

Edgar Filing: Kennedy-Wilson Holdings, Inc. - Form 424B3

Kennedy-Wilson Holdings, Inc.

Form 424B3

August 11, 2014

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 8, 2014, Kennedy-Wilson Holdings, Inc. filed with the Securities and Exchange Commission its Quarterly Report on Form 10-Q for the quarter ended June 30, 2014, which is reproduced below as 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](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).

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.**



Table of Contents

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, 2014

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

Edgar Filing: Kennedy-Wilson Holdings, Inc. - Form 424B3

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 5, 2014 was 94,955,627.

---

Table of Contents

Index

PART I FINANCIAL INFORMATION

Item 1.	<u>Financial Statements (Unaudited)</u>	<u>1</u>
	<u>Consolidated Balance Sheets</u>	<u>1</u>
	<u>Consolidated Statements of Operations</u>	<u>2</u>
	<u>Consolidated Statements of Comprehensive Income (Loss)</u>	<u>3</u>
	<u>Consolidated Statement of Equity</u>	<u>4</u>
	<u>Consolidated Statements of Cash Flows</u>	<u>5</u>
	<u>Notes to Consolidated Financial Statements</u>	<u>7</u>
Item 2.	<u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>38</u>
Item 3.	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>54</u>
Item 4.	<u>Controls and Procedures</u>	<u>55</u>

PART II OTHER INFORMATION 55

Item 1.	<u>Legal Proceedings</u>	<u>56</u>
Item 1A.	<u>Risk Factors</u>	<u>56</u>
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>56</u>
Item 3.	<u>Defaults Upon Senior Securities</u>	<u>56</u>
Item 4.	<u>Mine Safety Disclosure</u>	<u>56</u>
Item 5.	<u>Other Information</u>	<u>56</u>
Item 6.	<u>Exhibits</u>	<u>56</u>

SIGNATURE 57

Table of Contents

**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 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, 2013. 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.

**Kennedy-Wilson Holdings, Inc.**

Kennedy-Wilson Holdings, Inc. is referred to as “Kennedy Wilson” or “KWH” , and Kennedy-Wilson Holdings, Inc. and its subsidiaries are collectively referred to as “The Company,” “we,” “us” or “our”, unless the context requires otherwise. Assets Under Management or “AUM”

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 consist 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.

**Operating Associates**

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 services businesses.

Table of ContentsPART I  
FINANCIAL INFORMATION

## Item 1. Financial Statements (Unaudited)

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

	June 30, 2014	December 31, 2013
(Dollars in millions, except share and per share amounts)		
Assets		
Cash and cash equivalents	\$349.5	\$170.2
Cash held by consolidated investments (including \$42.6 and \$0 of restricted cash)	292.8	8.0
Accounts receivable (including \$6.3 and \$11.4 of related party)	36.8	16.6
Loans (including \$4.0 and \$4.1 of related party)	402.3	56.8
Real estate and acquired in place lease values, net of accumulated depreciation and amortization	3,553.4	688.1
Unconsolidated investments	532.2	786.1
Other assets	187.7	73.0
Total assets	\$5,354.7	\$1,798.8
Liabilities and equity		
Liabilities		
Accounts payable, accrued expenses and other liabilities	285.7	129.1
Investment debt	1,528.7	401.8
Senior notes payable	706.0	409.0
Junior subordinated debentures	40.0	40.0
Total liabilities	2,560.4	979.9
Equity		
Cumulative preferred stock, \$0.0001 par value per share: 1,000,000 shares authorized \$1,000 per share liquidation preference	—	—
Common stock, 91,683,127 and 82,592,607 shares issued and outstanding as of June 30, 2014 and December 31, 2013	—	—
Additional paid-in capital	986.3	801.3
Accumulated deficit	(11.8	) (42.2
Accumulated other comprehensive income	1.6	9.2
Total Kennedy-Wilson Holdings, Inc. shareholders' equity	976.1	768.3
Noncontrolling interests	1,818.2	50.6
Total equity	2,794.3	818.9
Total liabilities and equity	\$5,354.7	\$1,798.8
See accompanying notes to consolidated financial statements.		

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

(Dollars in millions, except share and per share amounts)	Three Months Ended		Six Months Ended June	
	June 30, 2014	2013	30, 2014	2013
Revenue				
Investment management, property services and research fees (includes \$33.3, \$13.8, \$40.6, and \$22.2 of related party fees)	\$39.0	\$19.5	\$52.1	\$33.1
Rental and hotel	42.6	10.3	67.8	16.8
Sale of real estate	6.1	6.1	17.4	8.5
Loans and other	4.3	0.5	6.0	0.9
Total revenue	92.0	36.4	143.3	59.3
Operating expenses				
Commission and marketing	0.9	1.3		