

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

<b>1</b> Issuer's name		<b>2</b> Issuer's employer identification number (EIN)	
Kite Realty Group Trust		11-3715772	
<b>3</b> Name of contact for additional information	<b>4</b> Telephone No. of contact	<b>5</b> Email address of contact	
Daniel R. Sink	317-577-5600	dsink@kiterealty.com	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact		<b>7</b> City, town, or post office, state, and Zip code of contact	
30 S. Meridian St., Suite 1100		Indianapolis, IN 46204	
<b>8</b> Date of action		<b>9</b> Classification and description	
01/13/12, 04/13/12, 07/13/12, 10/12/12		Common stock, \$0.01 par value	
<b>10</b> CUSIP number	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol	<b>13</b> Account number(s)
49803T102		KRG	

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

**14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ Cash payments to shareholders that will be considered a return of capital (distribution exceeds current and accumulated earnings and profits). The cash payments were made during 2012 on the following dates:

- 1) Distribution paid 01/13/12 for shareholder of record on 01/06/12
- 2) Distribution paid 04/13/12 for shareholder of record on 04/05/12
- 3) Distribution paid 07/13/12 for shareholder of record on 07/06/12
- 4) Distribution paid 10/12/12 for shareholder of record on 10/05/12

**15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ The quantitative effect of each of the above payments is as follows:

- 1) Distribution paid 01/13/12: \$0.055925 per share reduction in basis (amount of the distribution treated as return of capital)
- 2) Distribution paid 04/13/12: \$0.055925 per share reduction in basis (amount of the distribution treated as return of capital)
- 3) Distribution paid 07/13/12: \$0.055925 per share reduction in basis (amount of the distribution treated as return of capital)
- 4) Distribution paid 10/12/12: \$0.055925 per share reduction in basis (amount of the distribution treated as return of capital)

**16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ The per share reduction in basis described above was calculated using a return of capital percentage derived from the following:

- 1) Numerator: Distributions paid on common stock less Earnings and Profits (E&P)
- 2) Denominator: Distributions paid on common stock
- 3) Quotient: Return of capital percentage determined to be 93.206703%

Therefore, the calculation of each of the above payments is as follows:

- 1) Distribution paid 01/13/12: \$0.06 per share distribution x 93.206703% return of capital percentage = \$0.055925 per share
- 2) Distribution paid 04/13/12: \$0.06 per share distribution x 93.206703% return of capital percentage = \$0.055925 per share
- 3) Distribution paid 07/13/12: \$0.06 per share distribution x 93.206703% return of capital percentage = \$0.055925 per share
- 4) Distribution paid 10/12/12: \$0.06 per share distribution x 93.206703% return of capital percentage = \$0.055925 per share

**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Internal Revenue Code Sections 301 and 316

18 Can any resulting loss be recognized? ▶ Not applicable

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ All of the above adjustments should be taken into account by the shareholders in 2012.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here Signature ▶ Daniel R Sink Date ▶ 1/15/13

Print your name ▶ Daniel R. Sink Title ▶ Chief Financial Officer

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> If self-employed	PTIN
	<u>John R. Bruch</u>	<u>John R. Bruch CPA</u>	<u>1/15/13</u>		<u>P00019237</u>
	Firm's name ▶ <u>KSM Business Services, Inc.</u>	Firm's EIN ▶ <u>35-2123203</u>		Phone no. <u>317-580-2000</u>	
Firm's address ▶ <u>P.O. Box 40857 Indianapolis, IN 46240-0857</u>					