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BEVERLY HILLS, Calif., Aug 08, 2011 (BUSINESS WIRE) --

Kennedy-Wilson Holdings, Inc.**(NYSE: KW)** ("Kennedy Wilson" or the "Company"), an international rea
quarter 2011 net loss attributable to common shareholders of $2.4 million (or $0.06 per basic and dilu
shareholders of $8.5 million (or $0.22 per basic and $0.20 per diluted share) for the same period in 201
recurring common stock issuance discount treated as a preferred dividend and stock-based compens
income of $10.5 million (or $0.27 per basic share) for the same period in 2010.

The Company's earnings before interest, taxes, depreciation and stock-based and merger-related com
ended June 30, 2011 were $17.5 million and $32.6 million, respectively, compared to $24.8 million and

2Q 2011 Highlights

Investments

- The Company's quarter-end cash position was $191 million and total assets on its balance sheet t
- Kennedy Wilson's investment account (the Company's equity in real estate and loan investments) 2011 from $363.7 million as of December 31, 2010.

Services

- The Company's Assets Under Management ("AUM") increased from approximately $7 billion at De
- Kennedy Wilson auctioned and conventionally sold approximately $180 million of properties in C

Europe

- Kennedy Wilson Europe was established with offices in Dublin, Ireland and London, England, also estate primarily located in Western Europe.
- In July, Kennedy Wilson acted as an advisor on the $1.5 billion equity investment in the Bank of Ir

Adjusted EBITDA Metrics

- During the six months ended June 30, 2011, the Company achieved an Adjusted EBITDA of $32.6 r 2010.
- During the six months ended June 30, 2011, Kennedy Wilson's investments segment achieved an for the same period in 2010.
- During the six months ended June 30, 2011, Kennedy Wilson's services segment achieved an Adju same period in 2010.

Robust Acquisition Program

- During the six months ended June 30, 2011, the Company, through consolidated and joint ventur $738 million of real estate acquisitions through direct and joint venture investments. The Compar

Accessed Debt Financing and Capital Markets

- Since November 2009, the Company has raised approximately $3.4 billion of corporate capital an
- In April 2011, the Company completed the sale and issuance of $250 million in aggregate principa

- During the six months ended June 30, 2011, the Company, through consolidated and joint ventur the United States and Japan at a weighted average interest rate of 3.14%.
- In June 2011, the Company issued 4.8 million shares of common stock to institutional investors fc

Significant Multifamily Platform

- Kennedy Wilson's current multifamily platform consists of 12,906 units within 78 apartment comr subsidiaries and has equity investments in joint ventures that own 12,702 units. The units are loca (18%).
- The Company's multifamily portfolio is 94% occupied and, on a trailing 12-month basis, producec communities purchased in 2011 and stabilized for one community in lease-up). The current debt a Kennedy Wilson's aggregate equity investment in the portfolio is approximately 32% of the total e ownership percentage, the Company has a promoted interest in the profits of these investments. are generally in supply constrained markets that will experience rent growth over the next several
- On May 6, 2011, a joint venture owned by Kennedy Wilson and its partners sold a 286-unit multifa

"The company has continued its growth strategy through the first half of 2011, increasing its AUM to ap Kennedy Wilson. "We ended the second quarter with the highest cash balance in our history and conti business and investment platform."

Conference Call and Webcast Details

The Company will hold a live conference call and webcast to discuss results at 7:00 a.m. Pacific Time/1 The direct dial-in number for the conference call is **(800) 599-9829** for U.S. and Canada callers and **(61 84422326**.

A replay of the call will be available for one week beginning two hours after the live call and can be acc **6888** for international callers. The access code for the replay is **98422348**.

The webcast will be available at: http://phx.corporate-ir.net/phoenix.zhtml?p=irol-eventDetails&c=217 hours after the original webcast on the Company's investor relations web site for one year.

About Kennedy Wilson

Founded in 1977, Kennedy Wilson is an international real estate investment and services company hea Japan. The company offers a comprehensive array of real estate services including auction, conventio fund management and separate account businesses, Kennedy Wilson is a strategic investor of real esta 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 h meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21 Act"). These forward-looking statements are necessarily estimates reflecting the judgment of our senic and projections and include comments that express our current opinions about trends and factors tha as "believe," "anticipate," "estimate," "intend," "could," "plan," "expect," "project" or the negative of th looking statements. These statements are not guarantees of future performance, rely on a number of a our control, and involve known and unknown risks and uncertainties that could cause our actual resul from any future results, performance or achievements, expressed or implied by such forward-looking s and the risks and uncertainties described elsewhere in this report and other filings with the Securities

Factors" section of our annual report on Form 10-K for the year ended December 31, 2010. Any such fo
should be considered in the context of the various disclosures made by us about our businesses incluc
SEC. Except as required under the federal securities laws and the rules and regulations of the SEC, we
looking statements, whether as a result of new information, future events, changes in assumptions, or
Non-GAAP Financial Information
In addition to the results reported in accordance with U.S. generally accepted accounting principles (G
certain information, which includes non-GAAP financial measures (proforma Statements of Income, Ac
Shareholders, Basic Adjusted Net (Loss) Income Attributable to Kennedy Wilson Common Shareholder
reconciled to its closest GAAP measure in accordance with the SEC rules and is included in the attache
financial measures are useful to both management and the Company's shareholders in their analysis
Management also uses this information for operational planning and decision-making purposes. Non-
substitute for any GAAP measures. Additionally, non-GAAP financial measures as presented by Kennec
by other companies.

Tables Follow

Kennedy-Wilson Holdings, Inc. and Subsidiaries
Consolidated Balance Sheets

Assets
Cash and cash equivalents
Accounts receivable
Accounts receivable -- related parties
Notes receivable
Notes receivable -- related parties
Real estate, net
Investments in joint ventures ($44,421,000 and $34,687,000 carried at fair value as of June 30, 2011 and December 31, 2010)
Loan pool participations

Other assets
Goodwill
Total assets
Liabilities and equity
Liabilities
Accounts payable
Accrued expenses and other liabilities
Accrued salaries and benefits
Accrued and deferred tax liability
Senior notes payable
Notes payable
Borrowings under line of credit
Mortgage loans payable
Junior subordinated debentures
Total liabilities
Equity
Cumulative preferred stock, $0.0001 par value: 1,000,000 shares authorized $1,000 per share liquidation preference,
6.00% Series A, 100,000 shares issued as of June 30, 2011 and December 31, 2010, mandatorily convertible on May 19, 2015
6.46% Series B, 32,550 shares issued as of June 30, 2011 and December 31, 2010, mandatorily convertible on November 3, 2018

Common stock, $0.0001 par value: 125,000,000 shares authorized, 46,089,646 and 41,177,658 shares issued and 44,974,706 and 40,179,906 shares outstanding as of June 30, 2011 and December 31, 2010, respectively	
Additional paid-in capital	
Retained earnings	
Accumulated other comprehensive income	
Common stock held in treasury, at cost, $0.0001 par value, 1,114,940 and 1,111,690 held at June 30, 2011 and December 31, 2010, respectively	
Total Kennedy-Wilson Holdings, Inc. shareholders' equity	
Noncontrolling interests	
Total equity	
Total liabilities and equity	

Kennedy-Wilson Holdings, Inc. and Subsidiaries
Consolidated Statements of Operations and Comprehensive (Loss) Income
(Unaudited)

	Three months ended Jun	
	2011	
Revenue		
Management and leasing fees	$ 2,346,000	
Management and leasing fees -- related party	2,600,000	
Commissions	1,962,000	
Commissions -- related party	647,000	

Sale of real estate	--
Rental and other income	955,000
Total revenue	8,510,000
Operating expenses	
Commission and marketing expenses	736,000
Compensation and related expenses	8,257,000
Cost of real estate sold	--
General and administrative	3,040,000
Depreciation and amortization	463,000
Rental operating expenses	642,000
Total operating expenses	13,138,000
Equity in joint venture income (loss)	2,551,000
Interest income from loan pool participations and notes receivable	2,241,000
Operating income (loss)	164,000
Non-operating income (expense)	
Interest income	152,000
Interest income -- related party	249,000
Remeasurement gain	6,348,000
Gain on extinguishment of debt	--
Interest expense	(6,228,000)
Income before provision for income taxes	685,000

Provision for income taxes	(172,000	)	(
Net income	513,000		
Net income attributable to the noncontrolling interests	(299,000	)	(
Net income attributable to Kennedy-Wilson Holdings, Inc.	214,000		
Preferred dividends and accretion of preferred stock issuance costs	(2,636,000	)	(
Net (loss) income attributable to Kennedy-Wilson Holdings, Inc. common shareholders	(2,422,000	)	
Other comprehensive loss, net of tax	1,094,000		
Total comprehensive (loss) income	$ (1,328,000	)	
Basic (loss) income per share			
Basic (loss) income attributable to Kennedy-Wilson Holdings, Inc. common shareholders	$ (0.06	)	
Weighted average number of common shares outstanding	39,118,313		
Diluted (loss) income per share			
Diluted (loss) income attributable to Kennedy-Wilson Holdings, Inc. common shareholders	$ (0.06	)	
Weighted average number of common shares outstanding	39,118,313		
Dividends declared per common share	$ 0.04		

Kennedy-Wilson Holdings, Inc. and Subsidiaries
Proforma Statements of Income
(Unaudited)

	Three Months Ended June 30,

	2011		
	Consolidated	**Pro Rata Unconsolidated Investments**	**Proforma Total**
Revenue			
Management and leasing fees	$ 4,946,000	$ --	$ 4,946,000
Commissions	2,609,000	--	2,609,000
Sale of real estate	--	25,009,000	25,009,000
Rental and other income	955,000	14,940,000	15,895,000
Interest income	--	3,140,000	3,140,000
Total revenue	8,510,000	43,089,000	51,599,000
Operating expenses			
Commission and marketing expenses	736,000	--	736,000
Compensation and related expenses	8,257,000	--	8,257,000
Cost of real estate sold	--	22,420,000	22,420,000
General and administrative	3,040,000	--	3,040,000
Depreciation and amortization	463,000	3,984,000	4,447,000

Rental operating expenses	642,000	6,649,000	7,291,000
Total operating expenses	13,138,000	33,053,000	46,191,000
Equity in joint venture income (loss)	2,551,000	(2,551,000)	--
Interest income from loan pool participations and notes receivable	2,241,000	(2,241,000)	--
Operating income (loss)	164,000	5,244,000	5,408,000
Non-operating income (expense)			
Interest income	401,000	(401,000)	--
Remeasurement gain	6,348,000	--	6,348,000
Gain on extinguishment of debt	--	--	--
Interest expense	(6,228,000)	(4,843,000)	(11,071,000)
Income before provision for income taxes	685,000	--	685,000
Provision for income taxes	(172,000)	--	(172,000)
Net income	$ 513,000	$ --	$ 513,000

Kennedy-Wilson Holdings, Inc. and Subsidiaries
Proforma Statements of Income
(Unaudited)

	Six Months Ended June 30,		
	2011		
	Consolidated	**Pro Rata Unconsolidated Investments**	**Proforma Total**
Revenue			
Management and leasing fees	$ 9,957,000	$ --	$ 9,957,000
Commissions	5,170,000	--	5,170,000
Sale of real estate	417,000	31,135,000	31,552,000
Rental and other income	1,693,000	33,422,000	35,115,000
Interest income	--	6,379,000	6,379,000
Total revenue	17,237,000	70,936,000	88,173,000
Operating expenses			
Commission and marketing expenses	1,373,000	--	1,373,000
Compensation and related expenses	16,089,000	--	16,089,000
Cost of real estate sold	397,000	27,152,000	27,549,000

General and administrative	5,853,000	--	5,853,000
Depreciation and amortization	897,000	7,709,000	8,606,000
Rental operating expenses	1,053,000	12,505,000	13,558,000
Total operating expenses	25,662,000	47,366,000	73,028,000
Equity in joint venture income (loss)	7,807,000	(7,807,000)	--
Interest income from loan pool participations and notes receivable	4,787,000	(4,787,000)	--
Operating income (loss)	4,169,000	10,976,000	15,145,000
Non-operating income (expense)			
Interest income	667,000	(667,000)	--
Remeasurement gain	6,348,000	--	6,348,000
Gain on extinguishment of debt	--	--	--
Interest expense	(7,757,000)	(10,309,000)	(18,066,000)
Income before provision for income taxes	3,427,000	--	3,427,000

Provision for income taxes	(835,000)	--	(835,000)
Net income	$ 2,592,000	$ --	$ 2,592,000

Kennedy-Wilson Holdings, Inc. and Subsidiaries
Adjusted Net (Loss) Income Attributable to Kennedy Wilson Common Shareholders
(Unaudited)

	Three months ended J
	2011
Net loss attributable to Kennedy-Wilson Holdings, Inc. common shareholders	$ (2,422,000)
Non-GAAP adjustments:	
Add back:	
Stock based compensation	1,298,000
Common stock issuance discount treated as preferred dividend	600,000
Merger-related compensation expense	**--**
Adjusted Net (Loss) Income Attributable to Kennedy Wilson Common Shareholders	$ (524,000)
Basic weighted average number of common shares outstanding	39,118,313
Basic Adjusted Net (Loss) Income Attributable to Kennedy Wilson Common Shareholders Per Share	$ (0.01)

Kennedy-Wilson Holdings, Inc. and Subsidiaries
EBITDA and Adjusted EBITDA
(Unaudited)

	Three months ended June 30,	
	2011	**20**
Net income	$ 513,000	$
Add back:		
Interest expense	6,228,000	2,1
Kennedy-Wilson's share of interest expense included in investment in joint ventures and loan pool participations	4,843,000	2,3
Depreciation and amortization	463,000	29
Kennedy-Wilson's share of depreciation and amortization included in investment in joint ventures	3,984,000	2,2
Income taxes	172,000	5,9
EBITDA	**16,203,000**	**22,**
Merger-related compensation expense	--	--
Stock-based compensation	1,298,000	2,0
Adjusted EBITDA	**$ 17,501,000**	**$**

SOURCE: Kennedy-Wilson Holdings, Inc.

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