

Contact: Daven Bhavsar, CFA
 Director of Investor Relations
 (310) 887-3431
 dbhavsar@kennedywilson.com
 www.kennedywilson.com

151 S. El Camino Drive
 Beverly Hills, CA 90212

NEWS RELEASE

KENNEDY WILSON REPORTS FIRST QUARTER 2017 RESULTS

BEVERLY HILLS, Calif. (May 4, 2017) - [Kennedy-Wilson Holdings, Inc.](#) (NYSE: KW) today reported results for 1Q-2017:

<i>(Amounts in millions, except per share data)</i>	1Q	
	2017	2016
GAAP Results		
GAAP Net Income (Loss) to Common Shareholders	\$0.8	(\$7.4)
Per Diluted Share	—	(0.07)
Non-GAAP Results		
Adjusted EBITDA	\$77.3	\$71.8
Adjusted Net Income	42.7	38.3

"In the first quarter, we advanced several of our key initiatives by driving our share of property NOI higher by 10% and further disposing of non-income producing assets" said William McMorro, chairman and CEO of Kennedy Wilson. "Additionally, on April 24th, we announced the proposed combination with Kennedy Wilson Europe Real Estate PLC (LSE: KWE), which will significantly improve our recurring cash flow profile and enhances our ability to generate attractive risk-adjusted returns for our shareholders."

1Q Highlights

- **Growth in Recurring NOI:** Kennedy Wilson's share of 1Q Property NOI grew by \$6 million or 10% to \$63 million from 1Q-2016.
- **Strong Same Property Performance¹:** The 1Q change in same property multifamily and commercial real estate are as follows:

	1Q - 2017 vs 1Q - 2016		
	Occupancy	Revenue	NOI
Multifamily	(0.1)%	7.3%	7.4%
Commercial	1.0%	4.0%	4.7%

- **Investment into Revenue Generating Capex:** The Company's share of cash invested into various multifamily, commercial, and residential value-add capex initiatives was \$22 million during 1Q-2017 compared to \$18 million during 1Q-2016.

- **Decrease in Gains:** The Company's share of gains were \$23.4 million for 1Q-2017, a decrease of \$3.8 million from 1Q-2016.
- **KWE:** KWE completed 36 commercial lease transactions 15% above in-place rents, including completing the largest rent review with Telegraph Media Group at 111 Buckingham Palace Road in London, which delivered 21% growth above in-place rents. KWE ended the quarter with estimated annualized NOI of \$203 million and occupancy of 93.4% with a weighted-average lease term of 7.3 years. As of March 31, 2017, Kennedy Wilson owned 23.65% of the share capital of KWE.

Investments business

- **Investment Transactions:** The Company, together with its equity partners (including KWE) completed the following investment transactions:

(\$ in millions)	Gross	Kennedy Wilson's Share				
		Income Producing	Non-income Producing	Total	NOI	KW Cap Rate ⁽¹⁾
1Q - 2017	Aggregate Purchase/Sale Price					
Acquisitions ⁽²⁾	\$272.0	\$91.2	\$7.1	\$98.3	\$ 4.3	4.7%
Dispositions ⁽³⁾	149.9	43.4	21.6	65.0	3.4	6.7%
Total Transactions	\$421.9			\$ 163.3		

*Please see footnotes at the end of the earnings release

Investment Management and Real Estate Services Business

This segment earns fees primarily from its investment management business along with its real estate services activities. The Company's Investment Management and Real Estate Services segment reported the following results:

(\$ amounts in millions)	1Q	
	2017	2016
GAAP Results		
Investment Management, Property Services, and Research Fees	\$17.5	\$19.1
Non-GAAP Results		
Adjusted Fees ⁽¹⁾⁽²⁾	\$27.6	\$30.0
Adjusted EBITDA	13.3	12.9

Please see footnotes at the end of the earnings release.

Share Repurchase

As of March 31, 2017, the Company has repurchased and retired 2.5 million shares for an aggregate purchase price of \$52 million out of its \$100 million authorization that runs through February 2018. Future purchases under the program may be made in the open market, in privately negotiated transactions or otherwise, with the amount and timing of the repurchases depending on market conditions and subject to the Company's discretion and compliance with applicable rules and regulations.

Foreign Currency Fluctuations and Hedging

For 1Q-2017, changes in foreign currency rates reduced consolidated revenue by 7% and Adjusted EBITDA by 3% compared to foreign currency rates as of March 31, 2016. During the quarter, the net increase in shareholder's equity related to fluctuations in foreign currency and related hedges (in the GBP, EUR and JPY) was \$5.4 million.

Subsequent Events

On April 24, 2017, the Company announced that Kennedy Wilson and KWE had reached agreement on the terms of a recommended combination, which the Company believes will create a leading real estate investment and asset management platform. As a result of the transaction, KWE will become a wholly owned subsidiary of KW. The transaction will be effected by means of a court-sanctioned scheme of arrangement under Article 125 of the Companies (Jersey) Law 1991. The transaction is expected to close in 3Q-2017 and is subject to customary closing conditions including, among other things, receipt of KW and KWE shareholder approval. For more information, please refer to Form 8-K filed with the SEC on April 24, 2017 and available at kennedywilson.com.

In April, the Company and its partner sold a 28-acre residential land parcel in Southern California. The land was originally acquired in 2014, after which an extensive entitlement process was completed. The Company received \$29 million of proceeds for this non-income producing asset, compared to a cash basis of \$21 million, and continues to own, along with its partner, an adjacent entitled five-acre retail parcel.

Subsequent to 1Q-2017, the Company and its equity partner entered into a contract to sell an office building in Los Angeles, California for \$69 million, in which the Company has a 52.5% ownership interest. The Company is also under contract to acquire a wholly-owned office building in greater Bellevue, Washington for \$153 million. The net result of these two transactions are expected to increase the Company's share of annual Property NOI by \$10 million. These transactions are subject to certain closing conditions and there can be no assurances that we will complete them.

Footnote for same property results table

(1) As defined in the "common definitions" section below.

Footnotes for investment transactions table

- (1) KW Cap rate includes only stabilized income-producing properties. Please see "common definitions" for a definition of cap rate.
- (2) There were no acquisitions by KWE during the three months ended March 31, 2017.
- (3) The three months ended March 31, 2017 includes \$14.0 million of dispositions by KWE.

Footnotes for IMRES performance table

- (1) Adjusted fees earned from KWE were \$4.8 million and \$5.8 million for three months ended March 31, 2017 and 2016, respectively. Adjusted Fees excludes non-controlling interest.
- (2) Adjusted fees includes \$7.2 million and \$7.5 million for three months ended March 31, 2017 and 2016, respectively, of fees eliminated in consolidation.

Conference Call and Webcast Details

Kennedy Wilson will hold a live conference call and webcast to discuss results at 7:00 a.m. PT/ 10:00 a.m. ET on Friday, May 5. The direct dial-in number for the conference call is (866) 807-9684 for U.S. callers and (412) 317-5415 for international callers.

A replay of the call will be available for one week beginning two hours after the live call and can be accessed by (877) 344-7529 for U.S. callers and (412) 317-0088 for international callers. The passcode for the replay is 10104971.

The webcast will be available at: <http://services.choruscall.com/links/kw170505cjDAhxki.html>. A replay of the webcast will be available one hour after the original webcast on the Company's investor relations web site for three months.

A copy of this earnings release and supplemental financial information will be made available on KW's website at ir.kennedywilson.com. For the avoidance of doubt, the contents of that website are not incorporated into and do not form part of this announcement.

About Kennedy Wilson

Kennedy Wilson (NYSE:KW) is a global real estate investment company. We own, operate, and invest in real estate both on our own and through our investment management platform. We focus on multifamily and commercial properties located in the Western U.S., UK, Ireland, Spain, Italy and Japan. To complement our investment business, the Company also provides real estate services primarily to financial services clients. For further information on Kennedy Wilson, please visit www.kennedywilson.com.

Forward-Looking Statements

Statements made by us in this report and in other reports and statements released by us that are not historical facts constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are necessarily estimates reflecting the judgment of our senior management based on our current estimates, expectations, forecasts and projections and include comments that express our current opinions about trends and factors that may impact future operating results. Disclosures that use words such as "believe," "anticipate," "estimate," "intend," "may," "could," "plan," "expect," "project" or the negative of these, as well as similar expressions, are intended to identify forward-looking statements. These statements are not guarantees of future performance, rely on a number of assumptions concerning future events, many of which are outside of our control, and involve known and unknown risks and uncertainties that could cause our actual results, performance or achievement, or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. These risks and uncertainties may include the factors and the risks and uncertainties described elsewhere in this report and other filings with the Securities and Exchange Commission (the "SEC"), including the Item 1A. "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2016, as amended by our subsequent filings with the SEC. Any such forward-looking statements, whether made in this report or elsewhere, should be considered in the context of the various disclosures made by us about our businesses including, without limitation, the risk factors discussed in our filings with the SEC. Except as required under the federal securities laws and the rules and regulations of the SEC, we do not have any intention or obligation to update publicly any forward-looking statements, whether as a result of new information, future events, changes in assumptions, or otherwise.

Common Definitions

- "KWH," "KW," "Kennedy Wilson," the "Company," "we," "our," or "us" refers to Kennedy-Wilson Holdings, Inc. and its wholly-owned subsidiaries. The consolidated financial statements of the Company include the results of the Company's consolidated subsidiaries (including KWE).
- "KWE" refers to Kennedy Wilson Europe Real Estate plc, a London Stock Exchange-listed company that we externally manage through a wholly-owned subsidiary. In our capacity as external manager of KWE, we are entitled to receive certain (i) management fees equal to 1% of KWE's adjusted net asset value (EPRA NAV), half of which are paid in cash and the remainder of which is paid in KWE shares; and (ii) performance fees, all of which are paid in KWE shares. In accordance with U.S. GAAP, the results of KWE are consolidated in our financial statements. We own an approximately 23.65% equity interest in KWE as of March 31, 2017, and throughout this release and supplemental financial information, we refer to our pro-rata ownership stake (based on our 23.65% equity interest or weighted-average ownership interest during the period, as applicable) in investments made and held directly by KWE and its subsidiaries.
- "Acquisition-related gains" consist of non-cash gains recognized by the Company or its consolidated subsidiaries upon a GAAP-required fair value measurement due to a business combination. These gains are typically recognized when a loan is converted into consolidated real estate owned and the fair value of the underlying real estate at the time of conversion exceeds the basis in the previously held loan. These gains also arise when there is a change of control of an investment. The gain amount is based upon the fair value of the Company's or its consolidated subsidiaries' equity in the investment in excess of the carrying amount of the equity immediately preceding the change of control.
- "Adjusted EBITDA" represents net income before interest expense, our share of interest expense included in income from investments in unconsolidated investments, depreciation and amortization, our share of depreciation and amortization included in income from unconsolidated investments, loss on early extinguishment of corporate debt and income taxes, share-based compensation expense for the Company and EBITDA attributable to noncontrolling interests.

Please also see the reconciliation to GAAP in the Company's supplemental financial information included in this release and also available at www.kennedywilson.com. Our management uses Adjusted EBITDA to analyze our business because it adjusts net income for items we believe do not accurately reflect the nature of our business going forward or that relate to non-cash compensation expense or noncontrolling interests. Such items may vary for different companies for reasons unrelated to overall operating performance. Additionally, we believe Adjusted EBITDA is useful to investors to assist them in getting a more accurate picture of our results from operations. However, Adjusted EBITDA is not a recognized measurement under GAAP and when analyzing our operating performance, readers should use Adjusted EBITDA in addition to, and not as an alternative for, net income as determined in accordance with GAAP. Because not all companies use identical calculations, our presentation of Adjusted EBITDA may not be comparable to similarly titled measures of other companies. Furthermore, Adjusted EBITDA is not intended to be a measure of free cash flow for our management's discretionary use, as it does not remove all non-cash items (such as acquisition-related gains) or consider certain cash requirements such as tax and debt service payments. The amount shown for Adjusted EBITDA also differs from the amount calculated under similarly titled definitions in our debt instruments, which are further adjusted to reflect certain other cash and non-cash charges and are used to determine compliance with financial covenants and our ability to engage in certain activities, such as incurring additional debt and making certain restricted payments.

· "Adjusted fees" refers to Kennedy Wilson's gross investment management, property services and research fees adjusted to include fees eliminated in consolidation and Kennedy Wilson's share of fees in unconsolidated service businesses. Our management uses Adjusted fees to analyze our investment management and real estate services business because the measure removes required eliminations under GAAP for properties in which the Company provides services but also has an ownership interest. These eliminations understate the economic value of the investment management, property services and research fees and makes the Company comparable to other real estate companies that provide investment management and real estate services but do not have an ownership interest in the properties they manage. Our management believes that adjusting GAAP fees to reflect these amounts eliminated in consolidation presents a more holistic measure of the scope of our investment management and real estate services business.

· "Adjusted Net Asset Value" is calculated by KWE as net asset value adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallize in a long-term investment property business model such as the fair value of financial derivatives and deferred taxes on property valuation surpluses.

· "Adjusted Net Income" represents net income before depreciation and amortization, our share of depreciation and amortization included in income from unconsolidated investments, share-based compensation and net income attributable to noncontrolling interests, before depreciation and amortization. Please also see the reconciliation to GAAP in the Company's supplemental financial information included in this release and also available at www.kennedywilson.com.

· "Cap rate" represents the net operating income of an investment for the year preceding its acquisition or disposition, as applicable, divided by the purchase or sale price, as applicable. Cap rates set forth in this presentation only includes data from income-producing properties. We calculate cap rates based on information that is supplied to us during the acquisition diligence process. This information is often not audited or reviewed by independent accountants and may be presented in a manner that is different from similar information included in our financial statements prepared in accordance with GAAP. In addition, cap rates represent historical performance and are not a guarantee of future NOI. Properties for which a cap rate is provided may not continue to perform at that cap rate.

· "Consolidated investment account" refers to the sum of Kennedy Wilson's equity in: cash held by consolidated investments, consolidated real estate and acquired in-place leases gross of accumulated depreciation and amortization, net hedge asset or liability, unconsolidated investments, consolidated loans, and net other assets.

· "Equity multiple" is calculated by dividing the amount of total distributions received by KW from an investment (including any gains, return of equity invested by KW and promoted interests) by the amount of total contributions invested by KW in such investment. This metric does not take into account management fees, organizational fees, or other similar expenses, all of which in the aggregate may be substantial and lower the overall return to KW. Equity multiples represent historical performance and are not a guarantee of the future performance of investments.

- "Equity partners" refers to non-wholly-owned subsidiaries that we consolidate in our financial statements under U.S. GAAP, including KWE, and third-party equity providers.
- "Estimated annualized NOI" is a property-level non-GAAP measure representing the estimated annualized net operating income from each property as of the date shown, inclusive of rent abatements (if applicable). The calculation excludes depreciation and amortization expense, and does not capture the changes in the value of our properties that result from use or market conditions, nor the level of capital expenditures, tenant improvements, and leasing commissions necessary to maintain the operating performance of our properties. Any of the enumerated items above could have a material effect on the performance of our properties. Also, where specifically noted, for properties purchased in 2017, the NOI represents estimated Year 1 NOI from our original underwriting. Estimated year 1 NOI for properties purchased in 2016 may not be indicative of the actual results for those properties. Estimated annualized NOI is not an indicator of the actual annual net operating income that the Company will or expects to realize in any period. Estimated annualized NOI for properties held by KWE are presented as reported by KWE. Please also see the definition of "Net operating income" below.
- "Investment account" refers to the consolidated investment account presented after noncontrolling interest on invested assets gross of accumulated depreciation and amortization.
- "Investment Management and Real Estate Services Assets under Management" ("IMRES AUM") generally refers to the properties and other assets with respect to which we provide (or participate in) oversight, investment management services and other advice, and which generally consist of real estate properties or loans, and investments in joint ventures. Our IMRES AUM is principally intended to reflect the extent of our presence in the real estate market, not the basis for determining our management fees. Our IMRES AUM consists of the total estimated fair value of the real estate properties and other real estate related assets either owned by third parties, wholly owned by us or held by joint ventures and other entities in which our sponsored funds or investment vehicles and client accounts have invested. Committed (but unfunded) capital from investors in our sponsored funds is not included in our IMRES AUM. The estimated value of development properties is included at estimated completion cost.
- "KW Cap Rate" represents the Cap Rate (as defined above) weighted by the Company's ownership interest in the underlying investments. Cap rates set forth in this presentation includes data only from income-producing properties. We calculate cap rates based on information that is supplied to us during the acquisition diligence process. This information is often not audited or reviewed by independent accountants and may be presented in a manner that is different from similar information included in our financial statements prepared in accordance with GAAP. In addition, cap rates represent historical performance and are not a guarantee of future NOI. Properties for which a cap rate is provided may not continue to perform at that cap rate.
- "Net operating income" or "NOI" is a non-GAAP measure representing the income produced by a property calculated by deducting operating expenses from operating revenues. Our management uses net operating income to assess and compare the performance of our properties and to estimate their fair value. Net operating income does not include the effects of depreciation or amortization or gains or losses from the sale of properties because the effects of those items do not necessarily represent the actual change in the value of our properties resulting from our value-add initiatives or changing market conditions. Our management believes that net operating income reflects the core revenues and costs of operating our properties and is better suited to evaluate trends in occupancy and lease rates.
- "Noncontrolling interests" represents the portion of equity ownership in a consolidated subsidiary not attributable to Kennedy Wilson.
- "Pro-Rata" represents Kennedy Wilson's share calculated by using our proportionate economic ownership of each asset in our portfolio, including our 23.65% ownership in KWE as of March 31, 2017. Please also refer to the pro-rata financial data in our supplemental financial information.
- "Property net operating income" or "Property NOI" is a non-GAAP measure calculated by deducting the Company's Pro-Rata share of rental and hotel operating expenses from the Company's Pro-Rata rental and hotel revenues.
- "Same property" refers to properties in which Kennedy Wilson has an ownership interest during the entire span of both periods being compared. The same property information presented throughout this report is shown on a

cash basis and excludes non-recurring expenses. This analysis excludes properties that are either under development or undergoing lease up as part of our asset management strategy.

Note about Non-GAAP and certain other financial information included in this presentation

In addition to the results reported in accordance with U.S. generally accepted accounting principles ("GAAP") included within this presentation, Kennedy Wilson has provided certain information, which includes non-GAAP financial measures (including Adjusted EBITDA, Adjusted Net Income, and Adjusted Fees, as defined above). Such information is reconciled to its closest GAAP measure in accordance with the rules of the SEC, and such reconciliations are included within this presentation. These measures may contain cash and non-cash acquisition-related gains and expenses and gains and losses from the sale of real-estate related investments. Consolidated non-GAAP measures discussed throughout this report contain income or losses attributable to non-controlling interests. Management believes that these non-GAAP financial measures are useful to both management and Kennedy Wilson's shareholders in their analysis of the business and operating performance of the Company. Management also uses this information for operational planning and decision-making purposes. Non-GAAP financial measures are not and should not be considered a substitute for any GAAP measures. Additionally, non-GAAP financial measures as presented by Kennedy Wilson may not be comparable to similarly titled measures reported by other companies. Annualized figures used throughout this release and supplemental financial information, including annualized net operating income, are not an indicator of the actual net operating income that the Company will or expects to realize in any period.

Additional Information and Where to Find It

This communication may be deemed to be solicitation material in respect of the proposed transaction between Kennedy Wilson and KWE, including the issuance of shares of Kennedy Wilson common stock in connection therewith. In connection with such proposed share issuance, Kennedy Wilson expects to file a proxy statement on Schedule 14A with the Securities and Exchange Commission (the "SEC"). To the extent Kennedy Wilson effects the transaction as a scheme under Jersey law, the issuance of Kennedy Wilson common stock is not be expected to require registration under the Securities Act of 1933, as amended (the "Securities Act"), as a result of an exemption provided by Section 3(a)(10) under the Securities Act. In the event that Kennedy Wilson determines to conduct the transaction pursuant to a takeover offer or otherwise in a manner that is not exempt from the registration requirements of the Securities Act, it will file a registration statement with the SEC containing a prospectus with respect to the Kennedy Wilson common stock that would be issued in the transaction. INVESTORS AND SECURITY HOLDERS OF KENNEDY WILSON ARE URGED TO READ THESE MATERIALS (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO) AND ANY OTHER RELEVANT DOCUMENTS IN CONNECTION WITH THE TRANSACTION THAT KW WILL FILE WITH THE SEC WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT KENNEDY WILSON, THE PROPOSED ISSUANCE OF KENNEDY WILSON COMMON STOCK, AND THE PROPOSED TRANSACTION. The proxy statement and other relevant materials in connection with the proposed issuance of Kennedy Wilson common stock and the transaction (when they become available), and if required, the registration statement/prospectus and other documents filed by Kennedy Wilson with the SEC, may be obtained free of charge at the SEC's website at www.sec.gov. In addition, investors and security holders may obtain free copies of the documents filed with the SEC at Kennedy Wilson's website, www.kennedywilson.com, or by contacting our Investor Relations department in writing at 151 S. El Camino Dr. Beverly Hills, CA 90212.

Kennedy Wilson, KWE, their respective directors and certain Kennedy Wilson executive officers may be deemed to be participants in the solicitation of proxies from Kennedy Wilson stockholders with respect to the transaction, including the proposed issuance of shares of Kennedy Wilson common stock. Information about Kennedy Wilson's directors and executive officers and their ownership of Kennedy Wilson shares and KWE shares or securities referencing KWE shares is provided in KW's Annual Report on Form 10-K for the fiscal year ended December 31, 2016, which was filed with the SEC on February 27, 2017, Kennedy Wilson's proxy statement for its 2017 Annual Meeting of Stockholders, which was filed with the SEC on April 28, 2017, and KWE's Annual Report for the year ended

December 31, 2016, which was filed with the SEC by Kennedy Wilson on Form 8-K on March 23, 2017. Information about the directors of KWE is provided in KWE's Annual Report for the year ended December 31, 2016, which was filed with the SEC by Kennedy Wilson on Form 8-K on March 23, 2017. Information regarding the identity of the potential participants, and their direct or indirect interests in the solicitation, by security holdings or otherwise, will be provided in the proxy statement and other materials to be filed with the SEC in connection with the Transaction and issuance of shares of Kennedy Wilson common stock.

KW-IR

Tables Follow

Kennedy-Wilson Holdings, Inc.
Consolidated Balance Sheets
(Unaudited)
(Dollars in millions)

	March 31, 2017	December 31, 2016
Assets		
Cash and cash equivalents	\$ 168.0	\$ 260.2
Cash held by consolidated investments	640.3	625.5
Accounts receivable	80.2	71.3
Real estate and acquired in place lease values, net of accumulated depreciation and amortization	5,832.0	5,814.2
Loan purchases and originations	82.6	87.7
Unconsolidated investments	567.6	555.6
Other assets	255.3	244.6
Total assets	\$ 7,626.0	\$ 7,659.1
Liabilities		
Accounts payable	\$ 14.7	\$ 11.2
Accrued expenses and other liabilities	377.8	412.1
Investment debt	3,959.2	3,956.1
Senior notes payable	937.1	936.6
Total liabilities	5,288.8	5,316.0
Equity		
Cumulative preferred stock	—	—
Common stock	—	—
Additional paid-in capital	1,213.0	1,231.4
Accumulated deficit	(121.9)	(112.2)
Accumulated other comprehensive loss	(66.1)	(71.2)
Total Kennedy-Wilson Holdings, Inc. shareholders' equity	1,025.0	1,048.0
Noncontrolling interests	1,312.2	1,295.1
Total equity	2,337.2	2,343.1
Total liabilities and equity	\$ 7,626.0	\$ 7,659.1

Kennedy-Wilson Holdings, Inc.
Consolidated Statements of Operations
(Unaudited)

(Dollars in millions, except share amounts and per share data)

	Three Months Ended March 31,	
	2017	2016
Revenue		
Rental	\$ 124.3	\$ 119.9
Hotel	29.5	29.1
Sale of real estate	0.8	1.9
Investment management, property services and research fees	17.5	19.1
Loan purchases, loan originations and other	2.1	2.1
Total revenue	174.2	172.1
Operating expenses		
Rental operating	36.0	31.0
Hotel operating	24.4	24.5
Cost of real estate sold	0.7	1.4
Commission and marketing	2.0	1.8
Compensation and related	32.7	45.7
General and administrative	10.0	10.1
Depreciation and amortization	49.7	48.3
Total operating expenses	155.5	162.8
Income from unconsolidated investments, net of depreciation and amortization	22.5	19.2
Operating income	41.2	28.5
Non-operating income (expense)		
Gain on sale of real estate	5.4	38.4
Acquisition-related gains	—	—
Acquisition-related expenses	(0.3)	(2.0)
Interest expense-investment	(34.4)	(32.5)
Interest expense-corporate	(15.6)	(12.1)
Other income	0.5	0.7
(Loss) income before provision for income taxes	(3.2)	21.0
Benefit from (provision for) income taxes	4.1	(0.5)
Net income	0.9	20.5
Net income attributable to noncontrolling interests	(0.1)	(27.4)
Preferred stock dividends and accretion of issuance costs	—	(0.5)
Net income (loss) attributable to Kennedy-Wilson Holdings, Inc. common shareholders	\$ 0.8	\$ (7.4)
Basic earnings per share⁽¹⁾		
Income (loss) per basic	\$ —	\$ (0.07)
Weighted average shares outstanding for basic	112,167,447	109,214,633
Diluted earnings per share⁽¹⁾		
Income (loss) per diluted	\$ —	\$ (0.07)
Weighted average shares outstanding for diluted	112,167,447	109,214,633
Dividends declared per common share	\$ 0.17	\$ 0.14

⁽¹⁾ Includes impact of the Company allocating income and dividends per basic and diluted share to participating securities.

Kennedy-Wilson Holdings, Inc.
Adjusted EBITDA
(Unaudited)
(Dollars in millions)

The table below reconciles Adjusted EBITDA to net income attributable to Kennedy-Wilson Holdings, Inc. common shareholders, using Kennedy Wilson's pro-rata share amounts for each adjustment item.

	Three Months Ended	
	March 31,	
	2017	2016
Net income (loss) attributable to Kennedy-Wilson Holdings, Inc. common shareholders	\$ 0.8	\$ (7.4)
Non-GAAP adjustments:		
Add back (Kennedy Wilson's Share) ⁽¹⁾ :		
Interest expense - investment	24.9	22.0
Interest expense - corporate	15.6	12.1
Depreciation and amortization	31.2	27.7
Provision for income taxes	(5.9)	(0.6)
Share-based compensation	10.7	17.5
Preferred stock dividends and accretion of issuance costs	—	0.5
Adjusted EBITDA	\$ 77.3	\$ 71.8

⁽¹⁾ See Appendix for reconciliation of Kennedy Wilson's Share amounts

The table below provides a detailed reconciliation of Adjusted EBITDA to net income.

	Three Months Ended	
	March 31,	
	2017	2016
Net income	\$ 0.9	\$ 20.5
Non-GAAP adjustments:		
Add back:		
Interest expense-investment	34.4	32.5
Interest expense-corporate	15.6	12.1
Kennedy Wilson's share of interest expense included in unconsolidated investments	5.5	6.1
Depreciation and amortization	49.7	48.3
Kennedy Wilson's share of depreciation and amortization included in unconsolidated investments	4.3	5.2
Provision for income taxes	(4.1)	0.5
Share-based compensation	10.7	17.5
EBITDA attributable to noncontrolling interests ⁽¹⁾	(39.7)	(70.9)
Adjusted EBITDA	\$ 77.3	\$ 71.8

⁽¹⁾ EBITDA attributable to noncontrolling interest includes \$22.8 million and \$25.9 million of depreciation and amortization, \$15.0 million and \$16.6 million of interest, and \$1.8 million and \$1.1 million of taxes, for the three months ended March 31, 2017 and 2016, respectively.

Kennedy-Wilson Holdings, Inc.
Adjusted Net Income
(Unaudited)
(Dollars in millions)

The table below reconciles Adjusted Net Income to net income attributable to Kennedy-Wilson Holdings, Inc. common shareholders, using Kennedy Wilson's pro-rata share amounts for each adjustment item.

	Three Months Ended	
	March 31,	
	2017	2016
Net income (loss) attributable to Kennedy-Wilson Holdings, Inc. common shareholders	\$ 0.8	\$ (7.4)
Non-GAAP adjustments:		
Add back (Kennedy Wilson's Share) ⁽¹⁾ :		
Depreciation and amortization	31.2	27.7
Share-based compensation	10.7	17.5
Preferred stock dividends and accretion of issuance costs	—	0.5
Adjusted Net Income	\$ 42.7	\$ 38.3

⁽¹⁾ See Appendix for reconciliation of Kennedy Wilson's Share amounts

The table below provides a detailed reconciliation of Adjusted Net Income to net income.

	Three Months Ended	
	March 31,	
	2017	2016
Net income	\$ 0.9	\$ 20.5
Non-GAAP adjustments:		
Add back (less):		
Depreciation and amortization	49.7	48.3
Kennedy Wilson's share of depreciation and amortization included in unconsolidated investments	4.3	5.2
Share-based compensation	10.7	17.5
Net income attributable to the noncontrolling interests, before depreciation and amortization ⁽¹⁾	(22.9)	(53.2)
Adjusted Net Income	\$ 42.7	\$ 38.3

⁽¹⁾ Includes \$22.8 million and \$25.9 million of depreciation and amortization for the three months ended March 31, 2017 and 2016, respectively,