

Kennedy Wilson Announces Registered Exchange Offer for 8.750% Senior Notes Due 2019

BEVERLY HILLS, Calif.--(BUSINESS WIRE)--Jan. 6, 2012-- Kennedy-Wilson, Inc. ("Kennedy Wilson"), a wholly owned subsidiary of international real estate investment and services firm Kennedy-Wilson Holdings, Inc. (**NYSE: KW**), has commenced a registered exchange offer for its outstanding 8.750% Senior Notes due 2019 (the "Private Notes"). The Private Notes were originally issued on April 5, 2011 in a private placement exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"). The Private Notes were issued in an aggregate principal amount of \$250 million. Holders of the Private Notes may exchange them for an equal principal amount of a new issue of 8.750% Senior Notes due 2019 (the "Exchange Notes"), which have been registered under the Securities Act pursuant to an effective registration statement on Form S-4 filed with the U.S. Securities and Exchange Commission (the "SEC").

When it issued the Private Notes, Kennedy Wilson agreed to file with the SEC a registration statement relating to the exchange offer under which Kennedy Wilson would offer the Exchange Notes, containing substantially identical terms to the Private Notes, in exchange for Private Notes that are tendered by the holders of those notes.

Any Private Notes not tendered for exchange in the exchange offer will remain outstanding and continue to accrue interest, but will not retain any rights under the registration rights agreement, except in limited circumstances.

The terms of the exchange offer are contained in the exchange offer prospectus and related letter of transmittal.

The exchange offer will expire at 5:00 p.m., EST, on February 6, 2012, unless extended or terminated. Tenders of the Private Notes must be properly made before the exchange offer expires. Private Notes tendered in the exchange offer may be withdrawn at any time before the expiration date by following the procedures set forth in the exchange offer prospectus.

Documents describing the terms of the exchange offer, including the prospectus and transmittal materials for making tenders, can be obtained from the exchange agent, Wilmington Trust, National Association, c/o Wilmington Trust Company, Rodney Square North, 1100 North Market Street, Wilmington, DE 19890-1626, Attention: Sam Hamed, (302) 636-6181.

This news release does not constitute an offer to sell any securities or a solicitation of an offer to

buy any securities.

The exchange offer will be made only by means of a written prospectus.

About Kennedy Wilson

Founded in 1977, Kennedy Wilson is an international real estate investment and services company headquartered in Beverly Hills, CA with 23 offices in the U.S., Europe and Japan. The company offers a comprehensive array of real estate services including auction, conventional sales, property services and investment management. Through its fund management and separate account businesses, Kennedy Wilson is a strategic investor of real estate investments in the U.S., Europe and Japan.

Safe Harbor Statement

This release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to Kennedy Wilson. These forward-looking statements include, but are not limited to, statements relating to the proposed expiration date of the exchange offer. Although Kennedy Wilson believes these forward-looking statements are reasonable, Kennedy Wilson cautions readers not to place undue reliance on these statements, which are inherently uncertain. Kennedy Wilson cannot guarantee future results, trends, events, levels of activity, performance or achievements, and does not undertake, and specifically declines, any obligation to update, republish or revise forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrences of unanticipated events, except as required by law. Consequently, readers should regard all forward-looking statements solely as Kennedy Wilson's current plans, estimates and beliefs.

Source: Kennedy-Wilson, Inc.

Kennedy Wilson

Christina Cha

Director of Corporate Communication

(310) 887-6294

ccha@kennedywilson.com

www.kennedywilson.com