



KENNEDY WILSON

Presentation for
THE BEN GRAHAM CENTRE'S
2012 VALUE INVESTING
CONFERENCE

A P R I L 2 0 1 2

THRIVING ON OPPORTUNITY®

Overview of Kennedy Wilson

- Founded in 1977 and purchased by current management team in 1988
- Headquartered in Beverly Hills, CA with 23 offices throughout the U.S., Europe and Japan and more than 300 employees
- Listed on the NYSE under the symbol “KW”
- \$11.7 billion of assets under management*
- Off-market acquisition sourcing through vertically-integrated platform, primarily from financial institutions
- Since 2010, raised \$5.5 billion of capital for the company and its investment platform

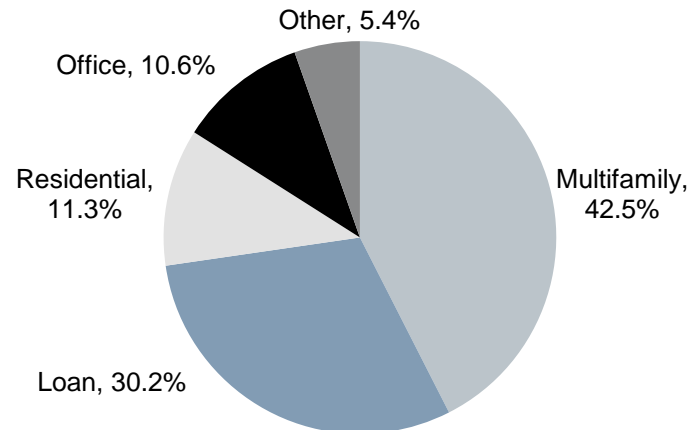
Kennedy Wilson’s Capital Partners**



KW INVESTMENTS

- Invests in multifamily, office and residential properties as well as loans secured by real estate
- Invested, along with its equity partners, approximately \$10.2 billion since 1999, including \$4.6 billion of equity
- Generated gross IRRs of 39% on 100 realized investments*
- In 2010 and 2011, along with its equity partners, acquired \$5.1 billion of real estate assets
- Investment account is \$591 million as of December 31, 2011, and has tripled since December 31, 2009
- Ownership interests in 13,305 multifamily units on the West Coast of the U.S. and Japan
- Refinanced \$838 million of property level debt at an average rate of 3.5% and average maturity of July 2016
- In Japan, refinanced more than \$186 million of property level debt at a weighted average interest rate of 2.3%

Equity Investments by Product Type⁽¹⁾



(1) Estimate as of December 31, 2011. KW's investment account represents the sum of the following categories on the KW balance sheet: investments in joint ventures, real estate less mortgage debt, notes receivable and loan pool participations.

KW SERVICES

KW generates significant proprietary deal flow from an established network of industry relationships and its vertically-integrated platform...

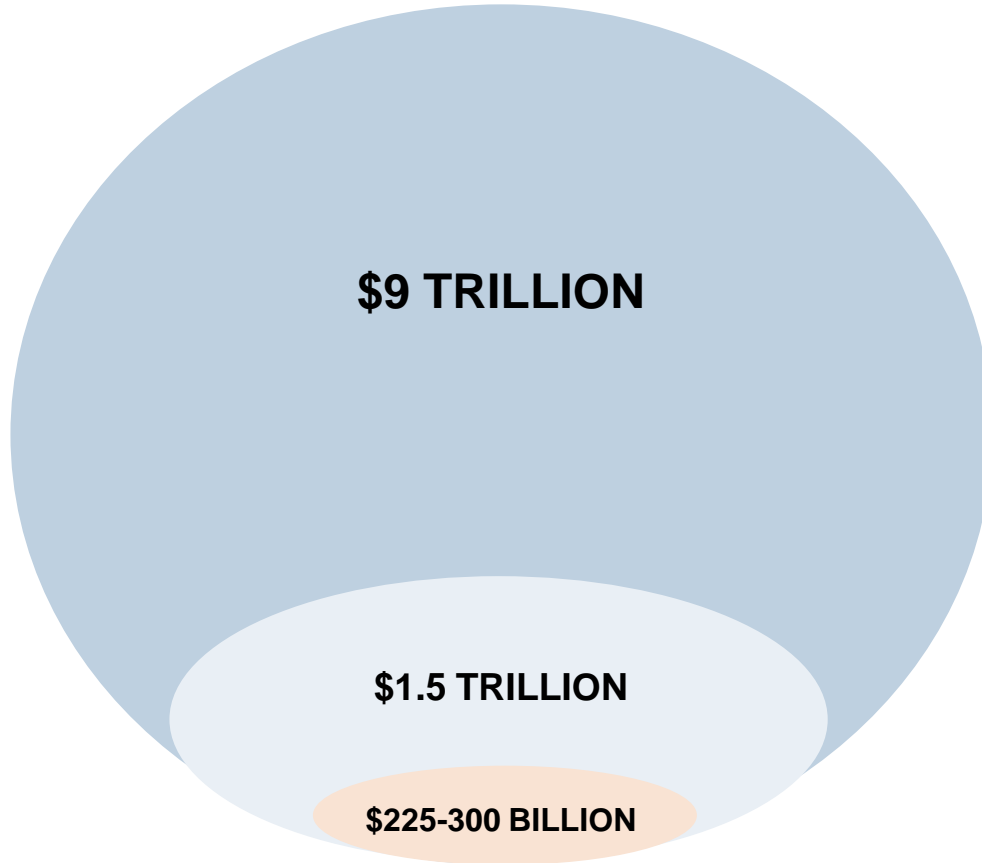
- Deep, long-standing relationships with financial institutions and real estate owners
- Full-service real estate operating company enhances investment platform by providing unique access to deal flow from service clients
- Since inception, sold more than \$10 billion of real estate
- Currently manages over 50 million sq. ft. of office, industrial and retail properties and 15,000+ multifamily units
- Provides real estate auction and conventional sales, property management services and investment management services for third-party owners and Company sponsored investments
- Approximately \$215 million in sales via auction and conventional sales in 2011

...resulting in approximately 80% of 2010-2011 YTD transactions sourced directly from financial institutions



EUROPEAN MARKET SIZE

Kennedy Wilson has invested in or managed approximately \$6 billion of European assets within the last 12 months



More than \$9 trillion of debt exists in the UK and Ireland financial systems

Of this debt, Kennedy Wilson estimates that these institutions have \$1.5 trillion of commercial real estate debt on their books

Of this CRE debt, Kennedy Wilson believes 15-20% will be sold off market over the next three years

According to the IMF, European banks may be forced to sell \$3.8 trillion of assets through 2013

CASE STUDY *UK loan pool acquisition*

- KW, along with its institutional partners, agreed to acquire a portfolio consisting of 24 loans with an unpaid principal balance (“UPB”) of approximately \$2.2 billion⁽¹⁾ secured by real estate located in the UK
- Negotiated transaction with Bank of Ireland
 - › 66% purchase price to third party’s estimated value of real estate
- Over 170 underlying properties – all located in the UK
 - › Collateral consists of 39% office, 26% multifamily, 25% retail, 9% industrial and 1% land
 - › 62% of UPB in London
- 5.5% weighted average current interest yield⁽²⁾
- 26-month weighted average maturity
- Resolved approximately 1/3 of the pool in only six months



Investments

*Investment
Management*

*Auction &
Conventional
Sales*

*Property
Services*

CASE STUDY *360 Residences*

- 213 unit luxury high rise residential project in downtown San Jose, CA
- Includes 11,000 square feet of street level retail space
- Kennedy Wilson and its partners purchased the debt on the property in November 2010
- Property was vacant with unfinished interiors
- Obtained title in March 2011
- Converted the use to apartments
- Completed \$2 million of interior finishes
- Leased and stabilized the building; after just ten months, occupancy reached 97%
- Sold in April 2012

