

Kennedy-Wilson Holdings, Inc.
Form 424B5
September 11, 2013
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File No. 333-184752

PROSPECTUS SUPPLEMENT

(TO PROSPECTUS DATED NOVEMBER 15, 2012)

Kennedy-Wilson Holdings, Inc.

6,000,000 Shares

Common Stock

This is a public offering of common stock of Kennedy-Wilson Holdings, Inc. We are offering 6,000,000 shares of our common stock. Our common stock is traded on the New York Stock Exchange under the symbol KW. On September 9, 2013, the last reported sale price of our common stock was \$19.18 per share.

Investing in our common stock involves risk. See Risk Factors on page S-12.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public offering price	\$ 18.50	\$ 111,000,000
Underwriting discounts and commissions	\$ 0.76	\$ 4,560,000
Proceeds, before expenses, to us	\$ 17.74	\$ 106,440,000

We have granted the underwriter the right to purchase up to 900,000 additional shares of common stock for 30 days after the date of this prospectus supplement.

The shares will be ready for delivery on or about September 13, 2013.

Deutsche Bank Securities

The date of this prospectus supplement is September 9, 2013.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is this prospectus supplement, which describes certain matters relating to us and the specific terms of this offering of our common stock and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. The second part is the accompanying prospectus, which gives more general information about securities we may offer from time to time.

We have not, and the underwriter has not, authorized anyone to provide you with information other than that contained or incorporated by reference in this prospectus supplement and the accompanying prospectus or any free writing prospectus prepared by or on behalf of us or to which we have referred you. Neither we nor the underwriter takes any responsibility for, or provides any assurances as to the reliability of, any other information that others may give you. The information contained in this prospectus supplement, the accompanying prospectus or any free writing prospectus prepared by or on behalf of us or to which we have referred you is accurate as of their respective dates. The information in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus is accurate as of the respective dates of those documents. To the extent the information contained in this prospectus supplement differs or varies from the information contained in the accompanying prospectus, the information in this prospectus supplement will control. To the extent the information contained in this prospectus supplement differs or varies from the information contained in a document we have incorporated by reference into this prospectus supplement or the accompanying prospectus, you should rely on the information in the more recent document.

Before you decide to invest in our common stock, you should carefully read this prospectus supplement, the accompanying prospectus, the registration statement described in the accompanying prospectus (including the exhibits to the registration statement) and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The incorporated documents are described in this prospectus supplement under the caption Incorporation of Certain Information by Reference.

We are not making offers to sell our common stock or soliciting offers to purchase our common stock in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make an offer or solicitation.

Unless otherwise stated or the context otherwise requires, as used in this prospectus supplement, the words we, us, our or the company refer to Kennedy-Wilson Holdings, Inc. and its subsidiaries, and the information in this prospectus supplement assumes that the underwriter has not exercised its option to purchase additional shares of our common stock.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights selected information contained elsewhere, or incorporated by reference, in this prospectus supplement and the accompanying prospectus and may not contain all of the information that may be important to you. You should carefully read this summary together with the entire prospectus supplement and the accompanying prospectus, and the documents incorporated by reference, including the Risk Factors section, the historical financial statements and the notes to those financial statements.

Our Company

Founded in 1977, we are an international real estate investment and services firm. We are a vertically integrated real estate operating company with approximately 400 professionals in 24 offices throughout the United States, the United Kingdom, Ireland, Spain and Japan. Based on management's estimate of fair value as of June 30, 2013, we have approximately \$13.5 billion of real estate and real estate-related assets under our management (AUM), totaling over 64 million square feet of properties throughout the United States, Europe and Japan. This includes ownership in 16,679 multifamily apartment units, of which 2,030 units are owned by our consolidated subsidiaries and 14,649 are held in joint ventures.

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 intended principally 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 assets either owned by third parties, wholly owned 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 this component of our AUM. The estimated value of development properties is included at estimated completion cost.

Our Business Segments

Our operations are defined by two core business units: KW Investments and KW Services. KW Investments invests our capital in most cases alongside partners' capital in real estate-related assets, including multifamily properties, loans secured by real estate and office and residential properties. KW Services provides a full array of real estate-related services to investors and lenders, with a strong focus on financial institution based clients.

KW Investments

We invest our capital in real estate assets and loans secured by real estate through joint ventures, separate accounts, commingled funds and wholly owned investments. We are typically the general partner in these investment vehicles with ownership interests ranging from approximately 5% to 50%. Our equity partners include financial institutions, foundations, endowments, high net worth individuals and other institutional investors. In many cases, we get a promoted interest in the profits of our investments beyond our ownership percentage.

Our investment philosophy is based on three core fundamentals:

significant proprietary deal flow from an established network of industry relationships, particularly with financial institutions;

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focus on a systematic research process with a disciplined approach to investing; and

superior in-house operating execution.

Our primary investment markets include the Western United States, the United Kingdom, Ireland and Japan, which we have identified as areas with dense populations, high barriers to entry, scarcity of land and supply constraints. We typically focus on the following opportunities:

real estate owners or lenders seeking liquidity;

under-managed or under-leased assets; and

repositioning opportunities.

The following table describes our investment account, which includes the following financial statement captions below, and is derived from our consolidated balance sheet as of June 30, 2013 (dollars in millions):

Investment in joint ventures	\$ 694.7
Real estate, net of depreciation	488.4
Mortgage debt	(318.8)
Notes receivable	21.4
Acquired in-place lease value, net of amortization ⁽¹⁾	7.6
Loan pool participations	68.7
Total net investment account	962.0
Add back:	
Accumulated depreciation and amortization	19.5
Kennedy Wilson's share of accumulated depreciation and amortization included in investment in joint ventures	78.8
Total gross investment account	\$ 1,060.3

⁽¹⁾ Included in other assets.

The following table breaks down our investment account information derived from our consolidated balance sheet by investment type and geographic location as of June 30, 2013 (dollars in millions):

Multifamily	Commercial	Loans Secured by Real Estate	Residential, Hotel, and Other ⁽¹⁾	Total
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Western United States	\$	214.3	\$	205.4	\$	80.3	\$	113.9	\$	613.9
Other United States		0.4		3.6				8.6		12.6
Japan		76.7		6.8						83.5
United Kingdom				19.5		87.2				106.7
Ireland		77.4		60.3		7.6				145.3
Total	\$	368.8	\$	295.6	\$	175.1	\$	122.5	\$	962.0

(1) Includes for-sale residential properties, condominiums and residential land.

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KW Services

KW Services offers a comprehensive line of real estate services for the full lifecycle of real estate ownership and investment to clients that include financial institutions, developers, builders and government agencies. KW Services has three business lines: investment management, property services and auction and conventional sales. These three business lines generate revenue for us through commissions and fees.

Through our investment management business, we provide acquisition, asset management and disposition services to our equity partners as well as to third parties.

We manage over 64 million square feet of property for institutional clients and individual investors in the United States, Europe and Japan. With 24 offices throughout the United States, the United Kingdom, Ireland, Spain and Japan, we have the capabilities and resources to provide property services to real estate owners, as well as the experience as a real estate investor, to understand client concerns.

Additionally, KW Services plays a critical role in supporting the company's investment strategy by providing local market intelligence and real-time data for evaluating investments, generating proprietary transaction flow and creating value through efficient implementation of asset management or repositioning strategies.

Our Competitive Strengths

We believe the combination of a service business and an investment platform provides us with significant competitive advantages and allows us to generate superior risk-adjusted returns. We use our service platform to facilitate the origination of investment opportunities, enhance the investment process and ensure the alignment of interests with our investors' interests. Our competitive advantages include:

Transaction experience: Our Executive Committee has more than 125 years of combined real estate experience and has been working and investing together, on average, for over 15 years. Members of the Executive Committee have collectively acquired, developed and managed in excess of \$20 billion of real estate investments in the United States, the United Kingdom, Ireland and Japan throughout various economic cycles, both at our company and throughout their careers.

Extensive relationship and sourcing network: We leverage our services business in order to source off-market deals. In addition, the Executive Committee and our acquisition team have transacted deals in nearly every major metropolitan market on the West Coast of the United States, as well as in the United Kingdom, Ireland and Japan. Their local presence and reputation in these markets have enabled them to cultivate key relationships with major holders of property inventory, particularly financial institutions, throughout the real estate community.

Structuring expertise and speed of execution: Our prior acquisitions have taken a variety of forms, including direct property investments, joint ventures, participating loans and investments in performing and non-performing mortgages with the objective of long-term ownership. We believe we have developed a reputation of being able to quickly execute, as well as originate and creatively structure, acquisitions, dispositions and financing transactions.

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Vertically integrated platform for operational enhancement: We have approximately 400 employees, with 24 regional offices throughout the United States, the United Kingdom, Ireland, Spain and Japan. We have a hands-on approach to real estate investing and possess the local expertise in property management, leasing, construction management, development and investment sales, which, we believe, enable us to invest successfully in selected submarkets.

Risk protection and investment discipline: We underwrite our investments based upon a thorough examination of property economics and a critical understanding of market dynamics and risk management strategies. We conduct an in-depth sensitivity analysis on each of our acquisitions. This analysis applies various economic scenarios that include changes to rental rates, absorption periods, operating expenses, interest rates, exit values and holding periods. We use this analysis to develop our disciplined acquisition strategies.

Recent Developments

Acquisition Activity

Subsequent to June 30, 2013, we and our equity partners have acquired \$1.0 billion of real estate-related investments, which include 23 commercial properties, two loan originations and one loan portfolio purchase. Our total equity investment in these transactions was approximately \$121 million. Our investments since June 30, 2013 include the following:

Real Estate: We and our equity partners have acquired two portfolios totaling 21 commercial properties located in the United Kingdom and Ireland, consisting of approximately 2.9 million square feet. In addition, we and our equity partners have also acquired two commercial properties in the Western United States and the United Kingdom totaling approximately 0.2 million square feet.

Loans: We and our equity partners have originated two loans for approximately \$24 million secured by properties located in the Western United States. We and our equity partners have also acquired a loan pool in the United Kingdom with an unpaid principal balance of approximately \$130 million.

Pipeline

As of September 9, 2013, we are under separate contracts to purchase six real estate-related investments in the United States and the United Kingdom, as well as a real estate loan servicing business platform in Spain, at an aggregate purchase price of over \$450 million. We are currently conducting our due diligence on these investments, and all but one of the agreements provide us with the right to terminate the agreement for any reason prior to the expiration of the relevant due diligence period. In the event that we consummate any of these acquisitions, we anticipate financing such transactions with a combination of debt and third-party equity. Our equity investment in any of these acquisitions has not yet been determined. There can be no assurances that we will complete these or any other potential acquisitions under contract.

Amendment to Unsecured Revolving Credit Facility

We are currently in discussions with the lenders under our unsecured revolving credit facility to, among other things, increase the amount available to us under the facility and extend

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the term. There can be no assurances that we will be successful in amending our unsecured revolving credit facility. Loans under this facility currently mature on June 30, 2015.

Corporate Information

Kennedy-Wilson Holdings, Inc. is a Delaware corporation. Our corporate headquarters is located at 9701 Wilshire Blvd., Suite 700, Beverly Hills, California 90212, and our telephone number is (310) 887-6400.

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The Offering

Issuer	Kennedy-Wilson Holdings, Inc.
Common Stock Offered by Us	6,000,000 shares (or, if the underwriter fully exercises its option to purchase additional shares, 6,900,000 shares)
Common Stock to Be Outstanding after this Offering	80,114,060 shares (or, if the underwriter fully exercises its option to purchase additional shares, 81,014,060 shares)
New York Stock Exchange Symbol	KW
Use of Proceeds	<p>We estimate that the net proceeds to us from this offering will be approximately \$106.2 million (or approximately \$122.2 million if the underwriter fully exercises its option to purchase additional shares), after deducting underwriting discounts and commissions and the estimated offering expenses payable by us.</p> <p>We currently intend to use the net proceeds from this offering for general corporate purposes, including future acquisitions and co-investments, and to repay the \$50.0 million balance outstanding under our unsecured revolving credit facility as of September 9, 2013. See Use of Proceeds.</p>
Risk Factors	Investing in our common stock involves substantial risks. You should carefully consider the risk factors set forth or referred to under the caption Risk Factors on page S-12 of this prospectus supplement.
The number of shares of our common stock outstanding after this offering is based on 74,114,060 shares outstanding as of September 1, 2013 and excludes:	

11,100,074 shares of common stock issuable upon conversion of our outstanding preferred stock; and

5,393,912 shares of our common stock issuable upon exercise of warrants outstanding as of September 1, 2013.

Unless we specifically state otherwise, the information in this prospectus supplement assumes that the underwriter does not exercise its option to purchase up to 900,000 additional shares of our common stock.

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The following summary historical consolidated financial data for each of the years in the three-year period ended December 31, 2012 and summary historical consolidated balance sheet data as of December 31, 2011 and 2012 have been derived from our audited consolidated financial statements incorporated by reference in this prospectus supplement. The summary historical consolidated financial data for the six-month periods ended June 30, 2013 and 2012 and summary balance sheet data as of June 30, 2013 have been derived from our unaudited interim condensed consolidated financial statements incorporated by reference in this prospectus supplement. The summary historical balance sheet data as of December 31, 2010 have been derived from our audited consolidated financial statements not included or incorporated by reference in this prospectus supplement.

The financial data set forth in the tables below are not necessarily indicative of the results of future operations and should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and accompanying notes thereto included in our annual report on Form 10-K for the fiscal year ended December 31, 2012, as amended, and our quarterly report on Form 10-Q for the quarter ended June 30, 2013, each of which is incorporated by reference in this prospectus supplement.

Some of the financial data contained or incorporated by reference in this prospectus supplement and the accompanying prospectus reflects the effects of, and may not total due to, rounding.

	For the Years Ended December 31,			For the Six Months Ended June 30,	
	2010	2011	2012	2012 (unaudited)	2013 (unaudited)
Statement of Operations:					
Revenue					
Management and leasing fees	\$ 21,330,000	\$ 27,116,000	\$ 40,304,000	\$ 18,973,000	\$ 26,776,000
Commissions	11,734,000	29,960,000	12,955,000	4,020,000	6,300,000
Sale of real estate	13,472,000	417,000	2,271,000		8,514,000
Rental and other income	4,000,000	5,140,000	8,526,000	2,947,000	16,762,000
Total revenue	50,536,000	62,633,000	64,056,000	25,940,000	58,352,000
Operating expenses					
Commission and marketing expenses	3,186,000	3,965,000	4,550,000	2,305,000	1,834,000
Compensation and related expenses	38,155,000	41,129,000	55,834,000	19,294,000	31,884,000
	2,225,000				

Merger-related compensation and related expenses					
Cost of real estate sold	11,526,000	397,000	2,230,000		7,002,000
General and administrative	11,314,000	14,455,000	19,448,000	8,557,000	11,814,000
Depreciation and amortization	1,618,000	2,798,000	4,937,000	1,914,000	7,472,000
Rental operating expense	1,913,000	3,308,000	4,496,000	1,791,000	7,685,000
Total operating expenses	69,937,000	66,052,000	91,495,000	33,861,000	67,691,000
Equity in joint venture income	10,548,000	12,507,000	21,527,000	10,624,000	11,576,000
Interest income from loan pool participations and notes receivable	11,855,000	7,886,000	9,256,000	3,414,000	6,226,000
Operating income	3,002,000	16,974,000	3,344,000	6,117,000	8,463,000

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Interest income	854,000	2,306,000	2,938,000	2,324,000	239,000
Acquisition-related gain	2,108,000	6,348,000	25,476,000		9,459,000
Acquisition-related expenses			(675,000)		(510,000)
Gain on sale of marketable securities			4,353,000	2,931,000	
Other				(74,000)	
Gain on early extinguishment of mortgage debt	16,670,000				
Loss on early extinguishment of corporate debt	(4,788,000)				
Interest expense	(7,634,000)	(20,507,000)	(28,595,000)	(13,224,000)	(23,963,000)

Income (loss) from continuing operations before (provision for) benefit from income taxes

	10,212,000	5,121,000	6,841,000	(1,926,000)	(6,312,000)
(Provision for) benefit from income taxes	(3,727,000)	2,014,000	208,000	2,621,000	2,172,000

Income (loss) from continuing operations

	6,485,000	7,135,000	7,049,000	695,000	(4,140,000)
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Discontinued operations

Income from discontinued operations, net of income taxes		8,000	2,000	2,000	(3,000)
Gain (loss) from sale of real estate, net of income taxes		335,000	(212,000)	(212,000)	217,000

Net income (loss)	6,485,000	7,478,000	6,839,000	485,000	(3,926,000)
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Net (income) loss attributable to the non-controlling interests	(2,979,000)	(1,132,000)	(2,589,000)	(2,926,000)	1,898,000
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Net income (loss) attributable to Kennedy-Wilson Holdings, Inc.

	\$ 3,506,000	\$ 6,346,000	\$ 4,250,000	\$ (2,441,000)	\$ (2,028,000)
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Statement of Cash Flow**Data:****Cash flow provided by**

(used in):

Operating activities	\$ 2,157,000	\$ (6,011,000)	\$ 6,767,000	\$ 18,924,000	\$ (23,856,000)
Investing activities	(114,836,000)	(198,134,000)	(389,728,000)	(65,318,000)	(195,225,000)
Financing activities	91,160,000	272,617,000	388,418,000	17,603,000	240,610,000

Other Selected Data

EBITDA ⁽¹⁾	48,108,000	66,122,000	92,174,000	35,902,000	65,531,000
Adjusted EBITDA ⁽²⁾	58,427,000	71,177,000	100,321,000	37,980,000	68,962,000

	As of December 31,			As of June 30,
	2010	2011	2012	2013
				(unaudited)

Balance Sheet Data:

Cash and cash equivalents	\$ 46,968,000	\$ 115,926,000	\$ 120,855,000	\$ 139,651,000
Investment Account ⁽³⁾	363,700,000	584,446,000	837,611,000	961,997,000
Total assets	487,848,000	792,776,000	1,283,789,000	1,513,247,000
Total debt	127,782,000	320,133,000	686,178,000	798,161,000
Total Kennedy-Wilson Holdings, Inc. stockholders equity	300,192,000	410,235,000	509,644,000	641,660,000

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- (1) EBITDA represents net income (loss) before interest expense, our share of interest expense included in income from investments in joint ventures and loan pool participations, depreciation and amortization, our share of depreciation and amortization included in income from investments in joint ventures, loss on early extinguishment of corporate debt and income taxes. We do not adjust 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. EBITDA is not a recognized term under generally accepted accounting principles, or 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, EBITDA is not intended to be a measure of free cash flow available for management's discretionary use, as it does not consider certain cash requirements such as interest payments, tax payments and debt service requirements. Our presentation of 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. EBITDA is not calculated under GAAP and should not be considered in isolation or as a substitute for net income, cash flows or other financial data prepared in accordance with GAAP or as a measure of our overall profitability or liquidity. Our management believes EBITDA is useful in evaluating our operating performance compared to that of other companies in our industry because the calculation of 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 EBITDA is useful to investors to assist them in getting a more accurate picture of our results from operations.
- (2) Adjusted EBITDA represents EBITDA, as defined above, adjusted to exclude merger-related expenses and stock-based compensation expense. Our management uses Adjusted EBITDA to analyze our business because it adjusts EBITDA for items we believe do not have an accurate reflection of the nature of our business going forward or are non-cash in nature. 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, EBITDA and Adjusted EBITDA are not recognized measurements under GAAP, and, when analyzing our operating performance, readers should use 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 EBITDA and Adjusted EBITDA may not be comparable to similarly titled measures of other companies. Furthermore, EBITDA and Adjusted EBITDA are not intended to be a measure of free cash flow for our management's discretionary use, as it does not consider certain cash requirements such as tax and debt service payments. The amounts shown for 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.
- (3) Net Investment Account is defined as investments in joint ventures plus real estate, net, plus notes receivable plus loan pool participations plus marketable securities plus acquired in-place lease value, net less mortgage debt.

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The following table sets forth a reconciliation of EBITDA and Adjusted EBITDA to Net (loss) income, the most directly comparable GAAP financial measure, for each of the periods indicated:

	For the Years Ended December 31,			For the Six Months Ended June 30,	
	2010	2011	2012	2012 (unaudited)	2013 (unaudited)
Net (loss) income	\$ 6,485,000	\$ 7,478,000	\$ 6,839,000	\$ 485,000	\$ (3,926,000)
Add back:					
Interest expense	7,634,000	20,507,000	28,595,000	13,224,000	23,963,000
Kennedy Wilson's share of interest expense included in joint ventures and loan pool participants	13,802,000	23,453,000	29,412,000	15,000,000	20,717,000
Depreciation and amortization	1,618,000	2,798,000	4,937,000	1,914,000	7,472,000
Kennedy Wilson's share of depreciation and amortization included in investment in joint ventures	10,054,000	13,900,000	22,599,000	7,900,000	19,477,000
Loss on early extinguishment of corporate debt	4,788,000				
(Benefit from) provision for income taxes	3,727,000	(2,014,000)	(208,000)	(2,621,000)	(2,172,000)
EBITDA	48,108,000	66,122,000	92,174,000	35,902,000	65,531,000
Add back:					
Merger related expenses, including compensation-related and general and administrative ⁽¹⁾	2,225,000				
Stock-based compensation expense ⁽²⁾	8,094,000	5,055,000	8,147,000	2,078,000	3,431,000
Adjusted EBITDA	\$ 58,427,000	\$ 71,177,000	\$ 100,321,000	\$ 37,980,000	\$ 68,962,000

(1) Expenses incurred in connection with our merger with a wholly owned subsidiary of Prospect Acquisition Company in 2009.

(2) Expenses related to stock-based compensation pursuant to our equity participation plan and the award of restricted stock to certain of our executive officers and employees.

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RISK FACTORS

An investment in our common stock involves a high degree of risk. Before deciding to invest in our common stock, you should carefully consider the risks set forth under the heading **Risk Factors** beginning on page 5 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2012, which we filed with the Securities and Exchange Commission, or the SEC, on March 12, 2013 and which is incorporated by reference into this prospectus supplement, as well as the other information in that Annual Report and in other reports we file from time to time with the SEC that are incorporated by reference in this prospectus supplement. See **Incorporation of Certain Information by Reference**.

The risks and uncertainties referred to above are not the only risks and uncertainties that we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any of these risks actually occurs, our business, financial condition and results of operations would suffer.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Statements included or incorporated by reference in this prospectus supplement or the accompanying prospectus or in other reports and statements released by us that are not historical facts constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21 of the Exchange Act. These forward-looking statements are estimates reflecting the judgment of our senior management based on estimates, expectations, forecasts and projections that are current as of the date of the applicable forward-looking statement. Forward-looking statements include comments that express opinions about trends and factors that may impact future operating results. Disclosures that use words such as believe, anticipate, estimate, intend, could, plan, expect, or the negative of these, as well as similar expressions, are intended to identify forward-looking statements, but the absence of any of these words does not necessarily mean that a statement is not forward-looking.

Forward-looking 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 actual results, performance or achievements or industry results to differ materially from any future results, performance or achievements expressed or implied by the forward-looking statements. Although we believe that our plans, intentions, expectations, strategies and prospects as reflected in or suggested by those forward-looking statements are reasonable as of the time the statements were made, the transactions and events described may not happen as described or may not happen at all. In evaluating these statements, you should specifically consider the risks referred to under the heading Risk Factors on page S-12 of this prospectus supplement, including, but not limited to, the following factors:

disruptions in general economic and business conditions, particularly in geographic areas where our business may be concentrated;

the continued volatility and disruption of the capital and credit markets, higher interest rates, higher loan costs, less desirable loan terms and a reduction in the availability of mortgage loans and mezzanine financing, all of which could increase costs and limit our ability to acquire additional real estate assets;

continued high levels of, or increases in, unemployment and a general slowdown in commercial activity;

our leverage and ability to refinance existing indebtedness or incur additional indebtedness;

an increase in our debt service obligations;

our ability to generate a sufficient amount of cash from operations to satisfy working capital requirements and to service our existing and future indebtedness;

our ability to achieve improvements in operating efficiency;

foreign currency fluctuations;

adverse changes in the securities markets;

our ability to retain our senior management and attract and retain qualified and experienced employees;

our ability to attract new user and investor clients;

our ability to retain major clients and renew related contracts;

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trends in the use of large, full-service commercial real estate providers;

changes in tax laws in the United States, Europe or Japan that reduce or eliminate our deductions or other tax benefits;

future acquisitions may not be available at favorable prices or with advantageous terms and conditions;
and

costs relating to the acquisition of assets we may acquire could be higher than anticipated.

Each forward-looking statement should be considered in the context of the various disclosures we make about our business, including, without limitation, the factors discussed above. Except as required under the federal securities laws and the rules and regulations of the SEC, we do not intend or have an obligation to publicly update any forward-looking statements, whether as a result of new information, future events, changes in assumptions or otherwise.

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USE OF PROCEEDS

We estimate that the net proceeds to us from this offering will be approximately \$106.2 million (or approximately \$122.2 million if the underwriter fully exercises its option to purchase additional shares), after deducting underwriting discounts and commissions and the estimated offering expenses payable by us.

We currently intend to use the net proceeds from this offering for general corporate purposes, including future acquisitions and co-investments, and to repay the \$50.0 million balance outstanding under our unsecured revolving credit facility as of September 9, 2013. Loans under this facility mature on June 30, 2015 and bear interest at a rate per annum equal to LIBOR plus 2.75%. We are currently in discussions with the lenders under our unsecured revolving credit facility to, among other things, increase the amount available to us under the facility and extend the term. There can be no assurances that we will be successful in amending our unsecured revolving credit facility.

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The following table sets forth our cash, cash equivalents and short-term investments and our consolidated capitalization as of June 30, 2013:

on an actual basis; and

on an adjusted basis to give effect to the sale of 6,000,000 shares of our common stock we are offering, after deducting underwriting discounts and commissions and estimated offering expenses to be paid by us.

No adjustments have been made to reflect normal course operations by us or other developments with our business after June 30, 2013. As a result, the as adjusted information provided below is not indicative of our actual cash and cash equivalents position or consolidated capitalization as of any date. You should read this table in conjunction with Use of Proceeds and the disclosures in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012, as amended, and our quarterly report on Form 10-Q for the quarter ended June 30, 2013, each of which is incorporated by reference in this prospectus supplement.

	As of June 30, 2013	
	Actual (unaudited)	As Adjusted (unaudited)
Cash, cash equivalents and short-term investments	\$ 139,651,000	\$ 245,846,000
Debt:		
Secured mortgage loans	\$ 318,813,000	\$ 318,813,000
Unsecured revolving credit facility ⁽¹⁾	30,000,000	30,000,000
8.750% senior notes due 2019 ⁽²⁾	350,000,000	350,000,000
7.75% senior notes due 2042 ⁽³⁾	55,000,000	55,000,000
Junior subordinated debentures due 2037	40,000,000	40,000,000
Total debt	793,813,000	793,813,000
Equity:		
Cumulative preferred stock, \$0.0001 par value per share; 1,000,000 shares authorized, \$1,000 per share liquidation preference, actual and as adjusted:		
6.00% Series A; 100,000 shares issued and outstanding, actual and as adjusted ⁽⁴⁾		
6.45% Series B; 32,550 shares issued and outstanding, actual and as adjusted ⁽⁵⁾		
Common stock, \$0.0001 par value per share; 125,000,000 shares authorized, actual and as adjusted; 73,975,960 shares issued and outstanding, actual; 79,975,960 shares issued and outstanding, as adjusted	7,000	8,000

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Additional paid-in capital	663,575,000	769,769,000
Accumulated deficit	(22,283,000)	(22,283,000)
Accumulated other comprehensive income	361,000	361,000
Total Kennedy-Wilson Holdings, Inc. stockholders equity	641,660,000	747,855,000
Non-controlling interest	9,518,000	9,518,000
Total equity	651,178,000	757,373,000
Total capitalization	\$ 1,444,991,000	\$ 1,551,186,000

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- (1) Total availability, as of June 30, 2013, of \$70.0 million. The average amount of revolver borrowings fluctuates during the year. Subsequent to June 30, 2013, we drew \$20.0 million from the revolving credit facility. We intend to use a portion of the proceeds from this offering to repay the outstanding balance under this facility.
- (2) The \$350.0 million of 8.750% senior notes due 2019, or the 2019 notes, are presented at their face amount and do not reflect the estimated amount of net proceeds from the offerings of the 2019 notes of \$347.3 million.
- (3) The \$50.0 million of 7.75% senior notes due 2042, or the 2042 notes, are presented at their face amount and do not reflect the estimated amount of net proceeds from the offering of the 2042 notes of \$48.1 million.
- (4) Mandatorily convertible on May 19, 2015, or earlier at the option of the holder thereof, at a conversion price of \$12.41 per share, subject to adjustment.
- (5) Mandatorily convertible on November 3, 2018, or earlier at the option of the holder thereof, or, in certain circumstances, at our election on or after May 3, 2017, at a conversion price of \$10.70 per share, subject to adjustment.

The table above should be read in conjunction with our consolidated financial statements and related notes incorporated by reference in this prospectus supplement. The actual and as adjusted number of shares of our common stock issued and outstanding as set forth in the table above excludes:

11,100,074 shares of common stock issuable upon conversion of our outstanding preferred stock;

5,395,412 shares of our common stock issuable upon exercise of warrants outstanding as of June 30, 2013; and

up to 900,000 shares of our common stock that may be purchased by the underwriter upon exercise of its option to purchase additional shares.

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U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a discussion of the material U.S. federal income tax considerations relevant to non-U.S. holders (as defined below) of the ownership and disposition of shares of our common stock, but does not purport to be a complete analysis of all potential tax effects. This discussion is based on the Internal Revenue Code of 1986, as amended (the Code), U.S. Treasury Regulations issued thereunder, Internal Revenue Service (IRS) rulings and pronouncements, and judicial decisions, all as of the date hereof and all of which are subject to change at any time. Any such change may be applied retroactively in a manner that could adversely affect a holder of our common stock. We have not sought any ruling from the IRS with respect to the statements made and the conclusions reached in the following discussion, and there can be no assurance that the IRS will agree with such statements and conclusions.

This discussion does not address all of the U.S. federal income tax consequences that may be relevant to a holder in light of such holder's particular circumstances or to holders subject to special rules, including, without limitation:

banks, insurance companies and other financial institutions;

U.S. expatriates and certain former citizens or long-term residents of the United States;

holders subject to the alternative minimum tax;

dealers in securities;

traders in securities;

controlled foreign corporations, passive foreign investment companies and corporations that accumulate earnings to avoid U.S. federal income tax;

partnerships or other pass-through entities;

real estate investment trusts or regulated investment companies;

persons holding shares of our common stock as part of a straddle, conversion transaction or other risk reduction transaction; and

persons deemed to sell shares of our common stock under the constructive sale provisions of the Code.

In addition, this discussion is limited to non-U.S. holders purchasing shares of our common stock issued pursuant to this offering and who hold shares of our common stock as capital assets within the meaning of Section 1221 of the

Code. Moreover, the effects of other U.S. federal tax laws (such as estate and gift tax laws or the unearned income Medicare contribution tax) and any applicable state, local or foreign tax laws are not discussed.

If a partnership or other entity taxable as a partnership holds our common stock, the tax treatment of the partners in the partnership generally will depend on the status of the particular partner in question and the activities of the partnership. Such partners should consult their tax advisors as to the specific tax consequences to them of holding our common stock indirectly through ownership of their partnership interests.

YOU ARE URGED TO CONSULT YOUR TAX ADVISOR WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO YOUR PARTICULAR SITUATION AS WELL AS ANY TAX CONSEQUENCES OF THE OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK ARISING UNDER THE FEDERAL ESTATE OR GIFT TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL, FOREIGN OR OTHER TAXING JURISDICTION OR UNDER ANY APPLICABLE TAX TREATY.

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Definition of Non-U.S. Holder

A non-U.S. holder is a beneficial owner of our common stock that is not a partnership (or an entity treated as a partnership for U.S. federal income tax purposes) or a U.S. holder. A U.S. holder is any of the following:

an individual who is a citizen or resident of the United States;

a corporation or other entity treated as a corporation created or organized in or under the laws of the United States, any state thereof, or the District of Columbia;

an estate, the income of which is subject to U.S. federal income tax regardless of its source; or

a trust, if (a) a U.S. court can exercise primary supervision over the administration of the trust and one or more United States persons within the meaning of the Code control all substantial trust decisions; or (b) it has made a valid election under applicable Treasury Regulations to continue to be treated as a United States person.

Distributions on Our Common Stock

Distributions we make with respect to shares of our common stock will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Amounts not treated as dividends for U.S. federal income tax purposes will constitute a return of capital and first be applied against and reduce a non-U.S. holder's adjusted tax basis in its shares of our common stock, but not below zero. Any excess will be treated as capital gain and will be treated as described below under Gain on Sale or Disposition of Shares of Our Common Stock. Because we may not know the extent to which a distribution is a dividend for U.S. federal income tax purposes at the time it is made, for withholding purposes, we may treat the entire distribution as a dividend. However, amounts withheld would generally be refundable if it were subsequently determined that the distribution was, in fact, not a dividend for U.S. federal income tax purposes, provided that certain conditions are met.

Dividends paid to a non-U.S. holder of shares of our common stock that are not effectively connected with a U.S. trade or business conducted by such non-U.S. holder generally will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividends, or such lower rate as is specified by an applicable tax treaty. To receive the benefit of a reduced treaty rate, a non-U.S. holder must furnish a valid IRS Form W-8BEN (or applicable successor form) certifying such non-U.S. holder's qualification for the reduced rate. This certification must be provided prior to the payment of dividends and must be updated periodically. If the non-U.S. holder holds the stock through a financial institution or other agent acting on the non-U.S. holder's behalf, the non-U.S. holder will be required to provide appropriate documentation to the agent. If a non-U.S. holder qualifies for a reduced treaty rate but does not timely provide the required certification, the non-U.S. holder may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. holders should consult their tax advisors regarding possible entitlement to benefits under a tax treaty.

If a non-U.S. holder holds shares of our common stock in connection with the conduct of a trade or business in the United States, and dividends paid on the shares of our common stock are effectively connected with such non-U.S.

holder's U.S. trade or business (and, if required by an applicable tax treaty, attributable to a permanent establishment maintained by the non-U.S. holder in the United States), the non-U.S. holder will be exempt from U.S. federal withholding

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tax. To claim the exemption, the non-U.S. holder must furnish a valid IRS Form W-8ECI (or applicable successor form), certifying that the dividends are effectively connected with the non-U.S. holder's conduct of a trade or business within the United States. Any such dividends generally will be subject to U.S. federal income tax on a net-income basis in the same manner as if such non-U.S. holder were a United States person. A non-U.S. holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate as is specified by an applicable tax treaty) on its effectively connected earnings and profits for the taxable year, as adjusted for certain items. Non-U.S. holders should consult their tax advisors regarding any applicable tax treaties that may provide for different rules.

Gain on Sale or Disposition of Our Common Stock

Subject to the discussion below regarding backup withholding, a non-U.S. holder generally will not be subject to U.S. federal income tax on any gain realized upon the sale or disposition of shares of our common stock unless:

the gain is effectively connected with the non-U.S. holder's conduct of a trade or business in the United States and, if required by an applicable tax treaty, attributable to a permanent establishment maintained by the non-U.S. holder in the United States;

the non-U.S. holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the sale or disposition and certain other requirements are met; or

shares of our common stock constitute a U.S. real property interest by reason of our status as a U.S. real property holding corporation, or a USRPHC, for U.S. federal income tax purposes.

Unless an applicable tax treaty provides otherwise, the gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net-income basis in the same manner as if such non-U.S. holder were a United States person. A non-U.S. holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate as is specified by an applicable tax treaty) on its effectively connected earnings and profits for the taxable year, as adjusted for certain items. Non-U.S. holders should consult their tax advisors regarding any applicable tax treaties that may provide for different rules.

Gain described in the second bullet point above generally will be subject to U.S. federal income tax at a flat 30% rate (or such lower rate as is specified by an applicable income tax treaty), but may be offset by U.S.-source capital losses of the non-U.S. holder during the taxable year of the sale or disposition (even though the individual is not considered a resident of the United States), provided that the non-U.S. holder has timely filed U.S. federal income tax returns with respect to such losses.

With respect to the third bullet point above, we believe that we currently are a USRPHC. Because the determination of whether we are a USRPHC depends on the fair market value of our U.S. real property interests relative to the fair market value of our other real estate and business assets, however, there can be no assurance that we currently are a USRPHC or will remain a USRPHC in the future. Assuming we are a USRPHC, as long as shares of our common stock are regularly traded on an established securities market, a non-U.S. holder's shares of our common stock will not be treated as a U.S. real property interest unless the non-U.S. holder actually or constructively held more than 5% of the shares of our common stock at any time during the shorter of (i) the five-year period ending on the date of the non-U.S. holder's sale or disposition of such shares and (ii) the non-U.S. holder's holding period for such shares. We

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believe, but cannot guarantee, that shares of our common stock will continue to be regularly traded on an established securities market. If gain on the sale or other taxable disposition of shares of our common stock were subject to taxation under the third bullet point above, the non-U.S. holder would be subject to regular U.S. federal income tax with respect to such gain in generally the same manner as a United States person. In addition, if shares of our common stock were not regularly traded on an established securities market, the purchaser of such common stock would generally be required to withhold and remit to the IRS 10% of the purchase price.

Information Reporting and Backup Withholding

Generally, information returns must be filed annually with the IRS and provided to each non-U.S. holder with respect to the amount of dividends paid to such non-U.S. holder and the amount, if any, of tax withheld with respect to those dividends. This information also may be made available under a specific treaty or agreement with the tax authorities of the country in which the non-U.S. holder resides or is established. Under certain circumstances, the Code imposes backup withholding on certain reportable payments. Backup withholding generally will not, however, apply to payments of dividends to a non-U.S. holder of shares of our common stock, provided that the non-U.S. holder furnishes to the applicable withholding agent the required certification as to its non-U.S. status, such as by providing a valid IRS Form W-8BEN or W-8ECI, or otherwise establishes an exemption. Notwithstanding the foregoing, backup withholding may apply if the payor has actual knowledge, or reason to know, that the non-U.S. holder is a United States person that is not an exempt recipient.

Unless a non-U.S. holder complies with certification procedures to establish that it is not a United States person, information returns may be filed with the IRS in connection with, and the non-U.S. holder may be subject to backup withholding on the proceeds from, a sale or other disposition of shares of our common stock. The certification procedures described in the immediately preceding paragraph will satisfy these certification requirements as well.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a non-U.S. holder's U.S. federal income tax liability, provided that the required information is timely furnished to the IRS.

Foreign Account Tax Compliance Act

Under legislation commonly referred to as the Foreign Account Tax Compliance Act (FATCA), withholding taxes may apply to certain types of payments made to foreign financial institutions (as specially defined in the Code) and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on dividends on, and gross proceeds from the sale or other disposition of, shares of our common stock paid to a foreign financial institution or to a non-financial foreign entity, unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any substantial U.S. owners or furnishes identifying information regarding each substantial U.S. owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution described in clause (1) above, in order to avoid this tax, it must generally enter into an agreement with the U.S. Treasury requiring, among other things, that it undertake to identify accounts held by certain United States persons or U.S.-owned foreign entities, annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an inter-governmental agreement with the United States governing FATCA may be subject to different rules.

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Treasury Regulations and IRS guidance provide that the withholding provisions described above generally will apply to payments of dividends on or after July 1, 2014 and to payments of gross proceeds from a sale or other disposition of stock on or after January 1, 2017. Prospective investors should consult their tax advisors regarding these withholding provisions.

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Subject to the terms and conditions of the underwriting agreement, Deutsche Bank Securities Inc., as underwriter, has agreed to purchase from us 6,000,000 shares of common stock at the public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus supplement.

The underwriting agreement provides that the obligations of the underwriter to purchase the shares of common stock offered hereby are subject to certain conditions precedent and that the underwriter will purchase all of the shares of common stock offered by this prospectus supplement, other than those covered by the option to purchase additional shares described below, if any of these shares are purchased.

We have been advised by Deutsche Bank Securities Inc. that it proposes to offer the shares of common stock to the public at the public offering price set forth on the cover of this prospectus supplement and to dealers at a price that represents a concession not in excess of \$0.15 per share under the public offering price. After the offering, Deutsche Bank Securities Inc. may change the offering price and other selling terms.

We have granted to Deutsche Bank Securities Inc. an option, exercisable not later than 30 days after the date of this prospectus supplement, to purchase up to 900,000 additional shares of common stock at the public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus supplement. We will be obligated, pursuant to the option, to sell these additional shares of common stock to Deutsche Bank Securities Inc. to the extent the option is exercised. If any additional shares of common stock are purchased, Deutsche Bank Securities Inc. will offer the additional shares on the same terms as those on which the 6,000,000 shares are being offered.

The underwriting discounts and commissions per share are equal to the public offering price per share of common stock less the amount paid by Deutsche Bank Securities Inc. to us per share of common stock. The underwriting discounts and commissions are 4.1% of the public offering price. We have agreed to pay Deutsche Bank Securities Inc. the following discounts and commissions assuming either no exercise or full exercise by Deutsche Bank Securities Inc. of its option to purchase additional shares:

	Fee per Share	Total Fees Without Exercise of Option	With Full Exercise of Option
Discounts and commission paid by us	\$ 0.76	\$ 4,560,000	\$ 5,244,000

In addition, we estimate that our share of the total expenses of this offering, excluding underwriting discounts and commissions, will be approximately \$245,000.

We have agreed to indemnify Deutsche Bank Securities Inc. and its control persons against some specified types of liabilities, including liabilities under the Securities Act, and to contribute to payments the Deutsche Bank Securities Inc. or its control persons may be required to make in respect of any of these liabilities.

We, our directors and certain executive officers have agreed, subject to certain limited exceptions, not to sell or transfer any of our common stock or securities convertible into or exchangeable or exercisable for our common stock for 60 days after the date of this prospectus

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supplement without first obtaining the written consent of Deutsche Bank Securities Inc. Specifically, we and these other persons have agreed, with certain limited exceptions, not to directly or indirectly:

offer, pledge, sell or contract to sell any of our common stock;

sell any option or contract to purchase any of our common stock;

purchase any option or contract to sell any of our common stock;

grant any option, right or warrant to purchase any of our common stock;

otherwise dispose of or transfer any of our common stock;

file (or, in the case of our directors and certain executive officers, request or demand that we file) a registration statement related to our common stock; or

enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any of our common stock whether any such swap or transaction is to be settled by delivery of our common stock or such other securities, in cash or otherwise.

This lock-up provision applies to our common stock and to securities convertible into or exchangeable or exercisable for our common stock, whether such common stock is owned now or acquired during the lock-up period referred to above (subject to extension as described below) by the person executing the lock-up agreement or for which the person executing the lock-up agreement now has or acquires the power of disposition. The lock-up provision that applies to us contains exceptions for:

the shares of common stock to be sold in this offering;

any shares of common stock we issue upon the exercise of an option or warrant or the conversion of a security that is either (x) outstanding on the date of this prospectus supplement and referred to in this prospectus supplement and the registration statement relating to this prospectus supplement (including the documents incorporated by reference) or (y) issued pursuant to the exception described in the immediately following bullet point;

any shares of common stock issued or options to purchase common stock granted pursuant to our existing employee benefit plans referred to in this prospectus supplement and the registration statement

relating to this prospectus supplement (including the documents incorporated by reference); and

any shares of common stock issued pursuant to any non-employee director stock plan or dividend reinvestment plan referred to in this prospectus supplement and the registration statement relating to this prospectus supplement (including the documents incorporated by reference).

The lock-up provision that applies to our directors and certain executive officers contains exceptions for securities transferred:

as a bona fide gift or gifts; or

to any trust for the direct or indirect benefit of the person who signed a lock-up agreement or the immediate family of the person who signed a lock-up agreement,

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provided that in each case such transfers do not require any public filing and no public filing is voluntarily made. In each of these cases, the transferee of the securities must also sign a lock-up agreement.

In the event that either (x) during the last 17 days of the lock-up period referred to above, we issue an earnings release or material news or a material event relating to us occurs or (y) prior to the expiration of the lock-up period, we announce that we will release earnings results or become aware that material news or a material event will occur during the 16-day period beginning on the last day of the lockup period, the restrictions described above shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event, unless Deutsche Bank Securities Inc. waives such extension in writing.

In connection with the offering, Deutsche Bank Securities Inc. may purchase and sell shares of our common stock in the open market. These transactions may include short sales, purchases to cover positions created by short sales and stabilizing transactions.

Short sales involve the sale by Deutsche Bank Securities Inc. of a greater number of shares than it is required to purchase in the offering. Covered short sales are sales made in an amount not greater than Deutsche Bank Securities Inc.'s option to purchase additional shares of common stock from us in the offering. Deutsche Bank Securities Inc. may close out any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to close out the covered short position, Deutsche Bank Securities Inc. will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the option to purchase additional shares.

Naked short sales are any sales in excess of the option to purchase additional shares. Deutsche Bank Securities Inc. must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if Deutsche Bank Securities Inc. is concerned that there may be downward pressure on the price of the shares in the open market prior to the completion of the offering. Stabilizing transactions consist of various bids for or purchases of our common stock made by Deutsche Bank Securities Inc. in the open market prior to the completion of the offering.

Purchases to cover a short position and stabilizing transactions may have the effect of preventing or slowing a decline in the market price of our common stock. Additionally, these purchases, along with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. These transactions may be effected on the New York Stock Exchange, in the over-the-counter market or otherwise.

A prospectus supplement and accompanying prospectus in electronic format may be made available on Internet web sites maintained by Deutsche Bank Securities Inc. Other than the prospectus supplement and the accompanying prospectus in electronic format, the information on Deutsche Bank Securities Inc.'s web site and any information contained in any other web site maintained by Deutsche Bank Securities Inc. is not part of the prospectus supplement, the accompanying prospectus or the related registration statement.

Deutsche Bank Securities Inc. or its affiliates have provided investment banking services to us in the past and may do so in the future. They receive customary fees and commissions for these services.

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Notice to Investors in the European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State) an offer to the public of any shares which are the subject of the offering contemplated by this prospectus supplement may not be made in that Relevant Member State other than the offers contemplated in the prospectus once the prospectus has been approved by the competent authority in such Member State and published and passported in accordance with the Prospectus Directive as implemented in the Relevant Member State except that an offer to the public in that Relevant Member State of any shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than 43,000,000 and (3) an annual net turnover of more than 50,000,000, as shown in its last annual or consolidated accounts;

by the underwriter to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the underwriter for any such offer; or

in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of shares shall result in a requirement for the publication by the Company or the underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an offer to the public in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase any shares, as the same may be varied in that member state by any measure implementing the Prospectus Directive in that member state and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Notice to Investors in the United Kingdom

Deutsche Bank Securities Inc. has represented and agreed that (a) it has only communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, or the FSMA, received by it in connection with the issue or sale of the shares (i) to investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, or the Order, or (ii) to high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) and (d) of the Order, with all such persons together being referred to as relevant persons, and (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares of our common stock in, from or otherwise involving the United Kingdom. This prospectus supplement and its contents are confidential and should not

be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents.

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Notice to Prospective Investors in Hong Kong

The shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a prospectus within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Notice to Prospective Investors in Singapore

This prospectus supplement has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus supplement and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to compliance with conditions set forth in the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares pursuant to an offer made under Section 275 of the SFA except:

to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities

or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;

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where no consideration is or will be given for the transfer; or

where the transfer is by operation of law.

Notice to Prospective Investors in Japan

The shares of common stock have not been and will not be registered under the Financial Instruments and Exchange Law, as amended (the FIEL). Deutsche Bank Securities Inc. has represented and agreed that the shares which it purchases will be purchased by it as principal and that, in connection with the offering, it will not, directly or indirectly, offer or sell any shares in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or entity organized under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements under the FIEL and otherwise in compliance with such law and any other applicable laws, regulations and ministerial guidelines of Japan.

Notice to Prospective Investors in Switzerland

The prospectus does not constitute an issue prospectus pursuant to Article 652a or Article 1156 of the Swiss Code of Obligations, and the shares will not be listed on the SIX Swiss Exchange. Therefore, the prospectus may not comply with the disclosure standards of the Swiss Code of Obligations and/or the listing rules (including any prospectus schemes) of the SIX Swiss Exchange. Accordingly, the shares may not be offered to the public in or from Switzerland, but only to a selected and limited circle of investors, which do not subscribe to the shares with a view to distribution.

Notice to Prospective Investors in Qatar

The shares described in this prospectus supplement have not been, and will not be, offered, sold or delivered, at any time, directly or indirectly in the State of Qatar in a manner that would constitute a public offering. This prospectus supplement has not been, and will not be, registered with or approved by the Qatar Financial Markets Authority or Qatar Central Bank and may not be publicly distributed. This prospectus supplement is intended for the original recipient only and must not be provided to any other person. It is not for general circulation in the State of Qatar and may not be reproduced or used for any other purpose.

Notice to Prospective Investors in Saudi Arabia

No offering, whether directly or indirectly, will be made to an investor in the Kingdom of Saudi Arabia unless such offering is in accordance with the applicable laws of the Kingdom of Saudi Arabia and the rules and regulations of the Capital Market Authority, including the Capital Market Law of the Kingdom of Saudi Arabia. The shares will not be marketed or sold in the Kingdom of Saudi Arabia by us or the underwriter.

This prospectus supplement may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Office of Securities Regulation issued by the Capital Market Authority. The Saudi Arabian Capital Market Authority does not make any representation as to the accuracy or completeness of this prospectus supplement and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this prospectus supplement. Prospective purchasers of the shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the shares. If you do not understand the contents of this prospectus supplement, you should consult an authorized financial advisor.

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Notice to Prospective Investors in the United Arab Emirates

This offering has not been approved or licensed by the Central Bank of the United Arab Emirates (UAE), Securities and Commodities Authority of the UAE and/or any other relevant licensing authority in the UAE including any licensing authority incorporated under the laws and regulations of any of the free zones established and operating in the territory of the UAE, in particular the Dubai Financial Services Authority (DFSA), a regulatory authority of the Dubai International Financial Centre (DIFC). The offering does not constitute a public offer of securities in the UAE, DIFC and/or any other free zone in accordance with the Commercial Companies Law, Federal Law No 8 of 1984 (as amended), DFSA Offered Securities Rules and NASDAQ Dubai Listing Rules, accordingly, or otherwise. The shares may not be offered to the public in the UAE and/or any of the free zones.

The shares may be offered and issued only to a limited number of investors in the UAE or any of its free zones who qualify as sophisticated investors under the relevant laws and regulations of the UAE or the free zone concerned.

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LEGAL MATTERS

The validity of the common stock offered hereby will be passed upon for us by Latham & Watkins LLP, Los Angeles, California. The underwriter has been represented by Davis Polk & Wardwell LLP, New York, New York.

EXPERTS

The consolidated financial statements of Kennedy-Wilson Holdings, Inc. and the related financial statement schedules as of December 31, 2012 and 2011, and for each of the years in the three year period then ended and management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2012 have been incorporated by reference herein in reliance upon the reports of KPMG LLP, independent registered public accounting firm, which reports appear in the December 31, 2012 Annual Report on Form 10-K of Kennedy-Wilson Holdings, Inc., and are incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

The consolidated balance sheets of Bay Fund Opportunity, LLC and subsidiaries as of December 31, 2012 and 2011, and the related consolidated statements of operations, members' equity and cash flows for each of the years in the two-year period then ended, and the related notes to the consolidated financial statements, have been incorporated by reference herein in reliance upon the report of KPMG LLP, independent auditors, which report appears in Amendment No. 1 to the Annual Report on Form 10-K of Kennedy-Wilson Holdings, Inc. filed with the SEC on April 1, 2013, and is incorporated by reference herein, a