EFFECTIVE REIT

Nontraded REIT Industry Review: Third Quarter 2012



KBS Real Estate Investment Trust III, Inc.

Total Assets\$326.9 M Real Estate Assets\$274.5 M Cash\$47.0 M Securities\$47.0 M Other\$5.5 M Cash to Total Assets Ratio: Asset Type: Number of Properties: Square Feet / Units / Rooms / A Percent Leased: LifeStage Investment Style	illion illion illion illion 	Number of Months Fundraising: Anticipated Offering Close Date: Current Price per Share:	October 26, 2010 23 October 11, 2013 \$10.00 \$9.50
Gross Dollars Raised*	Current Distribution	Historical Distribution	Contact Information
\$300.0 \$150.0 \$0 \$0 \$104.0 \$127.9 \$35.9 \$35.9 \$104.0 \$127.9 \$35.9 \$2012 \$2012 \$2012 \$1010 \$1202 \$2012 \$1010 \$1020 \$2012 \$1010 \$1020 \$1010 \$1020 \$100 \$100 \$100 \$1000 \$100 \$100 \$100 \$100 \$1000 \$1000 \$1	Current Distribution Yield: 6.50% 6.50% Growth LifeStage Ranges 2.85% 6.80% 8.20%	$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	www.KBS-CMG.com KBS Real Estate Investment Trust III, Inc. P.O. Box 219015 Kansas City, MO 64121-9015 866-584-1381
Year to Date FFO Payout Ratio	Historical FFO Payout Ratio	Year to Date MFFO Payout Ratio	Historical MFFO Payout Ratio
FFO Payout Ratio: YTD Distributions/YTD FFO: 230% 230% Growth LifeStage Ranges 25% 134% 691% YTD Distributions Paid: \$7,712,000 YTD FFO:\$3,360,000	400% 200% 0.00% 2011 YTD Q3 2012 2012	MFFO Payout Ratio: YTD Distributions/YTD MFFO:182% I 182% Growth LifeStage Ranges 52% 124% 3308% YTD Distributions Paid:\$7,712,000 YTD MFFO:\$4,231,000 • *BVP Adjusted See Notes Company reported	200% 100% 0.00% 2011 YTD 03 2012 2012
Debt Repayment Schedule	Current Debt Ratio	Debt Breakdown	Interest Coverage Ratio
$ \begin{array}{c} 100\% \\ 50\% \\ 0\% \\ \hline 0\% \\ \hline 43.3\% \\ \hline 56.7\% \\ \hline 0.0\% \\ 0.0$	Debt to Total Assets Ratio: 39.9% 39.9% Growth LifeStage Ranges 7.3% 51.0% 66.7%	Total: \$130.6 Million Fixed: \$0.0 Million Variable: \$130.6 Million Avg. Wtd. Rate: 2.3% Term: <1 - 2 yrs	Growth LifeStage Ranges 0.3 2.2 19.0 Adjusted EBITDA: \$8,758,000 Interest Expense: \$2,680,000
Redemptions	Lease Expirations	Trends and Items of Note	
$\begin{array}{c} 2.0\% \\ 1.0\% \\ 0\% \\ \hline \\ 0\% \\ \hline \\ 0\% \\ \hline \\ 0.0\% \\ 0.0\% \\ 0.00\% \\ \hline \\ 0.0\% \\ 0.00\% \\ \hline \\ 0.12\% \\ 0.20\% \\ 0.20\% \\ 0.11\% \\ 0.20\% \\ 0.12\% \\ 0.20\% \\ 0.11\% \\ 0.20\% \\ 0.20\% \\ 0.11\% \\ 0.20\% \\ 0.11\% \\ 0.20\% \\ 0.20\% \\ 0.20\% \\ 0.11\% \\ 0.20\% \\ 0.20\% \\ 0.11\% \\ 0.20\% \\ 0.20\% \\ 0.11\% \\ 0.20\% \\ 0.20\% \\ 0.20\% \\ 0.11\% \\ 0.20\% \\ 0$	Average weighted term is 5.6 years	 The board of directors has approved an extension of our primary offering of 200,000,000 shares until the earlier of the sale of all 200,000,000 shares or October 11, 2013. On October 12, 2012, the Company announced that in the event the board of directors determines that it is in its best interest to obtain the personnel needed to become self-managed by entering into a business combination with affiliates of the sponsors (an "Internalization Transaction"), then the Company will not enter into such an Internalization Transaction unless the advisor or one of its affiliates agrees to proceed with the Internalization Transaction without the payment of any internalization fee or other consideration by the Company, whether in the form of a cash payment or in the form of stock, warrants or options. The REIT did not acquire any properties during the third quarter. Cash to total assets increased significantly to 14.4% compared to the previous quarter's ratio of 5.9% was above the median compared to other Growth Lifestage REITs. The interest coverage increased to 3.3, up from 3.0x in Q2 2012. The Company did not report MFPO for Q3 2012. The MFPO Payout Ratios reported above were estimated by Blue Vaut Partners based on the IFA Guidelines. See additional notes on page 99 for information regarding the source of distributions. 	

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