

A light gray world map is centered in the upper half of the slide. Overlaid on the map is a dark blue rectangular box containing the company name in white serif font.

KENNEDY WILSON

## INVESTOR PRESENTATION

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SECOND QUARTER 2017

(As of June 30, 2017)

# Disclaimer/Forward-Looking Statements

Statements made by us in this presentation 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. Some of the forward-looking statements may be identified by words like “believes”, “expects”, “anticipates”, “estimates”, “plans”, “intends”, “projects”, “indicates”, “could”, “may” and similar expressions. These statements are not guarantees of future performance and involve a number of risks, uncertainties and assumptions. Accordingly, actual results or the performance of Kennedy-Wilson Holdings, Inc. (the “Company”) or its subsidiaries may differ significantly, positively or negatively, from forward-looking statements made herein. Unanticipated events and circumstances are likely to occur. Factors that might cause such differences include, but are not limited to, the risks that the Company’s business strategy and plans may not receive the level of market acceptance anticipated; disruptions in general economic and business conditions, particularly in geographic areas where our business may be concentrated; the continued volatility and disruption of the capital and credit markets, higher interest rates, higher loan costs, less desirable loan terms, and a reduction in the availability of mortgage loans and mezzanine financing, all of which could increase costs and

could limit our ability to acquire additional real estate assets; continued high levels of, or increases in, unemployment and a general slowdown in commercial activity; our leverage and ability to refinance existing indebtedness or incur additional indebtedness; an increase in our debt service obligations; our ability to generate a sufficient amount of cash from operations to satisfy working capital requirements and to service our existing and future indebtedness; our ability to achieve improvements in operating efficiency; foreign currency fluctuations; adverse changes in the securities markets; our ability to retain our senior management and attract and retain qualified and experienced employees; our ability to attract new user and investor clients; our ability to retain major clients and renew related contracts; trends in the use of large, full-service commercial real estate providers; changes in tax laws in the United States, Europe or Japan that reduce or eliminate our deductions or other tax benefits; future acquisitions may not be available at favorable prices or with advantageous terms and conditions; and costs relating to the acquisition of assets we may acquire could be higher than anticipated. 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 U.S. Securities and Exchange Commission (“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, change in assumptions, or otherwise.

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The information with respect to the projections presented herein is based on a number of assumptions about future events and is subject to significant economic and competitive uncertainty and other contingencies, none of which can be predicted with any certainty and some of which are beyond the company’s control. There can be no assurances that the projections will be realized, and actual results may be higher or lower than those indicated. Neither the company nor any of their respective security holders, directors, officers, employees, advisors or affiliates, or any representatives or affiliates of the foregoing, assumes responsibility for the accuracy of the projections presented herein.

# The Kennedy Wilson Difference



## Global Network

We leverage real time information from our global footprint and relationships created from 30 years of transacting in real estate



## Regional Expertise

We focus on key regions with boots on the ground investment professionals



## Value Creation

We aim to enhance the value of our real estate through asset management, redevelopment, and repositioning



## Proven Track Record

Creating value for shareholders and partners for 30 years

# Company Overview<sup>(1)</sup>

- **Global** real estate investment company with complementary services division
- **Opportunistic investor** seeking real estate investments with value-creation potential
- **Regional focus** on the Western U.S. and Europe
- **Performance: 29% IRR<sup>(2)</sup> and 1.8x equity multiple<sup>(2)</sup> to Kennedy Wilson** on its completed real estate investments since going public in 2009

**KW**  
**LISTED**  
**NYSE**

**576**

Employees

**27**

Global Offices

**\$18B**

Assets Under Management



Kennedy Wilson Headquarters - Beverly Hills, CA

1. Information as of June 30, 2017, unless otherwise noted.

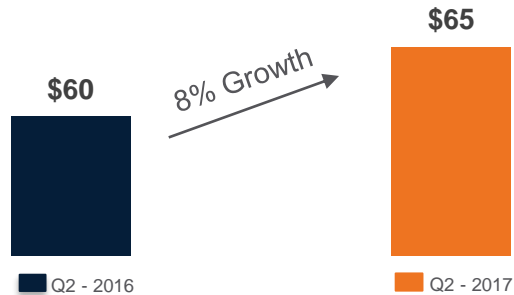
2. As defined in the "Definitions" section. The IRR and equity multiple are returns to KW (including promoted interest and excluding management fees) for all real estate investments purchased and sold since becoming a listed company on the NYSE on November 13, 2009 to date, including loans converted to real estate.

# Q2 - 2017 Financial Highlights

**\$102** MILLION Q2 Adjusted EBITDA

**\$51** MILLION Q2 Adjusted Net Income

## Pro-Rata Property NOI



90 East, Issaquah, WA – Acquired during Q2

Investment Transactions Q2 2017 (\$ in millions)	GROSS			KENNEDY WILSON'S SHARE			
	Aggregate Purchase/Sale Price	Income Producing	Non-income Producing	Total	NOI	KW Cap Rate <sup>(1)</sup>	Equity Multiple <sup>(1) (2)</sup>
Acquisitions	\$434.2	\$193.5	--	\$193.5	\$15.6	8.1%	
Dispositions	827.6	207.9	50.5	258.4	10.6	5.1%	1.9x
<b>Total Transactions</b>	<b>\$1,261.8</b>			<b>\$451.8</b>			

# Investment Portfolio



Investment Portfolio

Investment Management and Real Estate Services

Summary

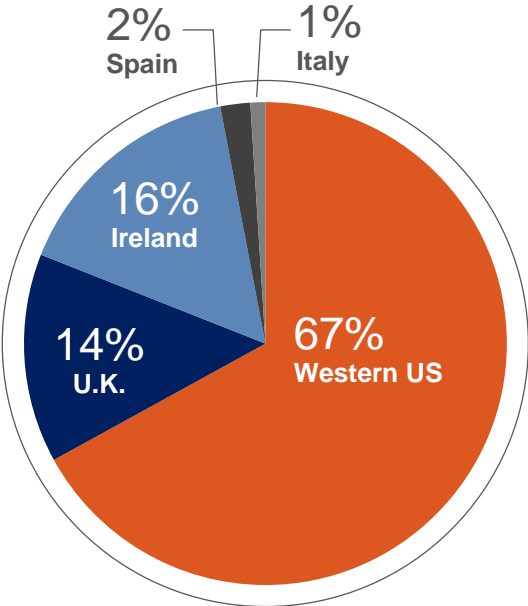
Appendix

# Diversified Real Estate Portfolio

Global Strategy Focused on Key Markets and Product Types

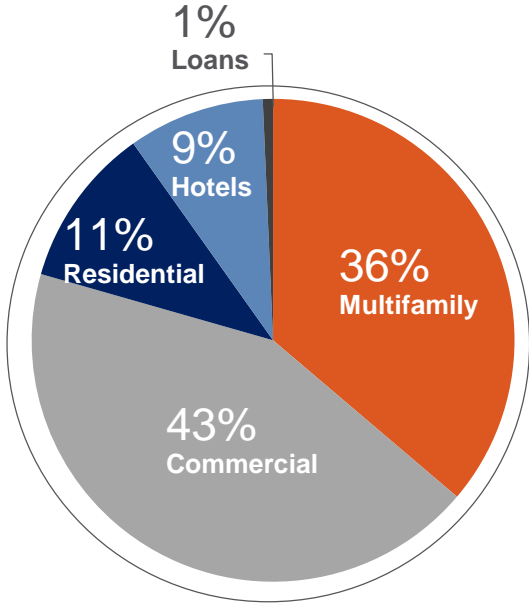
## GEOGRAPHY

(By Investment Account)



## PRODUCT TYPE

(By Investment Account)



# Development Highlights

Over \$1.5 Billion in Value-Add Initiatives Under Development

441,000

Commercial Square Feet

1,463

New Apartments

484

Residential Units / Lots

125

Hotel Rooms as part of iconic 81-acre resort restoration



Construction in progress at Capital Dock (Dublin, Ireland)

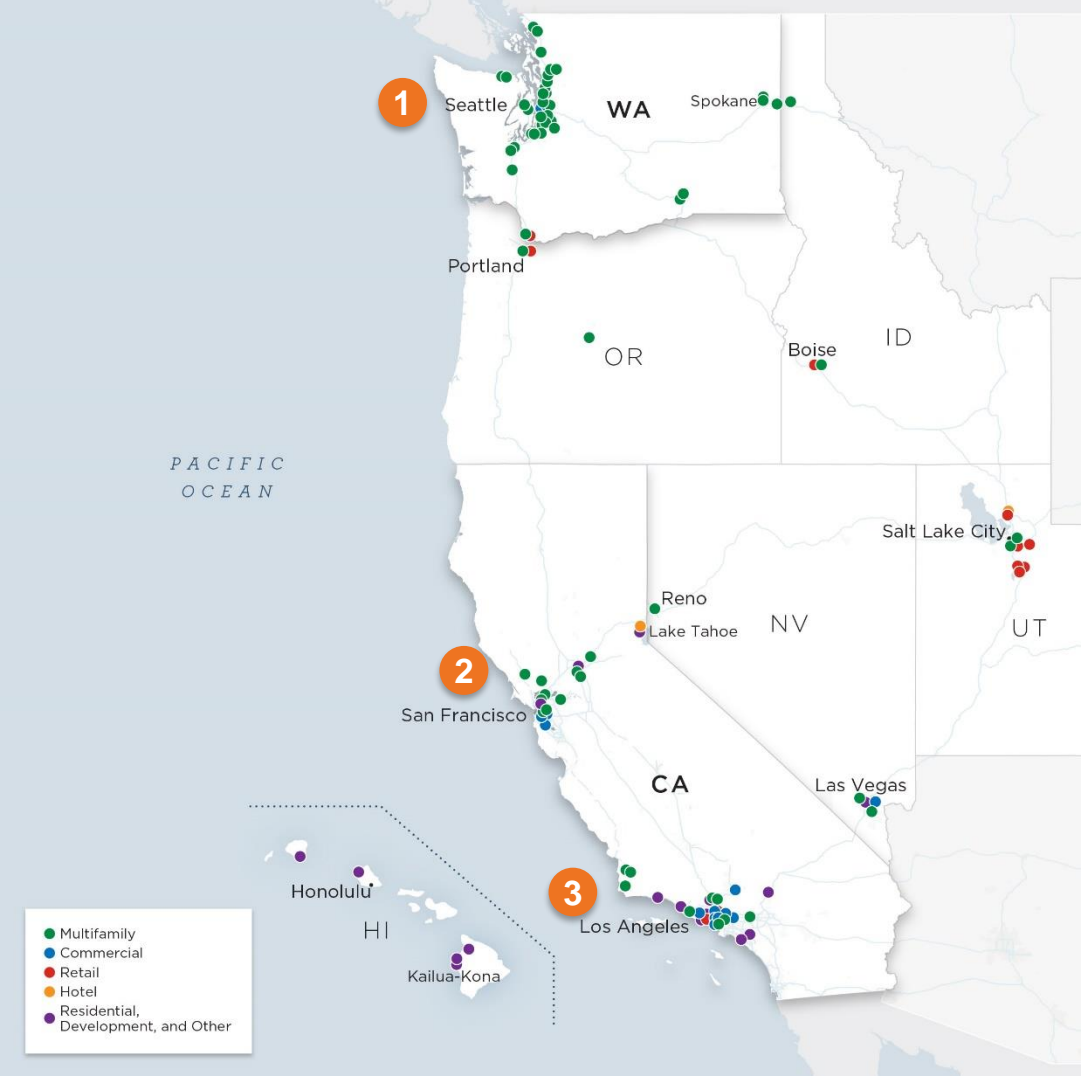
# U.S. Property Map

**5 million**  
Commercial Square Feet

**21,404**  
Apartments

**465**  
Residential Units + Lots

**2**  
Hotels



## THREE KEY MARKETS

**1** Pacific Northwest  
10,458 Multifamily Units  
1.5M Commercial Sq. Ft

**2** Northern California  
4,100 Multifamily units  
665K Commercial Sq. Ft  
96 Residential Units/Lots  
1 Hotel

**3** Southern California  
2,968 Multifamily Units  
1.4M Commercial Sq. Ft.  
219 Residential Units/Lots

Map excludes certain investments totaling approximately 5% of total U.S. Investment account.

# Europe Property Map

13 million

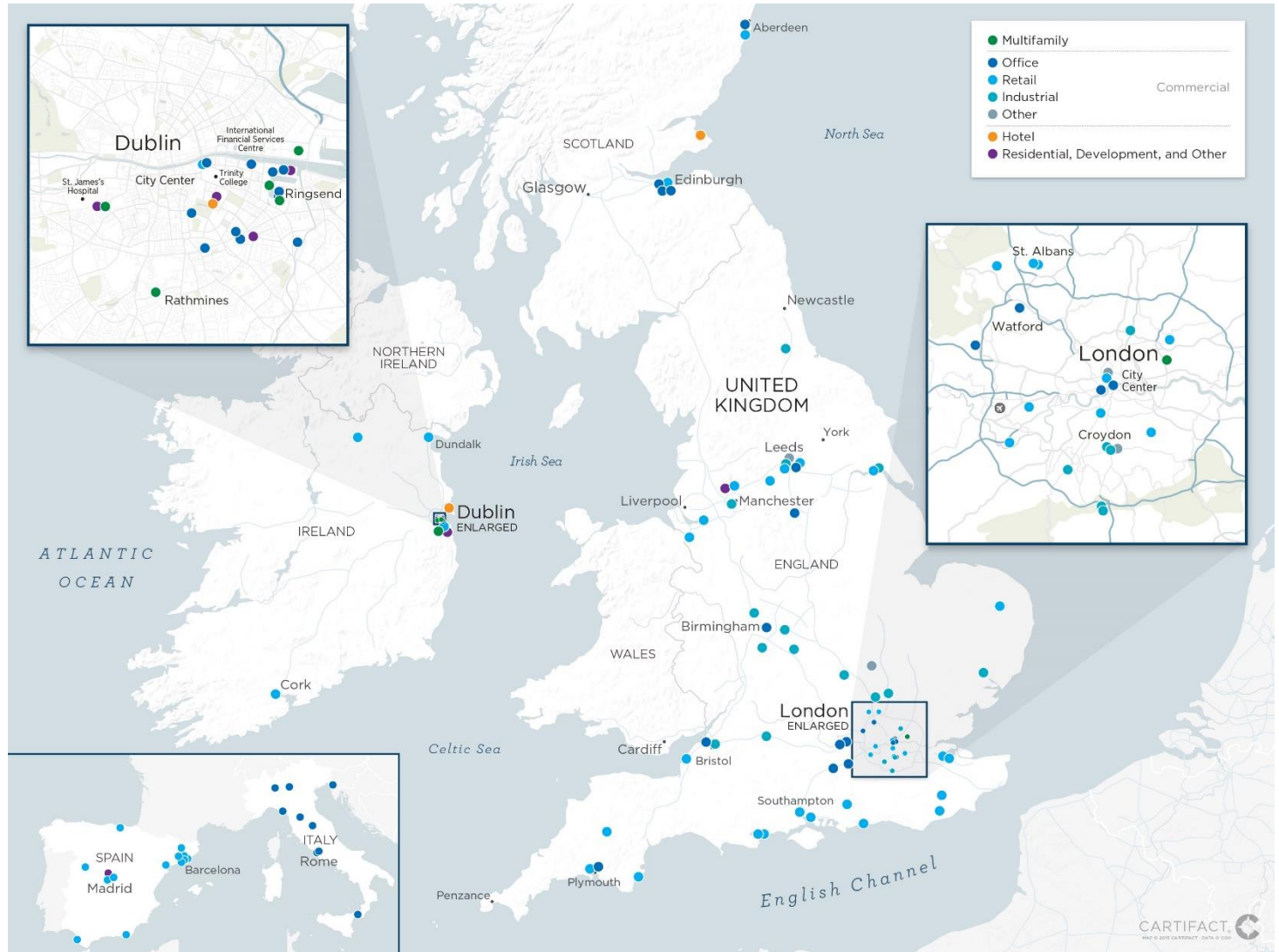
Commercial Square Feet

1,757

Apartments

3

Hotels



Map includes investments made by KWE and excludes certain investments totaling approximately 5% of total European Investment account

# Investment Management and Real Estate Services

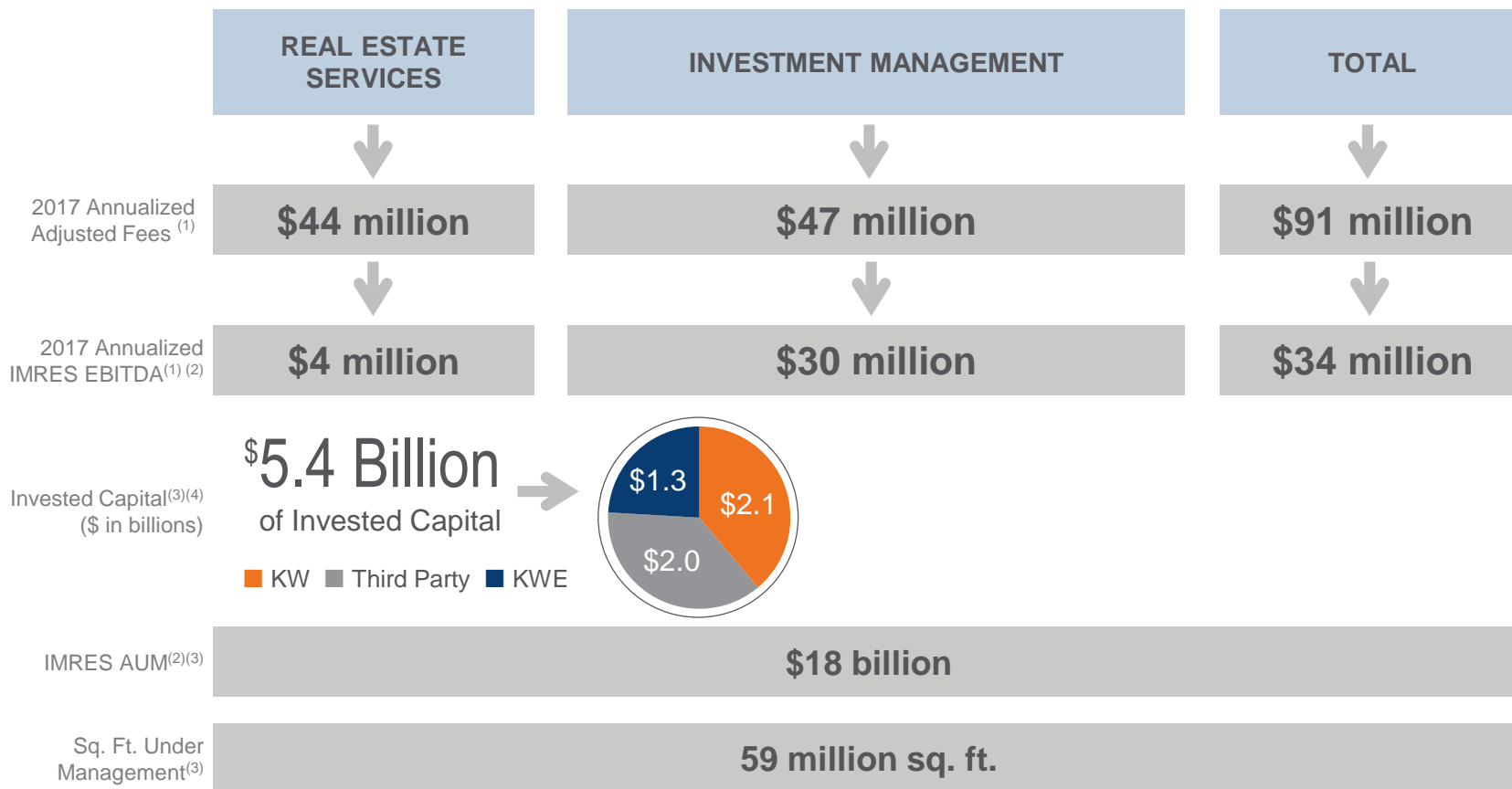
Investment Portfolio

 Investment Management and Real Estate Services

Summary

Appendix

# Investment Management + Real Estate Services



1. Annualized figures are calculated by multiplying the actual six-month adjusted fees/adjusted EBITDA figures by two and are not indicators of the actual results that the Company will or expects to realize in any period.  
 2. As defined in the "Definitions" section.  
 3. As of June 30, 2017.  
 4. Represents total investment level equity. Kennedy Wilson earns fee income on KWE and Third Party equity.

# Summary

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Investment Portfolio

Investment Management and Real Estate Services

 Summary

Appendix

# Key Takeaways

- **Global real estate platform** with regional investment teams creates a competitive advantage and the flexibility to allocate capital across multiple real estate cycles
- **High levels of liquidity** with \$1.7 billion in consolidated cash and lines of credit<sup>(1)</sup>
- Substantial **growth in recurring cash flow**
- No near-term corporate maturities; 80% of debt is **protected against rising interest rates**
- Seasoned executive team highly **focused on value-creation** through:
  - asset management
  - strategic growth
  - selective investment realization

# Appendix

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Investment Portfolio

Investment Management and Real Estate Services

Summary

 Appendix

# Components of Value

Below are key valuation metrics as of 6/30/17 provided to assist in the calculation of a sum-of-the-parts valuation for the Company:

INVESTMENTS						KW SHARE	
Income Producing Assets		Description	KW Investment Account	KW Ownership <sup>(2)</sup>	Occupancy	Est. Annual NOI <sup>(3) (4)</sup>	Investment Debt <sup>(4)</sup>
1	Multifamily <sup>(1)</sup>	22,976 units	\$622.3	57.9%	94.9%	\$ 149.5	\$ 1,628.4
2	Commercial <sup>(1)</sup>	6.3 million square feet	419.9	50.8%	92.9%	59.9	488.2
3	Hotels <sup>(1)</sup>	3 Hotels / 628 Hotel Rooms	111.6	83.2%		18.7	109.3
Unstabilized, Development, and Non-Income Producing Assets							
4	Commercial: Unstabilized <sup>(1)</sup>	866K sq. ft. – Western US 940K sq. ft. – Europe	54.0	57.2%	63.5%	N/A	57.8
5	Development – Commercial, Multifamily, and Hotel <sup>(1)</sup>	441K commercial sq. ft. 1,463 MF units One five-star resort	98.5				
6	Loans, Residential, and Other <sup>(1)</sup>	16 investments, 3 unresolved loans	206.2				
					NAV per Share	Market Share per Share	Total Shares (Millions)
7	KWE	23.8% ownership in LSE:KWE	\$469.6	100.0%	\$ 16.17	\$ 14.46	30.0

INVESTMENT MANAGEMENT AND REAL ESTATE SERVICES				Annualized Adj. Fees <sup>(5)</sup>	Annualized Adj. EBITDA <sup>(5)</sup>		
8	Investment Management	Management and promote fees		100.0%	\$ 47.4	\$ 30.2	
9	Property Services and Research	Fees and commissions		100.0%	43.8	3.9	
	<b>Total Services</b>				<b>\$ 91.2</b>	<b>\$ 34.1</b>	

NET CORPORATE DEBT			Total	
10	KWH Corporate Debt	Senior Notes Payable, Line of Credit	\$ 1,305.0	100.0%
11	Cash and other assets	Cash, Marketable Securities, Hedge Asset	(693.9)	100.0%
	<b>Total Net Corporate Debt</b>		<b>\$ 611.1</b>	

(1) Excludes investments held by KWE.

(2) Weighted average ownership figures for income-producing/stabilized properties are based on the Company's share of NOI and are presented on a pre-promote basis. Weighted average ownership figures for commercial unstabilized loans, residential, and other investments are based on the Company's investment account.

(3) Please see "common definitions" for a definition of estimated annualized NOI and a description of its limitations.

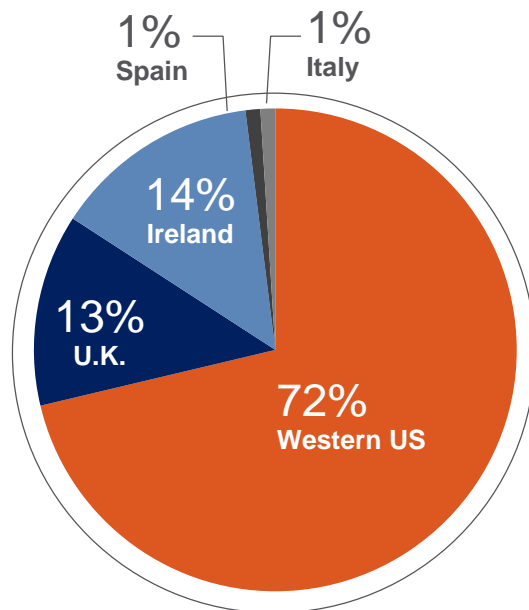
(4) Based on weighted-average ownership figures held by KW.

(5) Annualized figures are calculated by multiplying the actual six-month adjusted fees/adjusted EBITDA figures by two and are not indicators of the actual results that the Company will or expects to realize in any period.

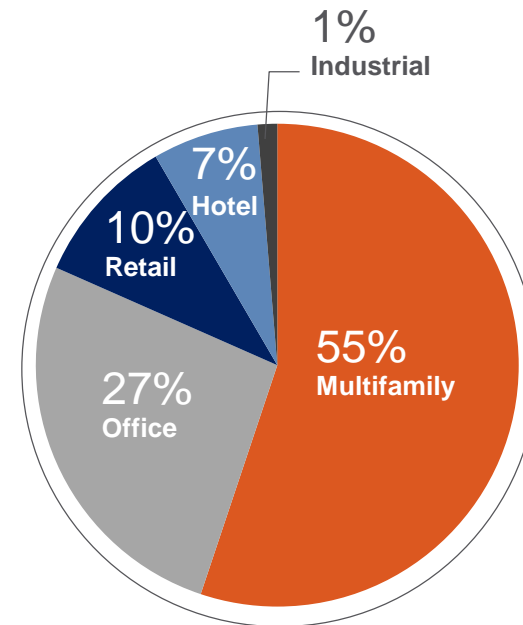
## Multifamily + Commercial + Hotel: Income-Producing Portfolio

- **\$275** Million in Estimated Annual NOI<sup>(1)</sup>

**GEOGRAPHY**  
(BY PRO-RATA SHARE OF NOI)



**PRODUCT TYPE**  
(BY PRO-RATA SHARE OF NOI)



Information as of June 30, 2017 and includes KW's pro-rata share of KWE. KW owns 23.8% of KWE's share capital. Please see "common definitions" for a definition of estimated annual NOI and a description of its limitations. The Company does not provide a reconciliation for estimated annual NOI to its most directly comparable forward-looking GAAP financial measure, because it is unable to provide a meaningful or accurate estimation of each of the component reconciling items, and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the timing and/or amount of various items that would impact estimated annual NOI, including, for example, gains on sales of depreciable real estate and other items that have not yet occurred and are out of the Company's control. For the same reasons, the Company is unable to meaningfully address the probable significance of the unavailable information and believes that providing a reconciliation for estimated annual NOI would imply a degree of precision as to its forward-looking net operating income that would be confusing or misleading to investors.

# Income-Producing Multifamily and Commercial Summary

(excludes KWE)

The following summarizes Kennedy Wilson's income-producing multifamily and commercial portfolio by ownership category. Excluded below are KWE, hotels, commercial - unstabilized, loans, and residential and other investments.

MULTIFAMILY											
June 30, 2017						June 30, 2016					
KW Ownership Category	Units	Occupancy	KW Share Est. Annual NOI <sup>(1)</sup>	KW Share of Debt <sup>(2)</sup>	Ownership <sup>(3)</sup>	NOI Growth	Units	Occupancy	KW Share of Est. Annual NOI <sup>(1)</sup>	KW Share of Debt <sup>(2)</sup>	Ownership <sup>(3)</sup>
~100% Owned	8,437	94.5%	\$102.8	\$1,120.1	98.5%	18.6%	7,834	94.8%	\$86.7	\$880.1	98.4%
~50% Owned	9,268	94.6%	40.3	440.6	45.9%	(9.3)%	9,895	95.5%	45.2	446.7	48.7%
Minority Owned	5,271	95.5%	5.7	67.7	8.8%	(6.6)%	7,151	94.1%	6.1	73.7	7.5%
<b>Total</b>	<b>22,976</b>	<b>94.9%</b>	<b>\$149.5</b>	<b>\$1,628.4</b>	<b>57.9%</b>	<b>8.3%</b>	<b>24,880</b>	<b>94.9%</b>	<b>\$138.0</b>	<b>\$1,400.5</b>	<b>52.5%</b>

COMMERCIAL											
June 30, 2017						June 30, 2016					
KW Ownership Category	Rentable Sq. Ft	Occupancy	KW Share Est. Annual NOI <sup>(2)</sup>	KW Share of Debt <sup>(3)</sup>	Ownership <sup>(4)</sup>	NOI Growth	Rentable Sq. Ft	Occupancy	KW Share of Est. Annual NOI <sup>(1)</sup>	KW Share of Debt <sup>(2)</sup>	Ownership <sup>(3)</sup>
~100% Owned	2.2	98.9%	\$42.5	\$332.5	98.6%	44.1%	2.1	96.8%	\$29.5	\$236.9	97.7%
~50% Owned	0.9	93.2%	9.4	94.5	50.3%	9.3%	0.9	93.2%	8.6	93.7	50.3%
Minority Owned	3.2	90.8%	8.0	61.2	14.7%	(2.4)%	2.7	91.7%	8.2	63.7	22.0%
<b>Total</b>	<b>6.3</b>	<b>92.9%</b>	<b>\$59.9</b>	<b>\$488.2</b>	<b>50.8%</b>	<b>29.4%</b>	<b>5.7</b>	<b>93.8%</b>	<b>\$46.3</b>	<b>\$394.3</b>	<b>54.7%</b>

(1) Please see "common definitions" for a definition of estimated annualized NOI and a description of its limitations. The company does not provide a reconciliation for estimated annual NOI to its most directly comparable forward-looking GAAP financial measure, because it is unable to provide a meaningful or accurate estimation of reconciling items and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the timing and/or amount of various items that would impact estimated annual NOI, including, for example, gains on sales of depreciable real estate and other items that have not yet occurred and are out of the Company's control. For the same reasons, the Company is unable to address the probable significance of the unavailable information and believes that providing a reconciliation for estimated annual NOI would imply a degree of precision as to its forward-looking net operating income that would be confusing or misleading to investors.

(2) Debt represents 100% debt balance against properties.

(3) Weighted average ownership figures based on the Company's share of NOI and are presented on a pre-promote basis.

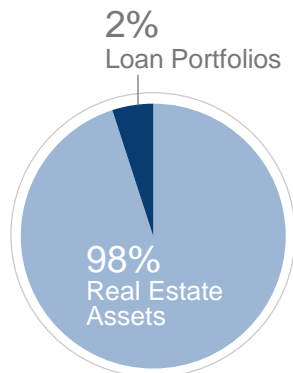
# Kennedy Wilson Europe Real Estate PLC

("KWE", LSE:KWE)

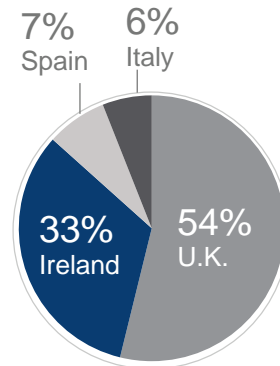
**Combined acquisitions since 2014 IPO exceed \$4 billion<sup>(1)</sup>**

- As of June 30, 2017, Kennedy Wilson owns 30.0 million shares or 23.8% of the share capital of KWE
- Weighted average unexpired lease term of 7.4 years<sup>(4)</sup> across the property portfolios
- Property portfolio occupancy of 94%<sup>(5)</sup>
- A wholly-owned subsidiary serves as KWE's external manager, in which capacity we are entitled to receive certain management and performance fees

## Asset Mix<sup>(3)</sup>



## Geography<sup>(3)</sup>



111 Buckingham Palace Road (owned by KWE)

(1) As of June 30, 2017.

(2) All charts calculated by market value, as reported by KWE.

(3) Weighted average unexpired lease term is to first break, weighted by net rental income; excluding hotels and residential.

(4) Occupancy excluding hotels, weighted by estimated rental values (ERVs).

# Reconciliation of Net Income to Adjusted EBITDA

(Unaudited)

(\$ in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Net income	\$ 21.8	\$ (2.2)	\$ 22.8	\$ 18.2
Non-GAAP adjustments:				
Add back (less):				
Interest expense - investment	35.5	33.6	69.9	66.1
Interest expense - corporate	16.6	12.2	32.2	24.3
Kennedy Wilson's share of interest expense included in unconsolidated investments	6.0	6.2	11.5	12.3
Depreciation and amortization <sup>(1)</sup>	52.1	48.9	101.8	97.3
Kennedy Wilson's share of depreciation and amortization included in unconsolidated investments	4.4	5.3	8.7	10.5
(Benefit from) provision for income taxes	8.7	(3.9)	4.6	(3.4)
Share-based compensation	9.4	14.7	20.1	32.2
EBITDA attributable to noncontrolling interests	(52.3)	(41.3)	(92.1)	(112.2)
<b>Adjusted EBITDA</b>	<b>\$ 102.2</b>	<b>\$ 73.5</b>	<b>\$ 179.5</b>	<b>\$ 145.3</b>

(1) EBITDA attributable to noncontrolling interest includes \$24.3 million and \$24.4 million of depreciation and amortization, \$150.0 million and \$17.0 million of interest, and \$0.6 million and \$1.1 million of taxes, for the three months ended June 30, 2017 and 2016, respectively. EBITDA attributable to noncontrolling interest includes \$47.1 million and \$50.3 million of depreciation and amortization, \$30.0 million and \$33.6 million of interest, and \$2.4 million and \$2.1 million of taxes, for the six months ended June 30, 2017 and 2016, respectively.

# Reconciliation of Net Income to Adjusted Net Income

(Unaudited)

(\$ in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Net income	\$ 21.8	\$ (2.2)	\$ 22.8	\$ 18.2
Non-GAAP adjustments:				
Add back (less):				
Depreciation and amortization	52.1	48.9	101.8	97.3
Kennedy Wilson's share of depreciation and amortization included in unconsolidated investments	4.4	5.3	8.7	10.5
Share-based compensation	9.4	14.7	20.1	32.2
Net income attributable to the noncontrolling interests, before depreciation and amortization (1)	(36.7)	(23.3)	(59.7)	(76.5)
<b>Adjusted Net Income</b>	<b>\$ 51.0</b>	<b>\$ 43.4</b>	<b>\$ 93.7</b>	<b>\$ 81.7</b>

(1) Includes \$24.3 million and \$24.4 million of depreciation and amortization for the three months ended June 30, 2017 and 2016, respectively, and \$47.1 million and \$50.3 million of depreciation and amortization for the six months ended June 30, 2017 and 2016, respectively.

# Adjusted Fees

(Unaudited)

(\$ in millions)

	2Q	
	2017	2016
Investment management, property services and research fees	\$ 7.7	\$ 13.5
<b>Non-GAAP adjustments:</b>		
Add back:		
Fees eliminated in consolidation <sup>(1)</sup>	7.4	15.3
Kennedy Wilson's share of fees in unconsolidated service businesses <sup>(2)</sup>	2.9	3.3
<b>Adjusted Fees</b>	<b>\$ 18.0</b>	<b>\$ 32.1</b>

1. The three months ended June 30, 2017 and 2016 includes \$4.7 million and \$8.9 million, respectively, of fees recognized in net (income) loss attributable to noncontrolling interests relating to portion of fees paid by noncontrolling interest holders in KWE and equity partner investments.

2. Included in income from unconsolidated investments relating to the Company's investment in a servicing platform in Spain.

# Investment Management and Real Estate Services EBITDA

(Unaudited)

(\$ in millions)

	2Q	
	2017	2016
<b>Investment Management and Real Estate Services</b>		
Net income (loss) attributable to Kennedy-Wilson Holdings Inc. common shareholders	\$ (4.5)	\$ 1.2
Add back (less) (Kennedy Wilson's share):		
Interest expense	0.1	0.1
Depreciation and amortization	0.9	0.7
Fees eliminated in consolidation	7.4	15.3
<b>Adjusted EBITDA</b>	<b>\$ 3.9</b>	<b>\$ 17.3</b>

# Definitions

**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](http://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 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](http://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.

**Equity Multiple:** 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.

**Estimated Annual NOI:** "Estimated annualized NOI" is a property-level non-GAAP measure representing the estimated annual 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 2017 may not be indicative of the actual results for those properties. Estimated annual NOI is not an indicator of the actual annual net operating income that the Company will or expects to realize in any period. Estimated annual NOI for properties held by KWE are presented as reported by KWE. Please also see the definition of "Net operating income" below. The Company does not provide a reconciliation for estimated annual NOI to its most directly comparable forward-looking GAAP financial measure, because it is unable to provide a meaningful or accurate estimation of each of the component reconciling items, and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the timing and/or amount of various items that would impact estimated annual NOI, including, for example, gains on sales of depreciable real estate and other items that have not yet occurred and are out of the company's control. For the same reasons, the Company is unable to meaningfully address the probable significance of the unavailable information and believes that providing a reconciliation for estimated annual NOI would imply a degree of precision as to its forward-looking net operating income that would be confusing or misleading to investors.

**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 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 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 AUM. The estimated value of development properties is included at estimated completion cost.

**IRR:** "IRR" is based on cumulative distributions to date on each investment and is the leveraged internal rate of return on equity invested in the investment. The IRR measures the return on KW's investment in each asset including promoted interests, expressed as a compound rate of interest over the entire investment period. This return 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. IRR represents historical performance and is not a guarantee of the future performance of investments.

**KW Cap Rate:** Represents the Cap Rate (as defined) 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.

**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.

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