

Year-end results

For the year ended 31 December 2016

KWE proven business model

Unlocking value of under-resourced real estate



KWE investment proposition - 2016 achievements

Successful capital
recycling

89

No. of asset sales¹

Growing income
through asset
management

+11.4%

Ahead of passing rent on
previously occupied space

Diversified cash flows
underpin robust
dividends

£163.7m

Topped-up NOI²

+31.8%

Disposals ROC

+3.1%

Ahead of valuers' ERV

7.1 / 8.9

WAULT
to break/expiry (years)

+4.8%

Premium to BV
on disposals

£14.5m

Target incremental NOI from
selected asset management

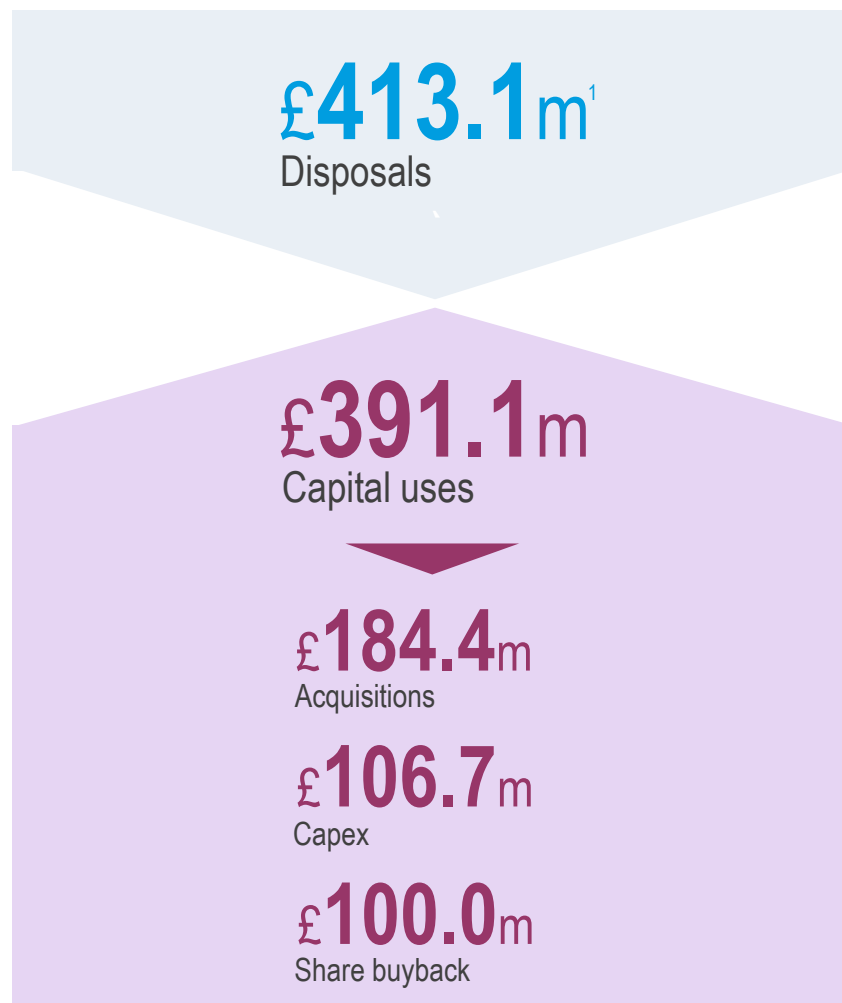
48p

FY 16 DPS paid

¹ Comprising 86 assets completed and 3 assets exchanged in 2016

² Annualised topped-up NOI at 31 December 2016 includes expiration of rent-free periods and contracted rent steps over the next two years

Successful capital management – net neutral, as guided



¹ Comprising £377.5m of asset sales completed and £35.6m of asset sales exchanged in 2016

Growing income through asset management

Material upside in passing rents of £47 psf

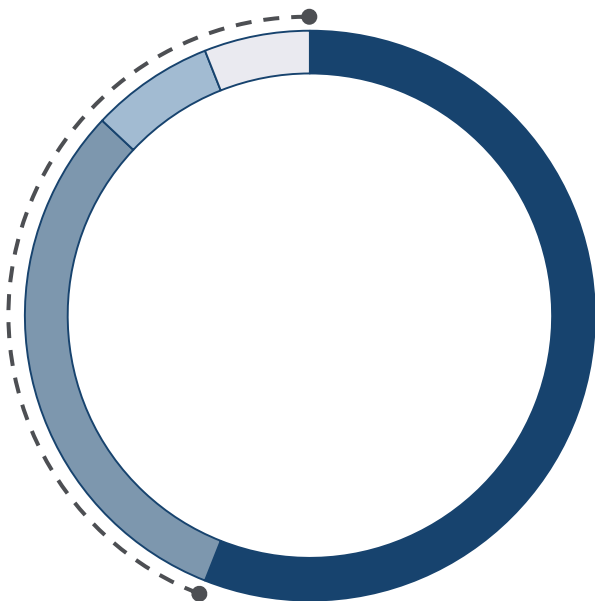


Completed reception & Sky Lobby at 111 BPR, Victoria, SW1

Diversified cash flows underpin robust dividends

Continue to diversify asset base and income across Europe

44% Euro assets

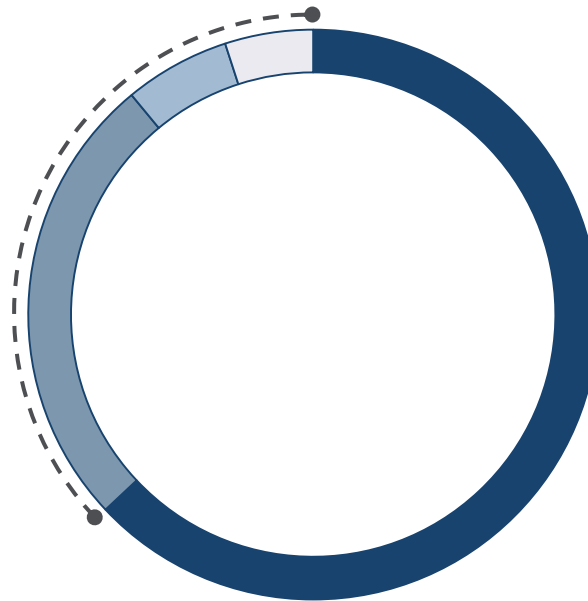


£2,882.2m

Portfolio value

- UK: 56%
- Ireland: 31%
- Spain: 7%
- Italy: 6%

37% Euro income



£163.7m

Portfolio NOI¹

- UK: 63%
- Ireland: 26%
- Italy: 6%
- Spain: 5%

¹ Annualised topped-up NOI at 31 December 2016 includes expiration of rent-free periods and contracted rent steps over the next two years

2016 highlights

Financial

1,216p

Adjusted NAV
per share

+3.5%

YoY change

7.6%

Accounting return

+23.2%

NOI growth
(FY 16 vs FY 15)

-£8.6m

Total valuation
movement

-0.3%

YoY change

3.0%

Cost of debt

55.2p

Adjusted earnings
per share
(FY 16 vs FY 15)

+15.2%

YoY change

Net investments 2016

£413.1m

Disposals¹

21mths

Avg. hold
period

180bps

Yield spread
(YOC vs exit yield)

£184.4m

Acquisitions

¹ Comprising £377.5m of asset sales completed and £35.6m of asset sales exchanged in 2016

Operational achievements

Portfolio

£2,882m

Portfolio value
2015: £2,793m

9.2%

Under-rented portfolio
(Based on 2016 ERVs)

95%

Occupancy
2015: 96%

223

Number of assets
2015: 302

AM transactions

+11.4%

Ahead of passing rent on
previously occupied space

+3.1%

Ahead of valuers' ERV

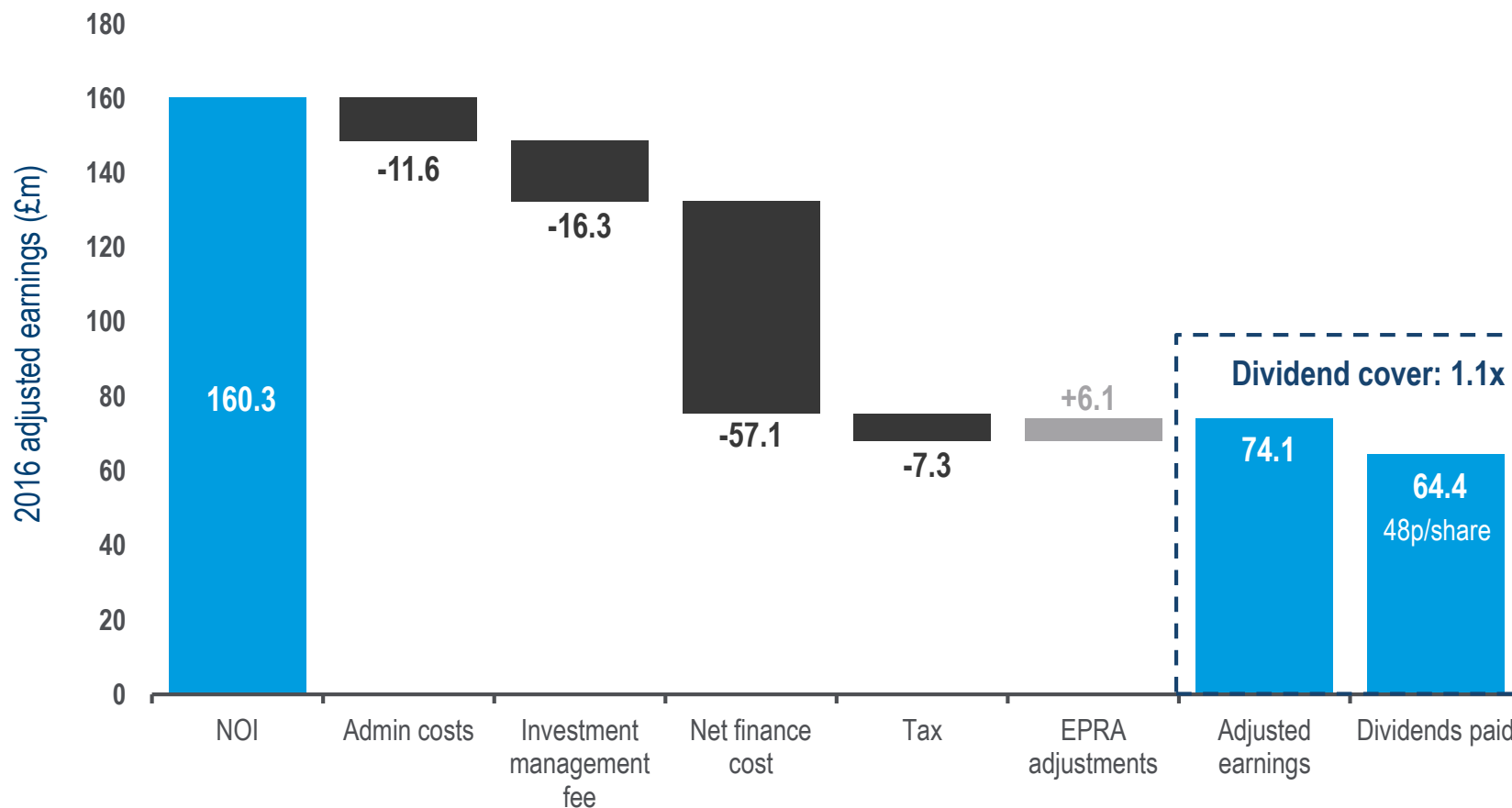
140 +1.1m sq ft
No. commercial AM transactions

Strong double digit growth

Income statement highlights

	2016	2015	YoY change (%)
Net operating income (£m)	160.3	130.1	+23.2
Adjusted earnings (£m)	74.1	65.0	+14.0
Adjusted earnings (p per share)	55.2	47.9	+15.2
Dividends (p per share)	48.0	35.0	+37.1

Delivering an attractive stable dividend



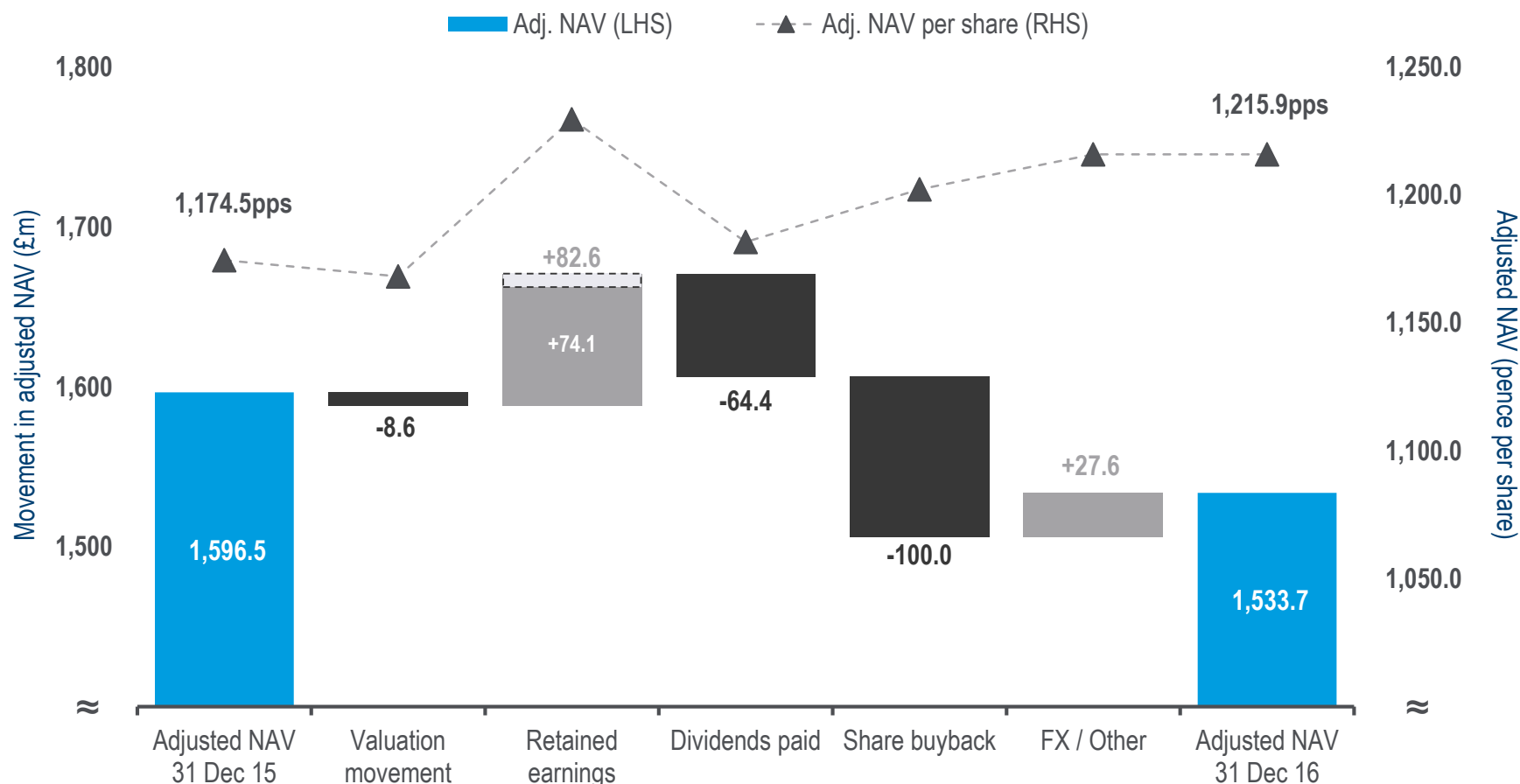
Positive NAV growth

Balance sheet highlights

	2016	2015	YoY change (%)
Portfolio value (£m)	2,882.2	2,792.7	+3.2
Cash (£m)	456.5	326.5	+39.8
Secured debt (£m)	721.8	841.3	-14.2
Unsecured debt (£m)	969.5	594.8	+63.0
LTV (%)	42.8	39.7	+3.1pp
Adjusted NAV (p per share)	1,215.9	1,174.5	+3.5

Accretive share buyback

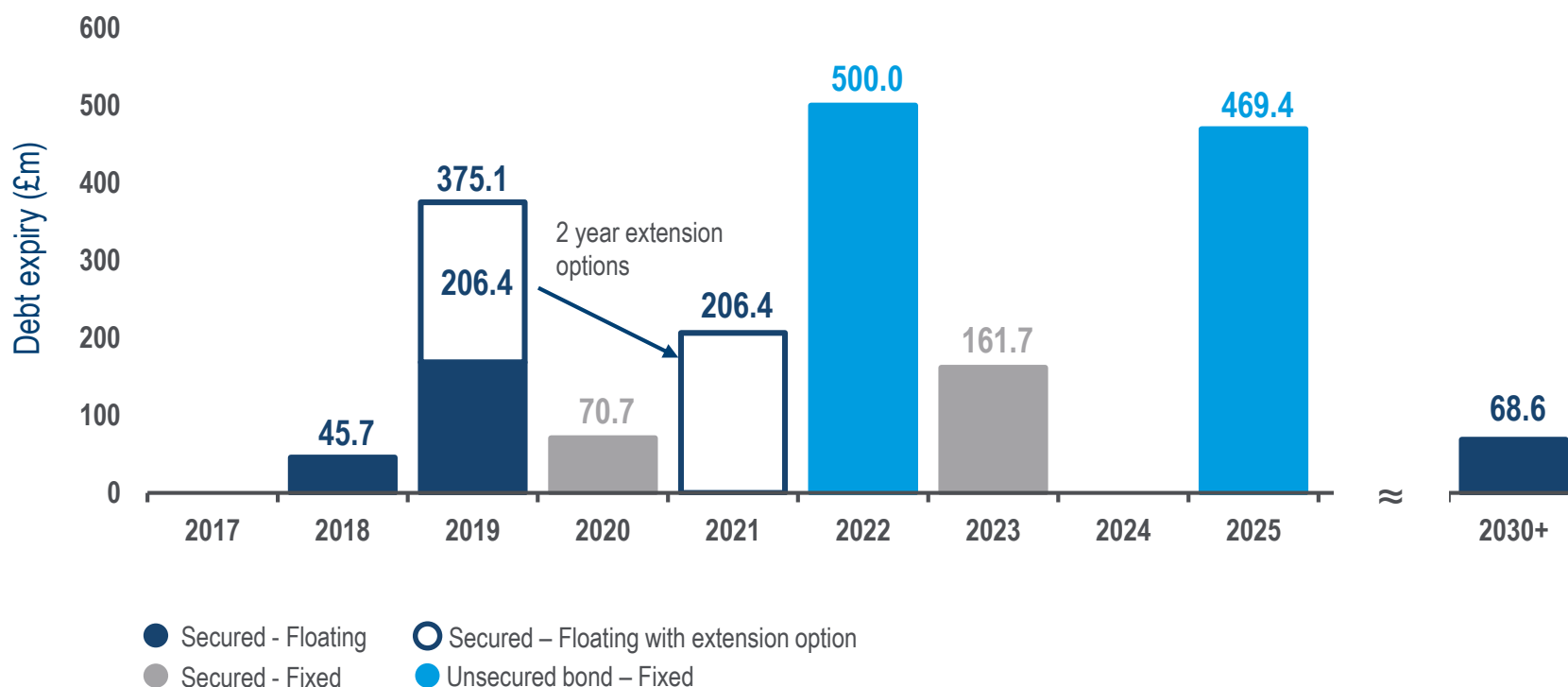
NAV summary



Gain on sale: £8.5m

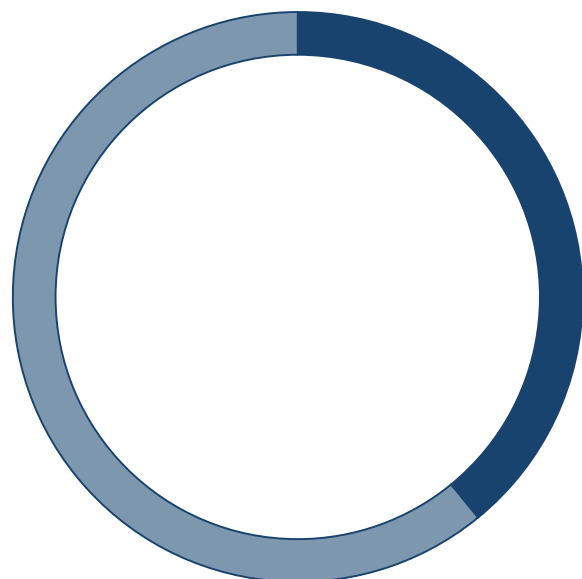
Active debt management

Facilities	%	£m	Margin (bps)	Total cost (bps)	Term (years)
Fixed	71	1,202	–	340	6.8
Floating	29	489	197	214	4.3
Total	100	1,691	197	303	6.1



Significant liquidity

£456.5m cash

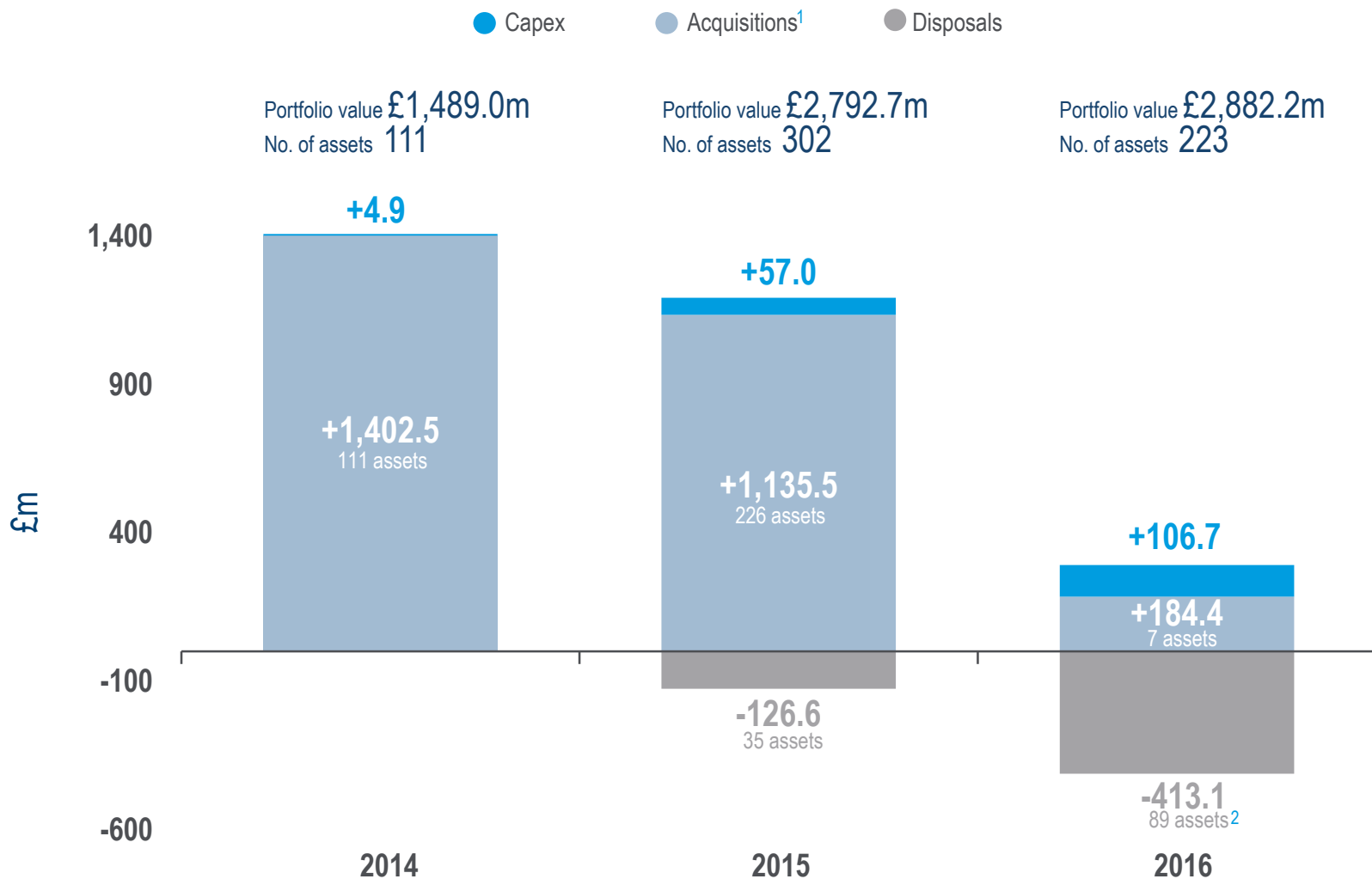


- EUR cash: 36% €189.3m
- GBP cash: 64% £294.9m

£681.5m total liquidity

(£m)	2016	2015
Cash	456.5	362.5
Undrawn facilities	225.0	225.0
Total liquidity	681.5	551.5

Our story so far – 2016 asset management becomes dominant focus

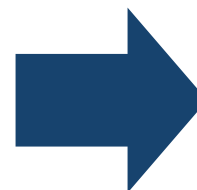
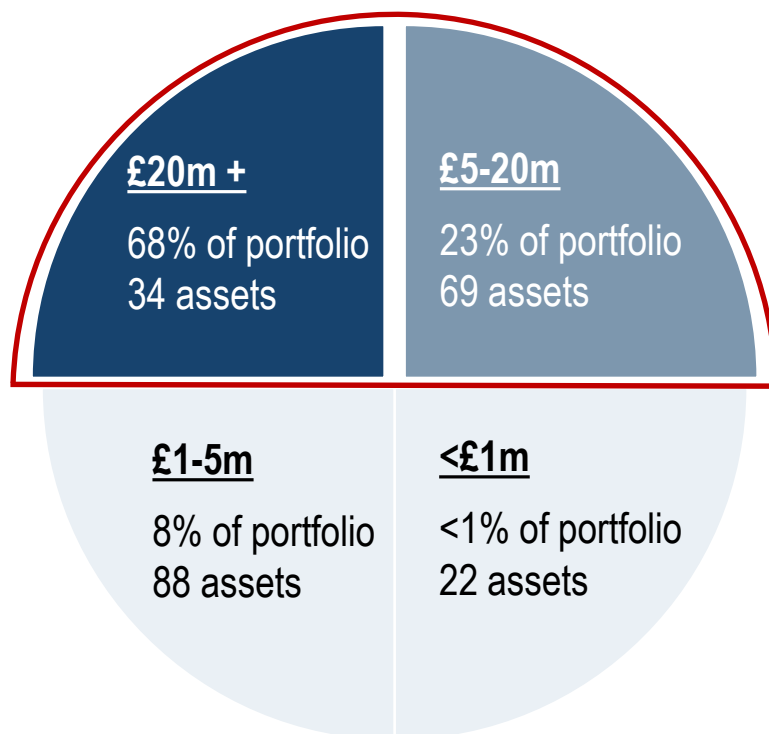


¹ Includes original purchase of loan portfolios; excludes Asset Via Loan (AVL) conversions

² Comprising 86 asset sales completed and 3 asset sales exchanged in 2016

Consolidating and improving NOI – focus on larger lot sizes

Top 103 assets ► £2,554.1m portfolio value



91%
Portfolio value

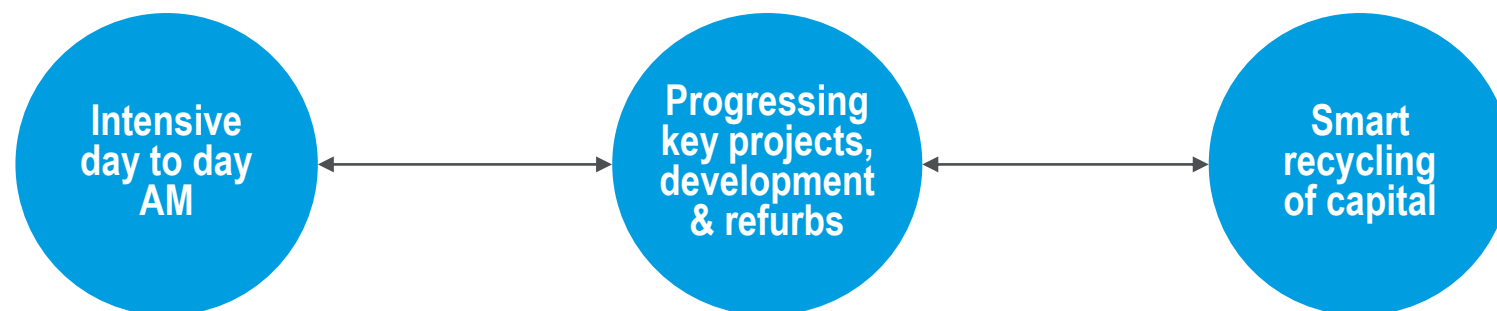
99%
Capex spend

£3.1m
Incremental income
delivered in 2016

Bottom 110 assets ► £260.5m portfolio value

Note: Direct real estate portfolio, excluding loans

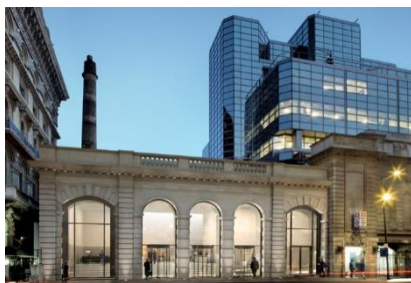
Asset management focus – 3 key pillars



Bartley Wood, Hook



111 BPR, Victoria, London



MXL Centre, Banbury



Theta House, Camberley



Pioneer Point, Ilford



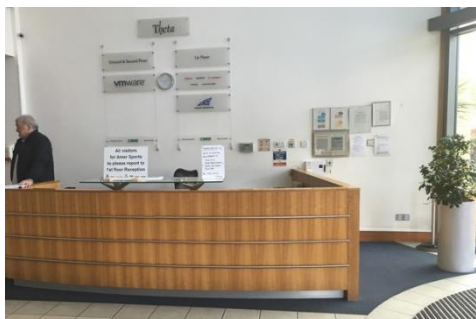
Icon, Stevenage



Intensive day to day asset management

Theta, Camberley (Artemis portfolio)

Before



After



Completed refurbishment

- 1 Pre-let ground floor to NHS
- 2 Re-gear + new letting to existing tenant Amer Sports

£1.9m

Total capex

10.5%

Stabilised YOC post capex

1.1m sq ft of leases signed

140

No. commercial leases signed

£4.0m

Incremental income

3.1%

Ahead of valuers' ERV

11.4%

Ahead of rent on space previously occupied

6.8 / 8.5

Avg. Lease length / term extension to break/expiry (years)

£18.3m

Contracted rent per annum¹

¹ Total annualised rent from all leasing transactions completed during 2016

Substantial progress on key projects

Practical completion

111 BPR, Victoria, London



Portmarnock, Co. Dublin



Block K, Vantage, Dublin 18



Baggot Plaza, Dublin 4



Work in progress

Moraleja Green, Madrid



Stillorgon, Co. Dublin



Pioneer Point, Ilford



Fairmont, St. Andrews



Concept / design / planning

Leisureplex, Co. Dublin



Norfolk House, Croydon



Leavesden Park, Watford



9 Puerta del Sol, Madrid



Successful developments

Vantage, Central Park – Block K:

PRS development in Dublin 18

€49.2m

Capex spend

72%

Units leased since
October 2016

6.1%

Target stabilised
YOC

166 units

Completed Block K
development

Tenant amenities



Penthouse suite



Portmarnock Hotel & Golf Links:

4* hotel & golf course upgrade in Dublin

€9.8m

Capex spend

57%

ADR growth¹

6.9%

Target stabilised
YOC

**Golf resort
of the year²**

Before



After



¹ Since acquisition

² Irish Tour Operators Association, 2016

Portmarnock Hotel and Golf links



Smart capital recycling

2016 disposals: £413.1m¹

£104m Total return
180bps Yield spread
 (YOC vs exit yield)
31.8% Return on cost

Santisima Trinidad 5,
Madrid



Kings Road,
Bradford



Newbury House,
Kings Road West, Newbury



Avon loan portfolio,
Belmont business park, Durham



2016 acquisitions: £184.4m

5.9% Acquisition yield
on cost
7.5% Target stabilised yield
on cost

Towers Business Park,
Manchester



The Chase,
Sandyford, Co. Dublin



Leisureplex Site,
Stillorgan, Co. Dublin



Dukes Park Industrial Estate,
Chelmsford



¹ Comprising £377.5m of asset sales completed and £35.6m of asset sales exchanged in 2016

Smart recycling of industrial portfolio

Attractive portfolio sale returns

£18.0m
Purchase price

+52%

£27.4m
Sale proceeds

63.4%
Return on cost

33 months
Hold period

7.2%
Yield on cost

-114bps

6.1%
Exit yield

Fishponds, Wokingham



Ashville Way, Wokingham



Hambridge Lane, Newbury



MXL Centre, Banbury



Smart recycling of AVL portfolio

€79m realisations to date

Irish Times Building, Dublin 2



+38%
NOI growth

31%
ROC

76,000
Area (sq ft)

Dec 16
Sale date

28 months
Hold period – from Jun 14

Lakeland Retail Park, Cavan



+55%
NOI growth

40%
ROC

83,000
Area (sq ft)

May 16
Sale date

20 months
Hold period – from Jun 14

Herberton loan (PRS), Dublin 8



+37%
NOI growth

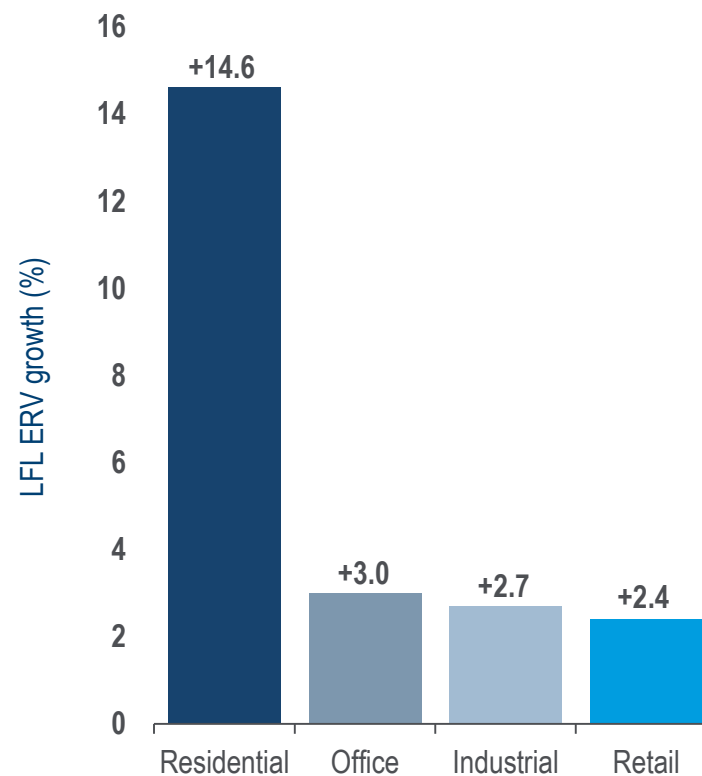
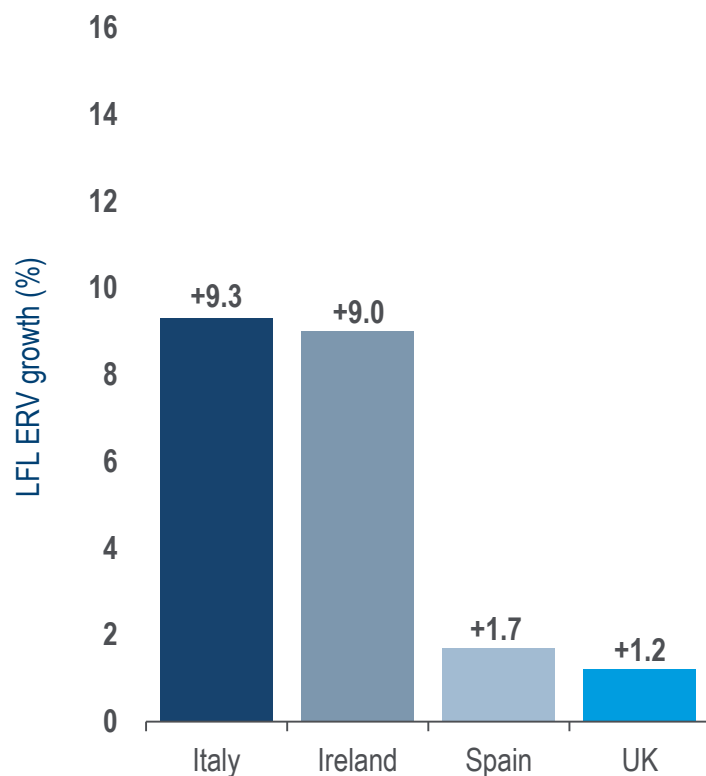
5.6%
Yield on cost

136
No. of PRS units

Medium term repositioning and hold; appointed AM Apr 15
Strategy

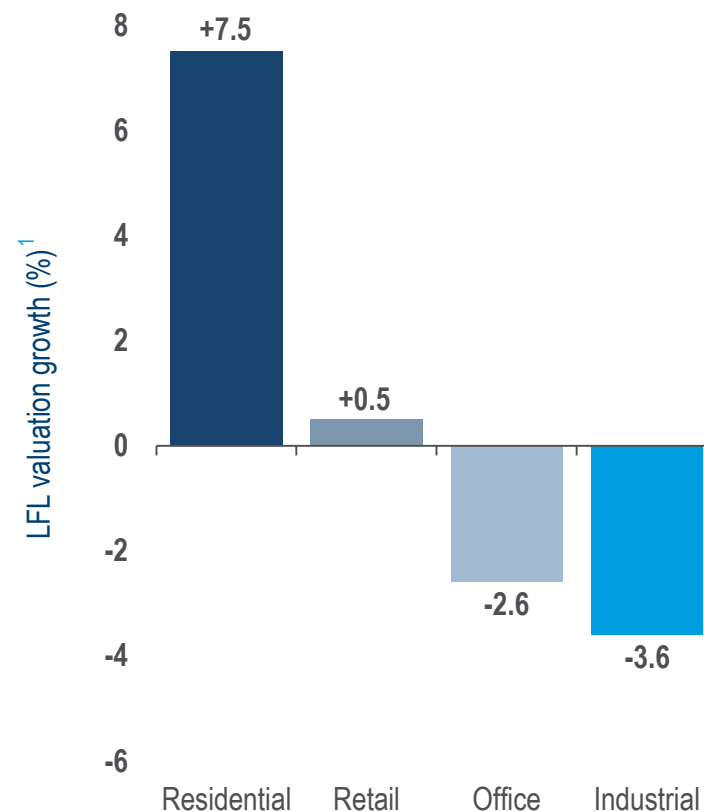
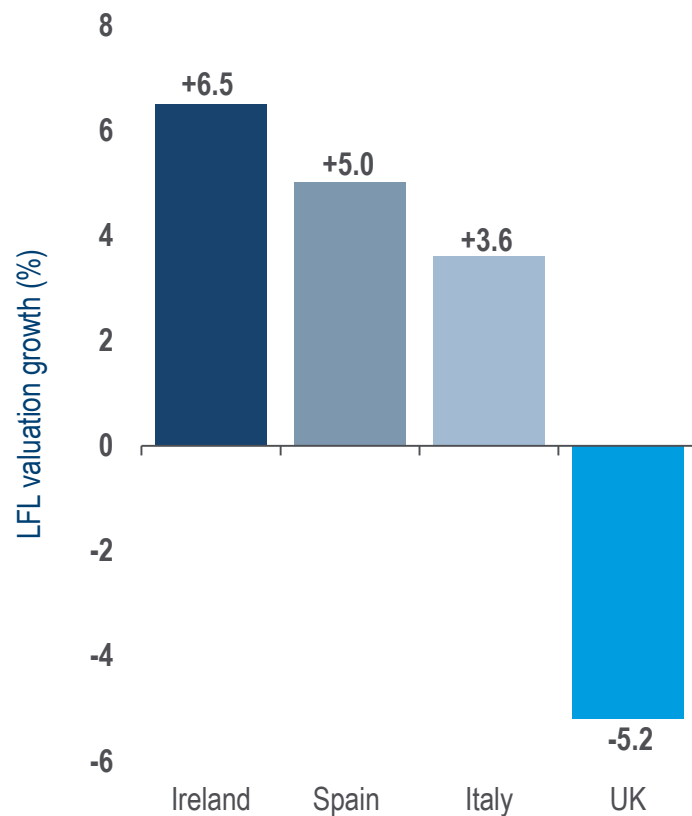
Continued ERV growth across the portfolio

+3.7% portfolio LFL ERV growth



Euro area strength offsets weaker UK

-0.6% portfolio LFL valuation movement



¹ Development assets reclassified across sectors included in analysis

Secure income with upside

490 tenants
diversifying
cash flows

Top 10
tenants
represent
35% of
rent

Strong
occupancy
95%

Long-term
cash flows
7.1 / 8.9 yrs
WAULT
(to first break / expiry)

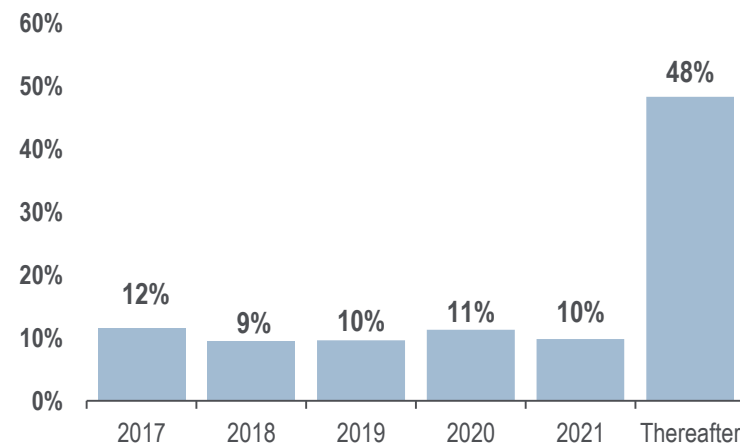
Portfolio 9% under rented

	Under/ (over) rented ¹
Office	13%
Retail	-2%
Industrial	6%
Residential	15%
Other ²	17%
TOTAL	9%

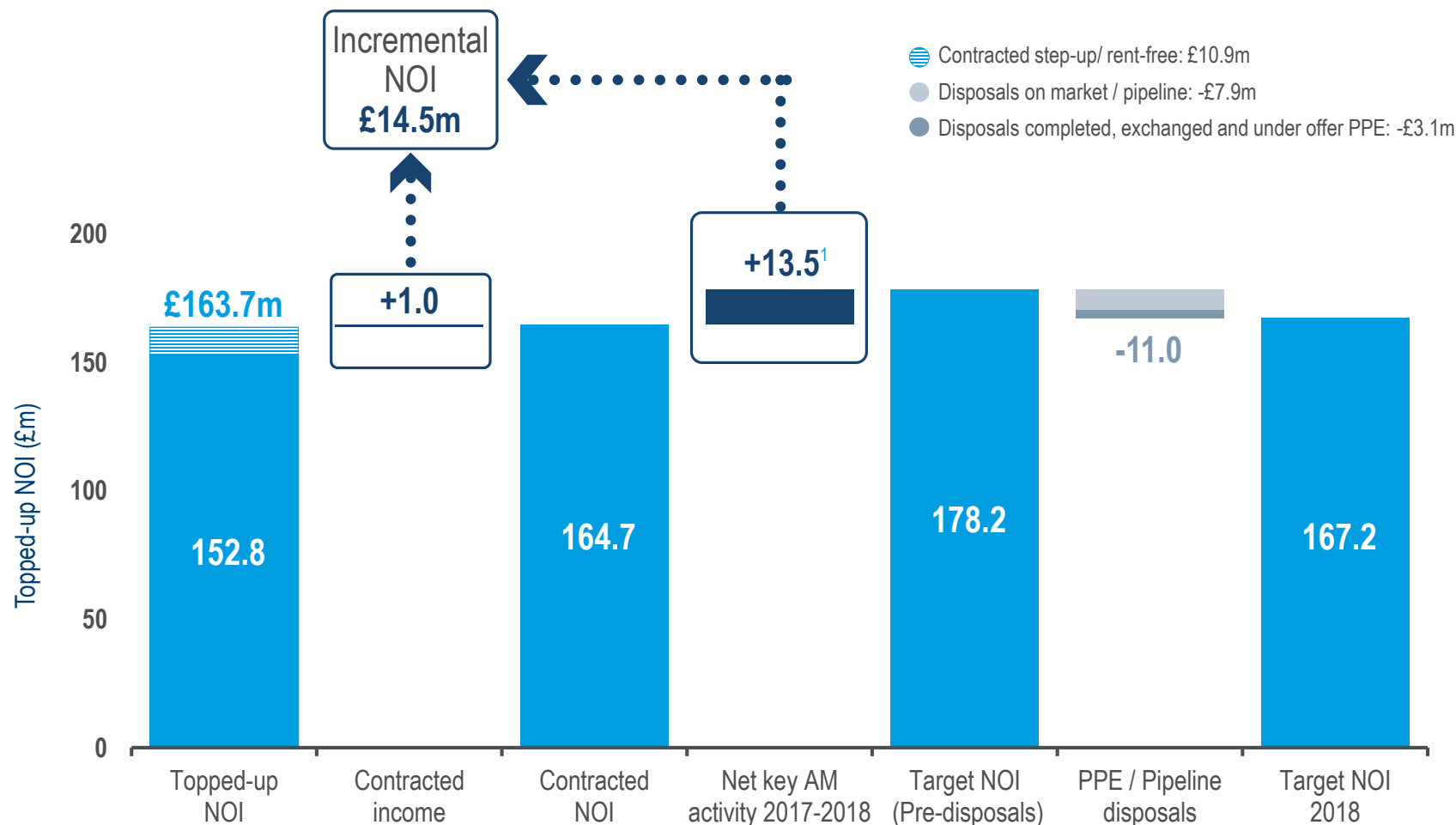
¹ Based on 31 December 2016 ERVs

² Includes leisure assets

Well staggered lease breaks and expiries



Target incremental NOI



¹ Includes income from upward only rent reviews in period and incremental income from key AM less anticipated loss of income from Aberdeen assets

Capitalising on our proven business model



Appendix

A wide-angle photograph of a modern office lobby. In the foreground, a long, white, curved reception desk is visible, with two staff members seated behind it. To the right, a wide staircase with grey steps and metal railings leads upwards. The ceiling is white with several large, gold-colored, geometric pendant lights. The walls are a mix of white and dark grey panels, with some sections featuring wood paneling. The floor is a light grey tile.

Adjusted earnings

Strong growth in earnings

	Year ended 31 December 2016		Year ended 31 December 2015	
	(£m)	(p)	(£m)	(p)
Profit for the period after taxation	66.0	49.1	259.0	191.0
Net change in fair value	10.5	7.8	(213.1)	(157.2)
Fair value loss on interest caps	0.9	0.7	0.8	0.6
Time value of foreign exchange zero premium options	1.0	0.8	2.3	1.6
Acquisition and debt close expenditure	0.3	0.2	1.7	1.3
Taxes in respect of EPRA adjustments	3.9	2.9	-	-
Gain on sale and other gains	(8.5)	(6.3)	(15.4)	(11.3)
EPRA earnings	74.1	55.2	35.3	26.0
Performance fee	-	-	29.7	21.9
Adjusted earnings	74.1	55.2	65.0	47.9

Shares in issue at start of year	135,933,938	135,283,293
Shares in issue at end of year	126,133,407	135,933,938
Weighted average shares in issue	134,364,625	135,613,838

Summary balance sheet

EPRA net assets

	31 Dec 2016 (£m)	31 Dec 2015 (£m)
Investment property	2,814.6	2,613.5
Loans secured by real estate	67.6	179.2
Portfolio value	2,882.2	2,792.7
Cash and cash equivalents	456.5	326.5
Borrowings	(1,691.3)	(1,436.1)
Net debt	(1,234.8)	(1,109.6)
Other net liabilities	(111.5)	(53.9)
IFRS net assets	1,535.9	1,629.2
EPRA adjustments	(0.3)	(0.9)
EPRA net assets	1,535.6	1,628.3
Performance fee	-	(29.7)
Investment management fee	(1.9)	(2.1)
Adjusted NAV	1,533.7	1,596.5
<hr/>		
Shares in issue at year end	126,133,407	135,933,938
Adjusted NAV per share (p)	1,215.9	1,174.5

Balanced debt structure

£969.5m

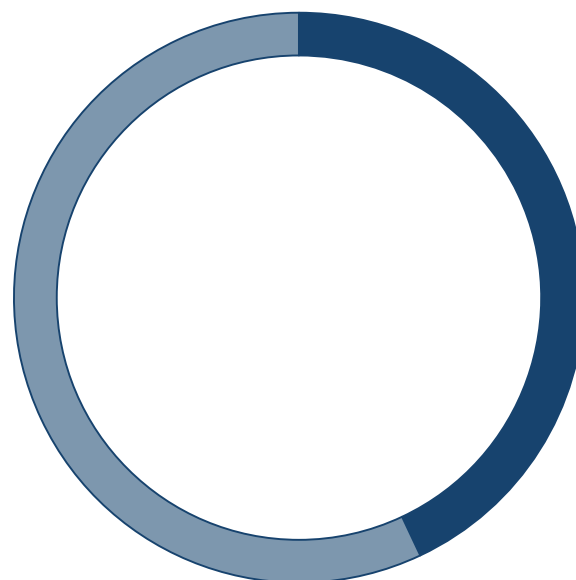
Unsecured debt

TTM¹: 7.1 years
Total fixed cost: 3.5%
Fixed debt: 100%

£721.8m

Secured debt

TTM¹: 4.6 years
Total fixed cost: 2.4%
Fixed debt: 80%



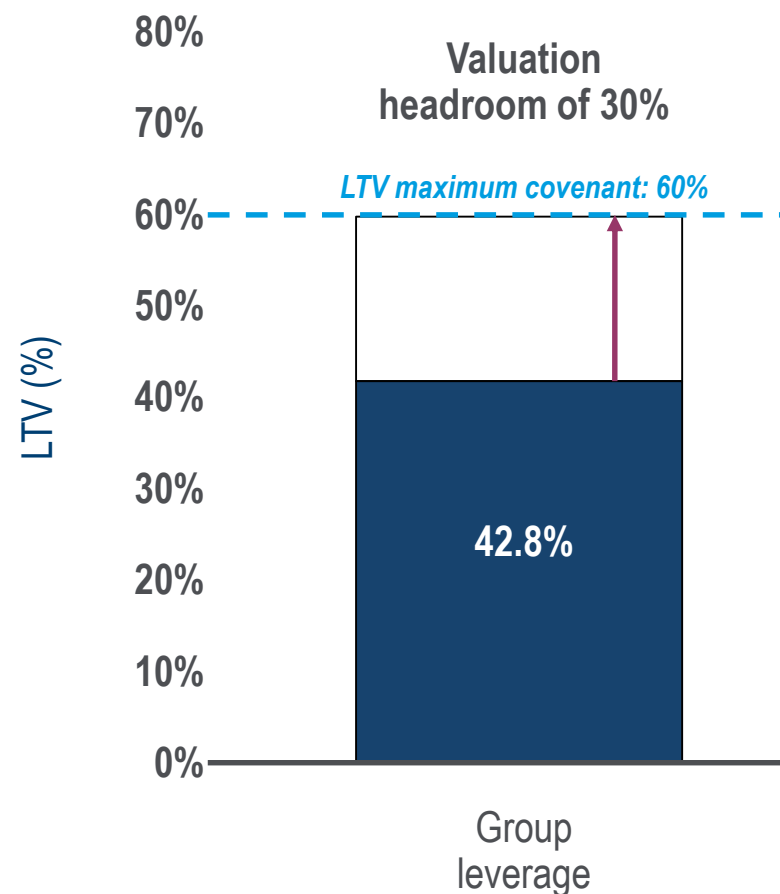
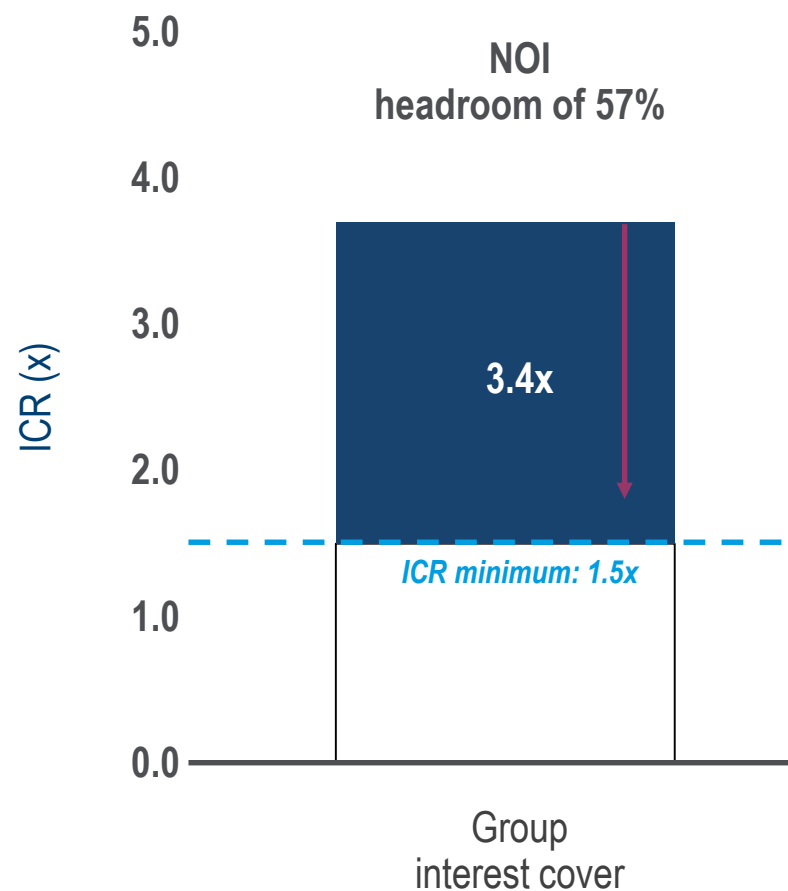
£1,691.3m

Total debt

- Secured debt: 43%
- Unsecured debt: 57%

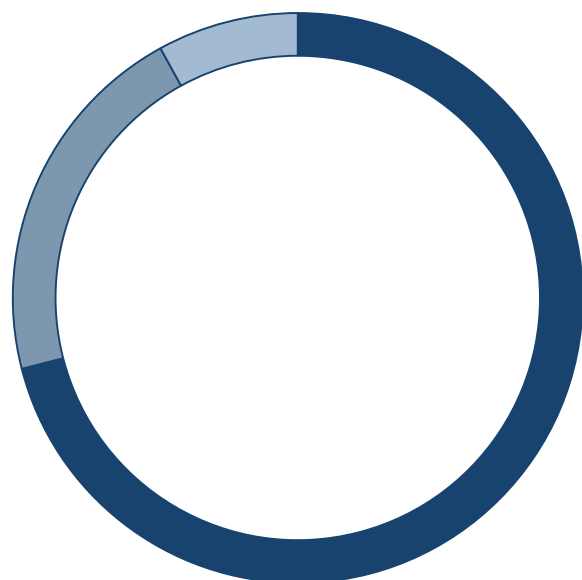
¹Term to maturity

Good covenant headroom



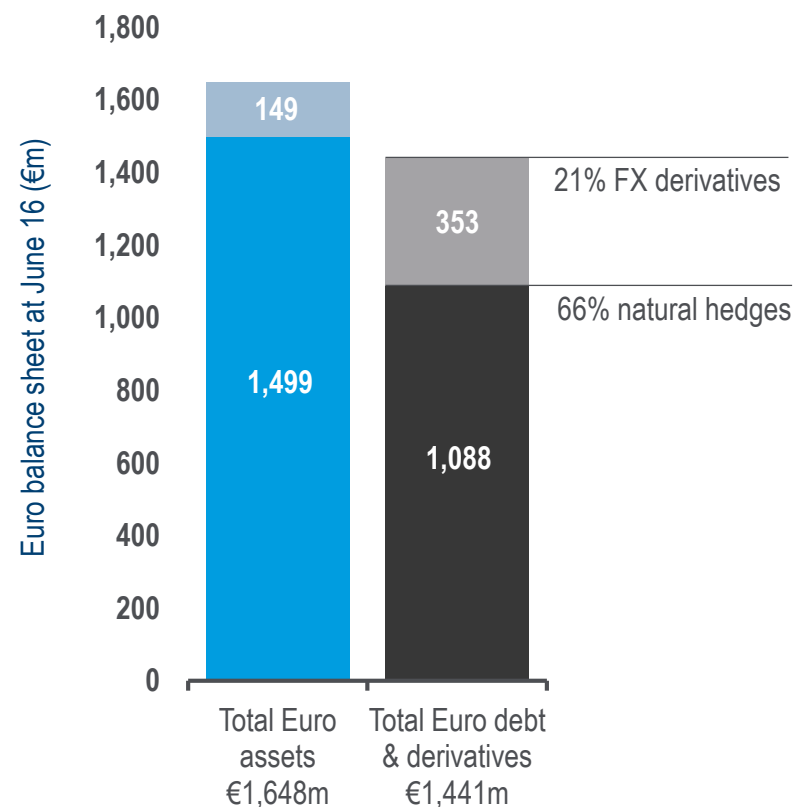
Successful hedging strategy

92% fixed or hedged interest debt



- Fixed: 71%
- Hedged via interest rate cap: 21%
- Floating: 8%

87% Euro balance sheet FX hedging



- Working capital
- Investments (properties + loans)
- FX derivatives
- Debt

£100m share buyback successfully completed

9.8m

Shares bought back and cancelled

7.2%

Of previously issued share capital

Share buyback 2016 dates

Announced: 29 September

Initiated: 3 October

Completed: 28 November

Enhancing returns

17.7%

Purchase discount to adjusted NAV per share

+1.2%

2016 adjusted NAV per share increase

+7.8%

2016 adjusted EPS pro forma increase

2016 portfolio

Top ten office & retail tenants

Top 10 office tenants	Gross ann'l rent ¹ (£m)	% of total	Top 10 retail tenants	Gross ann'l rent ¹ (£m)	% of total
Italian Government	11.8	12.8	Carrefour	4.1	9.4
Bank of Ireland	9.1	9.8	Marks & Spencer	1.7	3.9
Telegraph Media Group	5.8	6.2	Debenhams	1.5	3.4
BT	4.9	5.3	Tesco	1.2	2.7
KPMG	4.3	4.6	Superdrug	0.9	2.2
HSBC Plc	3.6	3.9	Pendragon	0.9	2.1
UK Government	3.2	3.5	Cine-UK	0.9	2.1
Mason Hayes & Curran	3.1	3.3	Matalan	0.9	2.0
Conoco (UK)	2.9	3.2	Wilko	0.8	1.9
Chevron North Sea	2.6	2.9	Zara	0.8	1.9
Top 10 tenants	51.3	55.5	Top 10 tenants	13.7	31.6
Remaining tenants	41.1	44.5	Remaining tenants	29.6	68.4
Total office	92.4	100.0	Total retail	43.3	100.0

Top ten assets

Asset	Country	City	Sector	Approx area (000 sq ft)
Buckingham Palace Road	UK	London	Office	224
Baggot Plaza	Ireland	Dublin 4	Office	129
40/42 Mespil Road	Ireland	Dublin 4	Office	118
Russell Court	Ireland	Dublin 2	Office	139
Vantage / Central Park	Ireland	Dublin 18	PRS ²	260
Towers Business Park	UK	Manchester	Office	289
Pioneer Point	UK	London	PRS ²	152 ³
Stillorgan Shopping Centre	Ireland	Co. Dublin	Retail	142
Moraleja Green S.C.	Spain	Madrid	Retail	325
Friars Bridge Court	UK	London	Office	99
Total				1,877

¹ Topped-up gross annualised rent from commercial leases only – excludes residential, hotel and development assets, loan portfolios and other miscellaneous income

² Private rented sector residential

³ Excludes area of vacant south tower

2016 sector break down

UK portfolio summary

Sector	Area (m sq ft)	No. of assets	Port. value ¹ (£m)	Ann'l TU NOI ² (£m)	EPRA TU NIY (%)	Acq'n YOC (%)	WAULT (years)	Occupancy (%)
Office	2.7	30	830.1	54.2	6.1	6.8	4.3	96.4
Retail	1.8	98	346.8	23.8	6.4	6.9	8.1	97.6
Industrial	2.8	26	171.2	12.1	6.6	7.4	6.4	96.0
Leisure	0.4	7	89.0	5.2	5.5	6.6	12.8	97.3
Residential	0.2	1	79.6	1.5	1.7	2.9	-	82.2
Property total	7.9	162	1,516.7	96.8	6.0	6.7	6.0	96.3
Development	-	-	-	-	-	-	-	-
Hotel	-	1	41.2	0.9	2.0	5.8	-	-
Loans	-	7	44.4	5.5	11.7	9.6	-	-
Total / Average	7.9	170	1,602.3	103.2	6.0	6.8	6.0	96.3

Ireland portfolio summary

Sector	Area (m sq ft)	No. of assets	Port. value ¹ (£m)	Ann'l TU NOI ² (£m)	EPRA TU NIY (%)	Acq'n YOC (%)	WAULT (years)	Occupancy (%)
Office	0.8	13	519.1	23.6	4.3	5.9	10.2	94.2
Retail	0.5	4	151.7	9.6	6.0	6.5	16.3	98.0
Industrial	-	-	-	-	-	-	-	-
Leisure	0.0	1	3.2	0.2	5.1	6.9	16.5	100.0
Residential	0.5	3	153.0	6.1	3.8	4.0	-	88.4 ³
Property total	1.8	21	827.0	39.5	4.6	5.8	11.9	92.5
Development	-	2	22.4	-	-	-	-	-
Hotel	-	1	31.8	1.1	3.3	5.1	-	-
Loans	-	3	23.2	1.1	4.5	4.0	-	-
Total / Average	1.8	27	904.4	41.7	4.5	5.7	11.9	92.5

¹ Third party valuations (RICS Red Book) have been undertaken by CBRE on direct property assets (other than Italian office portfolio which was valued by Colliers); loan portfolios have been valued by Duff & Phelps in each case at 31 December 2016

² Annualised topped-up NOI at 31 December 2016 includes expiration of rent-free periods and contracted rent steps over the next two years

³ Excludes commercial units

2016 sector break down

Spain portfolio summary

Sector	Area (m sq ft)	No. of assets	Port. value ¹ (£m)	Ann'l TU NOI ² (£m)	EPRA TU NIY (%)	Acq'n YOC (%)	WAULT (years)	Occupancy (%)
Retail	0.8	15	136.3	8.6	6.1	6.7	2.8	83.1
Development	-	2	69.1	-	-	-	-	-
Total / Average	0.8	17	205.4	8.6	6.1	6.7	2.8	83.1

Italy portfolio summary

Sector	Area (m sq ft)	No. of assets	Port. value ¹ (£m)	Ann'l TU NOI ² (£m)	EPRA TU NIY (%)	Acq'n YOC (%)	WAULT (years)	Occupancy (%)
Office	1.1	9	170.1	10.2	5.8	6.3	6.0	100.0
Total / Average	1.1	9	170.1	10.2	5.8	6.3	6.0	100.0

Total portfolio summary

Sector	Area (m sq ft)	No. of assets	Port. value ¹ (£m)	Ann'l TU NOI ² (£m)	EPRA TU NIY (%)	Acq'n YOC (%)	WAULT (years)	Occupancy (%)
Office	4.6	52	1,519.3	88.0	5.5	6.5	6.0	96.2
Retail	3.1	117	634.8	42.0	6.3	6.7	8.7	93.7
Industrial	2.8	26	171.2	12.1	6.6	7.4	6.4	96.0
Leisure	0.4	8	92.2	5.4	5.5	6.6	12.9	97.3
Residential	0.7	4	232.6	7.6	3.1	3.5	-	86.5 ³
Property total	11.6	207	2,650.1	155.1	5.5	6.4	7.1	94.6
Development	-	4	91.5	-	-	-	-	-
Hotel	-	2	73.0	2.0	2.6	5.6	-	-
Loans	-	10	67.6	6.6	9.2	8.2	-	-
Total / Average	11.6	223	2,882.2	163.7	5.5	6.5	7.1	94.6

¹ Third party valuations (RICS Red Book) have been undertaken by CBRE on direct property assets (other than Italian office portfolio which was valued by Colliers); loan portfolios have been fair valued by Duff & Phelps in each case at 31 December 2016

² Annualised topped-up NOI at 31 December 2016 includes expiration of rent-free periods and contracted rent steps over the next two years

³ Excludes commercial units

2016 portfolio assembly

UK

Orion Business Park Ipswich, UK		Dukes Park Chelmsford, UK	
Purchase date	29 Nov	Purchase date	8 Jun
No. of buildings	1	No. of assets	1
Purchase price (£m)	11.6	Purchase price (£m)	10.5
YOC (%)	8.1	YOC (%)	6.8
Cap value (£ psf)	57	Cap value (£ psf)	66
WAULT (years)	7.9	WAULT (years)	2.9
Occupancy (%)	100.0	Occupancy (%)	100.0
Towers Business Park Manchester, UK		Pioneer Point Ilford	
Purchase date	4 May	Purchase date	5 Feb
No. of buildings	10	No. of assets	1
Purchase price (£m)	82.0	Purchase price (£m)	na ¹
YOC (%)	6.7	YOC (%)	na
Cap value (£ psf)	284	Cap value (£ psf)	456
WAULT (years)	5.0	WAULT (years)	na
Occupancy (%)	96.3	Occupancy (%)	87.5

Ireland

The Chase Dublin 18, Ireland		Leisureplex Co. Dublin, Ireland	
Purchase date	3 May	Purchase date	21 Apr
No. of assets	1	No. of assets	1
Purchase price (£m)	49.5	Purchase price (£m)	11.9
YOC (%)	3.8	YOC (%)	na
Cap value (£ psf)	282	Cap value (£ psf)	na
WAULT (years)	3.4	WAULT (years)	na
Occupancy (%)	68.2	Occupancy (%)	na
Blackrock Business Park Co. Dublin, Ireland		Schoolhouse Lane Dublin 2, Ireland	
Purchase date	4 Mar	Purchase date	24 Feb
No. of buildings	2	No. of assets	1
Purchase price (£m)	11.2	Purchase price (£m)	7.7
YOC (%)	6.8	YOC (%)	na
Cap value (£ psf)	222	Cap value (£ psf)	na
WAULT (years)	5.2	WAULT (years)	na
Occupancy (%)	98.5	Occupancy (%)	na











Loan converted to direct real estate

¹ Cashless transfer









£200m disposal programme complete

Disposals	Area (000 sq ft)	No. of assets	Gross sale proceeds (£m)	Premium to BV (%)	Return on cost (%)	Hold period (months)
Office	388	9	86.9	3.8	46	21
Retail	509	47	101.4	6.4	28	21
Industrial	338	9	28.3	0.6	61	33
Leisure	178	10	33.6	8.1	46	20
Development	Na	1	10.2	28.5	23	22
Loans	Na	10	117.1	1.9	15	19
Disposals	1,413	86	377.5	4.7	31	21
Deals exchanged	152	3	35.6	6.0	37	21
Total incl. exchanged	1,565	89	413.1	4.8	32	21

2016 redevelopments and refurbishments

Sector	2016 additions	Key projects	Photos	
Office	£46.2m	<ul style="list-style-type: none"> • Baggot Plaza – office redevelopment • 111 BPR – refurbishment and extension of reception 		
Development	£21.9m	<ul style="list-style-type: none"> • Puerta del Sol – acquisition of adjacent unit • ST5 – residential conversion 		
Residential	£18.7m	<ul style="list-style-type: none"> • Block K, Vantage – ground up residential development • Pioneer Point – refurbishment and tenant amenity space 		
Retail	£9.9m	<ul style="list-style-type: none"> • Moraleja Green – acquisition of adjacent unit • Portlethen – extension of tenant units 		
Hotel	£8.2m	<ul style="list-style-type: none"> • Fairmont – renovation of common areas and phase 1 of bedrooms • Portmarnock – renovation of common areas and bedrooms 		
Other	£1.9m			
Grand total	£106.7m			

2017 redevelopments and refurbishments

Sector	2017 additions	Key projects	Photos	
Office	£42.0m	<ul style="list-style-type: none"> Watford – building refurbishment Maidenhead – building refurbishment 		
Retail	£18.0m	<ul style="list-style-type: none"> Moraleja Green – refurbishment and reconfiguration of vacant units Stillorgan – repositioning works, extension and reconfiguration 		
Residential	£14.0m	<ul style="list-style-type: none"> Block K, Vantage – commercial unit fit-outs, road infrastructure Pioneer Point – remediation works, tenant and amenity build-out 		
Development	£4.5m	<ul style="list-style-type: none"> Puerta del Sol – initial phase of refurbishment 5 Schoolhouse Lane – full internal refurbishment 		
Hotel	£4.0m	<ul style="list-style-type: none"> Fairmont – remaining rooms refurbishment 		
Other	£2.5m			
Grand total	£85.0m			

Office

UK

£830m 54%

Valuation

2,726

Area ('000 sq ft)

30

Assets

Ireland¹

£528m 35%

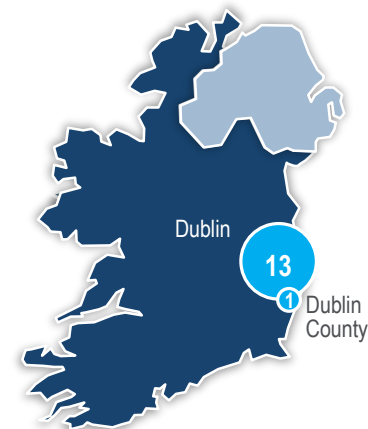
Valuation

851

Area ('000 sq ft)

14

Assets



Italy

£170m 11%

Valuation

1,068

Area ('000 sq ft)

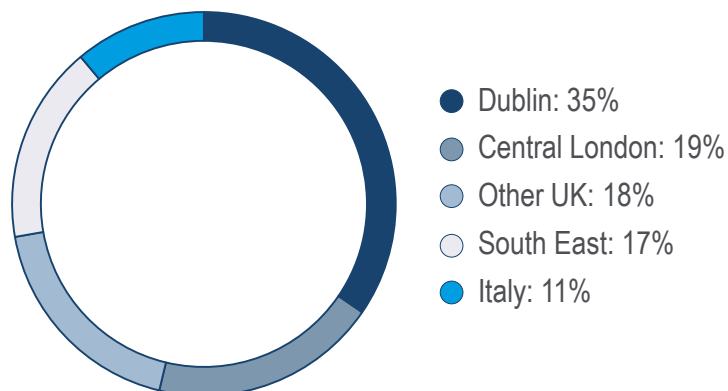
9

Assets

¹ Includes Schoolhouse Lane

KWE office portfolio summary

Portfolio value: £1,528.3m¹



2016 office asset management wins

	Re-gear/ renewal	New lease	Rent review	Total
No. of transactions	10	9	8	27
Area (000 sq ft)	167.9	43.2	109.0	320.1
NOI uplift (£m)	0.5	1.1	0.5	2.1
Term to break (years)	4.4	5.7	–	4.7

	Total
Passing rent (£m)	82.7
Topped-up NOI (£m)	88.0
Portfolio valuation (£m)	1,528.3
Portfolio valuation (£psf)	329.1
Valuation movement (£m)	-30.4
Occupancy (%)	96.2
WAULT break (years)	6.0
WAULT expiry (years)	7.2



Discovery Place,
Farnborough



Bartley Wood Business Park,
Hook

¹ Includes Schoolhouse Lane

Retail

UK

£347m 49%

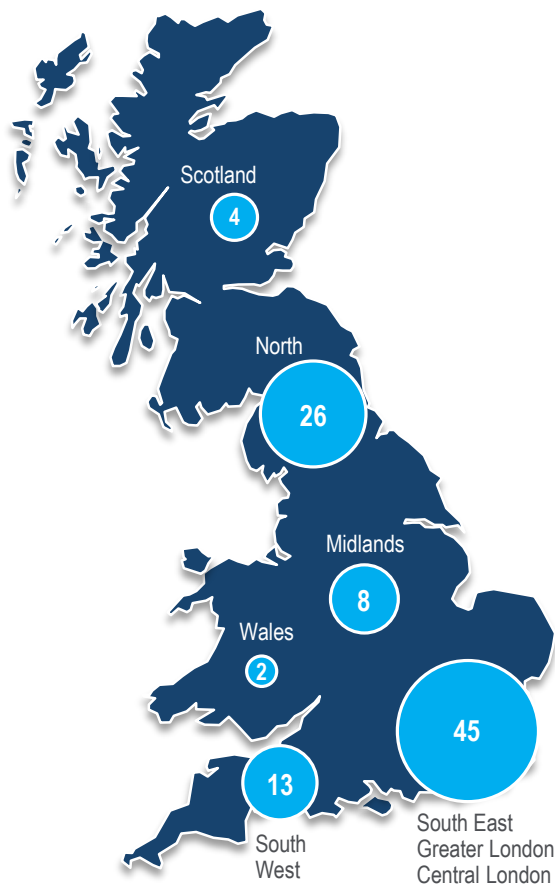
Valuation

1,826

Area ('000 sq ft)

98

Assets



Ireland¹

£165m 23%

Valuation

509

Area ('000 sq ft)

5

Assets



Spain²

£194m 28%

Valuation

845

Area ('000 sq ft)

16

Assets

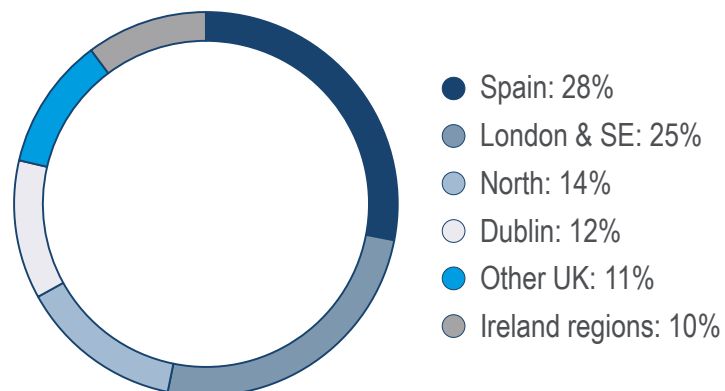


¹ Includes Leisureplex site

² Includes 9 Puerta del Sol

KWE retail portfolio summary

Portfolio value: £706.2m¹



2016 retail asset management wins

	Re-gear/ renewal	New lease	Rent review	Total
No. of transactions	33	25	29	87
Area (000 sq ft)	170.7	57.7	104.2	332.6
NOI uplift (£m)	-0.1	0.9	0.3	1.1
Term to break (years)	8.9	7.0	-	7.7

	Total
Passing rent (£m)	43.0
Topped-up NOI (£m)	42.0
Portfolio valuation (£m)	706.2
Portfolio valuation (£psf)	222.1
Valuation movement (£m)	5.5
Occupancy (%)	93.7
WAULT break (years)	8.7
WAULT expiry (years)	12.3



Moraleja Green,
Madrid



11 Gentleman's Walk,
Norwich

¹ Includes Leisureplex site and 9 Puerta del Sol

PRS

UK

£80m 34%

Valuation

294

Potential units



Ireland

£153m 66%

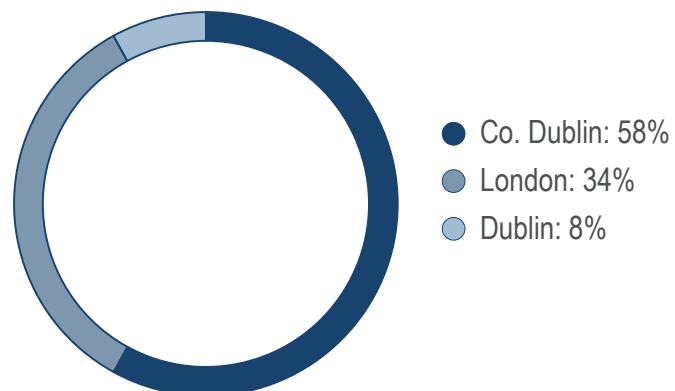
Valuation

659

Potential units¹¹ Includes Herberton loan

KWE PRS portfolio summary¹

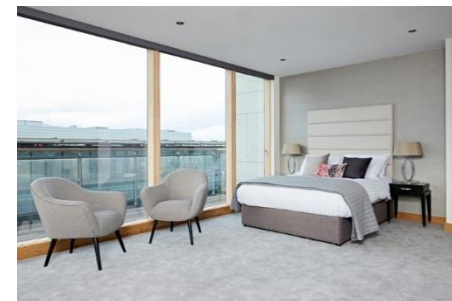
Portfolio value: £232.6m



Key AM wins



Vantage, Central Park
Completed 3 commercial leases



Block K, Vantage
Lease up ahead of business plan

Direct real estate

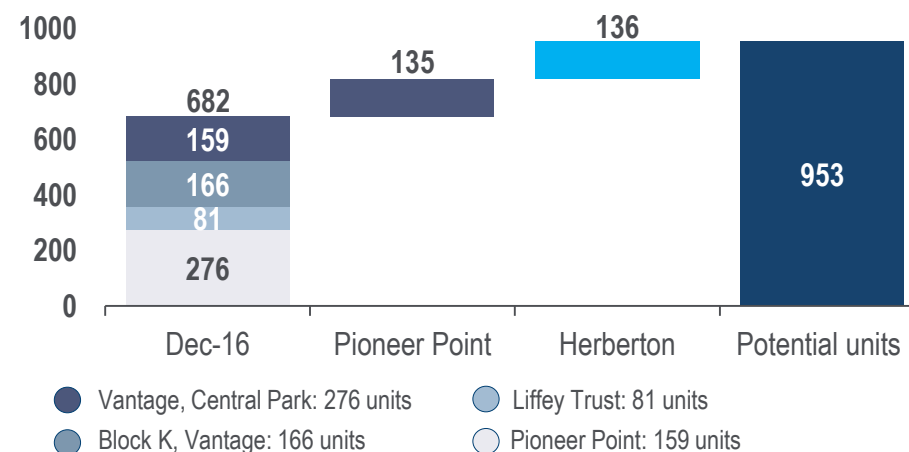
	Total
Dec-16 lettable units	682
Potential units	953 ²
Topped-up NOI (£m)	7.6
Portfolio valuation (£m)	232.6
Valuation (£m per lettable unit)	0.34
Valuation movement (£m)	15.9
Occupancy of lettable (%)	86.5 ³

¹ Includes direct real estate held at 31 December 2016

² Includes Herberton loan

³ Excludes commercial units

271 units to be brought on stream



Industrial

UK

£171m 100%

Valuation

2,786

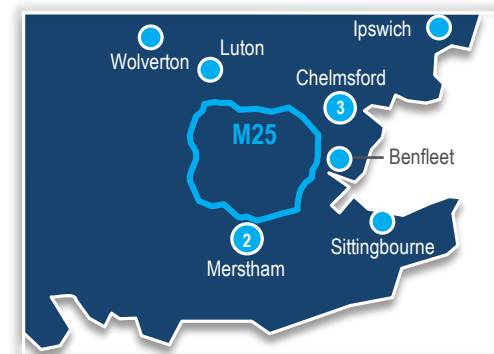
Area ('000 sq ft)

26

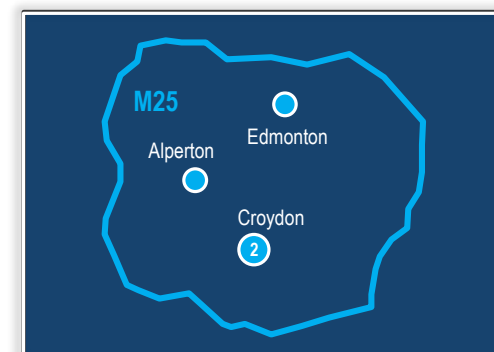
Assets



South East

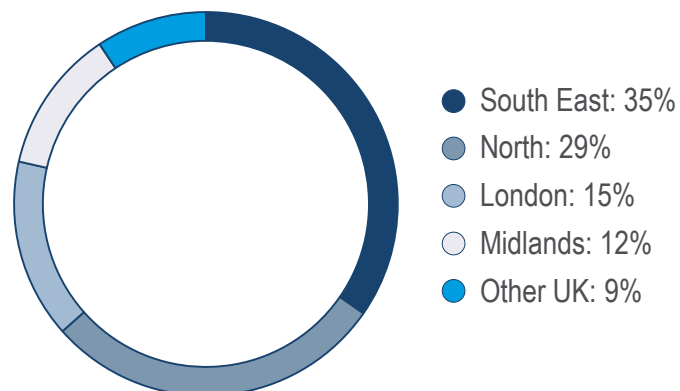


London



KWE industrial portfolio summary

Portfolio value: £171.2m



2016 industrial asset management wins

	Re-gear/ renewal	New lease	Rent review	Total
No. of transactions	6	9	4	19
Area (000 sq ft)	168.2	112.0	74.5	354.7
NOI uplift (£m)	0.1	0.5	0.1	0.7
Term to break (years)	13.8	7.8	–	11.0

	Total
Passing rent (£m)	11.8
Topped-up NOI (£m)	12.1
Portfolio valuation (£m)	171.2
Portfolio valuation (£psf)	61.5
Valuation movement (£m)	-5.0
Occupancy (%)	96.0
WAULT break (years)	6.4
WAULT expiry (years)	7.7



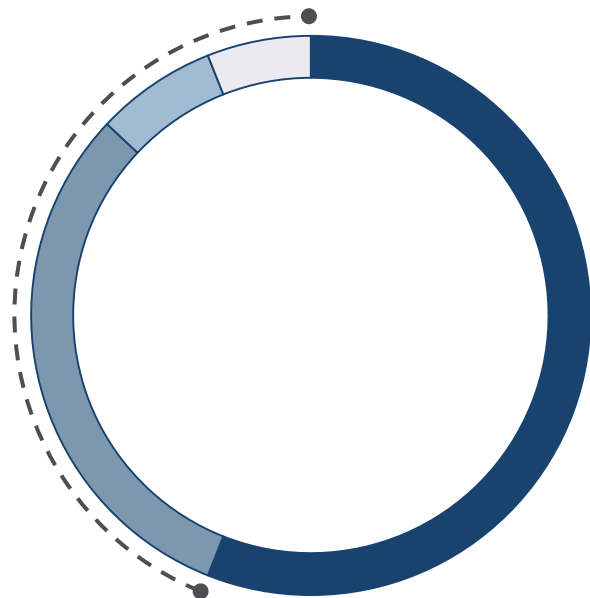
Dukes Park Industrial Estate,
Chelmsford



Angel Road Estate,
London

Euro assets now 44% of portfolio

44% Euro assets

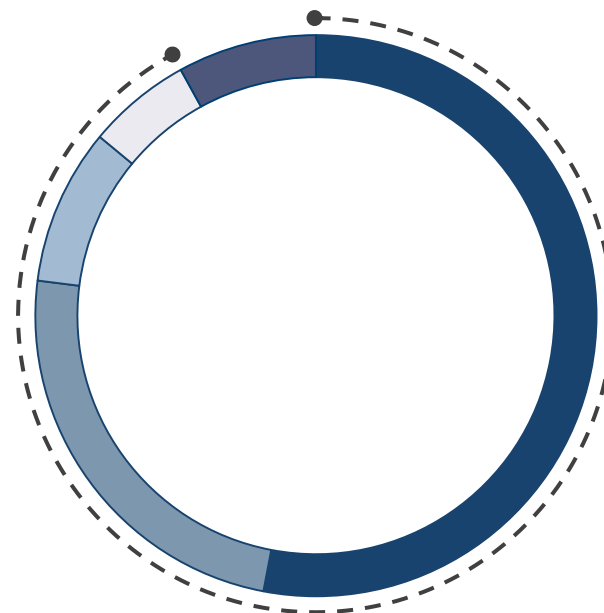


£2,882.2m

Portfolio value

- UK: 56%
- Ireland: 31%
- Spain: 7%
- Italy: 6%

92% core sectors



£2,882.2m

Portfolio value

- Office: 53%
- Retail: 24%
- Residential: 9%
- Industrial: 6%
- Other¹: 8%

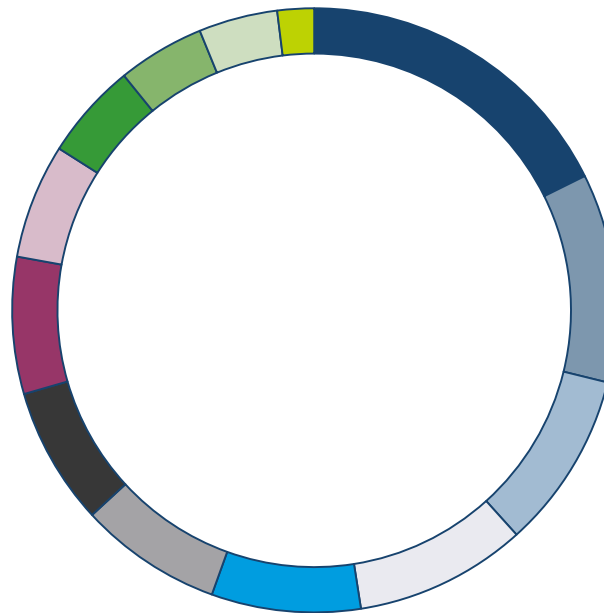
¹ Includes hotel and leisure assets and Park Inn loan portfolio

Broad income diversity – across tenants & industries

Top 10 tenants represent 35% of total portfolio rent ¹

£154.0m

KWE total rent¹



- General merchandise: 17%
- Consumer staples: 13%
- Corporates & business services: 12%
- Government: 10%
- Financial institutions: 10%
- Media: 7%
- Oil & gas: 6%
- Software: 6%
- Transportation: 5%
- Industrials: 5%
- Telecom: 4%
- Leisure: 3%
- Other: 2%

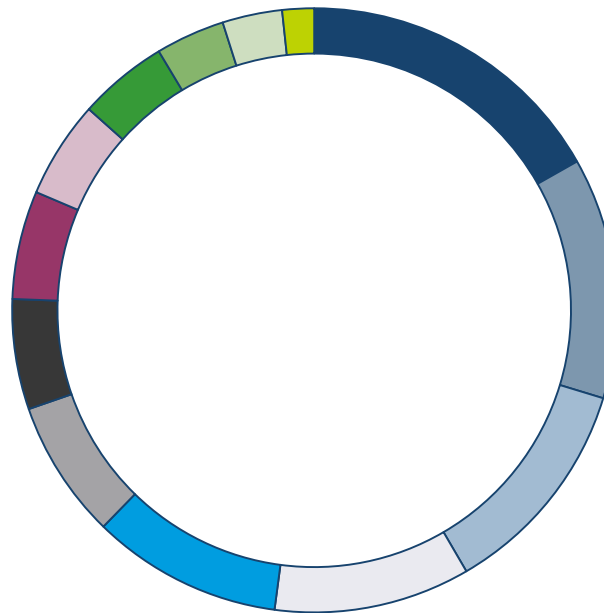
¹ Based on commercial leases only, numbers shown as % of topped-up rent

Broad income diversity – across UK tenants & industries

Top 10 UK tenants represent 33% of total portfolio rent ¹

£98.9m

UK total rent¹

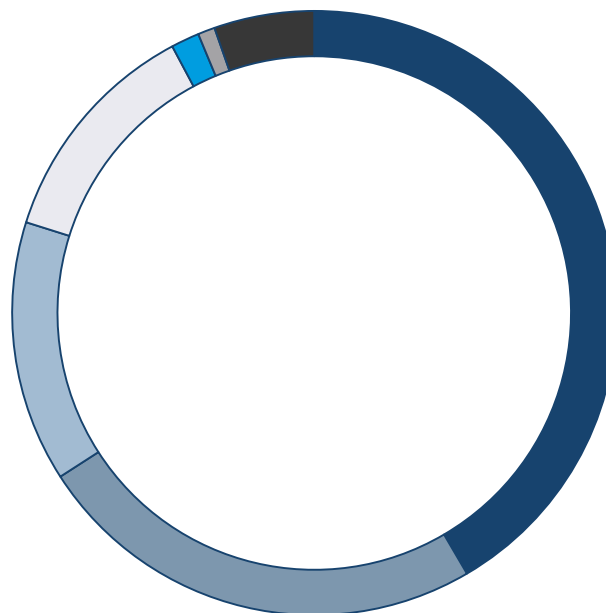


- General merchandise: 18%
- Media: 11%
- Consumer staples: 10%
- Oil & gas: 9%
- Transportation: 8%
- Software: 8%
- Industrials: 7%
- Corporates & business services: 7%
- Financial institutions: 6%
- Telecom: 5%
- Leisure: 5%
- Government: 4%
- Other: 2%

¹ Based on commercial leases only, numbers shown as % of topped-up rent

UK portfolio highly diversified across sectors

£97.7m
UK NOI¹



- Regional office: 42%
- Retail: 24%
- Central London office: 14%
- Industrial: 12%
- PRS: 2%
- Hotel: 1%
- Leisure: 5%

¹ Annualised topped-up NOI at 31 December 2016 includes expiration of rent-free periods and contracted rent steps over the next two years

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All property valuations in this presentation at 31 December 2016 have been undertaken by third party external valuers under RICS Red Book. CBRE have valued the direct property assets (other than the Italian office portfolio which was valued by Colliers) and the loan portfolios have been valued by Duff & Phelps, in each case at 31 December 2016. Unless stated otherwise, information presented "to date" is information as at 23 February 2017 or for the period from 1 January 2017 to 23 February 2017, and any PPE information presented under "PPE" is information for the period from 1 January 2017 to 23 February 2017.

Unless stated otherwise, where balance sheet amounts in this presentation are presented in both £ and €, the £ amount has been calculated based on an exchange rate of €1:£0.85352, which was the rate on 31 December 2016. Income Statement amounts were translated at the average rate for the year.