,564,894</u>
Total Consolidated Debt	\$ 874,516,933
Less: Cash	(22,628,414)
	<u>\$ 851,888,519</u>
Ratio of Net Debt to Total Undepreciated Real Estate Assets	<u>45.1%</u>

RATIO OF COMPANY SHARE OF DEBT TO EBITDA AS OF JUNE 30, 2014

Company share of consolidated debt	\$ 863,550,787
Less: Cash	(22,628,414)
Less: Construction borrowings for developments under construction ³	<u>(40,470,389)</u>
	800,451,984
Q2 2014 EBITDA, annualized:	
- consolidated	\$ 96,222,744
- pro forma adjustment ¹	16,049,035
- minority interest EBITDA	<u>(133,938)</u>
	<u>112,137,841</u>
	<u>7.14x</u>

1 Represents full year effect of adjustments for seasonality of percentage rent, and normalizing other property related revenue (including lease termination fees and gains on land sales) and merger and acquisition costs.

2 Includes partners' share of Fishers Station, Beacon Hill and Bayport Commons.

3 Includes construction-related debt with no current NOI in the operating statements.

SAME PROPERTY NET OPERATING INCOME (NOI)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2014	2013	% Change	2014	2013	% Change
Number of properties at period end ¹	50	50		50	50	
Leased percentage at period end	96.3%	95.9%		96.3%	95.9%	
Minimum rent	\$ 18,369,497	\$ 17,535,330		\$ 37,142,381	\$ 35,517,475	
Tenant recoveries	5,355,566	5,027,093		11,535,599	10,657,285	
Other income	481,290	438,707		1,257,988	1,122,386	
	<u>24,206,353</u>	<u>23,001,130</u>		<u>49,935,968</u>	<u>47,297,146</u>	
Property operating expenses	4,963,143	4,583,604		10,813,951	9,908,342	
Real estate taxes	3,332,223	3,180,526		6,894,578	6,567,139	
	<u>8,295,366</u>	<u>7,764,130</u>		<u>17,708,529</u>	<u>16,475,481</u>	
Net operating income – same properties (50 properties)²	\$ 15,910,987	\$ 15,237,000	4.4%	\$ 32,227,439	\$ 30,821,665	4.6%
<i>Reconciliation to Most Directly Comparable GAAP Measure:</i>						
Net operating income - same properties	\$ 15,910,987	\$ 15,237,000		\$ 32,227,439	\$ 30,821,665	
Net operating income - non-same activity	13,738,155	6,196,439		27,653,336	13,040,969	
Other income (expense), net	7,709	(143,878)		(32,089)	(68,018)	
General and administrative expense	(2,313,358)	(1,814,287)		(5,419,460)	(3,954,236)	
Merger and acquisition costs	(3,280,098)	(236,613)		(7,760,487)	(413,512)	
Impairment charge	-	(5,371,428)		-	(5,371,428)	
Depreciation expense	(19,737,108)	(13,807,431)		(37,176,713)	(25,192,395)	
Interest expense	(7,521,991)	(6,942,818)		(14,904,836)	(13,270,926)	
Discontinued operations	-	(370,796)		-	(789,163)	
Gain on sales of operating properties	-	-		6,688,110	-	
Net loss attributable to noncontrolling interests	219,502	661,009		80,590	636,154	
Dividends on preferred shares	(2,114,063)	(2,114,063)		(4,228,125)	(4,228,125)	
Net loss attributable to common shareholders	<u>\$ (5,090,265)</u>	<u>\$ (8,706,866)</u>		<u>\$ (2,872,235)</u>	<u>\$ (8,789,015)</u>	

1 Same Property analysis excludes operating properties in redevelopment

2 Same Property net operating income 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 year expense recoveries and adjustments, if any.

The Company believes that Net Operating Income is helpful to investors as a measure of its operating performance because it excludes various items included in net income that do not relate to or are not indicative of its operating performance, such as depreciation and amortization, interest expense, and impairment, if any. The Company believes that Same Property NOI is helpful to investors as a measure of its 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 the Company's properties. NOI and Same Property NOI should not, however, be considered as alternatives to net income (calculated in accordance with GAAP) as indicators of the Company's financial performance.

NET OPERATING INCOME BY QUARTER

	Three Months Ended				
	June 30, 2014	March 31, 2014	December 31, 2013	September 30, 2013	June 30, 2013
Revenue:					
Minimum rent	\$ 31,221,687	\$ 31,260,036	\$ 26,778,302	\$ 23,726,468	\$ 22,652,292
Tenant reimbursements	8,315,228	9,162,860	7,071,611	6,257,937	5,537,062
Other property related revenue ¹	833,009	1,305,164	1,380,844	1,910,420	1,291,847
Overage rent	70,790	458,038	184,824	119,975	32,793
Parking revenue, net ²	219,936	26,130	121,028	86,676	47,589
	<u>40,660,650</u>	<u>42,212,228</u>	<u>35,536,609</u>	<u>32,101,476</u>	<u>29,561,583</u>
Expenses:					
Property operating – Recoverable ³	5,536,914	6,399,906	4,831,008	4,506,739	4,099,564
Property operating – Non-Recoverable ³	1,149,413	683,261	1,105,602	721,809	741,143
Real estate taxes	4,325,181	4,897,428	4,346,503	3,492,909	3,287,436
	<u>11,011,508</u>	<u>11,980,595</u>	<u>10,283,113</u>	<u>8,721,457</u>	<u>8,128,143</u>
Net Operating Income – Properties	<u>29,649,142</u>	<u>30,231,633</u>	<u>25,253,496</u>	<u>23,380,019</u>	<u>21,433,440</u>
Other Expense:					
General, administrative, and other	(2,313,357)	(3,106,102)	(2,141,729)	(2,114,828)	(1,814,287)
Acquisition costs	(3,280,099)	(4,480,389)	(1,647,740)	(153,314)	(236,613)
	<u>(5,593,456)</u>	<u>(7,586,491)</u>	<u>(3,789,469)</u>	<u>(2,268,142)</u>	<u>(2,050,900)</u>
Earnings Before Interest, Taxes, Depreciation and Amortization	<u>24,055,686</u>	<u>22,645,142</u>	<u>21,464,027</u>	<u>21,111,877</u>	<u>19,382,540</u>
Depreciation and amortization	(19,737,108)	(17,439,606)	(13,913,089)	(15,373,538)	(13,807,433)
Interest expense	(7,521,991)	(7,382,845)	(7,181,116)	(7,541,534)	(6,942,818)
Income tax (expense) benefit of taxable REIT subsidiary	(75,614)	53,146	(155,927)	(30,596)	(104,833)
Other income (expense)	83,323	(92,944)	(23,231)	(47,013)	(39,045)
(Loss) income from continuing operations	<u>(3,195,704)</u>	<u>(2,217,107)</u>	<u>190,664</u>	<u>(1,880,804)</u>	<u>(1,511,589)</u>
Discontinued operations:					
Operating income (loss) from discontinued operations, excluding impairment charge	—	—	230,048	1,393,465	(370,796)
Impairment charge	—	—	—	—	(5,371,428)
Gain on debt extinguishment	—	—	—	1,241,724	—
Gain on sale of operating properties, net of tax expense	—	3,198,772	—	486,692	—
Income (loss) from discontinued operations	—	<u>3,198,772</u>	<u>230,048</u>	<u>3,121,881</u>	<u>(5,742,224)</u>
(Loss) income before gain on sale of operating properties	<u>(3,195,704)</u>	<u>981,665</u>	<u>420,712</u>	<u>1,241,077</u>	<u>(7,253,813)</u>
Gain on sale of operating properties	—	3,489,338	—	—	—
Consolidated net (loss) income	<u>(3,195,704)</u>	<u>4,471,003</u>	<u>420,712</u>	<u>1,241,077</u>	<u>(7,253,813)</u>
Net loss (income) attributable to noncontrolling interest	219,502	(138,912)	34,193	15,173	661,009
Net (loss) income attributable to Kite Realty Group Trust	(2,976,202)	4,332,091	454,905	1,256,250	(6,592,804)
Dividends on preferred shares	(2,114,063)	(2,114,063)	(2,114,063)	(2,114,063)	(2,114,063)
Net (loss) income attributable to common shareholders	<u>\$ (5,090,265)</u>	<u>\$ 2,218,029</u>	<u>\$ (1,659,158)</u>	<u>\$ (857,813)</u>	<u>\$ (8,706,867)</u>
NOI/Revenue	72.9%	71.6%	71.1%	72.8%	72.5%
Recovery Ratio ⁴					
– Retail Only	89.5%	85.7%	85.9%	85.4%	83.4%
– Total Portfolio	84.3%	81.1%	77.1%	78.2%	75.0%

1 Other property related revenue for the three months ended June 30, 2014 includes a pre-tax gain of \$0.3 million from the sale of residential units at Eddy Street Commons and \$0.3 million from the sale of an outlet at Tarpon Bay Plaza.

2 Parking revenue, net, represents the net operating results of the Eddy Street Parking Garage and the Union Station Parking Garage.

3 Recoverable expenses include total management fee expense (or G&A expense of \$0.8 million) allocable to the property operations in the three months ended June 30, 2014, a portion of which is recoverable. Non-recoverable expenses primarily include bad debt, ground rent, and legal expenses.

4 “Recovery Ratio” is computed by dividing tenant reimbursements by the sum of recoverable property operating expense and real estate tax expense.

SUMMARY OF OUTSTANDING DEBT AS OF JUNE 30, 2014

TOTAL OUTSTANDING DEBT

	Outstanding Amount	Ratio	Weighted Average Interest Rate ¹	Weighted Average Maturity (in years)
Fixed Rate Debt:				
Consolidated	\$ 270,079,047	31%	5.76%	3.9
Variable Rate Debt (Hedged)	327,293,793	37%	3.13%	3.7
Total Fixed Rate Debt	597,372,840	68%	4.32%	3.8
Variable Rate Debt:				
Construction Loans	168,820,875	19%	2.20%	1.1
Other Variable	60,556,366	7%	2.31%	4.2
Corporate Unsecured	375,000,000	43%	1.84%	4.3
Variable Rate Debt (Hedged)	-327,293,793	-37%	-1.99%	-3.7
Total Variable Rate Debt	277,083,448	32%	1.99%	3.0
Net Premiums	60,645	N/A	N/A	N/A
Total	\$ 874,516,933	100%	3.58%	3.5

SCHEDULE OF MATURITIES BY YEAR

	Mortgage Debt		Corporate Debt ²	Construction Loans	Total Outstanding Debt
	Scheduled Principal Payments	Term Maturities			
2014	\$ 3,080,887	\$ -	\$ -	\$ 76,595,896	\$ 79,676,783
2015	6,033,032	42,775,241	-	52,930,680	101,738,953
2016	5,181,112	128,248,112	-	39,294,299	172,723,523
2017	3,693,899	10,390,814	-	-	14,084,713
2018	3,417,765	10,378,899	145,000,000	-	158,796,664
2019	3,207,185	-	230,000,000	-	233,207,185
2020	2,925,368	23,172,485	-	-	26,097,853
2021 and beyond	1,683,094	86,447,520	-	-	88,130,614
Net Premiums on Acquired Debt	60,645	-	-	-	60,645
Total	\$ 29,282,987	\$ 301,413,071	\$ 375,000,000	\$ 168,820,875	\$ 874,516,933

1 Calculations on Hedged Debt assume a weighted average spread over LIBOR on all variable rate debt, consistent with the hedges' designation.

2 This presentation reflects the Company's exercise of its option to extend the maturity date by one year to February 26, 2018 for the Company's revolving line of credit. On July 1, 2014, the line of credit and term loan were amended and restated to increase capacity and reduce interest rates.

**See Appendix page A-3 for pro-forma combined company debt as of June 30, 2014.

MATURITY SCHEDULE OF OUTSTANDING DEBT AS OF JUNE 30, 2014

Property	Lender(s)	Loan Type	Interest Rate ¹	Maturity Date	Total Commitment	Balance as of June 30, 2014	% of Total Outstanding	Monthly Debt Service as of June 30, 2014
Rangeline Crossing ⁸	Associated Bank	Construction Variable	LIBOR + 225	10/31/14	\$18,425,000	\$17,539,307		\$ -
Delray Marketplace ²	Bank of America/USBank	Construction Variable	LIBOR + 175	11/18/14	62,000,000	59,056,589		-
2014 Debt Maturities						76,595,896	8.8%	
Indian River Square	CMBS	Fixed Rate	5.42%	6/11/15	-	12,342,065		74,851
Plaza Volente	CMBS	Fixed Rate	5.42%	6/11/15	-	26,614,316		161,406
Zionsville Walgreens	Associated Bank	Other Variable	LIBOR + 225	6/30/15	4,704,000	4,551,400		-
Four Corner Square ⁸	US Bank	Construction Variable	LIBOR + 225	7/10/15	22,800,000	18,885,990		-
Holly Springs Towne Center-Phase I	Bank of America	Construction Variable	LIBOR + 225	7/31/15	37,500,000	34,044,690		-
2015 Debt Maturities						96,438,461	11.1%	
951 & 41 ⁸	Key Bank	Other Variable	LIBOR + 225	1/3/16	-	5,000,000		-
Cool Creek Commons	CMBS	Fixed Rate	5.88%	4/11/16	-	16,765,511		106,534
Sunland Towne Centre	CMBS	Fixed Rate	6.01%	7/1/16	-	24,124,718		150,048
Pine Ridge Crossing	CMBS	Fixed Rate	6.34%	10/11/16	-	16,979,700		108,823
Riverchase Plaza	CMBS	Fixed Rate	6.34%	10/11/16	-	10,187,820		65,294
Traders Point	CMBS	Fixed Rate	5.86%	10/11/16	-	43,956,527		283,478
Parkside Town Commons	Huntington Bank (Admin. Agent)	Construction Variable	LIBOR + 210	11/21/16	87,225,000	39,294,299		-
Eastgate Pavilion	Associated Bank	Other Variable	LIBOR + 225	12/31/16	-	16,005,000		-
2016 Debt Maturities						172,313,575	19.7%	
Geist Pavilion	CMBS	Fixed Rate	5.78%	1/1/17	-	10,789,154		65,135
2017 Debt Maturities						10,789,154	1.2%	
Unsecured Credit Facility ^{4,5}	KeyBank (Admin. Agent)	Corporate Unsecured	LIBOR + 175	2/26/18	-	145,000,000		-
Beacon Hill Shopping Center ³	Fifth Third Bank	Other Variable	LIBOR + 195	4/1/18	-	6,798,450		-
Whitehall Pike	CMBS	Fixed Rate	6.71%	7/5/18	-	6,506,761		77,436
2018 Debt Maturities						158,305,211	18.1%	
Unsecured Term Loan ^{5,6}	KeyBank (Admin. Agent)	Corporate Unsecured	LIBOR + 165	2/21/19	-	230,000,000		-
2019 Debt Maturities						230,000,000	26.3%	
Fishers Station	Old National Bank	Other Variable	LIBOR + 225	1/4/20	-	7,595,120		-
Bridgewater Marketplace	Old National Bank	Other Variable	LIBOR + 225	1/4/20	-	1,901,396		-
Thirty South	Associated Bank	Other Variable	LIBOR + 205	12/31/20	-	18,705,000		-
2020 Debt Maturities						28,201,516	3.2%	
International Speedway Square	CMBS	Fixed Rate	5.77%	4/1/21	-	20,153,634		122,817
Bayport Commons ⁷	CMBS	Fixed Rate	5.44%	9/1/21	-	12,638,745		74,045
Eddy Street Commons	CMBS	Fixed Rate	5.44%	9/1/21	-	24,555,277		143,859
Four Property Pool Loan	CMBS	Fixed Rate	5.44%	9/1/21	-	41,792,117		244,843
Centre at Panola, Phase I	CMBS	Fixed Rate	6.78%	1/1/22	-	2,672,702		36,583
2021 and Beyond Debt Maturities						\$101,812,475	11.6%	
TOTAL NET PREMIUMS ON ACQUIRED DEBT						\$ 60,645		
TOTAL DEBT PER CONSOLIDATED BALANCE SHEET						\$874,516,933	100%	

1 At June 30, 2014, one-month LIBOR interest rate was 0.16%.

2 The Company owns Delray Marketplace in a joint venture through which it earns a preferred return (which is expected to deliver over 95% of cash flow to the Company), and 50% thereafter. The loan is guaranteed by Kite Realty Group, LP.

3 The Company has a preferred return, then a 50% interest. This loan is guaranteed by Kite Realty Group, LP.

4 Assumes Company exercises its option to extend the maturity date by one year.

5 The Company has 62 unencumbered properties of which 56 are wholly owned and are guarantors under the unsecured credit facility and unsecured term loan. The major unencumbered properties include: 12th Street Plaza, Beechwood Promenade, Bolton Plaza, Burnt Store Promenade, Castleton Crossing, Clay Marketplace, Cobblestone Plaza, Cool Springs Market, The Corner, Courthouse Shadows, Cove Center, Estero Town Commons, Fox Lake Crossing, Gainesville Plaza, Glendale Town Center, Hunter's Creek Promenade, King's Lake, Kingwood Commons, Lakewood Promenade, Lithia Crossing, Market Street Village, Northdale Promenade, Oleander Place, Plaza at Cedar Hill, Portofino Shopping Center, Shoppes Plaza Green, Publix Woodruff, Shops at Eagle Creek, Shoppes of Eastwood, Shops at Rivers Edge, Stoney Creek Commons, Tarpon Bay Plaza, Traders Point II, Trussville Promenade I, Trussville Promenade II, Toringdon Market, Union Station Parking Garage, and Waterford Lakes.

6 Assumes Company exercises its option to extend the maturity date by six months.

7 The Company has a preferred return, then a 60% interest.

8 Loans were paid off on July 1, 2014 upon closing of merger with Inland Diversified.

SCHEDULE OF OUTSTANDING DEBT AS OF JUNE 30, 2014 (CONTINUED)

Floating Rate Debt Hedged¹

Lender	Loan Type	LIBOR Hedge Rate	Maturity Date	Balance as of June 30, 2014	Monthly Debt Service as of June 30, 2014
US Bank	Variable Rate	0.26%	11/18/14	\$ 56,000,000	\$ 12,250
Associated Bank	Variable Rate	1.35%	12/31/16	15,100,000	16,954
KeyBank	Variable Rate	3.31%	1/3/17	14,043,793	38,737
Various Banks	Variable Rate	0.91%	2/26/18	50,000,000	37,750
JP Morgan	Variable Rate	1.49%	8/21/18	40,950,000	50,710
Various Banks	Variable Rate	1.52%	4/30/19	125,000,000	158,167
Old National	Variable Rate	1.33%	1/4/20	10,000,000	11,083
Associated Bank	Variable Rate	2.12%	1/15/20	16,200,000	28,620
Total				\$ 327,293,793	\$ 354,271

¹ Calculations on Hedged Debt assume a weighted average spread over LIBOR on all variable rate debt, as the hedges are designated with various pieces of debt.

TOP 10 RETAIL TENANTS BY GROSS LEASABLE AREA (GLA)

As of June 30, 2014

This table includes the following:

- Operating retail properties;
- Operating commercial properties; and
- Development property tenants open for business or ground lease tenants who commenced paying rent as of June 30, 2014.

Tenant	Number of Stores	Total GLA	Number of Leases	Company Owned GLA ¹	Number of Anchor Owned Locations	Anchor Owned GLA ²
Lowe's Home Improvement ³	6	832,630	2	128,997	4	703,633
Target	6	676,315	0	0	6	676,315
Publix	13	623,134	13	623,134	0	0
Wal-Mart	4	583,742	1	203,742	3	380,000
TJX Companies ⁵	10	339,974	10	339,974	0	0
Dick's Sporting Goods	5	260,502	5	260,502	0	0
Bed Bath & Beyond ⁴	9	258,668	9	258,668	0	0
Stein Mart	7	243,222	7	243,222	0	0
Beall's	4	240,996	3	204,552	1	36,444
Federated Department Stores	1	237,455	1	237,455	0	0
Total	65	4,296,638	51	2,500,246	14	1,796,392

1 Excludes the estimated size of the structures located on land owned by the Company and ground leased to tenants.

2 Includes the estimated size of the structures located on land owned by the Company and ground leased to tenants.

3 The Company has entered into one ground lease with Lowe's Home Improvement for a total of 163,000 square feet, which is included in Anchor Owned GLA.

4 Includes Buy Buy Baby, Christmas Tree Shops and Cost Plus, which are owned by the same parent company.

5 Includes TJ Maxx, Home Goods and Marshalls, which are owned by the same parent company.

TOP 25 TENANTS BY ANNUALIZED BASE RENT

As of June 30, 2014

This table includes the following:

- Operating retail properties;
- Operating commercial properties; and
- Development property tenants open for business or ground lease tenants who commenced paying rent as of June 30, 2014.

Tenant	Type of Property	Moody's Credit Rating ⁶	Number of Stores	Leased GLA/NRA ²	% of Owned GLA/NRA of the Portfolio	Annualized Base Rent ¹	Annualized Base Rent per Sq. Ft. ³	% of Total Portfolio Annualized Base Rent
Publix	Retail	NR	13	623,134	6.9%	\$ 5,699,860	\$ 9.15	4.7%
TJX Companies ⁵	Retail	A3	10	339,974	3.8%	2,997,897	8.82	2.5%
Bed Bath & Beyond ⁴	Retail	Baa1	9	258,668	2.9%	2,842,608	10.99	2.3%
Dick's Sporting Goods	Retail	NR	5	260,502	2.9%	2,508,174	9.63	2.1%
PetSmart	Retail	NR	7	171,215	1.9%	2,354,649	13.75	1.9%
Lowe's Home Improvement	Retail	A3	2	128,997	1.4%	1,764,000	6.04	1.5%
Stein Mart	Retail	NR	7	243,222	2.7%	1,642,208	6.75	1.4%
Marsh Supermarkets	Retail	NR	2	124,902	1.4%	1,633,958	13.08	1.3%
Beall's	Retail	NR	3	204,552	2.3%	1,632,407	7.98	1.3%
Staples	Retail	Baa2	5	101,762	1.1%	1,499,621	14.74	1.2%
Walgreens	Retail	Baa1	3	52,332	0.6%	1,425,191	27.23	1.2%
Indiana Supreme Court	Commercial	NR	1	78,313	0.9%	1,404,935	17.94	1.2%
Michaels	Retail	B3	5	114,103	1.3%	1,380,070	12.09	1.1%
Burlington Coat Factory	Retail	NR	2	182,400	2.0%	1,212,000	6.64	1.0%
Office Depot/Office Max	Retail	B2	5	112,338	1.2%	1,198,715	10.67	1.0%
HEB Grocery Company	Retail	NR	1	105,000	1.2%	1,155,000	11.00	1.0%
Wal-Mart	Retail	Aa2	1	203,742	2.3%	1,100,207	5.40	0.9%
LA Fitness	Retail	B2	2	73,000	0.8%	1,049,000	14.37	0.9%
Whole Foods	Retail	NR	2	66,144	0.7%	1,043,976	15.78	0.9%
Mattress Firm	Retail	B2	9	37,523	0.4%	959,871	25.58	0.8%
Regal Cinemas	Retail	B1	1	63,260	0.7%	930,555	14.71	0.8%
DSW	Retail	NR	3	63,380	0.7%	922,372	14.55	0.8%
Ross Stores	Retail	NR	3	87,574	1.0%	856,087	9.78	0.7%
City Financial Corp	Commercial	NR	1	52,151	0.6%	855,000	16.39	0.7%
Franks Theater CineBowl & Grille	Retail	NR	1	62,280	0.7%	850,752	13.66	0.7%
TOTAL			103	3,810,468	42.3%	\$ 40,919,113	\$ 10.30	33.8%

- Annualized base rent represents the monthly contractual rent for June 2014 for each applicable tenant multiplied by 12. Annualized base rent does not include tenant reimbursements.
- Excludes the estimated size of the structures located on land owned by the Company and ground leased to tenants.
- Annualized Base Rent per square foot is adjusted to account for the estimated square footage attributed to structures on land owned by the Company and ground leased to tenants.
- Includes Buy Buy Baby, Christmas Tree Shops and Cost Plus, which are owned by the same parent company.
- Includes TJ Maxx, Marshalls and HomeGoods
- NR = Not rated

LEASE EXPIRATIONS – OPERATING PORTFOLIO¹

As of June 30, 2014

This table includes the following:

- Operating retail properties;
- Operating commercial properties; and
- Development property tenants open for business or ground lease tenants who commenced paying rent as of June 30, 2014.

	Number of Expiring Leases ¹	Expiring GLA/NRA ²	% of Total GLA/NRA Expiring	Expiring Annualized Base Rent ³	% of Total Annualized Base Rent	Expiring Annualized Base Rent per Sq. Ft.	Expiring Ground Lease Revenue
2014	69	272,669	3.1%	\$ 3,607,647	3.0%	\$ 13.23	\$ 255,475
2015	130	1,019,905	11.6%	12,718,749	10.7%	12.47	219,650
2016	145	1,123,004	12.8%	12,875,052	10.8%	11.46	0
2017	134	892,741	10.2%	13,020,613	10.9%	14.58	377,556
2018	139	897,067	10.2%	12,426,470	10.4%	13.85	0
2019	108	613,048	7.0%	9,146,827	7.7%	14.92	118,000
2020	63	926,512	10.6%	10,183,396	8.6%	10.99	156,852
2021	50	591,019	6.7%	7,395,541	6.2%	12.51	0
2022	49	482,365	5.5%	7,320,117	6.2%	15.18	0
2023	79	623,029	7.1%	10,121,804	8.5%	16.25	260,000
Beyond	96	1,328,787	15.2%	20,254,961	17.0%	15.24	2,279,898
	1,062	8,770,146	100.0%	\$ 119,071,176	100.0%	\$ 13.58	\$ 3,667,431

1 Lease expiration table reflects rents in place as of June 30, 2014 and does not include option periods; 2014 expirations include 32 month-to-month tenants. This column also excludes ground leases.

2 Expiring GLA excludes estimated square footage attributable to non-owned structures on land owned by the Company and ground leased to tenants.

3 Annualized base rent represents the monthly contractual rent for June 2014 for each applicable tenant multiplied by 12. Excludes tenant reimbursements and ground lease revenue.

LEASE EXPIRATIONS – RETAIL ANCHOR TENANTS¹

As of June 30, 2014

This table includes the following:

- Operating retail properties; and
- Development property tenants open for business or ground lease tenants who commenced paying rent as of June 30, 2014.

	Number of Expiring Leases ^{1,2}	Expiring GLA/NRA ³	% of Total GLA/NRA Expiring	Expiring Annualized Base Rent ⁴	% of Total Annualized Base Rent	Expiring Annualized Base Rent per Sq. Ft.	Expiring Ground Lease Revenue
2014	5	136,213	1.6%	\$ 875,606	0.7%	\$ 6.43	\$ 0
2015	22	711,266	8.1%	6,466,996	5.4%	9.09	0
2016	21	769,449	8.8%	5,948,636	5.0%	7.73	0
2017	19	552,008	6.3%	5,940,895	4.9%	10.76	0
2018	14	575,076	6.6%	5,002,685	4.2%	8.70	0
2019	15	390,268	4.5%	3,922,125	3.3%	10.05	0
2020	16	785,365	9.0%	7,085,327	6.0%	9.02	0
2021	16	485,360	5.5%	4,888,279	4.1%	10.07	0
2022	13	324,001	3.7%	4,060,985	3.4%	12.53	0
2023	15	369,127	4.2%	4,282,982	3.6%	11.60	0
Beyond	27	1,007,053	11.5%	13,310,022	11.1%	13.22	990,000
	183	6,105,186	69.6%	\$ 61,784,539	51.9%	\$ 10.12	\$ 990,000

1 Retail anchor tenants are defined as tenants that occupy 10,000 square feet or more and include 3 month-to-month tenants.

2 Lease expiration table reflects rents in place as of June 30, 2014 and does not include option periods. This column also excludes ground leases.

3 Expiring GLA excludes square footage for non-owned ground lease structures on land we own and ground leased to tenants.

4 Annualized base rent represents the monthly contractual rent for June 2014 for each applicable property multiplied by 12. Excludes tenant reimbursements and ground lease revenue.

LEASE EXPIRATIONS – RETAIL SHOPS

As of June 30, 2014

This table includes the following:

- Operating retail properties; and
- Development property tenants open for business as of June 30, 2014.

	Number of Expiring Leases ¹	Expiring GLA/NRA ^{1,2}	% of Total GLA/NRA Expiring	Expiring Annualized Base Rent ³	% of Total Annualized Base Rent	Expiring Annualized Base Rent per Sq. Ft.	Expiring Ground Lease Revenue
2014	64	136,456	1.6%	\$ 2,732,041	2.4%	\$ 20.02	\$ 255,475
2015	106	270,055	3.1%	5,522,297	4.6%	20.45	219,650
2016	124	353,555	4.0%	6,926,416	5.8%	19.59	0
2017	113	257,623	2.9%	5,583,870	4.7%	21.67	377,556
2018	123	304,154	3.5%	7,040,213	5.9%	23.15	0
2019	92	217,527	2.5%	5,123,581	4.3%	23.55	118,000
2020	46	131,078	1.5%	2,914,301	2.5%	22.23	156,852
2021	33	99,497	1.1%	2,365,530	2.0%	23.77	0
2022	33	107,318	1.2%	2,385,513	2.0%	22.23	0
2023	62	220,914	2.5%	5,170,633	4.3%	23.41	260,000
Beyond	65	214,810	2.5%	5,528,516	4.7%	25.74	1,289,898
	861	2,312,987	26.4%	\$ 51,292,911	43.1%	\$ 22.18	\$ 2,677,431

1 Lease expiration table reflects rents in place as of June 30, 2014, and does not include option periods; 2014 expirations include 28 month-to-month tenants. This column also excludes ground leases.

2 Expiring GLA excludes estimated square footage to non-owned structures on land we own and ground leased to tenants.

3 Annualized base rent represents the monthly contractual rent for June 2014 for each applicable property multiplied by 12. Excludes tenant reimbursements and ground lease revenue.

LEASE EXPIRATIONS – COMMERCIAL TENANTS

As of June 30, 2014

	Number of Expiring Leases ¹	Expiring NLA ¹	% of Total NRA Expiring	Expiring Annualized Base Rent ²	% of Total Annualized Base Rent	Expiring Annualized Base Rent per Sq. Ft.
2014	0	0	0.0%	\$ 0	0.0%	\$ 0.00
2015	2	38,584	0.4%	729,456	0.6%	18.91
2016	0	0	0.0%	0	0.0%	0.00
2017	2	83,110	1.0%	1,495,847	1.3%	18.00
2018	2	17,837	0.2%	383,572	0.3%	21.50
2019	1	5,253	0.1%	101,120	0.1%	19.25
2020	1	10,069	0.1%	183,768	0.2%	18.25
2021	1	6,162	0.1%	141,732	0.1%	23.00
2022	3	51,046	0.6%	873,619	0.7%	17.11
2023	2	32,988	0.4%	668,189	0.6%	20.26
Beyond	4	106,924	1.2%	1,416,423	1.2%	13.25
	18	351,973	4.0%	\$ 5,993,726	5.0%	\$ 17.03

1 Lease expiration table reflects rents in place as of June 30, 2014 and does not include option periods. This column also excludes ground leases.

2 Annualized base rent represents the monthly contractual rent for June 30, 2014 for each applicable property multiplied by 12. Excludes tenant reimbursements.

SUMMARY RETAIL PORTFOLIO STATISTICS INCLUDING JOINT VENTURE PROPERTIES

	June 30, 2014	March 31, 2014	December 31, 2013	September 30, 2013	June 30, 2013
Company Owned GLA – Operating Retail ¹	8,489,877	8,483,449	8,358,846	6,065,122	6,289,945
Total GLA – Operating Retail ¹	11,296,321	11,295,013	11,463,830	8,483,361	8,930,133
Projected Owned GLA of Development and Redevelopment Projects Under Construction	831,698	914,636	879,754	1,199,235	1,111,082
Projected Total GLA of Development and Redevelopment Projects Under Construction ²	1,055,093	1,138,031	1,073,890	1,570,540	1,482,387
Number of Operating Retail Properties	64	64	66	55	57
Number of Retail Development Properties Under Construction	3	2	2	3	4
Number of Retail Redevelopment Properties	4	4	4	5	4
Percentage Leased – Operating Retail	95.2%	95.3%	95.3%	95.9%	95.4%
Annualized Base Rent & Ground Lease Revenue – Operating Retail Properties ³ (excludes redevelopment)	\$112,602,606	\$112,631,533	\$108,829,221	\$80,106,832	\$82,155,103

- 1 Company Owned GLA represents gross leasable area owned by the Company. Total GLA includes Company Owned GLA, plus square footage attributable to non-owned outlot structures on land owned by the Company and ground leased to tenants, and non-owned anchor space.
- 2 Projected Company Owned GLA Under Development or Redevelopment represents gross leasable area under development that is projected to be owned by the Company. Projected Total GLA Under Development or Redevelopment includes Projected Company Owned GLA, plus projected square footage attributable to non-owned outlot structures on land owned by the Company and ground leased to tenants, and non-owned anchor space that is existing or under construction.
- 3 Annualized Base Rent represents the monthly contractual rent in effect for each period shown, multiplied by 12. Excludes tenant reimbursements.

SUMMARY COMMERCIAL PROPERTY STATISTICS

Retail Portfolio	June 30, 2014	March 31, 2014	December 31, 2013	September 30, 2013	June 30, 2013
Company Owned Net Rentable Area (NRA) ¹	386,852	386,852	386,852	379,974	379,974
Number of Operating Commercial Properties ⁴	2	2	2	2	2
Percentage Leased – Operating Commercial Properties	95.2%	95.2%	95.2%	94.2%	95.2%
Annualized Base Rent – Commercial Properties ^{2,3}	\$5,993,727	\$5,993,732	\$5,941,788	\$5,936,163	\$6,068,454

- 1 Company Owned NRA does not include square footage of Union Station Parking Garage, a detached parking garage supporting the Thirty South property that includes approximately 850 parking spaces. It is managed by a third party.
- 2 Annualized Base Rent does not include tenant reimbursements or income attributable to the Union Station Parking Garage.
- 3 Annualized Base Rent includes \$723,216 from KRG and subsidiaries as of June 30, 2014.
- 4 Includes the office space at Eddy Street Commons.

DEVELOPMENT PROJECTS

Under Construction:

Project	Company Ownership %	MSA	Actual/Projected Opening Date ¹	Projected Owned GLA ²	Projected Total GLA ³	Percent of Owned GLA Occupied ⁴	Percent of Owned GLA Pre-Leased/Committed ⁵	Total Estimated Project Cost ⁷	Cost Incurred as of June 30, 2014 ⁶	Major Tenants and Non-owned Anchors
Holly Springs Towne Center, NC - Phase II	100%	Raleigh	Q3 2015	132,958	164,958	0.0%	79.5%	\$49,000	\$17,708	Target (non-owned), Frank Theatres, Bed Bath & Beyond, DSW, Jr. Box
Parkside Town Commons, NC – Phase I ⁸	100%	Raleigh	Q2 2014	104,978	245,573	63.1%	91.5%	39,000	37,383	Target (non-owned), Harris Teeter (ground lease), Jr. Box, Petco
Parkside Town Commons, NC – Phase II	100%	Raleigh	Q4 2014	275,432	324,260	0.0%	63.9%	70,000	40,449	Frank Theatres, Golf Galaxy, Field & Stream
Total				513,368	734,791	12.9%	73.6%	\$158,000	\$95,540	
Cost incurred as of June 30, 2014 included in Construction In Progress on balance sheet									<u>\$67,708</u>	

- Opening Date is defined as the first date a tenant is open for business or a ground lease payment is made. Stabilization (i.e., 85% occupied) typically occurs within six to twelve months after the opening date.
- Projected Owned GLA represents gross leasable area we project we will own. It excludes square footage that we project will be attributable to non-owned outlot structures on land owned by us and expected to be ground leased to tenants. It also excludes non-owned anchor space.
- Projected Total GLA includes Projected Owned GLA, projected square footage attributable to non-owned outlot structures on land that we own, and non-owned anchor space that currently exists or is under construction.
- Includes tenants that have taken possession of their space or have begun paying rent.
- Excludes outlot land parcels owned by the Company and ground leased to tenants. Includes leases under negotiation for approximately 16,387 square feet for which the Company has signed non-binding letters of intent.
- Dollars in thousands. Reflects both the Company's and partners' share of costs.
- Cost incurred is reclassified to fixed assets on the consolidated balance sheet on a pro-rata basis as portions of the asset are placed in service.
- The owned GLA for Parkside Town Commons Phase I includes a 53,000 square foot ground lease with Harris Teeter Supermarket.

REDEVELOPMENT PROJECTS

Under Construction:

Project	Company Ownership %	MSA	Actual/Projected Opening Date ¹	Projected Owned GLA ²	Projected Total GLA ³	Percent of Owned GLA Occupied ⁴	Percent of Owned GLA Pre-Leased/Committed ⁵	Total Estimated Project Cost ⁷	Cost Incurred as of June 30, 2014 ⁶	Major Tenants and Non-owned Anchors
Bolton Plaza, FL	100%	Jacksonville	Q1 2014	155,637	155,637	85.4%	85.4%	\$10,300	\$ 6,748	Academy Sports & Outdoors, LA Fitness/Shops
Gainesville Plaza, FL	100%	Gainesville	Q2 2015	162,693	164,665	27.5%	81.6%	14,300	3,372	Burlington Coat Factory, Ross
Total				318,330	320,302	55.6%	83.5%	\$24,600	\$10,120	
Cost incurred as of June 30, 2014 included in Construction In Progress on balance sheet									<u>\$3,371</u>	

Pending Commencement of Construction:

Project	Company Ownership %	MSA	Actual/Projected Opening Date ¹	Projected Owned GLA ²	Projected Total GLA ³	Total Estimated Project Cost ⁷	Cost Incurred as of June 30, 2014 ⁶	Major Tenants and Non-owned Anchors	
Hamilton Crossing, IN	100%	Indianapolis	TBD	69,596	77,296	TBD	30	TBD	
Courthouse Shadows, FL	100%	Naples	TBD	134,867	134,867	TBD	500	Grocer, Office Max	
Total				204,463	212,163		\$530		
Cost incurred as of June 30, 2014 included in Construction In Progress on balance sheet								<u>\$530</u>	

See prior page for footnotes

Summary of Construction In Progress on Consolidated Balance Sheet (\$ in thousands):

Cost incurred for development projects under construction	\$ 67,708
Cost incurred for redevelopment projects under construction	3,371
Cost incurred for redevelopment projects pending construction	530
Holly Springs Towne Center – Phase III	4,362
Miscellaneous tenant improvements and small projects	12,140
Construction In Progress on Consolidated Balance Sheet	<u>\$ 88,111</u>

PROPERTY DISPOSITIONS

Property Name	Property Type	State	MSA	Date Sold	Sales Price
50 th & 12 th	Single tenant (Walgreens)	WA	Seattle	1/7/14	\$ 8,640,000
Red Bank Commons	Unanchored strip center	IN	Evansville	3/7/14	5,300,000
Ridge Plaza	A & P Grocery-anchored center	NJ	Oak Ridge	3/31/14	21,250,000
Total					<u>\$ 35,190,000</u>

GEOGRAPHIC DIVERSIFICATION – OPERATING PORTFOLIO

As of June 30, 2014

	Number of Operating Properties ¹	Owned GLA/NRA ²	Percent of Owned GLA/NRA	Total Number of Leases	Annualized Base Rent ³	Percent of Annualized Base Rent	Annualized Base Rent per Leased Sq. Ft.
Indiana	22	2,496,891	28.2%	253	\$ 33,885,020	29.5%	\$ 13.96
• Retail	20	2,127,335	24.0%	235	27,891,294	24.3%	13.44
• Commercial	2	369,556	4.2%	18	5,993,726	5.2%	17.03
Florida	20	2,436,491	27.5%	364	32,351,970	28.1%	14.39
Texas	7	1,566,401	17.7%	156	20,799,157	18.1%	13.60
Alabama	2	512,649	5.8%	47	4,751,625	4.1%	9.69
Georgia	3	485,924	5.5%	61	5,456,148	4.7%	11.66
North Carolina	3	316,039	3.6%	53	4,858,727	4.2%	16.49
South Carolina	2	262,862	3.0%	21	2,930,114	2.6%	11.68
Ohio	1	236,230	2.7%	7	2,062,668	1.8%	8.73
Tennessee	1	223,912	2.5%	18	2,898,020	2.5%	14.91
Illinois	2	182,865	2.1%	20	2,319,300	2.0%	13.41
Washington	1	107,998	1.2%	25	2,140,907	1.9%	21.45
Oregon	2	31,171	0.4%	13	553,894	0.5%	23.63
Total	66	8,859,433	100.0%	1,038	\$ 115,007,551	100.0%	\$ 13.63

- 1 This table includes operating retail properties, operating commercial properties, and ground lease tenants who commenced paying rent as of June 30, 2014 and excludes four retail properties under redevelopment.
- 2 Owned GLA/NRA represents gross leasable area or net leasable area owned by the Company. It does not include 29 parcels or outlots owned by the Company and ground leased to tenants, which contain 18 non-owned structures totaling approximately 357,104 square feet. It also excludes the square footage of Union Station Parking Garage.
- 3 Annualized Base Rent excludes \$3,667,431 in annualized ground lease revenue attributable to parcels and outlots owned by the Company and ground leased to tenants.

OPERATING RETAIL PORTFOLIO SUMMARY REPORT

As of June 30, 2014

Property ¹	MSA	Year Built/ Renovated	Owned GLA ²			Leased			ABR per Sqft	Major Tenants	Non-owned Tenants
			Total	Anchors	Shops	Total	Anchors	Shops			
Alabama											
Clay Marketplace	Birmingham	1966/2003	66,165	44,840	21,325	94.7%	100.0%	83.5%	\$12.55	Publix	
Trussville Promenade	Birmingham	1999	446,484	354,010	92,474	95.8%	100.0%	79.8%	9.27	Wal-Mart, Regal Cinemas, Marshalls, Big Lots, PetSmart, Dollar Tree	Kohl's, Sam's Club
Florida											
12th Street Plaza	Vero Beach	1978/2003	138,268	121,376	16,892	96.6%	100.0%	72.5%	9.58	Publix, Stein Mart, Tuesday Morning, Sunshine Furniture, Planet Fitness	
Bayport Commons ⁴	Oldsmar	2008	97,193	71,540	25,653	92.9%	100.0%	73.0%	15.84	Gander Mountain, PetSmart, Michaels	Target
Burnt Store Promenade	Punta Gorda	1989	94,223	42,112	52,111	74.9%	100.0%	54.6%	8.96	Publix	Home Depot
Cobblestone Plaza	Ft. Lauderdale	2011	133,213	68,169	65,044	99.2%	100.0%	98.3%	25.71	Whole Foods, Party City, All Pets Emporium	
Cove Center	Stuart	1984/2008	155,063	130,915	24,148	95.0%	100.0%	68.0%	8.86	Publix, Beall's	
Delray Marketplace	Delray	2013	260,153	107,880	152,273	87.8%	100.0%	79.1%	22.81	Franks Theater, Publix, Jos. A. Bank, Chicco, Charming Charlie, Ann Taylor	
Estero Town Commons	Naples	2006	25,631	-	25,631	46.8%	0.0%	46.8%	18.57	Lowe's	
Hunter's Creek Promenade	Orlando	1994	119,729	55,999	63,730	97.1%	100.0%	94.5%	12.59	Publix	
Indian River Square	Vero Beach	1997/2004	142,706	109,000	33,706	95.9%	100.0%	82.8%	10.87	Beall's, Office Depot	Target, Lowe's Home Improvement
International Speedway Square	Daytona	1999	233,495	203,457	30,038	98.4%	100.0%	87.8%	10.87	Bed, Bath & Beyond, Stein Mart, Old Navy, Staples, Michaels, Dick's Sporting Goods, Total Wine & More	
King's Lake Square	Naples	1986/2014	88,584	56,041	32,543	87.8%	100.0%	66.8%	17.14	Publix	
Lakewood Promenade	Jacksonville	1948/1998	196,820	77,840	118,980	83.2%	100.0%	72.2%	11.20	SteinMart, Winn Dixie	
Lithia Crossing	Tampa	2003	91,043	54,091	36,952	87.3%	100.0%	68.8%	13.69	Stein Mart, Fresh Market	
Northdale Promenade	Tampa	1985/2002	175,925	118,269	57,656	94.5%	100.0%	83.1%	11.61	TJ Maxx, Bealls, Crunch Fitness	Sweetbay
Pine Ridge Crossing	Naples	1993	105,867	66,351	39,516	95.4%	100.0%	87.7%	15.92	Publix	Target, Beall's
Riverchase Plaza	Naples	1991/2001	78,291	48,890	29,401	98.5%	100.0%	95.9%	15.19	Publix	
Shops at Eastwood	Orlando	1997	69,037	51,512	17,525	98.1%	100.0%	92.6%	12.68	Publix	
Shops at Eagle Creek	Naples	1983	70,755	50,187	20,568	89.7%	100.0%	64.5%	14.80	Staples, Fresh Market	Lowe's Home Improvement
Tarpon Springs Plaza	Naples	2007	82,547	60,151	22,396	96.6%	100.0%	87.5%	21.79	Cost Plus, AC Moore, Staples	Target
Waterford Lakes Village	Orlando	1997	77,948	51,703	26,245	96.7%	100.0%	90.1%	12.34	Winn-Dixie	
Georgia											
Beechwood Promenade	Athens	1961	342,217	247,011	95,206	95.4%	100.0%	83.6%	11.46	TJ Maxx, Georgia Theatre, CVS, BodyPlex, SteinMart, Tuesday Morning, Fresh Market, Jos A. Bank, Ann Taylor, Talbots	
Publix at Acworth	Atlanta	1996	69,628	37,888	31,740	96.6%	100.0%	92.4%	11.93	Publix	
The Centre at Panola	Atlanta	2001	74,079	51,674	22,405	100.0%	100.0%	100.0%	12.30	Publix	
Illinois											
Fox Lake Crossing	Chicago	2002	99,072	65,977	33,095	90.0%	100.0%	69.9%	13.43	Dominick's Finer Foods, Dollar Tree	
Naperville Marketplace	Chicago	2008	83,793	61,683	22,110	100.0%	100.0%	100.0%	13.40	TJ Maxx, PetSmart	Caputo's
Indiana											
54th & College ⁵	Indianapolis	2008	-	-	-	*	0.0%	0.0%	-	The Fresh Market (Ground Lease)	
Beacon Hill ⁴	Crown Point	2006	57,191	11,043	46,148	84.0%	100.0%	80.1%	14.97		Strack & VanTill, Walgreens
Boulevard Crossing	Kokomo	2004	124,631	74,440	50,191	96.7%	100.0%	91.8%	14.23	Petco, TJ Maxx, Ulta Salon	Kohl's
Bridgewater Marketplace	Indianapolis	2008	25,975	-	25,975	68.2%	0.0%	68.2%	17.68		Walgreens
Castleton Crossing	Indianapolis	1975	277,812	247,710	30,102	100.0%	100.0%	100.0%	10.75	K&G Menswear, Value City, TJ Maxx, Shoe Carnival, Dollar Tree, Burlington Coat Factory	
Cool Creek Commons	Indianapolis	2005	124,646	63,600	61,046	100.0%	100.0%	100.0%	16.79	The Fresh Market, Stein Mart, Bang Fitness	
Depauw University Bookstore and Café	Greencastle	2012	11,974	-	11,974	100.0%	0.0%	100.0%	8.36	Folletts, Starbucks	

See footnotes on Page 29

OPERATING RETAIL PORTFOLIO SUMMARY REPORT (CONTINUED)

As of June 30, 2014

Property ¹	MSA	Year Built/ Renovated	Owned GLA ²			Leased			ABR per Sqft	Major Tenants	Non-owned Tenants
			Total	Anchors	Shops	Total	Anchors	Shops			
Eddy Street Commons	South Bend	2009	88,093	20,154	67,939	95.5%	100.0%	94.1%	22.49	Hammes Bookstore, Urban Outfitters	
Fishers Station ³	Indianapolis	1989	116,943	72,212	44,731	96.6%	100.0%	91.2%	11.72	Marsh Supermarkets, Goodwill, Dollar Tree	
Geist Pavilion	Indianapolis	2006	64,102	29,700	34,402	95.9%	100.0%	92.3%	16.23	Goodwill, Ace Hardware	
Glendale Town Commons	Indianapolis	1958/2008	393,002	329,546	63,456	99.1%	100.0%	94.5%	6.92	Macy's, Landmark Theaters, Staples, Indianapolis Library, Walgreens	Lowe's Home Improvement, Target
Greyhound Commons ⁵	Indianapolis	2005	-	-	-	*	0.0%	0.0%	-		Lowe's Home Improvement
Rangeline Crossing	Indianapolis	1986/2013	97,511	47,962	49,549	93.5%	100.0%	87.2%	21.53	Earth Fare, Walgreens	
Rivers Edge	Indianapolis	2011	149,209	117,890	31,319	100.0%	100.0%	100.0%	19.62	Buy Buy Baby, Nordstrom Rack, The Container Store, Arhaus Furniture	
Stoney Creek Commons	Indianapolis	2000	84,330	84,330	-	100.0%	100.0%	0.0%	11.84	HH Gregg, Office Depot, LA Fitness	Lowe's Home Improvement
The Corner	Indianapolis	1984/2003	42,494	12,200	30,294	93.8%	100.0%	91.3%	15.95	Hancock Fabrics	
Traders Point	Indianapolis	2005	279,684	238,721	40,963	99.2%	100.0%	94.3%	14.68	Dick's Sporting Goods, AMC Theatre, Marsh Supermarkets, Bed Bath & Beyond, Michaels, Old Navy, PetSmart	
Traders Point II	Indianapolis	2005	46,191	-	46,191	88.5%	0.0%	88.5%	25.18		
Whitehall Pike	Bloomington	1999	128,997	128,997	-	100.0%	100.0%	0.0%	7.86		Lowe's Home Improvement
Zionsville Walgreens	Indianapolis	2012	14,550	14,550	-	100.0%	100.0%	0.0%	28.54		Walgreens
North Carolina											
Holly Springs Towne Center	Holly Springs	2013	207,589	109,233	98,356	90.8%	100.0%	80.6%	15.73	Dick's Sporting Goods, Marshalls, Petco, Ulta Salon	Target
Oleander Place	Wilmington	2012	47,911	30,144	17,767	95.0%	100.0%	86.6%	16.06	Whole Foods	
Toringdon Market	Charlotte	2004	60,539	26,072	34,467	100.0%	100.0%	100.0%	19.19	Earth Fare	
Ohio											
Eastgate Pavilion	Cincinnati	1995	236,230	231,730	4,500	100.0%	100.0%	100.0%	8.73	Best Buy, Dick's Sporting Goods, Value City Furniture, PetSmart, DSW	
Oregon											
Cornelius Gateway ⁴	Portland	2006	21,326	-	21,326	70.8%	0.0%	70.8%	21.10	Fedex/Kinkos	Walgreens
Shops at Otty	Portland	2004	9,845	-	9,845	84.7%	0.0%	84.7%	28.19		Wal-Mart
South Carolina											
Plaza Green	Greenville	2000	194,807	172,136	22,671	94.7%	94.1%	100.0%	12.15	Bed Bath & Beyond, Christmas Tree Shops, Sears, Party City, Shoe Carnival, AC Moore, Old Navy	
Publix at Woodruff	Greenville	1997	68,055	47,955	20,100	97.4%	100.0%	91.0%	10.37	Publix	
Tennessee											
Cool Springs Market	Nashville	1995	223,912	165,712	58,200	86.8%	87.9%	83.7%	14.91	Jo-Ann Fabric, Dicks Sporting Goods, Staples, Marshalls	Kroger
Texas											
Burlington Coat Factory	San Antonio	1992/2000	107,400	107,400	-	100.0%	100.0%	0.0%	5.00	Burlington Coat Factory	
Kingwood Commons	Houston	1999	164,356	74,826	89,530	98.1%	100.0%	96.4%	18.43	Randall's Food and Drug, Petco, Chico's, Talbots, Ann Taylor, Jos. A. Bank	
Market Street Village	Hurst	1970/2004	156,625	136,746	19,879	100.0%	100.0%	100.0%	11.60	Jo-Ann Fabric, Ross, Office Depot, Buy Buy Baby	
Plaza at Cedar Hill	Dallas	2000	303,458	244,065	59,393	98.0%	100.0%	89.5%	12.28	Hobby Lobby, Office Max, Ross, Marshalls, Sprouts Farmers Market, Toys "R" Us/Babies "R" Us, DSW	

See footnotes on Page 29

OPERATING RETAIL PORTFOLIO SUMMARY REPORT (CONTINUED)

As of June 30, 2014

Property ¹	MSA	Year Built/ Renovated	Owned GLA ²			Leased			ABR per Sqft	Major Tenants	Non-owned Tenants
			Total	Anchors	Shops	Total	Anchors	Shops			
Plaza Volente	Austin	2004	156,333	105,000	51,333	99.1%	100.0%	97.3%	15.84	H-E-B Grocery	
Portofino Shopping Center	Houston	1999	371,792	211,858	159,934	94.0%	100.0%	86.1%	16.96	DSW, Michaels, Sports Authority, Lifeway Christian Store, SteinMart, Petsmart, Conn's Appliances, Old Navy	
Sunland Towne Centre	El Paso	1996	306,437	265,037	41,400	98.9%	100.0%	91.7%	11.36	PetSmart, Ross, Kmart, Bed Bath & Beyond, Specs Fine Wines, Sprouts Farmers Market	
Washington											
Four Corner Square	Maple Valley	1985/2013	107,998	68,046	39,952	92.4%	100.0%	79.5%	21.45	Walgreens, Grocery Outlet, Johnson's Do-It Center	
Total			8,489,877	5,897,581	2,592,296	95.2%	99.5%	85.5%	\$13.48		

- All properties are wholly owned, except as indicated. Unless otherwise noted, each property is owned in fee simple by the Company.
- Percentage of Owned GLA Leased reflects Owned GLA/NRA leased as of June 30, 2014, except for Greyhound Commons and 54th & College (see Note 5).
- This property is divided into two parcels: a grocery store and small shops. The Company owns a 25% interest in the small shops parcel through a joint venture and a 100% interest in the grocery store. The joint venture partner is entitled to an annual preferred payment of \$106,000. All remaining cash flow is distributed to the Company.
- The Company owns and manages the following properties through joint ventures with third parties: Beacon Hill (50%); Cornelius Gateway (80%); and Bayport Commons (60%).
- Property consists of ground leases only and, therefore, no Owned GLA. As of June 30, 2014, the following were leased: 54th & College – a single ground lease property; Greyhound Commons – two of four outlots leased.

OPERATING COMMERCIAL PROPERTIES

As of June 30, 2014

Property	MSA	Year Built/ Renovated	Acquired, Redeveloped or Developed	Owned NRA	Percentage Of Owned NRA Leased	Annualized Base Rent ¹	Percentage of Annualized Commercial Base Rent	Base Rent Per Leased Sq. Ft.	Major Tenants
Indiana									
Thirty South ²	Indianapolis	1905/2002	Redeveloped	305,224	93.9%	\$ 4,865,147	81.2%	\$ 18.00	Indiana Supreme Court, City Securities, Kite Realty Group, Lumina Foundation
Union Station Parking Garage ³	Indianapolis	1986	Acquired	N/A	N/A	N/A	N/A	N/A	Denison Parking
Eddy Street Office (part of Eddy Street Commons) ⁴	South Bend	2009	Developed	81,628	100.0%	1,128,580	18.8%	13.83	University of Notre Dame Offices
Total				386,852	95.2%	\$ 5,993,727	100.0%	\$ 17.03	

1 Annualized Base Rent represents the monthly contractual rent for June 2014 for each applicable property, multiplied by 12. Excludes tenant reimbursements.

2 Annualized Base Rent includes \$723,216 from the Company and subsidiaries as of June 30, 2014.

3 The garage is managed by a third party.

4 The Company also owns Eddy Street Commons in South Bend, Indiana along with a parking garage that serves a hotel and the office and retail components of the property.

EARNINGS GUIDANCE UPDATE FOR FULL YEAR 2014

As of June 30, 2014

	Full-Year 2014
FFO per diluted common share, as adjusted	\$0.49 – \$0.52
Same Property NOI (updated Q1)	3.5% – 4.0%
Percent leased at year-end	95% – 96%
Asset Dispositions	\$40 - \$50 million

Note 1 Earnings guidance assumptions include the operations of the combined company for the second half of the year but exclude costs related to the merger.

Note 2 Reflecting the effects of the announced 1 for 4 reverse share split, which is expected to become effective on August 11, 2014, FFO per diluted common share, as adjusted would be in the range of \$1.96 - \$2.08.

APPENDIX



PRO FORMA COMBINED SUPPLEMENTAL DATA

JUNE 30, 2014

COMBINED CORPORATE PROFILE

We completed our merger with Inland Diversified on July 1, 2014. We now own 133 properties and 20.6 million owned square feet. The pages in this Appendix present pro forma combined information as of June 30, 2014 as if the merger had been consummated on that date.

	<u># of Properties</u>	<u>Owned GLA</u>
<u>Operating Properties</u> ¹	126	19,578,904
<u>Redevelopment Properties:</u>		
- Under Construction	2	320,302
- Pending Construction	2	212,163
Subtotal Redevelopment Properties	<u>4</u>	<u>532,465</u>
Total Operating and Redevelopment Properties	130	20,111,369
<u>Development Projects:</u>		
- Under Construction	3	513,368
Total All Properties	<u><u>133</u></u>	<u><u>20,624,737</u></u>

¹ Includes 124 retail and two commercial properties

COMBINED COMPANY TOTAL OUTSTANDING DEBT SUMMARY¹

As of June 30, 2014

	Outstanding Amount	Ratio	Weighted Average Interest Rate ¹	Weighted Average Maturity (in years)
Fixed Rate Debt:				
Consolidated	\$ 894,802,258	54%	5.07%	5.8
Variable Rate Debt (Hedged)	490,620,654	29%	3.29%	3.7
Total Fixed Rate Debt	1,385,422,912	83%	4.44%	5.1
Variable Rate Debt:				
Construction Loans	132,395,579	8%	2.14%	1.2
Other Variable	290,429,041	17%	2.44%	4.6
Corporate Unsecured ²	355,000,000	21%	1.52%	5.3
Variable Rate Debt (Hedged)	-490,620,654	-29%	-1.97%	-3.7
Total Variable Rate Debt	287,203,966	17%	1.97%	5.4
Total	\$ 1,672,626,878	100%	4.01%	5.1

¹ Schedule reflects post merger loan paydowns of Rangeline Crossing, Four Corner Square and 951 & 41.

² Reflects paydown of unsecured credit facility to \$125 million and the change in interest rates from the July 1, 2014 amendments of the unsecured credit and term loan facilities.

TOP 10 COMBINED RETAIL TENANTS

As of June 30, 2014

This table includes the following:

- Operating retail properties;
- Operating commercial properties; and
- Development property tenants open for business or ground lease tenants who commenced paying rent as of June 30, 2014.

Tenant	Number of Stores	Moody's Credit Rating ¹	Leased GLA	Annualized Base Rent	% of Total Portfolio Annualized Base Rent
Publix	20	NR	959,853	\$ 9,446,607	3.6%
PetSmart	22	NR	453,063	6,688,495	2.5%
TJX Companies	21	A3	642,557	6,160,325	2.3%
Office Depot/Office Max	21	B2	431,234	5,766,954	2.2%
Dick's Sporting Goods	10	NR	490,622	5,375,691	2.0%
Lowe's Home Improvement	5	A3	611,158	5,039,000	1.9%
Ross Stores	16	NR	460,580	4,917,367	1.9%
Bed Bath & Beyond	18	NR	494,472	4,883,730	1.8%
Michaels	15	NR	316,232	4,086,266	1.5%
Walgreens	8	Baa1	121,881	4,047,792	1.5%
	<u>156</u>		<u>4,981,652</u>	<u>\$56,412,226</u>	<u>21.2%</u>

¹ NR = Not rated

LEASE EXPIRATIONS – COMBINED OPERATING PORTFOLIO

As of June 30, 2014

This table includes the following:

- Operating retail properties;
- Operating commercial properties; and
- Development property tenants open for business or ground lease tenants who commenced paying rent as of June 30, 2014.

	Number of Expiring Leases	Expiring GLA/NRA	% of Total GLA/NRA Expiring	Expiring Annualized Base Rent	% of Total Annualized Base Rent	Expiring Annualized Base Rent per Sq. Ft.	Expiring Ground Lease Revenue
2014	110	393,565	2.1%	\$ 6,124,372	2.3%	\$ 15.56	\$ 255,475
2015	244	1,363,995	7.2%	19,440,666	7.4%	14.25	219,650
2016	290	1,669,491	8.8%	22,075,765	8.4%	13.22	0
2017	294	1,814,839	9.5%	28,250,011	10.8%	15.57	377,556
2018	349	2,481,541	13.0%	36,970,392	14.1%	14.90	0
2019	245	1,684,744	8.9%	27,573,204	10.5%	16.37	118,000
2020	109	1,986,564	10.4%	18,718,685	7.1%	9.42	156,852
2021	87	838,314	4.4%	12,199,713	4.6%	14.55	0
2022	90	957,222	5.0%	15,171,295	5.8%	15.85	0
2023	119	1,036,172	5.4%	16,463,732	6.3%	15.89	260,000
Beyond	198	4,798,595	25.2%	59,879,604	22.8%	12.48	2,279,898
	2,135	19,025,042	100.0%	\$ 262,867,440	100.0%	\$ 13.82	\$ 3,667,431

Summary of Ground Lease Rent

Inland Diversified ground lease rent included in expiring base rent above	\$ 14,518,614
KRG ground lease rent shown separately above	3,667,431
Total ground lease rent	\$ 18,186,045

LEASE EXPIRATIONS – COMBINED RETAIL ANCHOR AND SHOP TENANTS

As of June 30, 2014

Anchor Tenants

This table includes the following:

- Operating retail properties; and
- Development property tenants open for business or ground lease tenants who commenced paying rent as of June 30, 2014.

	Number of Expiring Leases	Expiring GLA/NRA	% of Total GLA/NRA Expiring	Expiring Annualized Base Rent	% of Total Annualized Base Rent	Expiring Annualized Base Rent per Sq. Ft.	Expiring Ground Lease Revenue
2014	6	147,233	0.8%	\$ 1,140,086	0.4%	\$ 7.74	\$ 0
2015	28	795,772	4.2%	7,664,201	2.9%	9.63	0
2016	34	1,031,120	5.4%	8,903,240	3.4%	8.63	0
2017	45	1,124,100	5.9%	13,229,719	4.9%	11.77	0
2018	55	1,679,119	8.8%	17,812,163	6.8%	10.61	0
2019	43	1,136,444	6.0%	14,540,206	5.5%	12.79	0
2020	36	1,759,142	9.3%	13,997,511	5.3%	7.96	0
2021	23	636,093	3.3%	7,025,734	2.7%	11.05	0
2022	26	684,911	3.6%	8,901,887	3.4%	13.00	0
2023	27	679,943	3.6%	8,271,605	3.1%	12.17	0
Beyond	79	4,266,010	22.4%	46,961,045	17.8%	11.01	990,000
	402	13,939,887	73.3%	\$ 148,447,398	56.5%	\$ 10.65	\$ 990,000

Shop Tenants

This table includes the following:

- Operating retail properties; and
- Development property tenants open for business as of June 30, 2014.

	Number of Expiring Leases	Expiring GLA/NRA	% of Total GLA/NRA Expiring	Expiring Annualized Base Rent	% of Total Annualized Base Rent	Expiring Annualized Base Rent per Sq. Ft.	Expiring Ground Lease Revenue
2014	104	246,332	1.3%	\$ 4,984,286	2.0%	\$ 20.23	\$ 255,475
2015	214	529,639	2.8%	11,047,009	4.2%	20.86	219,650
2016	256	638,371	3.4%	13,172,524	5.0%	20.63	0
2017	247	607,629	3.2%	13,524,444	5.1%	22.26	377,556
2018	292	784,585	4.1%	18,774,657	7.1%	23.93	0
2019	201	543,047	2.9%	12,931,877	4.9%	23.81	118,000
2020	72	217,353	1.1%	4,537,406	1.7%	20.88	156,852
2021	63	196,059	1.0%	5,032,248	1.9%	25.67	0
2022	61	221,265	1.2%	5,395,790	2.1%	24.39	0
2023	90	323,241	1.7%	7,523,938	2.9%	23.28	260,000
Beyond	115	425,661	2.2%	11,502,136	4.5%	27.02	1,289,898
	1715	4,733,182	24.9%	\$ 108,426,315	41.2%	\$ 22.91	\$ 2,677,431

INLAND DIVERSIFIED OPERATING RETAIL PORTFOLIO SUMMARY

As of June 30, 2014

Property ¹	MSA	Year Built/ Renovated	Owned GLA ²			Leased Percentage			Annualized Base Rent per Sqft
			Total	Anchors	Shops	Total	Anchors	Shops	
Alabama									
Eastside Junction	Athens	2008	79,700	45,600	34,100	93.8%	100.0%	85.6%	\$12.17
Harvest Square	Harvest	2008	70,590	45,600	24,990	93.2%	100.0%	80.8%	14.97
Prattville Town Center	Prattville	2007	168,842	112,042	56,800	98.2%	100.0%	94.7%	14.34
Arkansas									
Fairgrounds Crossing	Hot Springs	2011	155,127	126,613	28,514	98.7%	100.0%	92.8%	13.02
Arizona									
The Corner	Tucson		79,902	55,883	24,019	100.0%	100.0%	100.0%	27.96
Connecticut									
Crossing at Killingly Commons	Killington	2010	388,802	317,743	71,059	98.4%	100.0%	91.0%	10.93
Florida									
Centre Point Commons	Bradenton	2007	119,275	93,574	25,701	98.8%	100.0%	94.6%	17.97
Colonial Square	Fort Myers	2010	272,354	236,283	36,071	94.8%	100.0%	60.6%	11.65
Lake City Commons - Phase II	Lake City	2011	16,291	12,131	4,160	100.0%	100.0%	100.0%	14.86
Lake City Commons	Lake City	2008	66,510	45,600	20,910	92.4%	100.0%	75.8%	13.66
Lake Mary Plaza	Lake Mary	2009	21,370	14,880	6,490	100.0%	100.0%	100.0%	37.68
Miramar Square	Miramar	2008	238,334	137,505	100,829	83.1%	85.5%	79.8%	17.98
Palm Coast Landing	Palm Coast	2010	171,297	106,292	65,005	88.6%	85.4%	93.8%	18.64
Pleasant Hill Commons	Kissimmee	2008	70,642	45,600	25,042	92.4%	100.0%	78.4%	14.03
Publix at St. Cloud	St. Cloud	2003	78,820	54,379	24,441	92.7%	100.0%	76.5%	12.35
Saxon Crossing	Orange City	2009	119,894	95,304	24,590	99.0%	100.0%	95.1%	14.62
Shops at Julington Creek	Jacksonville	2011	40,207	21,038	19,169	92.9%	100.0%	85.2%	18.24
Temple Terrace	Temple Terrace	2012	90,377	58,798	31,579	100.0%	100.0%	100.0%	10.37
The Landing at Tradition	Port St Lucie	2007	359,758	272,944	86,814	89.3%	100.0%	55.5%	15.22
Tradition Village Center	Port St Lucie	2006	112,421	45,600	66,821	78.2%	100.0%	63.4%	15.25
Village Walk	Fort Myers	2009	78,533	54,340	24,193	90.0%	100.0%	67.5%	15.87
Georgia									
Heritage Square	Conyers	2010	22,385	10,479	11,906	84.6%	100.0%	71.0%	34.94
Mullins Crossing	Evans	2005	297,168	236,340	60,828	100.0%	100.0%	100.0%	11.65
Illinois									
South Elgin Commons	South Elgin	2011	128,000	128,000	-	100.0%	100.0%	0.0%	13.84
Indiana									
Bell Oaks Centre	Newburgh	2008	94,811	74,122	20,689	98.5%	100.0%	93.0%	11.59
Lima Marketplace	Fort Wayne	2008	106,880	71,521	35,359	98.7%	100.0%	96.0%	15.96
Louisiana									
Regal Court	Shreveport	2008	363,174	281,404	81,770	90.8%	92.9%	83.5%	10.42
Missouri									
Branson Hills Shopping Center	Branson	2005	466,218	380,971	85,247	99.1%	100.0%	95.1%	8.82
Hawk Ridge	Lake St Louis	2008	75,951	66,081	9,870	98.2%	100.0%	85.8%	12.08
Nebraska									
Whispering Ridge	Omaha	2008	69,676	69,676	-	100.0%	100.0%	0.0%	14.24
Nevada									
Cannery Corner	Las Vegas	2008	44,472	-	44,472	84.7%	0.0%	84.7%	36.06
Centennial Center	Las Vegas	2002	857,832	648,258	209,574	96.5%	100.0%	85.7%	11.21
Centennial Gateway	Las Vegas	2005	192,999	139,861	53,138	97.9%	100.0%	92.3%	23.69
Eastern Beltway	Las Vegas	1998	525,226	446,764	78,462	99.8%	100.0%	98.5%	8.75
Eastgate	Las Vegas	1998	96,589	53,030	43,559	88.5%	100.0%	74.4%	21.64
Lowe's Plaza	Las Vegas	2007	30,208	-	30,208	37.1%	-	37.1%	32.18

INLAND DIVERSIFIED OPERATING RETAIL PORTFOLIO SUMMARY (CONTINUED)

As of June 30, 2014

Property ¹	MSA	Year Built/ Renovated	Owned GLA ²			Leased Percentage			Annualized Base Rent per Sqft
			Total	Anchors	Shops	Total	Anchors	Shops	
New Hampshire									
Merrimack Village Center	Merrimack	2007	82,292	54,000	28,292	100.0%	100.0%	100.0%	12.72
New Jersey									
Bayonne Crossing	Bayonne	2011	360,045	289,911	70,134	98.2%	100.0%	90.8%	\$14.19
New York									
City Center	White Plains	2004	365,905	329,360	36,545	97.6%	100.0%	76.1%	25.73
North Carolina									
Landing at Ocean Isle	Ocean Isle Beach	2009	53,220	41,982	11,238	94.5%	100.0%	74.1%	17.16
Memorial Commons	Golsboro		111,271	73,876	37,395	91.0%	100.0%	73.1%	11.95
Northcrest Shopping Center	Charlotte	2008	133,674	76,053	57,621	95.7%	85.2%	109.4%	21.31
Perimeter Woods	Charlotte	2008	303,328	271,347	31,981	99.7%	100.0%	96.9%	14.93
Walgreens Plaza	Jacksonville	2010	42,219	27,779	14,440	87.9%	100.0%	64.7%	21.99
Oklahoma									
Shops at Moore	Moore	2010	259,692	187,916	71,776	99.5%	100.0%	98.3%	11.98
Silver Springs Pointe	Oklahoma City	2001	135,028	107,099	27,929	92.8%	100.0%	65.0%	10.69
University Town Center	Norman	2009	158,516	77,097	81,419	95.6%	100.0%	91.5%	17.42
University Town Center Phase II	Norman	2012	259,133	202,185	56,948	96.6%	100.0%	84.5%	9.40
South Carolina									
Hitchcock Plaza	Aiken		252,370	214,480	37,890	100.0%	100.0%	100.0%	9.21
Tennessee									
Hamilton Crossing - Phase II & III	Alcoa	2008	179,864	135,737	44,127	97.6%	100.0%	90.0%	14.60
Texas									
Waxahachie Crossing	Waxahachie	2010	97,127	72,191	24,936	98.8%	100.0%	95.2%	14.03
Wheatland Town Crossing	Wheatland	2012	200,694	153,939	46,755	97.9%	100.0%	90.9%	15.49
Westside Market			93,377	70,000	23,377	97.4%	100.0%	89.4%	16.05
Utah									
Draper Crossing	Draper	2012	167,148	115,916	51,232	97.9%	100.0%	93.3%	14.61
Draper Peaks	Draper	2012	229,794	101,464	128,330	98.6%	100.0%	97.5%	18.30
Virginia									
Landstown Commons	Virginia Beach	2007	409,747	217,466	192,281	94.2%	100.0%	87.7%	18.87
Wisconsin									
Copp's Grocery	Stevens Point	2012	69,911	69,911	-	100.0%	100.0%	0.0%	15.50
Fox Point	Neenah	2008	171,121	112,127	58,994	80.9%	81.0%	80.8%	9.91
Shoppes at Prairie Ridge	Pleasant Prairie	2009	232,606	183,018	49,588	96.9%	100.0%	85.5%	10.78
Village at Bay Park	Ashwaubenon	2005	180,754	122,378	58,376	94.6%	100.0%	83.2%	8.24
Total Inland Diversified¹			10,719,471	7,911,488	2,807,983	95.7%	98.9%	86.6%	\$14.06
Total Kite pre-merger (page 29)²			8,489,877	5,897,581	2,592,296	95.2%	99.5%	85.5%	\$13.48
Combined Total Operating Retail			19,209,348	13,809,069	5,400,279	95.5%	99.1%	86.1%	\$13.81

Annualized Base Rent per square foot, excluding all ground lease square footage

\$ 15.00

1 Includes square footage attributable to ground leases

2 Excludes square footage attributable to ground leases