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NEWS RELEASE

KENNEDY WILSON REPORTS FIRST QUARTER 2021 RESULTS

BEVERLY HILLS, Calif. (May 5, 2021) - [Kennedy-Wilson Holdings, Inc.](#) (NYSE: KW) today reported results for 1Q-2021:

(Amounts in millions, except per share data)	1Q	
	2021	2020
GAAP Results		
GAAP Net Loss to Common Shareholders ¹	(\$5.6)	(\$9.9)
Per Diluted Share	(0.04)	(0.07)
Non-GAAP Results		
Adjusted EBITDA	\$127.6	\$112.0
Adjusted Net Income ¹	47.0	44.8

¹ Includes \$15 million of loss on early extinguishment of debt in 1Q-21 and \$0 in 1Q-20

"The first quarter was highlighted by a 14% increase to Adjusted EBITDA, continued growth of our investment management business and the completion of two unsecured bond transactions that will result in \$18 million of annual interest savings and further improved our bond maturity profile" said William McMorrow, Chairman and CEO of Kennedy Wilson. "Armed with strong liquidity, we have an extremely robust investment and leasing pipeline that we expect will help drive further near-term growth in our NOI and fee-bearing capital."

1Q Highlights

- **14% Increase to 1Q-21 Adjusted EBITDA to \$128 million (vs. \$112 million in 1Q-20):**
 - KW's share of gains from the sale of real estate¹, increases in fair values and promotes totaled \$70 million in 1Q-21, an increase of \$30 million from 1Q-20.
 - KW's share of recurring property NOI, loan income, and fees¹ totaled \$97 million in 1Q-21, a decrease of \$12 million from 1Q-20, primarily due to planned asset sales and the COVID-19 impact to hotel operations and reserves for bad debt.
- **5% Growth in Fee-Bearing Capital:** Fee-Bearing Capital totaled \$4.1 billion as of March 31, 2021, a 5% increase from YE-20 and an 86% increase from 4Q-18. Fee-Bearing Capital increased by \$245 million due to new investments and commitments, offset by \$94 million primarily due to asset dispositions. In addition, as of March 31, 2021, the Company has approximately \$2.0 billion in

additional non-discretionary capital with certain strategic partners that is available for investment. If invested, these amounts will be added to Fee-Bearing Capital.

- **17% Growth in U.S. Debt Platform:** Completed loan investments totaling \$137 million in 1Q-21, resulting in 17% growth of our debt platform. The Company has a 9% ownership in its debt platform, which totals \$928 million of assets and \$846 million of Fee-Bearing Capital as of quarter-end.
- **89% Growth in European Logistics Platform:** Acquired \$209 million in logistics assets in 1Q-21, resulting in an additional \$67 million in Fee-Bearing Capital. The Company has a 20% ownership in its logistics platform, which totals \$444 million of assets and \$142 million of Fee-Bearing Capital as of 1Q-21.
- **In-Place Estimated Annual NOI of \$389 Million; 82% of which is Multifamily and Office:**
 - Stabilized The Clara Phase 1, 38° North Phase 1, 400/430 California, and The View by Vintage, which added approximately \$6 million in Estimated Annual NOI.
 - Post quarter-end, the Company has \$640 million in gross investment transactions that have either closed or are under contract. If completed, these transactions are expected to add a net \$9 million of Estimated Annual NOI to KW in 2Q-21, resulting in a pro-forma Estimated Annual NOI of \$398 million.
 - The Company's development and lease-up portfolio now totals 3,938 multifamily units, 2.3 million commercial square feet, and one hotel.
- **Multifamily and Office Same Property Performance¹:**

	1Q - 2021 vs. 1Q - 2020		
	Occupancy	Revenue	NOI
Multifamily - Market Rate	0.6%	(2.1)%	(4.6)%
Multifamily - Affordable	—%	2.0%	1.2%
Office	(1.2)%	10.3%	12.9%
Total		2.0%	2.1%

¹ Excludes minority-held investments and includes \$1.7 million of COVID-19 related bad debt reserves in 1Q-21 (2% of same-property rents).

- **1Q-21 Rent Collections:** The following is a summary of KW's share of contractual cash rent collections for 1Q-21:

Asset Class	1Q-21 Rent Collections	% of Billed Rents
Multifamily	96%	57%
Office	99%	31%
Retail	71%	11%
Industrial	88%	1%
Total	94%	100%

1Q-21 Investment Activity

- **Capital Investment:** Invested \$129 million of cash, allocating 52% to capex and development initiatives, 39% to new investments, and 9% to share repurchases.
- **New Investments:** Completed \$377 million of property acquisitions and loan originations, of which KW's share was \$56 million.

- **Disposition Activity:** Completed \$556 million of dispositions, of which KW's share was \$270 million. The dispositions generated net cash proceeds of \$175 million to KW. The following key disposition was completed in 1Q-21:
 - The Company sold Friars Bridge Court, a wholly-owned 103,000 square foot office property located in London, UK, for \$220 million (£160 million), generating a net gain on sale of \$65 million (including a one-time \$8 million reduction to rental income)¹.

Balance Sheet and Capital Markets

- **\$1.1 billion in Cash and Lines of Credit:** Pro forma for the two unsecured debt paydowns described below, Kennedy Wilson had total pro forma consolidated cash and cash equivalents of \$644 million⁽²⁾ and \$450 million of capacity on its \$500 million revolving line of credit.
- **Unsecured Debt Transactions Result in \$18 million of Annual Interest Savings:**
 - During the quarter, the Company issued \$1.2 billion of principal amount of unsecured notes. The bonds were issued in two separate tranches, \$600 million aggregate principal amount of 4.75% senior notes due 2029 and \$600 million aggregate principal amount at 5.00% due 2031, with a combined effective interest rate of 4.826%. The proceeds were used to fully redeem all of the Company's \$1.15 billion in principal amount of its 5.875% unsecured notes due April 2024, including \$573 million of principal repaid in 2Q-21.
 - Post quarter-end, the Company completed a redemption of \$207 million (£150 million) of its 3.95% sterling-denominated Kennedy Wilson Europe unsecured bonds due 2022 ("KWE notes"), with \$303 million remaining. In total, the Company has redeemed \$387 million (£280 million) or 56% of the initial \$690 million (£500 million) KWE notes.
 - As a result of these two transactions, the Company expects to save \$18 million in annual interest. The Company used total cash of \$794 million in Q2 in connection with the redemption of the 2024 notes and the KWE notes. The Company recognized a one-time loss on early extinguishment of debt of \$15 million in 1Q-21 and with a further \$21 million expected in 2Q-21, composed of prepayment penalties and the non-cash write-off of unamortized deferred financing costs and debt discounts.
- **Improving Debt Profile:** Pro forma for the two unsecured debt transactions described above, Kennedy Wilson's share of debt had a pro forma weighted average interest rate of 3.5% per annum vs. 3.7% in 4Q-20 and a pro forma weighted-average maturity of 5.9 years vs. 4.1 years as of 4Q-20.
- **Share Repurchase Program⁽³⁾:** In 1Q-21, Kennedy Wilson repurchased 0.7 million shares for \$12 million at a weighted-average price of \$17.73 per share. As of March 31, 2021, the Company had \$245 million remaining available under its \$500 million share repurchase plan. Since the launch of the plan in March 2018, the Company has repurchased 14.3 million shares for \$255 million at a weighted-average price of \$17.90 per share.

Subsequent Events

The Company has either closed or is under contract on the following investment transactions:

- Completed 7 real estate acquisitions and loan originations for \$368 million (\$112 million at KW share)
- Under contract to acquire 5 real estate and loan investments for \$146 million (\$61 million at KW share)
- Under contract to sell 3 real estate investments for \$126 million (\$9 million at KW share).
- If completed, these transactions are expected to add \$9 million of Estimated Annual NOI to KW in 2Q-21, resulting in a pro-forma Estimated Annual NOI of \$398 million.

Subsequent to quarter-end, the Company drew \$100 million on its revolving line of credit, with \$350 million of availability remaining.

Footnotes

- ⁽¹⁾ In 1Q-21, the Company recognized a one-time \$8 million straight-line rent receivable write off to rental income related to the disposition of Friars Bridge Court. The Company has excluded this amount from its recurring property NOI and included as a reduction to the Company's share of gains from the sale of real estate.
- ⁽²⁾ Represents consolidated cash and includes \$83 million of restricted cash, which is included in cash and cash equivalents. The Company's share of cash, including unconsolidated joint-ventures, totals \$740 million. The amounts shown are pro-forma for the repayments described in the Unsecured Debt Transactions above.
- ⁽³⁾ Future purchases under the program may be made in the open market, in privately negotiated transactions, through the net settlement of the company's restricted stock grants or otherwise, with the amount and timing of the repurchases dependent on market conditions and subject to the Company's discretion. The program does not obligate the Company to repurchase any specific number of shares and, subject to compliance with applicable laws, may be suspended or terminated at any time without prior notice.

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 Thursday, May 6. The direct dial-in number for the conference call is (844) 340-4761 for U.S. callers and (412) 717-9616 for international callers. A replay of the call will be available for one week beginning one hour 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 10154188.

The webcast will be available at: <https://services.choruscall.com/links/kw210506uS6eIgBe.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.

About Kennedy Wilson

Kennedy Wilson (NYSE:KW) is a leading 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 office properties located in the Western U.S., UK, and Ireland. For further information on Kennedy Wilson, please visit www.kennedywilson.com.

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

	March 31, 2021	December 31, 2020
Assets		
Cash and cash equivalents ⁽¹⁾	\$ 1,438.6	\$ 965.1
Accounts receivable	46.3	47.9
Real estate and acquired in place lease values (net of accumulated depreciation and amortization of \$841.2 and \$815.0)	4,562.7	4,720.5
Unconsolidated investments (including \$1,157.8 and \$1,136.5 at fair value)	1,311.0	1,289.3
Other assets	191.4	199.1
Loan purchases and originations	98.5	107.1
Total assets	\$ 7,648.5	\$ 7,329.0
Liabilities		
Accounts payable	\$ 15.6	\$ 30.1
Accrued expenses and other liabilities	479.3	531.7
Mortgage debt	2,555.3	2,589.8
KW unsecured debt ⁽¹⁾	1,799.8	1,332.2
KWE unsecured bonds ⁽¹⁾	1,152.2	1,172.5
Total liabilities	6,002.2	5,656.3
Equity		
Cumulative perpetual preferred stock	295.2	295.2
Common stock	—	—
Additional paid-in capital	1,718.6	1,725.2
(Accumulated deficit) retained earnings	(18.9)	17.7
Accumulated other comprehensive loss	(377.1)	(393.6)
Total Kennedy-Wilson Holdings, Inc. shareholders' equity	1,617.8	1,644.5
Noncontrolling interests	28.5	28.2
Total equity	1,646.3	1,672.7
Total liabilities and equity	\$ 7,648.5	\$ 7,329.0

⁽¹⁾ During April 2021, the Company paid down \$573.1 million in principal of its KW unsecured debt, and \$207.0 million in principal of its KWE unsecured bonds.

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

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

	Three Months Ended March 31,	
	2021	2020
Revenue		
Rental	\$ 88.9	\$ 107.7
Hotel	0.8	7.2
Investment management and property services fees	8.1	8.4
Loans and other	1.6	—
Total revenue	99.4	123.3
Expenses		
Rental	33.0	36.7
Hotel	1.6	6.0
Commission and marketing	0.3	0.7
Compensation and related (includes \$7.7 and \$8.6 of share-based compensation)	34.7	31.4
General and administrative	6.8	9.5
Depreciation and amortization	44.4	45.5
Total expenses	120.8	129.8
Income from unconsolidated investments, net of depreciation and amortization	18.4	10.9
Gain on sale of real estate, net	73.5	44.2
Transaction-related expenses	—	—
Interest expense	(51.6)	(48.8)
Loss on early extinguishment of debt	(14.8)	—
Other (loss) income	(3.0)	—
Income (loss) before provision for income taxes	1.1	(0.2)
Provision for income taxes	(2.7)	(5.7)
Net loss	(1.6)	(5.9)
Net loss attributable to noncontrolling interests	0.3	0.3
Preferred dividends	(4.3)	(4.3)
Net loss income attributable to Kennedy-Wilson Holdings, Inc. common shareholders	\$ (5.6)	\$ (9.9)
Basic and diluted loss per share⁽¹⁾		
Loss per basic and diluted	\$ (0.04)	\$ (0.07)
Weighted average shares outstanding for basic and diluted	138,772,819	140,210,705
Dividends declared per common share	\$ 0.22	\$ 0.22

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

	Three Months Ended	
	March 31,	
	2021	2020
Net loss attributable to Kennedy-Wilson Holdings, Inc. common shareholders	\$ (5.6)	\$ (9.9)
Non-GAAP adjustments:		
Add back (Kennedy Wilson's Share) ⁽¹⁾ :		
Interest expense	58.8	56.1
Loss on early extinguishment of debt	14.8	—
Depreciation and amortization	44.9	46.1
Provision for income taxes	2.7	6.8
Preferred dividends	4.3	4.3
Share-based compensation	7.7	8.6
Adjusted EBITDA	\$ 127.6	\$ 112.0

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

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

	Three Months Ended	
	March 31,	
	2021	2020
Net loss	\$ (1.6)	\$ (5.9)
Non-GAAP adjustments:		
Add back:		
Interest expense	51.6	48.8
Loss on early extinguishment of debt	14.8	—
Kennedy Wilson's share of interest expense included in unconsolidated investments	7.9	8.1
Depreciation and amortization	44.4	45.5
Kennedy Wilson's share of depreciation and amortization included in unconsolidated investments	1.7	1.7
Provision for income taxes	2.7	5.7
Kennedy Wilson's share of taxes included in unconsolidated investments	—	1.1
Share-based compensation	7.7	8.6
EBITDA attributable to noncontrolling interests ⁽¹⁾	(1.6)	(1.6)
Adjusted EBITDA	\$ 127.6	\$ 112.0

⁽¹⁾ EBITDA attributable to noncontrolling interest includes \$1.2 million and \$1.1 million of depreciation and amortization, \$0.7 million and \$0.8 million of interest, and \$0.0 million and \$0.0 million of taxes, for the three months ended March 31, 2021 and 2020, respectively.

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

(Dollars in millions, except share data)

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

	Three Months Ended	
	March 31,	
	2021	2020
Net loss attributable to Kennedy-Wilson Holdings, Inc. common shareholders	\$ (5.6)	\$ (9.9)
Non-GAAP adjustments:		
Add back (Kennedy Wilson's Share) ⁽¹⁾ :		
Depreciation and amortization	44.9	46.1
Share-based compensation	7.7	8.6
Adjusted Net Income	\$ 47.0	\$ 44.8
Weighted average shares outstanding for diluted	138,772,819	140,210,705

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

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

	Three Months Ended	
	March 31,	
	2021	2020
Net loss	\$ (1.6)	\$ (5.9)
Non-GAAP adjustments:		
Add back (less):		
Depreciation and amortization	44.4	45.5
Kennedy Wilson's share of depreciation and amortization included in unconsolidated investments	1.7	1.7
Share-based compensation	7.7	8.6
Preferred dividends	(4.3)	(4.3)
Net income attributable to the noncontrolling interests, before depreciation and amortization ⁽¹⁾	(0.9)	(0.8)
Adjusted Net Income	\$ 47.0	\$ 44.8
Weighted average shares outstanding for diluted	138,772,819	140,210,705

⁽¹⁾ Includes \$1.2 million and \$1.1 million of depreciation and amortization for the three months ended March 31, 2021 and 2020, respectively.

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" sections of each our Annual Report on Form 10-K for the year ended December 31, 2020, 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.
- "Adjusted EBITDA" represents net income (loss) before interest expense, loss on early extinguishment of debt, our share of interest expense included in investments in unconsolidated investments, (benefit from) provision for income taxes, depreciation and amortization, our share of depreciation and amortization included in income from unconsolidated investments, share-based compensation 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 and property services fees adjusted to include Kennedy Wilson's share of fees eliminated in consolidation, Kennedy Wilson's share of fees in unconsolidated service businesses and performance fees included in unconsolidated investments. 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 and property services 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 (loss) income before depreciation and amortization, our share of depreciation and amortization included in unconsolidated investments, share-based compensation, preferred dividends 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.
- "Annual Return on Loans" is a metric that applies to our real estate debt business that represents the sum of annual interest income, transaction fees and the payback of principal for discounted loan purchases, amortized over the life of the loans and divided by the principal balances of the loans.
- "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 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 partners" refers to non-wholly-owned subsidiaries that we consolidate in our financial statements under U.S. GAAP and third-party equity providers.
- "Estimated Annual 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, bad debt expense for commercial assets, 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. For the Company's hotel portfolio, the Company provides a trailing-12 month NOI of \$9 million, which excludes the period during which the hotel was fully closed due to restrictions related to the COVID-19 pandemic. Additionally, for assets wholly-owned and fully occupied by KW, the Company provides an estimated NOI for valuation purposes of \$4 million, which includes an assumption for applicable market rents. 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 2021 the last twelve months, the NOI represents the estimated Year 1 NOI from our original underwriting. Estimated year 1 NOI for properties purchased in 2021 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. 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, the sale of real estate that have not yet occurred and other items that 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.

- "Estimated Forward Yield on Cost" represents the Company's estimate of future net operating income, assuming it has completed its planned value-add asset management initiatives, divided by the sum of the purchase price and additional capital expenditure costs that are expected to be incurred in accordance with the Company's original underwriting at the time of acquisition. This information is 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. Estimated Forward Yield on Cost is based on management's current expectations and are based on assumptions that may prove to be inaccurate and involve known and unknown risks. For example, Estimated Forward Return on Cost is based in part on data made available to us during the course of our due diligence process in connection with asset acquisitions and assumes the timely and on-budget completion of our value-add initiatives, the timely leasing of all additional capacity and the absence of customer defaults or early lease terminations. Accordingly, the actual return on cost of an investment made by the Company may differ materially and adversely from the Estimated Forward Return on Cost figures set forth in this release, and we caution you not to place undue reliance on such figures. This information is not provided for development assets with no current income-producing component.
- "Fee-Bearing Capital" represents total third-party committed or invested capital that we manage in our joint-ventures and commingled funds that entitle us to earn fees, including without limitation, asset management fees, construction management fees, acquisition and disposition fees and/or promoted interest, if applicable.
- "Gross Asset Value" refers to the gross carrying value of assets, before debt, depreciation and amortization, and net of noncontrolling interests.
- "Internal Rate of Return" ("IRR") is based on cumulative contributions and distributions to Kennedy Wilson on each investment that has been sold and is the leveraged internal rate of return on equity invested in the investment. The IRR measures the return to Kennedy Wilson on each investment, expressed as a compound rate of interest over the entire investment period. This return does take into account carried interest, if applicable, but excludes management fees, organizational fees, or other similar expenses.
- "Net operating income" or "NOI" is a non-GAAP measure representing the income produced by a property calculated by deducting certain property expenses from property 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. 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.
- "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. Please also refer to the pro-rata financial data in our supplemental financial information.
- "Property NOI" or "Property-level NOI" is a non-GAAP measure calculated by deducting the Company's Pro-Rata share of rental and hotel property expenses from the Company's Pro-Rata rental and hotel revenues. 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.
- "Real Estate Services Assets under Management" ("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.

- "Return on Equity" is a ratio calculated by dividing the net cash distributions of an investment to Kennedy Wilson, after the cost of leverage, if applicable, by the total cash contributions by Kennedy Wilson over the lifetime of the investment.
- "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, Net Operating 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, and our estimated annual net operating income metrics, are not an indicator of the actual net operating income that the Company will or expects to realize in any period.

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