

Kennedy-Wilson Holdings, Inc.
Form 424B3
November 07, 2016
Filed by Kennedy-Wilson Holdings, Inc.
pursuant to Rule 424(b)(3) under the Securities Act of 1933
Commission File No.: 333-164926

QUARTERLY REPORT ON FORM 10-Q

On November 4, 2016, Kennedy-Wilson Holdings, Inc. filed with the Securities and Exchange Commission its Quarterly Report on Form 10-Q for the period ended September 30, 2016. See Appendix A to this filing.

The exhibits filed with the Quarterly Report are attached to Appendix A to this filing.

In connection with the offering (the "Offering") of up to 20,278,690 shares of common stock and 4,993,471 warrants to purchase common stock of Kennedy-Wilson Holdings, Inc. (the "Company") by certain selling security holders, the Company has filed with the Securities and Exchange Commission ("SEC") a registration statement (the "Registration Statement") on Form S-1 (No. 333-164926), as amended, which was declared effective on June 11, 2010. A prospectus, dated June 11, 2010, covering the Offering was filed with the SEC on June 11, 2010 (as supplemented from time to time, the "Prospectus").

ANY POTENTIAL INVESTORS IN THE SECURITIES OF THE COMPANY ARE URGED TO READ THE PROSPECTUS AND THIS PROSPECTUS SUPPLEMENT CAREFULLY AND IN THEIR ENTIRETY BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT THE OFFERING.

This Prospectus Supplement and the Prospectus are required to be delivered by the selling security holders of the above-referenced securities or by certain of their transferees, pledges, donees or their successors in connection with the offer and sale of the above-referenced securities.

The information contained herein, including the information attached hereto, supplements and supersedes, in part, the information contained in the Prospectus. This Prospectus Supplement should be read in conjunction with the Prospectus and all prior prospectus supplements, and is qualified by reference to the Prospectus and all prior prospectus supplements except to the extent that the information in this Prospectus Supplement supersedes the information contained in the Prospectus or any prior prospectus supplement.

You may obtain a copy of the Registration Statement, the Prospectus, this Prospectus Supplement and all prior prospectus supplements, as well as other filings containing information about the Company, without charge, at the SEC's Internet site (<http://www.sec.gov>). Copies of the Registration Statement, the Prospectus and this Prospectus Supplement can also be obtained, without charge, from the Company's corporate website at www.kennedywilson.com, or by directing a request to the Company, Attention: Investor Relations, 151 S El Camino Drive, Beverly Hills, California 90212.

In addition to the documents described above, the Company files annual, quarterly and current reports, proxy statements and other information with the SEC, which are available at the SEC's website at www.sec.gov or at the Company's website at www.kennedywilson.com.

The information contained in, or that can be accessed through, the Company's website is deemed not to be a part of this filing.

THIS FILING IS FOR INFORMATION PURPOSES ONLY AND SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY SECURITIES, NOR SHALL THERE BE ANY SALE OF SECURITIES IN ANY JURISDICTION IN WHICH SUCH SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF SUCH JURISDICTION.

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Appendix A
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2016

Or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission file number 001-33824

Kennedy-Wilson Holdings, Inc.
(Exact name of Registrant as specified in its charter)

Delaware 26-0508760
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)
151 S El Camino Drive
Beverly Hills, CA 90212
(Address of principal executive offices)
Registrant's telephone number, including area code:
(310) 887-6400

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company.

(See definition of "large accelerated filer, accelerated filer and smaller reporting company" in Rule 12b-2 of the Exchange Act). (Check one):

Large Accelerated Filer ☒ Accelerated Filer ☐

Non-Accelerated Filer ☐ Smaller Reporting Company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). o Yes x No

The number of shares of common stock outstanding as of November 3, 2016 was 113,355,652.

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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 (the “Securities Act”) and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). 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,” “may,” “anticipate,” “estimate,” “intend,” “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 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 ended December 31, 2015. 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.

Non-GAAP Measures and Certain Definitions

“KWH,” “Kennedy Wilson,” the “Company,” “we,” “our,” or “us” refer 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 21.8% equity interest in KWE as of September 30, 2016, and throughout this report, we refer to our pro-rata ownership stake (based on our 21.8% equity interest or weighted-average ownership interest during the period, as applicable) in investments made and held directly by KWE and its subsidiaries.

“KW Group” refers to Kennedy Wilson and its consolidated subsidiaries that we consolidate in our financial statements under U.S. GAAP, including KWE.

“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 at the time of conversion 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 for the Company and EBITDA attributable to noncontrolling interests. Our management uses Adjusted EBITDA to analyze our business because it adjusts Consolidated EBITDA 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, Consolidated EBITDA and Adjusted EBITDA are not recognized measurements under GAAP and when analyzing our operating performance, readers should use Consolidated EBITDA and 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 Consolidated EBITDA and Adjusted EBITDA may not be comparable to similarly titled measures of other companies. Furthermore, Consolidated EBITDA and Adjusted EBITDA are not intended to be a measure of free cash flow for our management's discretionary use, as they do not remove all non-cash items (such as acquisition-related gains) or consider certain cash requirements such as tax and debt service payments. The amounts shown for Consolidated EBITDA and Adjusted EBITDA also differ from the amounts 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.

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"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. 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, property services and research 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 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 be realized 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.

"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 include 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 often 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.

"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. We do not adjust Consolidated EBITDA for gains or losses on the extinguishment of mortgage debt as we are in the business of purchasing discounted notes secured by real estate and, in connection with these note purchases, we may resolve these loans through discounted payoffs with the borrowers. Consolidated EBITDA is not a recognized term under GAAP, and does not purport to be an alternative to net earnings as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. Additionally, Consolidated EBITDA is not intended to be a measure of free cash flow available for 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 interest payments, tax payments and debt service requirements. Our presentation of Consolidated EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. Our management believes Consolidated EBITDA is useful in evaluating our operating performance compared to that of other companies in our industry because the calculation of Consolidated EBITDA generally eliminates the effects of financing and income taxes and the accounting effects of capital spending and acquisitions. Such items may vary for different companies for reasons unrelated to overall operating performance. Additionally, we believe Consolidated EBITDA is useful to investors to assist them in getting a more accurate picture of our results from operations.

"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 gross of accumulated depreciation and amortization, net hedge asset or liability, unconsolidated investments, consolidated loans, 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 future performance of 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.

"Estimated annualized NOI" is a property-level non-GAAP measure representing the estimated annualized net operating income from each property as of the date shown, inclusive of rent abatements (if applicable). The calculation excludes depreciation and amortization expense, 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. Any of the enumerated items above could have a material effect on the performance of our properties.

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Estimated annualized NOI is not an indicator of the actual annual net operating income that the Company will or expects to realize in any period. Estimated annualized NOI for properties held by KWE are presented as reported by KWE. Please also see the definition of "Net operating income" below.

"Investment account" refers to the consolidated investment account presented after noncontrolling interest on invested assets gross of accumulated depreciation and amortization.

"Investment Management and Real Estate Services Assets under Management" ("IMRES 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 IMRES 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 IMRES 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 IMRES AUM. The estimated value of development properties is included at estimated completion cost.

"KW Cap Rate" represents the Cap rate (as defined above) weighted by the Company's ownership interest in the underlying investments. 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 often 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.

"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. 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.

"Noncontrolling interests" represents the portion of equity ownership in a consolidated subsidiary not attributable to Kennedy Wilson.

"Operating associates" generally refer to individuals that are employed by or affiliated with third-party consultants, contractors, property managers or other service providers that we manage and oversee on a day-to-day basis with respect to our investments and service businesses.

"Property net operating income" is a non-GAAP measure calculated by deducting rental and hotel operating expenses from rental and hotel revenues.

"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.

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PART I

FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

Kennedy-Wilson Holdings, Inc.

Consolidated Balance Sheets

(Unaudited)

	September 30, 2016	December 31, 2015
(Dollars in millions, except share and per share amounts)		
Assets		
Cash and cash equivalents	\$ 282.7	\$ 182.6
Cash held by consolidated investments	692.5	549.0
Accounts receivable (including \$29.7 and \$22.9 of related party)	64.1	54.7
Real estate and acquired in place lease values, net of accumulated depreciation and amortization	6,129.1	5,797.5
Loan purchases and originations (including \$0 and \$40.9 of related party)	109.2	299.7
Unconsolidated investments (including \$227.0 and \$223.8 at fair value)	432.9	444.9
Other assets	256.3	267.2
Total assets ⁽¹⁾	\$ 7,966.8	\$ 7,595.6
Liabilities and equity		
Liabilities		
Accounts payable	\$ 14.6	\$ 22.2
Accrued expenses and other liabilities	440.1	392.0
Investment debt	4,047.6	3,627.5
Senior notes payable	936.5	688.8
Total liabilities ⁽¹⁾	5,438.8	4,730.5
Equity		
Cumulative preferred stock, \$0.0001 par value per share: 1,000,000 shares authorized \$1,000 per share liquidation preference; 32,550 shares of Series B preferred stock issued and outstanding as of September 30, 2016 and December 31, 2015	—	—
Common stock, 113,318,152 and 114,533,581 shares issued and outstanding as of September 30, 2016 and December 31, 2015	—	—
Additional paid-in capital	1,231.6	1,225.7
Accumulated deficit	(106.7)	(44.2)
Accumulated other comprehensive loss	(61.7)	(47.7)
Total Kennedy-Wilson Holdings, Inc. shareholders' equity	1,063.2	1,133.8
Noncontrolling interests	1,464.8	1,731.3
Total equity	2,528.0	2,865.1
Total liabilities and equity	\$ 7,966.8	\$ 7,595.6

⁽¹⁾ The assets and liabilities as of September 30, 2016 include \$4,913.0 million (including cash held by consolidated investments of \$647.5 million and real estate and acquired in place lease values, net of accumulated depreciation and amortization of \$3,914.1 million) and \$2,877.6 million (including investment debt of \$2,566.7 million), respectively,

from consolidated variable interest entities ("VIEs"). The assets and liabilities as of December 31, 2015 include \$4,973.9 million (including cash held by consolidated investments of \$507.8 million and real estate and acquired in place lease values, net of accumulated depreciation and amortization of \$3,955.8 million) and \$2,655.1 million (including investment debt of \$2,414.0 million), respectively, from VIEs. These assets can only be used to settle obligations of the consolidated VIEs, and the liabilities do not have recourse to the Company.

See accompanying notes to consolidated financial statements.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
(Dollars in millions, except share and per share amounts)				
Revenue				
Rental	\$122.9	\$ 106.6	\$363.1	\$ 295.3
Hotel	31.4	31.3	87.3	78.0
Sale of real estate	2.5	1.6	16.7	3.7
Investment management, property services and research fees (includes \$5.4, \$8.0, \$22.9 and \$26.7 of related party fees)	14.1	15.1	46.7	47.0
Loan purchases, loan originations and other	3.4	4.6	9.2	13.4
Total revenue	174.3	159.2	523.0	437.4
Operating expenses				
Rental operating	34.6	29.4	98.4	78.5
Hotel operating	23.8	22.7	71.9	66.1
Cost of real estate sold	2.5	1.1	13.1	2.6
Commission and marketing	2.5	1.2	6.0	4.4
Compensation and related	42.2	35.2	128.4	105.4
General and administrative	10.5	10.0	32.5	31.3
Depreciation and amortization	50.0	44.9	147.3	119.5
Total operating expenses	166.1	144.5	497.6	407.8
Income from unconsolidated investments	31.7	15.9	59.3	44.1
Operating income	39.9	30.6	84.7	73.7
Non-operating income (expense)				
Gain on sale of real estate	21.5	4.6	76.0	44.7
Acquisition-related gains	7.6	29.9	16.2	87.2
Acquisition-related expenses	(1.0)	(8.2)	(9.4)	(28.3)
Interest expense-investment	(36.8)	(31.3)	(102.9)	(77.9)
Interest expense-corporate	(14.5)	(11.7)	(38.8)	(35.5)
Other income	1.9	(4.3)	7.6	(0.7)
Income before provision for income taxes	18.6	9.6	33.4	63.2
Provision for income taxes	(5.5)	(4.5)	(2.1)	(32.5)
Net income	13.1	5.1	31.3	30.7
Net (income) loss attributable to the noncontrolling interests	(15.1)	10.3	(41.3)	15.0
Preferred dividends and accretion of preferred stock issuance costs	(0.5)	(0.5)	(1.6)	(3.1)
Net (loss) income attributable to Kennedy-Wilson Holdings, Inc. common shareholders	\$(2.5)	\$ 14.9	\$(11.6)	\$ 42.6
Basic (loss) income per share				
(Loss) income per basic	\$(0.03)	\$ 0.13	\$(0.12)	\$ 0.40
Weighted average shares outstanding for basic	108,634,218	108,966,540	108,966,540	108,966,540
Diluted (loss) income per share				
(Loss) income per diluted	\$(0.03)	\$ 0.13	\$(0.12)	\$ 0.40
Weighted average shares outstanding for diluted	108,634,218	108,966,540	108,966,540	108,966,540
Dividends declared per common share	\$0.14	\$ 0.12	\$0.42	\$ 0.36

See accompanying notes to consolidated financial statements.

Table of ContentsKennedy-Wilson Holdings, Inc.
Consolidated Statements of Comprehensive (Loss) Income
(Unaudited)

	Three Months Ended September 30, 2016		Nine Months Ended September 30, 2015	
(Dollars in millions)				
Net income	\$13.1	\$5.1	\$31.3	\$30.7
Other comprehensive (loss) income, net of tax:				
Unrealized foreign currency translation loss	(1.1)	(51.8)	(61.7)	(88.0)
Unrealized gain on marketable securities	0.1	—	0.2	0.1
Amounts reclassified out of AOCI during the period	0.7	(0.3)	3.4	9.7
Unrealized currency derivative contracts (loss) gain	(35.6)	(8.3)	(125.0)	6.7
Total other comprehensive loss for the period	(35.9)	(60.4)	(183.1)	(71.5)
Comprehensive loss	(22.8)	(55.3)	(151.8)	(40.8)
Comprehensive gain (loss) attributable to noncontrolling interests ⁽¹⁾	15.7	67.9	127.8	78.3
Comprehensive (loss) gain attributable to Kennedy-Wilson Holdings, Inc. common shareholders	\$(7.1)	\$12.6	\$(24.0)	\$37.5

⁽¹⁾ Comprehensive gain (loss) attributable to noncontrolling interest includes allocation of unrealized currency translation losses and currency derivative contracts.
See accompanying notes to consolidated financial statements.

Table of ContentsKennedy-Wilson Holdings, Inc.
Consolidated Statement of Equity
(Unaudited)

(Dollars in millions, except share amounts)	Preferred Stock		Common Stock		Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)		Noncontrolling Interests	Total
	Shares	Amount	Shares	Amount						
Balance at December 31, 2015	32,550	\$ —	114,533,581	\$ —	\$1,225.7	\$ (44.2)	\$ (47.7)	\$ 1,731.3		\$2,865.1
Shares forfeited	—	—	(31,900)	—	—	—	—	—		—
Restricted stock grants (RSG)	—	—	964,250	—	—	—	—	—		—
Shares retired due to RSG vesting	—	—	(693,942)	—	(14.6)	—	—	—		(14.6)
Shares retired due to common stock repurchase program	—	—	(1,453,837)	—	(25.9)	(2.8)	—	—		(28.7)
Stock based compensation	—	—	—	—	47.8	—	—	—		47.8
Other comprehensive income (loss):										
Unrealized foreign currency translation loss, net of tax	—	—	—	—	—	—	(7.1)	(50.8)		(57.9)
Unrealized foreign currency derivative contract loss, net of tax	—	—	—	—	—	—	(7.1)	(118.3)		(125.4)
Unrealized gains on marketable securities, net of tax	—	—	—	—	—	—	0.2	—		0.2
Preferred stock dividends	—	—	—	—	—	(1.6)	—	—		(1.6)
Common stock dividends	—	—	—	—	—	(48.1)	—	—		(48.1)
Net (loss) income	—	—	—	—	—	(10.0)	—	41.3		31.3
Acquisition of Kennedy Wilson Europe (KWE) shares from noncontrolling interest holders	—	—	—	—	—	—	—	(70.6)		(70.6)
Acquisition of noncontrolling interests from consolidated entity	—	—	—	—	(1.4)	—	—	1.4		—
Contributions from noncontrolling interests, excluding KWE	—	—	—	—	—	—	—	25.3		25.3
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(94.8)		(94.8)
	32,550	\$ —	113,318,152	\$ —	\$1,231.6	\$ (106.7)	\$ (61.7)	\$ 1,464.8		\$2,528.0

Balance at September 30,
2016

See accompanying notes to consolidated financial statements.

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Kennedy-Wilson Holdings, Inc.

Consolidated Statements of Cash Flows (Unaudited)

	Nine Months Ended September 30,	
(Dollars in millions)	2016	2015
Cash flows from operating activities:		
Net income	\$31.3	\$30.7
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Net gain from sale of real estate	(79.6)	(43.0)
Acquisition-related gain	(16.2)	(87.2)
Depreciation and amortization	147.3	119.5
(Provision for) Benefit from deferred income taxes	(2.3)	2.1
Amortization of deferred loan costs	9.8	5.2
Amortization of discount and accretion of premium on issuance of the senior notes and investment debt	(1.0)	(8.3)
Unrealized net (gain) loss on derivatives	(6.2)	3.8
Income from unconsolidated investments and loan purchases and originations	(67.7)	(50.3)
Operating distributions from unconsolidated investments	53.9	50.8
Operating distributions from loan purchases and originations	13.1	7.0
Share-based compensation	47.8	19.6
Change in assets and liabilities:		
Accounts receivable	(14.5)	0.3
Other assets	(19.9)	(0.2)
Accounts payable, accrued expenses and other liabilities	(17.4)	64.2
Net cash provided by operating activities	78.4	114.2
Cash flows from investing activities:		
Additions to loans	(16.1)	(233.9)
Collections of loans	145.4	15.3
Net proceeds from sale of real estate	266.0	523.4
Purchases of and additions to real estate	(748.4)	(1,534.0)
Proceeds from settlement of foreign derivative contracts	43.3	36.2
Purchases of foreign derivative contracts	(5.8)	(5.2)
Investment in marketable securities	(0.9)	—
Proceeds from sale of marketable securities	—	6.2
Distributions from unconsolidated investments	63.4	92.0
Contributions to unconsolidated investments	(70.3)	(155.2)
Net cash used in investing activities	(323.4)	(1,255.2)
Cash flows from financing activities:		
Borrowings under senior notes payable	250.0	—
Borrowings under line of credit	125.0	75.0
Repayment of line of credit	(125.0)	(200.0)
Borrowings under investment debt	933.4	1,632.2
Repayment of investment debt	(407.1)	(620.2)
Debt issue costs	(9.4)	(15.0)
Issuance of common stock	—	215.0
Repurchase and retirement of common stock	(43.4)	(11.4)
Dividends paid	(47.5)	(37.7)
Acquisition of KWE shares from noncontrolling interest holders	(70.6)	(59.5)

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Contributions from noncontrolling interests, excluding KWE	25.3	6.5
Distributions to noncontrolling interests	(94.8)	(205.8)
Net cash provided by financing activities	535.9	779.1
Effect of currency exchange rate changes on cash and cash equivalents	(47.3)	(34.2)
Net change in cash and cash equivalents ⁽¹⁾	243.6	(396.1)
Cash and cash equivalents, beginning of period	731.6	937.7
Cash and cash equivalents, end of period	\$975.2	\$541.6

⁽¹⁾ See discussion of non-cash effects in notes to statement of cash flows.

See accompanying notes to consolidated financial statements.

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Consolidated Statements of Cash Flows
(Unaudited)

Supplemental cash flow information:

	Nine Months Ended September 30,	
(Dollars in millions)	2016	2015
Cash paid for:		
Interest ⁽¹⁾	\$ 103.4	\$ 83.0
Income taxes ⁽²⁾	10.4	3.0

⁽¹⁾\$35.9 million and \$25.6 million attributable to noncontrolling interests⁽²⁾ \$8.2 million and \$2.5 million attributable to noncontrolling interests

Supplemental disclosure of non-cash investing and financing activities:

	Nine Months Ended September 30,	
(Dollars in millions)	2016	2015
Accrued capital expenditures	\$ 11.6	\$ 6.9
Dividends declared but not paid on common stock	15.9	13.5

On May 19, 2015, all 100,000 outstanding shares of the Series A Preferred Stock were mandatorily converted into an aggregate of 8,554,948 shares of the Company's common stock, \$0.0001 par value per share, based on a conversion price of approximately \$11.69 per share of Common Stock.

During the nine months ended September 30, 2016, the Company acquired additional equity interests in a residential development project and a retail property in the Western United States that were previously unconsolidated. During the nine months ended September 30, 2015, KWE foreclosed on two notes secured by office buildings located in Dublin, Ireland and the Company acquired additional equity interests in a multifamily and commercial property in the Western United States that were previously unconsolidated. The assets and liabilities of these properties were consolidated in KW Group's financial statements at fair value in accordance with FASB ASC Topic 805 Business Combinations. As the fair value of the KW Group's interests in these properties were in excess of their carrying value of their ownership interest, KW Group recorded acquisition-related gains of \$16.2 million and \$57.3 million, during the nine months ended September 30, 2016 and 2015, respectively. See Note 4 for more detail.

See accompanying notes to consolidated financial statements.

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Notes to Consolidated Financial Statements
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NOTE 1—BASIS OF PRESENTATION

KW Group's unaudited interim consolidated financial statements have been prepared pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). Certain information and footnote disclosures normally included in the financial statements prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") may have been condensed or omitted pursuant to SEC rules and regulations, although the Company believes that the disclosures are adequate to make their presentation not misleading. In the Company's opinion, all adjustments, consisting of only normal and recurring items, necessary for a fair presentation of the results of operations for the three and nine months ended September 30, 2016 and 2015 have been included. The results of operations for these periods are not necessarily indicative of results that might be expected for the full year ending December 31, 2016. For further information, your attention is directed to the footnote disclosures found in the Company's Annual Report on Form 10-K for the year ended December 31, 2015. Throughout this unaudited interim consolidated financial statements "KW Group," is referenced which is defined as the Company and its subsidiaries that are consolidated in its financial statements under U.S. GAAP (including KWE as defined below). All significant intercompany balances and transactions have been eliminated in consolidation. "KW," "KWH," "Kennedy Wilson," the "Company," "we," "our," or "us" are also referred to which are defined as Kennedy-Wilson Holdings, Inc. and its wholly-owned subsidiaries.

Kennedy Wilson Europe Real Estate Plc ("KWE," LSE: KWE) is a Jersey investment company formed to invest in real estate and real estate-related assets in Europe and is listed on the London Stock Exchange. KWE is externally managed by a wholly-owned subsidiary of Kennedy Wilson incorporated in Jersey pursuant to an investment management agreement. Due to the terms provided in the investment management agreement and Kennedy Wilson's equity ownership interest in KWE, pursuant to the guidance set forth in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Subtopic 810 - Consolidation ("Subtopic 810"), the Company is required to consolidate KWE's results in its consolidated financial statements. As of September 30, 2016, the Company invested \$486.7 million and owned approximately 21.8% of KWE's total issued share capital as of September 30, 2016.

In addition to its investment in KWE, prior to KWE's formation, the Company (along with its equity partners) directly invested in 17 properties and a servicing platform in Europe which had total assets of \$840.6 million included in the Company's consolidated balance sheet as of September 30, 2016. Kennedy Wilson's total equity in these investments was \$417.7 million and the Company's weighted average ownership in these investments was 57% as of September 30, 2016.

In addition, throughout these unaudited interim consolidated financial statements, "equity partners" is referred to which is defined as the non-wholly owned subsidiaries that are consolidated in the Company's financial statements under U.S. GAAP, including KWE, and third-party equity providers.

Kennedy Wilson evaluates its relationships with other entities to identify whether they are variable interest entities ("VIEs") as defined in the ASC Subtopic 810-10, as amended by Accounting Standards Update ("ASU") 2015-02, and to assess whether it is the primary beneficiary of such entities. If the determination is made that Kennedy Wilson is the primary beneficiary, then that entity is included in the consolidated financial statements in accordance with the ASC Subtopic 810-10.

The preparation of the accompanying consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions about future events. These estimates and the underlying assumptions affect the amounts of assets and liabilities reported, disclosure about contingent assets and liabilities, and reported amounts of revenues and expenses. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates. See comment in Note 4 about the preliminary nature of the estimates used in relation to acquisitions.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ADOPTION OF NEW ACCOUNTING PRONOUNCEMENTS

REVENUE RECOGNITION—Performance fees or carried interests are allocated to the general partner, special limited partner or asset manager of the Company's real estate funds and loan pool participations based on the cumulative performance of the funds and loan pools and are subject to preferred return thresholds of the limited partners and participants. At the end of each reporting period, the Company calculates the performance fee that would be due to the general partner, special limited partner or asset manager's interests for a fund or loan pool, pursuant to the fund agreement or participation agreements, as if the fair value of the underlying investments were realized as of such date, irrespective of whether such amounts have been realized. As the fair value of underlying investments varies between reporting periods, it is necessary to make adjustments to amounts recorded as performance fees to reflect either (a) positive performance resulting in an increase in the performance fee allocated to the general

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partner or asset manager or (b) negative performance that would cause the amount due to the Company to be less than the amount previously recognized as revenue, resulting in a negative adjustment to performance fees allocated to the general partner or asset manager. A majority of the performance fees are recognized in investment management revenue in the Company's consolidated statements of operations. Total performance fees recognized from inception through September 30, 2016 that may be reversed in future periods if there is negative fund performance totaled \$24.6 million. Performance fees recognized during the nine months ended September 30, 2016 and September 30, 2015 were \$10.6 million and \$7.1 million, respectively, and the amounts that have not been received are included in accounts receivable - related parties in the accompanying consolidated balance sheet.

REAL ESTATE ACQUISITIONS—The purchase price of acquired properties is recorded to land, buildings and building improvements and intangible lease value (value of above-market and below-market leases, acquired in-place lease values, and tenant relationships, if any) based on their respective estimated fair values in accordance with ASC Subtopic 805-10, Business Combinations. Acquisition-related costs are expensed as incurred. The ownership of the other interest holders in consolidated subsidiaries is reflected as noncontrolling interests.

The valuations of real estate are based on management estimates of the real estate assets using income and market approaches. The indebtedness securing the real estate is valued, in part, based on third party valuations and management estimates also using an income approach.

NONCONTROLLING INTERESTS—Noncontrolling interest is the portion of equity (net assets) in a subsidiary not attributable, directly or indirectly to the Company. These amounts are reported within equity as a separate component in accordance with ASC Subtopic 810-10, Noncontrolling Interests in Consolidated Financial Statements. Revenues, expenses, gains, losses, net income (loss), and other comprehensive income (loss) are reported in the consolidated statements of operations at the consolidated amounts and net income (loss) and comprehensive income (loss) attributable to noncontrolling interests are separately stated.

The largest component of noncontrolling interest relates to the Company's investment in KWE, which had a corresponding noncontrolling interest balance of \$1.3 billion as of September 30, 2016.

FOREIGN CURRENCIES—The financial statements of KW Group's subsidiaries located outside the United States are measured using the local currency as this is their functional currency. The assets and liabilities of these subsidiaries are translated at the rates of exchange at the balance sheet date, and income and expenses are translated at the average monthly rate. The foreign currencies include the euro, the British pound sterling, and the Japanese yen. Cumulative translation adjustments, to the extent not included in cumulative net income, are included in the consolidated statement of equity as a component of accumulated other comprehensive income.

Investment level debt is generally incurred in local currencies. Fluctuations in foreign exchanges rates may have a significant impact on the results of our operations. In order to manage the effect of these fluctuations, the Company enters into hedging transactions, in the form of currency derivative contracts, that are designed to reduce its book equity exposure to foreign currencies. See note 6 for a complete discussion on currency derivative contracts.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES—All derivative instruments are recognized as either assets or liabilities in the balance sheet at their respective fair values. For derivatives designated in hedging relationships, changes in fair value of cash flow hedges or net investment hedges are recognized in accumulated other comprehensive income, to the extent the derivative is effective at offsetting the changes in the item being hedged until the hedged item affects earnings. Changes in fair value for fair value hedges are recognized in earnings.

Fluctuations in foreign exchanges rates may have a significant impact on the Company's results of operations. In order to manage the effect of these fluctuations, the Company generally hedges its book equity exposure to changes in foreign currency rates through currency derivative contracts. The Company typically hedges 50%-100% of book equity exposure against these foreign currencies.

INCOME TAXES—Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. In accordance with ASC Subtopic 740-10, Accounting for

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Uncertainty in Income Taxes, the effect of income tax positions is recognized only if those positions are more likely than not to be sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

RECENT ACCOUNTING PRONOUNCEMENTS—In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers, a five step model to recognize revenue from customer contracts in an effort to increase consistency and comparability throughout global capital markets and across industries. The model will identify the contract, identify any separate performance obligations in the contract, determine the transaction price, allocate the transaction price and recognize revenue when the performance obligation is satisfied. The new standard will replace most existing revenue recognition in GAAP when it becomes effective for the Company on January 1, 2018. The Company has not yet selected a transition method nor has it determined the effect of the standard on its ongoing financial reporting.

In February 2015, the FASB issued ASU 2015-02, Consolidation (Topic 810): Amendments to the Consolidation Analysis and was adopted by the KW Group on January 1, 2016. The new standard makes certain changes to both the variable interest model and the voting model, including changes to (1) the identification of variable interests (fees paid to a decision maker or service provider), (2) the variable interest entity characteristics for a limited partnership or similar entity and (3) the primary beneficiary determination. The adoption of ASU 2015-02 did not result in any changes to the Company's conclusions regarding the consolidation of investments under the new standard. The Company identified several entities, already consolidated under the previous standard but not considered VIEs, which under the new standard, are considered VIEs and will continue to be consolidated. KWE was determined to be a VIE under the new standard as were eight other less significant consolidated investments, all with the same partner and sharing similar legal structures. However because the Company's analysis concludes that the Company is the primary beneficiary of those entities, they continue to be consolidated.

In April 2015, the FASB issued ASU 2015-03, Simplifying the Presentation of Debt Issuance Costs, to reduce the complexity of financial statement presentation pursuant to which debt issuance costs will be presented as a direct deduction from the carrying amount of debt liabilities as opposed to a deferred charge recognized as an asset. ASU 2015-03 is required to be adopted for fiscal years beginning after December 15, 2015. ASU 2015-03 became effective for KW Group beginning January 1, 2016. The adoption of this standard did not have a material impact on the consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e., lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. ASU 2016-02 is required to be adopted for fiscal years beginning after December 15, 2018. Because the Company's existing operating lease commitments are not material and the accounting for leases by the lessor is substantially unchanged, the Company does not expect the ASU to have a significant impact on its results of operations or financial position.

The FASB did not issue any other ASUs during the first nine months of 2016 that the Company expects to be applicable and have a material impact on the Company's financial position or results of operations.

RECLASSIFICATIONS—Certain balances included in prior year's financial statements have been reclassified to conform to the current year's presentation.

NOTE 3—LOAN PURCHASES AND ORIGINATIONS

KW Group's investment in loan purchases and originations was \$109.2 million and \$299.7 million at September 30, 2016 and December 31, 2015, respectively.

During the first quarter of 2016, KWE sold a tranche of five loans secured by five assets in the United Kingdom, which had a carrying value of \$138.5 million, recognizing a gain of \$6.9 million. Additionally, during the first quarter of 2016, KWH originated a loan secured by a beach-front hotel located in Waimea, Hawaii for \$4.5 million.

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During the second quarter of 2016, a loan held by KWH and secured by a Class A office building in Burbank, CA of approximately \$4.9 million was collected in full.

During the third quarter of 2016, a subsidiary of KWH converted a related party loan in an unconsolidated investment in a development project in Kona, Hawaii that had a carrying value of \$46.3 million. The Company also bought out equity partners and consolidated the property during the quarter. See Note 4 for more detail.

KW Group recognized interest income on loans of \$3.4 million and \$9.2 million during the three and nine months ended September 30, 2016, respectively, and \$4.6 million and \$13.4 million during the three and nine months ended September 30, 2015, respectively.

NOTE 4—REAL ESTATE AND IN-PLACE LEASE VALUE

The following table summarizes KW Group's investment in consolidated real estate properties at September 30, 2016 and December 31, 2015:

	September 30, 2016	December 31, 2015
(Dollars in millions)		
Land	\$ 1,548.8	\$ 1,471.5
Buildings	4,190.5	3,905.5
Building improvements	330.2	247.2
In-place lease values	415.9	421.8
	6,485.4	6,046.0
Less accumulated depreciation and amortization	(356.3)	(248.5)
Real estate and acquired in place lease values, net of accumulated depreciation and amortization	\$ 6,129.1	\$ 5,797.5

Real property, including land, buildings, and building improvements, are included in real estate and are generally stated at cost. Buildings and building improvements are depreciated on a straight-line method over their estimated lives not to exceed 40 years. Acquired in-place lease values are recorded at their estimated fair value and depreciated over their respective weighted-average lease term which was 10.3 years at September 30, 2016.

Consolidated Acquisitions

The purchase of property is recorded to land, buildings, building improvements, and intangible lease value (including the value of above-market and below-market leases, acquired in-place lease values, and tenant relationships, if any) based on their respective estimated fair values. The purchase price generally approximates the fair value of the properties as acquisitions are generally transacted with third-party willing sellers.

During the nine months ended September 30, 2016, KW Group acquired the following consolidated properties:

(Dollars in millions)		Preliminary Purchase Price Allocation at Acquisition ⁽¹⁾					
Location	Description	Land	Building	Acquired in place lease values ⁽²⁾	Investment debt	NCI ⁽³⁾	KWH Shareholders' Equity
Western U.S.	Two retail centers, five multifamily and two residential properties ⁽⁵⁾	\$ 114.1	\$ 271.3	\$ 8.7	\$ 231.3	\$ 2.0	\$ 160.8
United Kingdom	Portfolio of 10 office properties and one commercial property	39.0	79.2	16.6	—	106.2	28.6
Ireland		25.3	84.9	5.8	—	91.6	24.4

	Three commercial properties and one development property ⁽⁴⁾						
Spain	One development project and one supermarket ⁽⁴⁾	1.9	17.1	0.3	—	15.3	4.0
		\$180.3	\$452.5	\$31.4	\$231.3	\$215.1	\$217.8

⁽¹⁾ Excludes acquisition expenses and net other assets. The purchase price allocations for properties acquired during the nine months ended September 30, 2016 are based on preliminary measurements of fair value that are subject to change. These allocations represent the Company's current best estimates of fair value.

⁽²⁾ Includes above and below market leases in this table. Above and below market leases are part of other assets and accrued expenses and other liabilities.

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(3) Noncontrolling interest amounts associated with acquisition.

(4) This portfolio of properties was directly acquired and is held by KWE. Kennedy Wilson owns approximately 21.8% of the total issued share capital of KWE as of September 30, 2016.

(5) During the nine months ended September 30, 2016, a property included within this group was accounted for under the equity method. KW Group purchased the equity partners' interests and consolidated the property resulting in acquisition-related gains of \$8.6 million. Additionally, KW Group purchased equity partners' interests and consolidated a development project in Kona, HI that was previously accounted for as an equity method investment resulting in acquisition related gains of \$7.6 million.

Gains on real estate

During the nine months ended September 30, 2016, KW Group recognized the following gains on sale of real estate:

(Dollars in millions)		Gain on sale of real estate			
Description		Consolidated	Net of NCI	Net of NCI	Net of NCI
KW	One commercial property in each Japan, United Kingdom and Ireland, one condo unit, a vacant lot and a parcel of land in the Western U.S.	\$29.0	\$11.9	\$17.1	
KWE	30 commercial properties in the United Kingdom	50.6	40.4	10.2	
KW Group		\$79.6	\$52.3	\$27.3	

Guarantees

Kennedy Wilson has certain guarantees associated with loans secured by consolidated assets. As of September 30, 2016, the maximum potential amount of future payments (undiscounted) Kennedy Wilson could be required to make under the guarantees was approximately \$65.4 million which is approximately 2% of investment level debt of Kennedy Wilson and its equity partners. The guarantees expire through 2026, and Kennedy Wilson's performance under the guarantees would be required to the extent there is a shortfall upon liquidation between the principal amount of the loan and the net sale proceeds from the property. Based on the Company's evaluation of guarantees under FASB ASC Subtopic 460-10 Estimated Fair Value of Guarantees, the estimated fair value of guarantees made as of September 30, 2016 and December 31, 2015 were immaterial.

Pro forma results of operations

The results of operations of the assets acquired have been included in our consolidated financial statements since the date of their acquisition. KW Group's unaudited pro forma results have been prepared for comparative purposes only and do not purport to be indicative of the results of operations that would have occurred had this acquisition been consummated at the beginning of the periods presented.

The pro forma data presented below assumes that the acquisitions during the three and nine months ended September 30, 2016 occurred as of January 1, 2015.

(Dollars in millions, except for per share data)		Three Months Ended September 30, 2016		Nine Months Ended September 30, 2016	
Pro forma revenues		\$176.5	\$169.3	\$542.1	\$467.3
Pro forma income from unconsolidated subsidiaries		31.2	15.9	59.1	44.9
Pro forma net (loss) income ⁽¹⁾		6.8	11.7	28.4	50.4

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Pro forma net (loss) income attributable to Kennedy-Wilson Holdings, Inc. common shareholders ⁽¹⁾	(8.8)	19.2	(17.3)	55.5
Pro forma net (loss) income per share:				
Basic	\$(0.08)	\$0.18	\$(0.16)	\$0.55
Diluted	\$(0.08)	\$0.18	\$(0.16)	\$0.53

⁽¹⁾ Excludes nonrecurring gains of \$7.6 million and \$16.2 million for the three and nine months ended September 30, 2016, respectively.

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NOTE 5—UNCONSOLIDATED INVESTMENTS

Kennedy Wilson has a number of joint venture interests, generally ranging from 5% to 50%, that were formed to acquire, manage, develop, service and/or sell real estate and invest in loan pools and discounted loan portfolios. Kennedy Wilson has significant influence over these entities, but not control, and accordingly, these investments are accounted for under the equity method.

Joint Venture Holdings

The following table details the Company's unconsolidated investments by investment type and geographic location as of September 30, 2016:

(Dollars in millions)	Multifamily	Commercial	Loan	Residential	Other	Total
Western U.S.	\$ 147.9	\$ 49.9	\$ —	\$ 180.6	\$ 16.1	\$ 394.5
Japan	7.0	—	—	—	—	7.0
United Kingdom	—	16.1	—	—	—	16.1
Spain	—	—	—	—	15.3	15.3
Total	\$ 154.9	\$ 66.0	\$ —	\$ 180.6	\$ 31.4	\$ 432.9

The following table details the Company's unconsolidated investments by investment type and geographic location as of December 31, 2015: