

# Kayne Anderson Energy Development Company - (CUSIP: 48660Q102)

## 2011 Form 1099-DIV Dividends & Distributions Information

- Stockholders holding shares as of any of the record dates below should receive a 2011 Form 1099-DIV.
- **Example 1:** Stockholder X owns one share during the entire calendar year of 2011 and received \$1.37 of distributions during the calendar year. Stockholder X should receive a 2011 Form 1099-DIV including \$1.37 of Total Ordinary Dividends (Box 1a) of which \$1.37 will be treated as Qualified Dividends (Box 1b) .
- **Example 2:** Stockholder X purchased one share on October 12, 2011 (i.e., held the share as of the October 19 record date) and received \$0.38 of distributions during October 2011. Stockholder X should receive a 2011 Form 1099-DIV including \$0.38 of Total Ordinary Dividends (Box 1a) of which \$0.38 will be treated as Qualified Dividends (Box 1b).

Record Date	Ex-Dividend Date	Payable Date	Total Distribution Per Share	Year Included in Shareholders' Income			Box 1a Total Ordinary Dividends	Box 1b Total Qualified Dividends
				2010	2012	2011		
1/31/2011	1/27/2011	2/4/2011	\$ 0.3000			\$ 0.3000	\$ 0.3000	\$ 0.3000
4/15/2011	4/13/2011	4/28/2011	\$ 0.3100			\$ 0.3100	\$ 0.3100	\$ 0.3100
7/13/2011	7/11/2011	7/22/2011	\$ 0.3800			\$ 0.3800	\$ 0.3800	\$ 0.3800
10/19/2011	10/17/2011	10/28/2011	\$ 0.3800			\$ 0.3800	\$ 0.3800	\$ 0.3800
			\$ 1.3700			\$ 1.3700	\$ 1.3700	\$ 1.3700

Record Date	Box 2a Total Capital Gain Distr.	Box 2b Unrecap Sec. 1250 Gain	Box 2c Section 1202 Gain	Box 2d Collectibles (28%) Gain	Box 3 Nondividend Distributions	Box 6 Foreign Tax Paid	Box 8 Cash Liquidation Distr	Box 9 Noncash Liquidation Distr	Exempt Interest Dividends
1/31/2011									
4/15/2011									
7/13/2011									
10/19/2011									

- Total Ordinary Dividends (Box 1a) are either Qualified Dividends or non-Qualified Dividends. To the extent that Total Ordinary Dividends (Box 1a) exceeds Qualified Dividends (Box 1b), the difference will be taxed at the applicable ordinary income tax rate.
- In addition to other requirements which designate dividends as Qualified Dividends, a stockholder must meet the holding period requirements. Generally, a stockholder must hold the stock for more than 60 days during the 121-day period that begins 60 days before the ex-dividend date.
- Nondividend Distributions (Box 3) are treated as a return of capital for tax purposes (i.e., not as taxable income) and reduce the cost basis of the investment owned.