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NEWS RELEASE

KENNEDY WILSON REPORTS RECORD 4Q AND FULL YEAR 2015 RESULTS

- **4Q Adj. EBITDA of \$121.7M (+115%); FY 2015 Adj. EBITDA of \$371.2M (+17%)**
- **Consolidated liquidity over \$1.5 billion; no corporate debt maturities until 2024**
- **KW announces 17% increase in dividend and \$100 million share repurchase plan**

BEVERLY HILLS, Calif. (February 25, 2016) - [Kennedy-Wilson Holdings, Inc.](#) (NYSE: KW) ("Kennedy Wilson") today reported the following record results for the fourth quarter and full year of 2015:

(Amounts in millions, except per share data)	4Q			Full Year		
	2015	2014	% Change	2015	2014	% Change
Adjusted EBITDA	\$ 121.7	\$ 56.7	115%	\$ 371.2	\$ 317.8	17%
Adjusted Net Income	67.7	4.7	*	208.2	133.7	56%
GAAP Net Income (Loss) To Common Shareholders	28.5	(30.8)	*	71.1	13.8	*
Per Diluted Share	0.25	(0.35)	*	0.66	0.14	*

*Not meaningful

"We had an outstanding fourth quarter and full year 2015 during which we achieved record levels of earnings while substantially increasing our recurring cash flow," said William McMorrow, chairman and CEO of Kennedy Wilson. "After a record year of transactional volume and significant progress throughout our value-add initiatives, we entered 2016 in the strongest liquidity position in our history with over \$1.5 billion of consolidated cash and unused lines of credit."

4Q Highlights

- **Same Property Performance:** Across the Company's same property portfolio:
 - **Multifamily:** Revenues +8%; NOI +12%; Tenth consecutive quarter with above 8% NOI growth
 - **Commercial:** Revenues +2%; NOI +2%
- **Liquidity:** The Company increased the capacity of its undrawn corporate line of credit from \$300 million to \$475 million (maturity with extension December 2019). Kennedy Wilson has no other corporate debt maturities until 2024. As of December 31, 2015, the Company and its consolidated subsidiaries (including KWE) had \$732 million in cash and \$807 million in unused lines of credit.

- **Investment Gains on Sale:** The Company realized gains from sales of \$46 million in 4Q-2015, including \$39 million related to the sale of four unconsolidated multifamily properties located in the Western U.S., compared to \$4 million in 4Q-2014.
- **Performance Fees:** The Company earned \$34 million in performance fees related to its management of KWE and its U.S. fund management business. During 4Q-2014, the Company had performance fees of \$6 million.

Dividend Declaration

Kennedy Wilson announced a 17% increase in the common dividend per share to \$0.14 per quarter or \$0.56 on an annualized basis. This marks the fifth consecutive annual dividend increase. The Company will pay a quarterly dividend to common shareholders of record as of March 31, 2016 with a payment date of April 7, 2016.

Share Repurchase Program

Kennedy Wilson announced the authorization of a stock repurchase program for up to \$100 million. Repurchases under the program may be made in the open market, in privately negotiated transactions or otherwise, with the amount and timing of repurchases depending on market conditions and subject to the Company's discretion.

Investment Business

For 4Q and FY 2015, the Company's Investment segment reported the following results:

- **Same Property Results:** The Company continued to drive growth in same property revenue and net operating income across its income-producing portfolio as shown below by asset type (excludes KWE):

	<u>4Q-2015 vs. 4Q-2014</u>				<u>FY -2015 vs. FY-2014</u>			
	Same Property Units / Sq. Ft.	Occupancy	Revenue	NOI	Same Property Units / Sq. Ft.	Occupancy	Revenue	NOI
Multifamily	15,313	(0.2)%	8.1%	11.9%	12,838	(0.1)%	7.7%	10.7%
Commercial	5.3 million	2.4%	1.7%	1.5%	5.3 million	2.5%	2.4%	2.7%

- **Investment Transactions:** The Company, together with its equity partners (including KWE), completed investment transactions of approximately \$1.2 billion in 4Q-2015 and \$5.4 billion for FY-2015:

<i>(\$ in millions)</i>	Purchase / Sale Price	Cap Rate ⁽¹⁾	KW Ownership ⁽²⁾
4Q - 2015			
Acquisitions ⁽³⁾	\$ 506.8	6.2%	20%
Dispositions ⁽⁴⁾	731.4	5.3%	40%
Total	\$ 1,238.2		
FY - 2015			
Acquisitions ⁽³⁾	\$ 3,204.7	6.9%	28%
Dispositions ⁽⁴⁾	2,146.9	5.0%	37%
Total	\$ 5,351.6		

* Please see footnotes at the end of the earnings release and refer to supplemental financial information for additional detail of the above investment transactions

- **Debt Financing:** The Company and its equity partners (including KWE) completed total financings and refinancings of \$2.3 billion in 2015.

<i>(\$ in millions)</i>	Amount	Interest Rate	Average Maturity (years)	% Fixed Rate
FY 2015				
Financings	\$ 1,793.3	3.27%	7.2	80%
Refinancings ⁽¹⁾	517.3	3.02%	9.7	76%
Total	\$ 2,310.6	3.24%	6.7	79%
<i>Loan terms prior to refinancings</i>	\$ 385.9	4.07%	4.5	21%

⁽¹⁾ Excludes new \$475 million corporate line of credit, which was undrawn as of December 31, 2015.

Services Business

The Company's Services segment earns fees primarily from its investment management business along with its property services and research activities. For 4Q and FY 2015, the Company's Services segment reported the following results:

<i>(\$ amounts in millions)</i>	<u>4Q</u>			<u>Full Year</u>		
	2015	2014	% Change	2015	2014	% Change
Adjusted Fees ⁽¹⁾	\$ 64.2	\$ 31.1	106%	\$ 158.2	\$ 121.0	31%
Adjusted EBITDA - Services	36.9	11.5	221%	82.8	59.3	40%

⁽¹⁾ Adjusted Fees earned from KWE were \$37.1 million and \$5.3 million for 4Q 2015 and 4Q 2014 and \$14.0 million and \$67.0 million for FY 2015 and FY 2014. See supplemental financial information for additional information.

Subsequent events

- In February 2016, Kennedy Wilson successfully completed fundraising for Kennedy Wilson Real Estate Fund V ("Fund V"). Fund V raised \$500 million of capital commitments, including \$60 million from Kennedy Wilson. The fund has a current portfolio of nine multifamily, office, retail and residential assets with an aggregate purchase price of \$365 million, deploying \$140 million of equity to date.

Footnotes for investment transactions table

- ⁽¹⁾ Cap rate includes only income-producing properties. For the three months and year ended December 31, 2015, \$67.9 million and \$388.1 million of acquisitions and \$160.6 million and \$518.3 million of dispositions, respectively, were non-income producing assets. Please see "common definitions" for a definition of cap rate.
- ⁽²⁾ Kennedy Wilson's ownership is shown on a weighted-average basis.
- ⁽³⁾ The three months ended and year ended December 31, 2015 includes \$308.9 million and \$1.7 billion of acquisitions by KWE, respectively.
- ⁽⁴⁾ The three months ended and year ended December 31, 2015 includes \$100.5 million and \$186.5 million of dispositions by KWE, respectively.

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 Friday, February 26.

The direct dial-in number for the conference call is (866) 807-9684 for U.S. callers and (412) 317-5415 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 (888) 843-7419 for U.S. callers and (877) 344-7529 for international callers. The passcode for the replay is 10080114.

The webcast will be available at: <http://services.choruscall.com/links/kw160226>. 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 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 commercial properties located in the Western U.S., UK, Ireland, Spain, Italy and Japan. To complement our investment business, the Company also provides real estate services primarily to financial services clients. For further information 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 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" section of our Annual Report on Form 10-K for the year end December 31, 2014, 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. The consolidated financial statements of the Company include the results of the Company's consolidated subsidiaries (including KWE).
- "KWE" refers to Kennedy Wilson Europe Real Estate plc, a London Stock Exchange-listed company that we externally manage through a wholly-owned subsidiary. In our capacity as external manager of KWE, we are entitled to receive certain (i) management fees equal to 1% of KWE's adjusted net asset value (EPRA NAV), half of which are paid in cash and the remainder of which is paid in KWE shares; and (ii) performance fees, all of which are paid in KWE shares. In accordance with U.S. GAAP, the results of KWE are consolidated in our financial statements. We own an approximately 18.2% equity interest in KWE, and throughout this release and supplemental financial information, we refer to our pro-rata ownership stake (based on our 18.2% equity interest or weighted-average ownership interest during the period, as applicable) in investments made and held directly by KWE and its subsidiaries.
- "Acquisition-related gains" consist of non-cash gains recognized by the Company or its consolidated subsidiaries upon a GAAP required fair value measurement due to a business combination. These gains are typically recognized when a loan is converted into consolidated real estate owned and the fair value of the underlying real estate exceeds the basis in the previously held loan. These gains also arise when there is a change of control of an investment. The gain amount is based upon the fair value of the Company's or its consolidated subsidiaries' equity in the investment in excess of the carrying amount of the equity immediately preceding the change of control.
- "Adjusted EBITDA" represents Consolidated EBITDA as defined below, adjusted to exclude share-based compensation expense and EBITDA attributable to noncontrolling interests.

- “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.
- “Adjusted Net Asset Value” is calculated by KWE as net asset value adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallize in a long-term investment property business model such as the fair value of financial derivatives and deferred taxes on property valuation surpluses.
- “Adjusted Net Income” represents Consolidated Adjusted Net Income as defined below, adjusted to exclude net income attributable to noncontrolling interests, before depreciation and amortization.
- “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.
- “Cap rate” represents the net operating income of an investment for the year preceding its acquisition or disposition divided by the purchase or sale price, as applicable. Cap rates set forth in this presentation only includes data from income-producing properties. 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.
- “Consolidated Adjusted Net Income” represents net income before depreciation and amortization, our share of depreciation and amortization included in income from unconsolidated investments and share-based compensation expense.
- “Consolidated 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.
- “Consolidated investment account” refers to the sum of Kennedy Wilson’s equity in: cash held by consolidated investments, consolidated real estate and acquired in-place leases, net hedge assets, unconsolidated investments, consolidated loans gross of accumulated depreciation and amortization, and net other assets.
- “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 performance of future investments.
- “Equity partners” refers to non-wholly-owned subsidiaries that we consolidate in our financial statements under U.S. GAAP, including KWE, and third-party equity providers.

- "Investment account" refers to the consolidated investment account presented after noncontrolling interest on invested assets gross of accumulated depreciation and amortization.
- "Net operating income" or " NOI" is a non-GAAP measure representing the income produced by a property calculated by deducting operating expenses from operating revenues.
- "Same property" refers to properties in which Kennedy Wilson has an ownership interest during the entire span of both periods being compared.

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, Consolidated EBITDA, Adjusted EBITDA, Consolidated Adjusted Net Income, Adjusted Net Income, Adjusted Net Income Per Basic Share 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, including annualized net operating income, are not an indicator of the actual net operating income that the Company will or expects to realize in any period.

Tables Follow

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

	December 31,	
	2015	2014
Assets		
Cash and cash equivalents	\$ 182.6	\$ 174.6
Cash held by consolidated investments	549.0	763.1
Accounts receivable	54.7	55.6
Real estate and acquired in place lease values, net of accumulated depreciation and amortization	5,797.5	4,228.1
Loan purchases and originations	299.7	313.4
Unconsolidated investments (\$210.4 and \$85.9, respectively, accounted for at fair value)	431.7	492.2
Other assets	324.9	305.1
Total assets	\$ 7,640.1	\$ 6,332.1
Liabilities		
Accounts payable	\$ 22.2	\$ 11.7
Accrued expenses and other liabilities	392.0	253.2
Investment debt	3,658.2	2,195.9
Senior notes payable	702.6	702.4
Line of Credit	—	125.0
Total liabilities	4,775.0	3,288.2
Equity		
Cumulative preferred stock	—	—
Common Stock	—	—
Additional paid-in capital	1,225.7	991.3
Accumulated deficit	(44.2)	(62.0)
Accumulated other comprehensive loss	(47.7)	(28.2)
Total Kennedy-Wilson Holdings, Inc. shareholders' equity	1,133.8	901.1
Noncontrolling interests	1,731.3	2,142.8
Total equity	2,865.1	3,043.9
Total liabilities and equity	\$ 7,640.1	\$ 6,332.1

Kennedy-Wilson Holdings, Inc.
Consolidated Statements of Operations
(Unaudited)
(Dollars in millions, except per share data)

	For the Three Months Ended		For the Year Ended	
	December 31,		December 31,	
	2015	2014	2015	2014
Revenue				
Rental	\$ 109.5	\$ 82.5	\$ 404.8	\$ 206.9
Hotel	28.4	26.4	106.4	63.3
Sale of real estate	—	9.4	3.7	28.4
Investment management, property services, and research fees	22.3	17.6	69.3	82.6
Loan purchases, loan originations, and other	6.1	5.7	19.5	17.4
Total revenue	166.3	141.6	603.7	398.6
Operating expenses				
Rental operating	29.5	22.5	108.0	59.3
Hotel operating	23.8	24.0	89.9	57.1
Cost of real estate sold	—	6.1	2.6	20.7
Commission and marketing	2.9	1.8	7.3	5.6
Compensation and related	49.4	34.2	154.8	113.8
General and administrative	12.5	13.8	43.8	42.1
Depreciation and amortization	46.8	37.2	166.3	104.5
Total operating expenses	164.9	139.6	572.7	403.1
Income from unconsolidated investments	53.3	8.3	97.4	54.2
Operating income	54.7	10.3	128.4	49.7
Non-operating income (expense)				
Gain on sale of real estate	27.7	—	72.4	—
Acquisition-related gains	20.9	18.9	108.1	218.1
Acquisition-related expenses	(9.0)	(2.8)	(37.3)	(19.7)
Interest expense - investment	(30.9)	(16.1)	(108.8)	(46.3)
Interest expense - corporate	(11.4)	(17.5)	(46.9)	(57.1)
Early extinguishment of corporate debt	(1.0)	(25.8)	(1.0)	(27.3)
Other (expense) income	(1.8)	4.1	(2.5)	5.1
Income (loss) before (provision for) benefit from income taxes	49.2	(28.9)	112.4	122.5
(Provision for) benefit from income taxes	(20.9)	8.4	(53.4)	(32.4)
Net income (loss)	28.3	(20.5)	59.0	90.1
Net loss (income) attributable to the noncontrolling interests	0.7	(8.3)	15.7	(68.2)
Preferred stock dividends and accretion of issuance costs	(0.5)	(2.0)	(3.6)	(8.1)
Net income (loss) attributable to Kennedy-Wilson Holdings, Inc. common shareholders	\$ 28.5	\$ (30.8)	\$ 71.1	\$ 13.8
Basic earnings per share ⁽¹⁾				
Income (loss) per basic	\$ 0.25	\$ (0.35)	\$ 0.66	\$ 0.14
Weighted average shares outstanding for basic	108,850,756	90,232,896	103,261,513	89,200,855
Diluted earnings per share				
Income (loss) per diluted	\$ 0.25	\$ (0.35)	\$ 0.66	\$ 0.14
Weighted average shares outstanding for diluted	112,095,953	90,232,896	109,553,728	91,555,214
Dividends declared per common share	\$ 0.12	\$ 0.09	\$ 0.48	\$ 0.36

⁽¹⁾ Includes impact of the Company allocating income and dividends per basic and diluted share to participating securities

Kennedy-Wilson Holdings, Inc.
Consolidated Adjusted Net Income and Adjusted Net Income
(Unaudited)
(Dollars in millions, except per share data)

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2015	2014	2015	2014
Net income (loss)	\$ 28.3	\$ (20.5)	\$ 59.0	\$ 90.1
Non-GAAP adjustments:				
Add back:				
Depreciation and amortization	46.8	37.2	166.3	104.5
Kennedy Wilson's share of depreciation and amortization included in unconsolidated investments	5.6	10.0	28.1	47.1
Share-based compensation	11.2	7.1	30.8	15.8
Consolidated Adjusted Net Income	91.9	33.8	284.2	257.5
Less:				
Net income attributable to the noncontrolling interests, before depreciation and amortization ⁽¹⁾	(24.2)	(29.1)	(76.0)	(123.8)
Adjusted Net Income	\$ 67.7	\$ 4.7	\$ 208.2	\$ 133.7
Basic weighted average number of common shares outstanding	108,850,756	90,232,896	103,261,513	89,200,855
Basic Adjusted Net Income Per Share	\$ 0.62	\$ 0.05	\$ 2.02	\$ 1.50

⁽¹⁾ \$24.8 million and \$20.8 million of depreciation and amortization for the three months ended December 31, 2015 and 2014, respectively, and \$91.6 million and \$55.6 million for the years ended December 31, 2015 and 2014, respectively.

Consolidated EBITDA and Adjusted EBITDA
(Unaudited)
(Dollars in millions)

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2015	2014	2015	2014
Net income (loss)	\$ 28.3	\$ (20.5)	\$ 59.0	\$ 90.1
Non-GAAP adjustments:				
Add back:				
Interest expense-investment	30.9	16.1	108.8	46.3
Interest expense-corporate	11.4	17.5	46.9	57.1
Early extinguishment of corporate debt	1.0	25.8	1.0	27.3
Kennedy Wilson's share of interest expense included in unconsolidated investments	7.4	7.0	28.1	35.5
Depreciation and amortization	46.8	37.2	166.3	104.5
Kennedy Wilson's share of depreciation and amortization included in unconsolidated investments	5.6	10.0	28.1	47.1
Provision for (benefit from) income taxes	20.9	(8.4)	53.4	32.4
Consolidated EBITDA	152.3	84.7	491.6	440.3
Add back (less):				
Share-based compensation	11.2	7.1	30.8	15.8
EBITDA attributable to noncontrolling interests ⁽¹⁾	(41.8)	(35.1)	(151.2)	(138.3)
Adjusted EBITDA	\$ 121.7	\$ 56.7	\$ 371.2	\$ 317.8

⁽¹⁾ \$42.5 million and \$26.8 million of depreciation, amortization, taxes and interest for the three months ended December 31, 2015 and 2014, respectively, and \$166.9 million and \$70.1 million of depreciation, amortization, taxes and interest for the year ended December 31, 2015 and 2014, respectively.