

DUKE REALTY CORP
Form 424B7
April 16, 2007

FILED PURSUANT TO

RULE 424(b)(7)

SEC FILE NO. 333-140796

PROSPECTUS SUPPLEMENT No. 2

(To Prospectus dated February 20, 2007)

DATED: April 16, 2007

11,747,135 Common Shares

Our operating partnership, Duke Realty Limited Partnership, issued and sold \$575 million aggregate principal amount of its 3.75% Exchangeable Senior Notes due 2011, or the notes, in a private transaction on November 22, 2006. Under certain circumstances, we may issue shares of our common stock upon the exchange or redemption of the notes. In such circumstances, the recipients of such common stock, whom we refer to as the selling shareholders, may use this prospectus supplement, together with the prospectus to which it relates, to resell from time to time the shares of our common stock that we may issue to them upon the exchange or redemption of the notes. Additional selling shareholders may be named by future prospectus supplements.

This prospectus supplement amends and supplements, and should be read in conjunction with, the prospectus dated February 20, 2007 and prospectus supplement No. 1 dated March 19, 2007 both of which are to be delivered with the prospectus supplement.

The selling shareholder table, appearing under the heading Selling Shareholders in the accompanying prospectus, is amended and supplemented by the information in the following table.

Name	Number of Shares Beneficially Owned Prior to the Offering(1)	Percentage of Shares Beneficially Owned Prior to the Offering(2)	Number of Shares Offered Hereby	Number of Shares Beneficially Owned Following the Offering(3)	Percentage of Shares Beneficially Owned Following the Offering(2)(3)
Admiral Flagship Master Fund, Ltd.	51,074	*	51,074		
Arctos Partners Inc.	204,298	*	204,298		
BBT Fund, L.P.	210,937	*	210,937		
BMO Nesbitt Burns Inc.	102,149	*	102,149		
Bank of America Pension Plan	102,149	*	102,149		
Barnet Partners Ltd.	20,429	*	20,429		
Black Diamond Offshore Ltd.	14,729	*	14,729		
Black Diamond Convertible Offshore LDC	32,687	*	32,687		
BNP Paribas Arbitrage	51,074	*	51,074		
CAP Fund, L.P.	96,530	*	96,530		
	679,290	*	679,290		

Canyon Capital Arbitrage Master
Fund, Ltd.

The Canyon Value Realization Fund (Cayman), Ltd.	763,053	*	763,053
Canyon Value Realization MAC 18 Ltd.	58,224	*	58,224
Canyon Value Realization Fund, L.P.	297,253	*	297,253
Citigroup Global Markets Inc.	937,727	*	937,727
CMH Strategies	1,389	*	1,389
Credit Suisse Europe Ltd.	423,918	*	423,918
Double Black Diamond Offshore LDC	116,020	*	116,020
Empyrean Capital Fund, LP	115,305	*	115,305
Empyrean Capital Overseas Benefit Plan, Ltd.	24,536	*	24,536
Empyrean Capital Overseas Fund, Ltd.	217,679	*	217,679
Florida Fruit & Vegetable Association	1,797	*	1,797
Fore Convertible Master Fund, Ltd.	46,110	*	46,110
Fore ERISA Fund, Ltd.	4,964	*	4,964
Georgia Municipal Employee Benefit System	27,416	*	27,416
Highbridge Convertible Arbitrage Master Fund LP	10,214	*	10,214
Highbridge International LLC	91,934	*	91,934
Institutional Benchmark Series (Master Feeder) Limited in respect of Electra Series c/o Quattro Fund	14,300	*	14,300
IIU Convertible Arbitrage Fund Limited	3,207	*	3,207
IIU Convertible Fund, plc	46,477	*	46,477
John Deere Pension Trust	20,429	*	20,429
LDG Limited	3,779	*	3,779
Lydian Global Opportunities Master Fund Ltd.	61,289	*	61,289
Lydian Overseas Partners Master Fund, L.T.D.	245,157	*	245,157
Lyxor/Canyon Value Realization Fund Ltd.	51,074	*	51,074
Lyxor/Canyon Capital Arbitrage Fund Ltd.	143,008	*	143,008

Mohican VCA Master Fund, Ltd.	20,429	*	20,429
Old Lane HMA Master Fund LP	158,739	*	158,739
Old Lane Cayman Master Fund LP	672,487	*	672,487
Old Lane US Master Fund LP	241,337	*	241,337
Partners Group Alternative Strategies PCC Limited, Red Delta Cell c/o Quattro Fund	20,429	*	20,429
Peoples Benefit Life Insurance Company Teamsters	81,719	*	81,719
Plexus Fund Limited	510,745	*	510,745
Polygon Global Opportunities Master Fund	204,298	*	204,298
Quattro Fund Ltd.	155,266	*	155,266
Quattro Multistrategy Masterfund LP	14,300	*	14,300
Redbourn Partners Ltd.	245,157	*	245,157
Royal Bank of Canada	91,934	*	91,934
S.A.C. Arbitrage Fund, LLC	204,298	*	204,298
SRI Fund, L.P.	50,053	*	50,053
Susquehanna Capital Group	357,521	*	357,521
Tamalpais Asset Management L.P.	204,298	*	204,298
TQA Master Fund, Ltd.	24,209	*	24,209
TQA Master Plus Fund, Ltd.	13,871	*	13,871
UBS Securities LLC	81,719	*	81,719
Vicis Capital Master Fund	40,859	*	40,859
Waterstone Market Neutral Master Fund, Ltd.	132,589	*	132,589
Waterstone Market Neutral MAC51 Fund, Ltd.	71,708	*	71,708
Yield Strategies Fund I, L.P.	40,859	*	40,859
Zurich Institutional Benchmarks Master Fund, Ltd. c/o TQA Investors, LLC	9,213	*	9,213
Any other holder of common stock issuable upon exchange of notes or future transferee, pledgee, donee or successor of any holder	2,807,493	2.05	% 2,807,493
TOTAL(4)	11,747,135	(5)8.58	% 11,747,135 (5)

* Less than 1%.

(1) Assumes conversion of the notes into shares of common stock at a conversion rate of 20.4298 shares of common stock per each \$1,000 principal amount of notes.

(2) Based on a total of 136,905,323 shares of our common stock outstanding as of April 12, 2007.

(3) We do not know when or in what amounts a selling shareholder may offer shares of our common stock for sale. The selling shareholders might not sell any or all of the shares of our common stock offered by this prospectus. Because the selling shareholders may offer all or some of the shares of our common stock pursuant to this prospectus, and because there are currently no agreements, arrangements or understandings with respect to the sale of any of the shares of our common stock, we cannot estimate the number of shares of our common stock that will be held by the selling shareholders after completion of this offering. However, for purposes of this table, we have assumed that, after completion of the offering pursuant to this prospectus, none of the shares of our common stock covered by this prospectus will be held by the selling shareholders.

- (4) Additional selling shareholders not named in the prospectus will not be able to use the prospectus for resales until they are named in the selling shareholder table by prospectus supplement or post-effective amendment. Transferees, successors and donees of identified selling shareholders will not be able to use this prospectus for resales until they are named in the selling shareholders table by prospectus supplement or post-effective amendment. If required, we will add transferees, successors and donees by additional prospectus supplement in instances where the transferee, successor or donee has acquired its shares from holders named in the prospectus or prospectus supplement after the effective date of this prospectus.
- (5) We will issue cash for all fractional shares of our common stock based on the closing sale price of our common stock on the trading day immediately preceding the exchange date.