

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Kennedy-Wilson Holdings, Inc.		2 Issuer's employer identification number (EIN) 26-0508760	
3 Name of contact for additional information Christina Cha	4 Telephone No. of contact 310-887-6400	5 Email address of contact ir@kennedywilson.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 9701 Wilshire Blvd., Suite 700		7 City, town, or post office, state, and Zip code of contact Beverly Hills, CA 90212	
8 Date of action 3/28/13, 3/30/13, 6/29/13, 7/2/13, 9/28/13, 10/8/13, 12/31/13		9 Classification and description Common and Preferred stock	
10 CUSIP number 489398107	11 Serial number(s) N/A	12 Ticker symbol KW	13 Account number(s) N/A

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 ▶ The issuer made cash distributions to its common and preferred shareholders in excess of accumulated and current year earnings and profits. These distributions were paid on March 28, 2013, March 30, 2013, June 29, 2013, July 2, 2013, September 28, 2013, October 8, 2013, December 31, 2013.

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 issuer had a deficit in accumulated earnings and profits and a deficit in current earnings and profits at the end of their tax year. Therefore, 100% of the distribution was a return of capital that will reduce shareholder basis to the extent thereof. Any distribution amount in excess of shareholder basis will be capital gain to the shareholder.

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 ▶ N/A, see #15 above.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶
The issuer had an accumulated earnings and profits deficit and a current earnings and profits deficit where earnings and profits was computed in accordance with Section 312. Under Section 301(c), as the issuer has an accumulated and current earnings and profits deficit, no portion of the distribution was taxable pursuant to Section 301(c)(1). Rather, the amount of the distribution would first be applied against shareholder basis under Section 301(c)(2) and, to the extent in excess of shareholder basis, would be taxable as a capital gain pursuant to Section 301(c)(3).

18 Can any resulting loss be recognized? ▶ N/A

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ Taxable year 2013.

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 ▶  Date ▶ 3/11/2014
Print your name ▶ In Ku Lee Title ▶ VP

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	James Gerqurich		3/10/2014		P00961167
	Firm's name ▶ KPMG, LLP			Firm's EIN ▶	13-5565207
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