

Kennedy-Wilson Holdings, Inc.  
Form 424B3  
August 09, 2012  
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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 August 9, 2012, Kennedy-Wilson Holdings, Inc. filed with the Securities and Exchange Commission its Quarterly Report on Form 10-Q for the quarter ended June 30, 2012, which is reproduced below as 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 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 is qualified by reference to the Prospectus except to the extent that the information in this Prospectus Supplement supersedes the information contained in the Prospectus.

You may obtain a copy of the Registration Statement, the Prospectus and this Prospectus Supplement, 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](http://www.kennedywilson.com), or by directing a request to the Company, Attention: Investor Relations, 9701 Wilshire Blvd., Suite 700, 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](http://www.sec.gov) or at the Company's website at [www.kennedywilson.com](http://www.kennedywilson.com).

**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 June 30, 2012

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  
(State or other jurisdiction of  
incorporation or organization)  
9701 Wilshire Blvd., Suite 700  
Beverly Hills, CA 90212  
(Address of principal executive offices)  
Registrant's telephone number, including area code:  
(310) 887-6400

26-0508760  
(I.R.S. Employer  
Identification No.)

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

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

The number of shares of common stock outstanding as of August 3, 2012 was 63,742,598.

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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,” “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 those 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 ended December 31, 2011. 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 filing 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.

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FINANCIAL INFORMATION

## Item 1. Financial Statements

Kennedy-Wilson Holdings, Inc. and Subsidiaries  
Consolidated Balance Sheets

	June 30, 2012 (unaudited)	December 31, 2011
Assets		
Cash and cash equivalents	\$86,494,000	\$115,926,000
Accounts receivable	3,465,000	3,114,000
Accounts receivable — related parties	16,126,000	15,612,000
Notes receivable	11,420,000	7,938,000
Notes receivable — related parties	40,101,000	33,269,000
Real estate, net	112,770,000	115,880,000
Investments in joint ventures (\$51,776,000 and \$51,382,000 carried at fair value as of June 30, 2012 and December 31, 2011, respectively)	360,781,000	343,367,000
Loan pool participations	121,328,000	89,951,000
Marketable securities	10,326,000	23,005,000
Other assets	20,042,000	20,749,000
Goodwill	23,965,000	23,965,000
Total assets	\$806,818,000	\$792,776,000
Liabilities and equity		
Liabilities		
Accounts payable	\$672,000	\$1,798,000
Accrued expenses and other liabilities	22,134,000	24,262,000
Accrued salaries and benefits	4,717,000	14,578,000
Deferred tax liability	20,592,000	18,437,000
Senior notes payable	249,411,000	249,385,000
Mortgage loans payable	30,748,000	30,748,000
Borrowings under line of credit	34,189,000	—
Junior subordinated debentures	40,000,000	40,000,000
Total liabilities	402,463,000	379,208,000
Equity		
Cumulative preferred stock, \$0.0001 par value: 1,000,000 shares authorized \$1,000 per share liquidation preference:		
6.00% Series A, 100,000 shares issued and outstanding as of June 30, 2012 and December 31, 2011, mandatorily convertible on May 19, 2015	—	—
6.45% Series B, 32,550 shares issued and outstanding as of June 30, 2012 and December 31, 2011, mandatorily convertible on November 3, 2018	—	—
Common stock, \$0.0001 par value: 125,000,000 shares authorized, 56,134,646 and 52,989,646 shares issued and 55,117,598 and 51,825,998 shares outstanding as of June 30, 2012 and December 31, 2011, respectively	6,000	5,000

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Additional paid-in capital	405,380,000	407,335,000
Retained earnings (accumulated deficit)	(2,152,000	) 9,708,000
Accumulated other comprehensive income	9,501,000	5,035,000
Common stock held in treasury, at cost, \$0.0001 par value, 1,017,048 and 1,163,648 held at June 30, 2012 and December 31, 2011, respectively	(9,856,000	) (11,848,000 )
Total Kennedy-Wilson Holdings, Inc. shareholders' equity	402,879,000	410,235,000
Noncontrolling interests	1,476,000	3,333,000
Total equity	404,355,000	413,568,000
Total liabilities and equity	\$806,818,000	\$792,776,000

See accompanying notes to consolidated financial statements.

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Consolidated Statements of Operations  
(unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2012	2011	2012	2011
Revenue				
Management and leasing fees	\$4,101,000	\$2,346,000	\$7,257,000	\$4,795,000
Management and leasing fees — related party	6,131,000	2,600,000	11,716,000	5,162,000
Commissions	1,370,000	1,962,000	2,036,000	3,513,000
Commissions — related party	1,031,000	647,000	1,984,000	1,657,000
Sale of real estate	—	—	—	417,000
Rental and other income	1,477,000	955,000	2,947,000	1,693,000
Total revenue	14,110,000	8,510,000	25,940,000	17,237,000
Operating expenses				
Commission and marketing expenses	1,340,000	736,000	2,305,000	1,373,000
Compensation and related expenses	10,294,000	8,257,000	19,294,000	16,089,000
Cost of real estate sold	—	—	—	397,000
General and administrative	4,888,000	3,040,000	8,557,000	5,853,000
Depreciation and amortization	977,000	463,000	1,914,000	897,000
Rental operating expenses	921,000	642,000	1,791,000	1,053,000
Total operating expenses	18,420,000	13,138,000	33,861,000	25,662,000
Equity in joint venture income	5,108,000	2,551,000	10,624,000	7,807,000
Interest income from loan pool participations and notes receivable	2,876,000	2,241,000	3,414,000	4,787,000
Operating income	3,674,000	164,000	6,117,000	4,169,000
Non-operating income (expense)				
Interest income	25,000	152,000	55,000	190,000
Interest income — related party	1,182,000	249,000	2,269,000	477,000
Remeasurement gain	—	6,348,000	—	6,348,000
Gain on sale of marketable securities	—	—	2,931,000	—
Realized foreign currency exchange gain (loss)	38,000	—	(74,000)	—
Interest expense	(7,054,000)	(6,228,000)	(13,224,000)	(7,757,000)
(Loss) income from continuing operations before benefit from (provision for) income taxes	(2,135,000)	685,000	(1,926,000)	3,427,000
Benefit from (provision for) income taxes	1,138,000	(172,000)	2,621,000	(835,000)
(Loss) income from continuing operations	(997,000)	513,000	695,000	2,592,000
Discontinued Operations				
Income from discontinued operations, net of income taxes	—	—	2,000	—
Loss from sale of real estate, net of income taxes	—	—	(212,000)	—
Net (loss) income	(997,000)	513,000	485,000	2,592,000
Net income attributable to the noncontrolling interests	(128,000)	(299,000)	(2,926,000)	(1,337,000)
Net (loss) income attributable to Kennedy-Wilson Holdings, Inc.	(1,125,000)	214,000	(2,441,000)	1,255,000
Preferred dividends and accretion of preferred stock issuance costs	(2,036,000)	(2,636,000)	(4,072,000)	(4,672,000)
Net loss attributable to Kennedy-Wilson Holdings, Inc. common shareholders	\$(3,161,000)	\$(2,422,000)	\$(6,513,000)	\$(3,417,000)



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Basic and diluted loss per share attributable to  
Kennedy-Wilson Holdings, Inc. common shareholders

Continuing operations	\$ (0.06)	) \$ (0.06)	) \$ (0.12)	) \$ (0.09)	)
Discontinued operations, net of income taxes	\$—	) \$—	) \$—	) \$—	)
Earning per share - basic and diluted <sup>(a)</sup>	\$ (0.06)	) \$ (0.06)	) \$ (0.13)	) \$ (0.09)	)
Weighted average number of common shares outstanding	51,401,674	39,118,313	51,280,986	39,015,395	
Dividends declared per common share	\$0.05	\$0.04	\$0.10	\$0.04	

<sup>(a)</sup> EPS amounts may not add due to rounding.

See accompanying notes to consolidated financial statements.

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Consolidated Statements of Comprehensive (Loss) Income  
(unaudited)

	Three months ended June 30,		Six months ended June 30,		
	2012	2011	2012	2011	
Net (loss) income	\$ (997,000	) \$ 513,000	\$ 485,000	\$ 2,592,000	
Other comprehensive (loss) income, net of tax:					
Unrealized (loss) gain on marketable securities	(1,998,000	) —	3,465,000	—	
Unrealized foreign currency translation gain (loss)	1,688,000	2,161,000	(1,179,000	) 550,000	
Unrealized forward contract foreign currency (loss) gain	(1,808,000	) (1,067,000	) 2,180,000	(343,000	)
Total other comprehensive (loss) income for the period	(2,118,000	) 1,094,000	4,466,000	207,000	
Comprehensive (loss) income	(3,115,000	) 1,607,000	4,951,000	2,799,000	
Comprehensive income attributable to noncontrolling interests	(128,000	) (299,000	) (2,926,000	) (1,337,000	)
Comprehensive (loss) income attributable to Kennedy-Wilson Holdings, Inc.	\$ (3,243,000	) \$ 1,308,000	\$ 2,025,000	\$ 1,462,000	

See accompanying notes to consolidated financial statements.

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Consolidated Statement of Equity  
(unaudited)

	Preferred Stock Shares	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income	Treasury Stock	Noncontrolling Interests	Total
Balance at December 31, 2011	132,550	51,825,998	\$5,000	\$407,335,000	\$9,708,000	\$5,035,000	\$(11,848,000)	\$3,333,000	\$413,335,000
Repurchase of 3,400 common shares	—	(3,400)	—	—	—	—	(47,000)	—	(47,000)
Repurchase of 501,500 warrants	—	—	—	(1,395,000)	—	—	—	—	(1,395,000)
Common stock issued under Amended and Restated 2009 Equity Participation Plan	—	3,145,000	1,000	—	—	—	—	—	1,000
Stock-based compensation	—	—	—	2,078,000	—	—	—	—	2,078,000
Other comprehensive income:									
Unrealized gain on marketable securities, net of tax of \$2,310,000	—	—	—	—	—	3,465,000	—	—	3,465,000
Unrealized foreign currency translation loss, net of tax of \$800,000	—	—	—	—	—	(1,179,000)	—	—	(1,179,000)
Unrealized forward contract foreign currency gain, net of tax of \$1,454,000	—	—	—	—	—	2,180,000	—	—	2,180,000
Preferred stock dividends	—	—	—	—	(4,050,000)	—	—	—	(4,050,000)
	—	—	—	—	(5,347,000)	—	—	—	(5,347,000)

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Common stock dividends									
Accretion of preferred stock issuance costs	—	—	22,000	(22,000 )	—	—	—	—	—
Net (loss) income	—	—	—	(2,441,000 )	—	—	2,926,000	485,000	—
Acquisition of noncontrolling interests (Note 12)	—	—150,000	—	(2,660,000 )	—	—	2,039,000	148,000	(473,000)
Distributions to noncontrolling interests	—	—							