

## 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)	
Kennedy-Wilson Holdings, Inc.		26-0508760	
<b>3</b> Name of contact for additional information	<b>4</b> Telephone No. of contact	<b>5</b> Email address of contact	
Louis Gauthier	310-887-3435	LGauthier@kennedywilson.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	
9701 Wilshire Blvd., Suite 700		Beverly Hills, CA 90212	
<b>8</b> Date of action		<b>9</b> Classification and description	
1/08/14, 3/28/14, 4/08/14, 6/27/14, 7/08/14, 9/29/14, 10/7/14, 12/30/14		Common and Preferred stock	
<b>10</b> CUSIP number	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol	<b>13</b> Account number(s)
489398107	N/A	KW	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 January 8, 2014, March 28, 2014, April 8, 2014, June 27, 2014, July 8, 2014, September 29, 2014, October 7, 2014, and December 30, 2014.

**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 ▶

- January 8, 2014: Distribution per share \$0.07 : Return of Capital per share \$0.07
- March 28, 2014: Distribution per share \$15.27: Return of Capital per share \$15.27
- April 8, 2014: Distribution per share \$0.09 : Return of Capital per share \$0.09
- June 27, 2014: Distribution per share \$15.27 : Return of Capital per share \$15.27
- July 8, 2014: Distribution per share \$0.09 : Return of Capital per share \$0.09
- September 29, 2014: Distribution per share \$15.27: Return of Capital per share \$15.27
- October 7, 2014: Distribution per share \$0.09 : Return of Capital per share \$0.09
- December 30, 2014: Distribution per share \$15.27 : Return of Capital per share \$15.27

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 ▶ Distributions in excess of earnings and profits are applied against and reduce the adjusted basis of stock.

**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 2014.

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 ▶ *Louis Gauthier* Date ▶ Jan. 26, 2015  
Print your name ▶ Louis Gauthier Title ▶ VP-Tax

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶ ERNST & YOUNG U.S. LLP			Firm's EIN ▶ 34-6565596	
	Firm's address ▶ 725 SOUTH FIGUEROA STREET, LOS ANGELES, CA 90017			Phone no. (213) 977-3200	