

# Nontraded REIT Industry Review: First Quarter 2014



## Inland Diversified Real Estate Trust, Inc.

Total Assets.....	\$2,140.5 Million
Real Estate Assets .....	\$1,750.5 Million
Cash .....	\$63.1 Million
Securities .....	\$35.6 Million
Other .....	\$291.3 Million



Initial Offering Date: .....	August 24, 2009
Offering Close Date: .....	August 23, 2012
Current Price per Share: .....	\$10.70
Reinvestment Price per Share: .....	Suspended
Cumulative Capital Raised during Offering (including DRP).....	\$1,139.5 Million

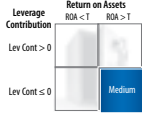
Cash to Total Assets Ratio: ..... 2.9%  
 Asset Type: ..... Diversified  
 Number of Properties: ..... 89  
 Square Feet / Units / Rooms / Acres: ... 11.5 Million Sq. Ft. & 444 Units  
 Percent Leased: ..... 95.6%  
 Weighted Average Lease Term Remaining:..... Not Available  
 LifeStage:..... Liquidating  
 Investment Style: ..... Core  
 Weighted Average Shares Outstanding: ..... 117,809,586

### Historical Price



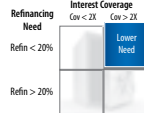
### Performance Profiles

#### Operating Performance



The REIT's recent 12-month average return on assets exceeds yields on 10-year Treasuries, indicating potential for positive risk-adjusted returns. At its current cost of debt and level of borrowing, its use of debt is not increasing returns to shareholders.

#### Financing Outlook



Interest coverage ratio exceeds the 2.0X benchmark and the REIT does not have over 20% of debt maturing within 2 years or at unhedged variable rates. The REIT does not face an immediate need to refinance a significant portion of its debt, and has sufficient earnings to cover interest expense.

#### Cumulative MFFO Payout



Cumulative MFFO since inception exceeds the cumulative cash distributions to common shareholders, indicating the REIT has fully funded cash distributions from its real estate operations. At the current distribution rate and level of modified funds from operations, trends suggest the distributions can be maintained.

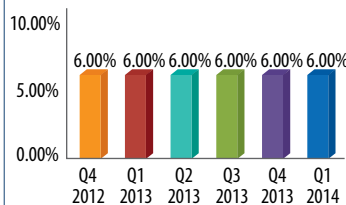
#### Summary

The REIT's return on assets for the last four quarters was 3.32%, above the yield on 10-Year Treasuries of 1.87%, providing additional returns to shareholders. It had a negative leverage contribution due to its estimated average cost of debt of 4.76% and 49.5% debt ratio. About 14% of the REIT's debt matures within two years and 12% is at unhedged variable rates, indicating some refinancing need and potential interest rate risk, but neither level is above our 20% threshold. Its interest coverage ratio for the last four quarters at 2.6X was above the 2.0X benchmark. Since inception the REIT has paid out 41% of MFFO in cash distributions excluding DRP proceeds, and this rate was 55% for the last four quarters, a higher percentage due to suspension of the DRP, and first quarter 2014 cash distributions actually exceed MFFO.

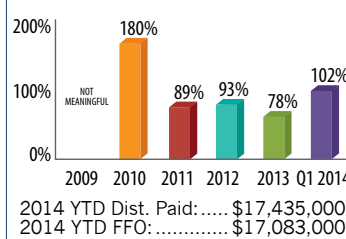
### Contact Information

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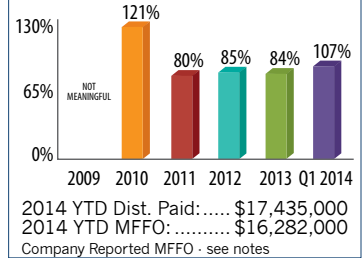
### Historical Distribution



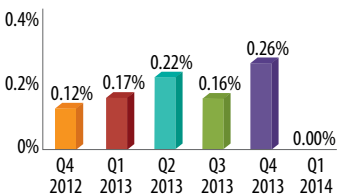
### Historical FFO Payout Ratio



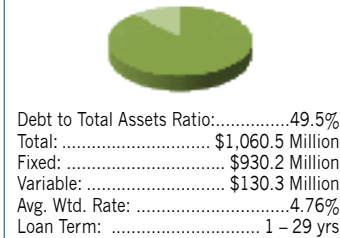
### Historical MFFO Payout Ratio



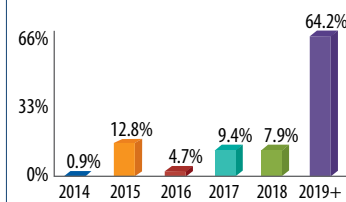
### Redemptions



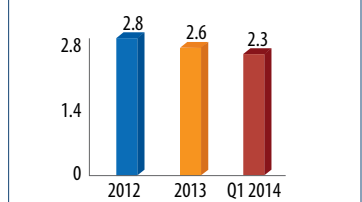
### Debt Breakdown



### Debt Repayment Schedule



### Interest Coverage Ratio



### Source of Distributions, Trends and Items of Note

- During 1Q 2014 the Company acquired one property for approximately \$17.8 million and sold 55 properties for approximately \$274.26 million.
- On February 9, 2014, the Company entered into an agreement and plan of merger with Kite Realty Group Trust (NYSE: KRG) real estate investment trust. The merger agreement provides for the merger of the Company with and into Kite. Each outstanding share of the Company's common stock will be converted into the right to receive shares of Kite, based on: an exchange ratio of 1.707 Kite common for each share of common stock if the average trading price of Kite common for the ten consecutive trading days ending on the third trading day preceding the stockholder approval is equal to or less than \$6.36; a floating exchange ratio if the reference price is more than \$6.36 or less than \$6.58 (with the floating exchange ratio determined by dividing \$10.85 by the reference price); and an exchange ratio of 1.650 Kite common for each share of common stock if the reference price is \$6.58 or greater.
- The REIT's Cash to Total Assets ratio increased to 2.9% as of 1Q 2014 compared to 2.1% as of 1Q 2013.
- The REIT's Debt to Total Assets ratio decreased to 49.5% as of 1Q 2014 compared to 52.6% as of 1Q 2013.
- Fixed rate debt includes variable rate debt that has been swapped for fixed rate payments. The Company hedged \$118.4 million of its variable rate debt.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- During the three months ended March 31, 2014, the Company declared distributions of \$17.43 million. Cash flow from operations for that period were \$18.97 million. The DRP program was suspended November 13, 2013, until further notice.