

Kennedy Wilson Reports First Quarter Earnings

BEVERLY HILLS, Calif. (May 11, 2010) – Kennedy-Wilson Holdings, Inc. (**NYSE: KW**) (“Kennedy Wilson” or the “Company”), an international real estate investment and services company, today reported a first quarter 2010 loss of \$0.08 per share. Adjusting for the amortization of merger-related and non-cash compensation, first quarter 2010 income would have been \$0.03 per share. The Company’s proforma earnings before interest, taxes and depreciation (“proforma EBITDA”) for the first quarter were \$0.15 per share.

“We are pleased with our performance,” said William McMorrow, chairman and CEO of Kennedy Wilson. “We are continuing our focus on growing assets under management through strategic real estate acquisitions and platform expansion, and we are on target for the full year 2010.”

First Quarter 2010 Company Highlights

- Began trading on the NYSE under the symbol “KW”
- Acquired a \$342 million loan portfolio from a West Coast regional bank under a newly created platform with a major international financial institution
- Formed a strategic alliance with Urban Partners and Keller CMS to pursue a variety of real estate related activities, including property management and construction related functions
- Closed out all remaining units in The Mercury, a Los Angeles condominium project
- Expanded retail capabilities with the acquisition of Sachse Real Estate
- Hired key positions:
 - VP of Business Development for KW Auction Group in Hawaii
 - VP of Business Development for KW Auction Group in New York
 - Managing Director of Acquisitions to focus on multifamily investments in Southern California
 - Managing Director of Commercial Investment Group to head our debt origination platform
 - Marketing and Communications Manager to spearhead our marketing and public relations efforts

Subsequent Company Highlights

- Purchased a large apartment community in Northern California
- Acquired a \$41 million loan portfolio from a regional bank

Conference Call and Webcast Details

The Company will hold a live conference call and webcast to discuss results at 6 a.m. Pacific Time/ 9 a.m. Eastern Time on Tuesday, May 11, 2010.

The direct dial-in number for the conference call is **(877) 536-5544** for U.S. and Canada callers and **(702) 894-2274** 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 **(800) 642-1687** for U.S. and Canada callers and **(706) 645-9291** for international callers. The access code for the live call and the replay is 74865569.

The webcast will be available at: [http://event.meetingstream.com/r.htm?](http://event.meetingstream.com/r.htm?e=212282&s=1&k=EBC7BC75B81F9F4FC06F3A8BEC877AD1)

[e=212282&s=1&k=EBC7BC75B81F9F4FC06F3A8BEC877AD1](http://event.meetingstream.com/r.htm?e=212282&s=1&k=EBC7BC75B81F9F4FC06F3A8BEC877AD1)

[http://event.meetingstream.com/r.htm?](http://event.meetingstream.com/r.htm?e=200234&s=1&k=54A7F43B24C321CECDC01809834D76E9)

[e=200234&s=1&k=54A7F43B24C321CECDC01809834D76E9](http://event.meetingstream.com/r.htm?e=200234&s=1&k=54A7F43B24C321CECDC01809834D76E9). A replay of the webcast will be available 24 hours after the original webcast on the Company's web site for 90 days.

About Kennedy Wilson

Founded in 1977, Kennedy Wilson is an international real estate investment and services company headquartered in Beverly Hills, CA with 22 offices in the U.S. and Japan. The Company offers a comprehensive array of real estate services including property and asset management, brokerage and auction services, and construction and trust management. Through its fund management and separate account businesses, Kennedy Wilson is a strategic investor and manager of real estate investments in the U.S. and Japan. For further information on Kennedy Wilson, please visit www.kennedywilson.com.

Forward-Looking Statements

This news release contains forward-looking statements as well as historical information. Statements of goals and strategies and words such as “plan,” “believe,” “anticipate,” “expect,” “objectives,” “forecast,” “predict” and other similar words are intended to identify forward-looking statements. These forward looking statements are included in accordance with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, and involve risks, uncertainties and other factors that may cause the Company's actual results, performance, or financial condition to be materially different from any results, performance, or financial condition suggested by the statements in this news release.

Non-GAAP Financial Information

In addition to the results reported in accordance with U.S. generally accepted accounting

principles (GAAP) included within this press release, Kennedy Wilson has provided certain information, which includes non-GAAP financial measures (proforma statement of income, adjusted earnings per share and EBITDA). Such information is reconciled to its closest GAAP measure in accordance with the Securities and Exchange Commission rules and is included in the attached supplemental data. Management believes that these non-GAAP financial measures are useful to both management and the Company'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.

Tables Follow

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

March 31, 2010

Assets	
Cash and cash equivalents	\$ 43,729,000
Accounts receivable	1,004,000
Accounts receivable - related parties	3,933,000
Income tax receivable	8,538,000
Notes receivable	541,000
Notes receivable - related parties	5,901,000
Real estate, net	40,591,000
Investments in joint ventures	198,417,000

Goodwill and other assets	30,700,000
Total assets	\$333,354,000
Liabilities and equity	
Liabilities	
Accounts payable and other liabilities	\$ 29,865,000
Line of credit, notes payable, mortgages and other long-term debt	127,083,000
Total liabilities	156,948,000
Equity	
Common stock	4,000
Additional paid-in capital	157,793,000
Retained earnings	15,689,000
Accumulated other comprehensive income	2,407,000
Total Kennedy-Wilson Holdings, Inc. shareholders' equity	175,893,000
Non-controlling interests	513,000
Total equity	176,406,000
Total liabilities and equity	\$333,354,000

**Statement of Income and Proforma Statement of Income
(Unaudited)**

		(Non- GAAP)	
			Pro Rata
		Unconsolidated	Pr
	GAAP	Investments	
Management and leasing fees and commissions	6,220,000	0	6,
Sales of real estate	3,937,000	0	3,
Rental income and other income	669,000	5,947,000	6,
Interest income ¹	0	1,879,000	1,
Total revenue	10,826,000	7,826,000	18,
Commission, marketing, compensation and related expenses ²	9,873,000	0	9,
Cost of real estate sold	2,714,000	0	2,
General, administrative, depreciation and amortization	2,043,000	1,949,000	3,
Rental operating expense	241,000	2,486,000	2,

Total operating expense	14,871,000	4,435,000	19,
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Equity in joint venture income	1,308,000	(1,308,000)	
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Total operating income (loss)	(2,737,000)	2,083,000	(€
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Non-operating income (expense)

Interest income	281,000	(281,000)	
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Interest expense	(2,114,000)	(1,802,000)	(3,€
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Income (loss) before benefit from income taxes	(4,570,000)	0	(4,€
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Provision for income taxes	1,998,000	0	1,
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Net income (loss)	(2,572,000)	0	(2,€
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Net income attributable to the non-controlling interests	(568,000)	0	(€
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Net income (loss) attributable to

Kennedy-Wilson Holdings, Inc.	(3,140,000)	0	(3,1
Other comprehensive income, net of tax	(196,000)	0	(1
Total comprehensive income (loss)	(3,336,000)	0	(3,3

¹Interest income of \$281,000 has been moved to the revenue line, because Kennedy-Wilson believes that this is recurring revenue which will be realized on originated loans and discounted note purchases

²Includes amortization of merger-related and non-cash compensation

Kennedy-Wilson Holdings, Inc.
Earnings Per Share and Adjusted Earnings Per Share
(Unaudited)

Net income (loss) attributable to Kennedy Wilson	(3,140,000)
Shares	38,980,351
GAAP earnings (loss) per share	(0.08)
Net income (loss) attributable to Kennedy Wilson	(3,140,000)
Non-GAAP adjustments:	
Plus: Amortization of merger-related and non-cash compensation	4,130,000
Adjusted net income	990,000

Shares	38,980,351
Non-GAAP adjusted earnings per share	0.03

Kennedy-Wilson Holdings, Inc.
Proforma EBITDA
(Unaudited)

	(Non-GAAP)	
		Pl
		Unconsol
		Invest
GAAP Net loss	(2,572,000)	
Non-GAAP add back adjustments:		
Interest	2,114,000	1,8
Taxes - income	(1,998,000)	
Depreciation and amortization	285,000	1,9
Amortization of merger-related and non-cash compensation	4,130,000	

