

KILROY JOHN B JR
 Form 4
 December 28, 2012

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
KILROY JOHN B JR

2. Issuer Name and Ticker or Trading Symbol
KILROY REALTY CORP [NYSE: KRC]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 12200 W. OLYMPIC BOULEVARD, SUITE 200
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 12/26/2012

Director 10% Owner
 Officer (give title below) Other (specify below)
 President and CEO

LOS ANGELES, CA 90064

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D)	Price		
Common stock, par value \$0.01 per share	12/26/2012		M	14,748	A \$ 47.24	775,046.0155	D
Common stock, par value \$0.01 per share ⁽¹⁾	12/26/2012		F	6,883	D \$ 47.24	768,163.0155	D

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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares
Restricted Stock Units	(2)	12/26/2012		M	14,748	(3) (3)	Common Stock	14,748

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KILROY JOHN B JR 12200 W. OLYMPIC BOULEVARD SUITE 200 LOS ANGELES, CA 90064	X		President and CEO	

Signatures

/s/ Tyler H. Rose, as attorney-in-fact for John B. Kilroy, Jr. 12/28/2012

**Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

- (1) Common stock tendered to pay tax withholding.
- (2) Each restricted stock unit represents a contingent right to receive one share of Issuer common stock.

The restricted stock units vest, subject to continued employment with the Issuer through the applicable vesting date, as to 1/7th of the shares for each calendar year during 2012 - 2018 based on the achievement of annual stockholder return hurdles on either a relative or an absolute basis for the applicable calendar year. If neither of the stockholder return hurdles are achieved for an applicable year during the performance period, those shares will remain eligible to vest in a subsequent year (ending on December 31, 2018) if the Issuer achieves a cumulative total stockholder return goal.

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Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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