

Nontraded REIT Industry Review: First Quarter 2015

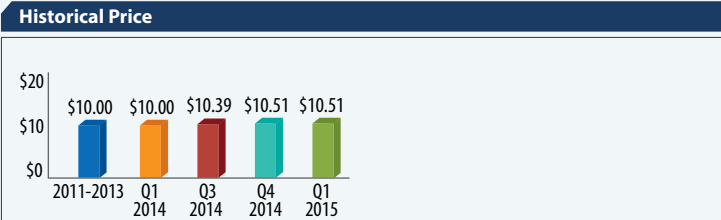
KBS Real Estate Investment Trust III, Inc.

Total Assets.....	\$2,544.8 Million
Real Estate Assets	\$2,206.8 Million
Cash	\$255.2 Million
Securities	\$0.0 Million
Other	\$83.1 Million



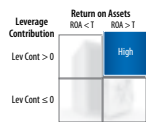
Initial Offering Date: October 26, 2010
 Offering Close Date: May 29, 2015
 Current Price per Share: \$10.51
 Reinvestment Price per Share: \$9.99
 Cumulative Capital Raised during Offering (including DRP): \$1,525.6 Million

Cash to Total Assets Ratio: 10.0%
 Asset Type: Office
 Number of Properties: 20 Properties; 1 Note Rec
 Square Feet / Units / Rooms / Acres: 8.2 Million Sq. Ft.
 Percent Leased: 89%
 Weighted Average Lease Term Remaining: 5.2 Years
 LifeStage: Stabilizing
 Investment Style Core
 Weighted Average Shares Outstanding: 134,638,562



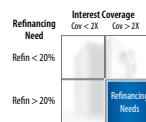
Performance Profiles

Operating Performance



The REIT's recent 12-month average return on assets exceeds yields on 10-year Treasuries, indicating potential for positive risk-adjusted returns. At its current cost of debt and level of borrowing, its use of debt is contributing to increased returns for shareholders.

Financing Outlook



Interest coverage ratio is above the 2.0X benchmark but more than 20% of the REIT's debt matures within two years or is at unhedged variable rates. The REIT may face difficulties in refinancing its borrowings or interest rate risk from increasing rates, but earnings currently provide coverage of interest expense.

Cumulative MFFO Payout



Cumulative MFFO since inception exceeds the cumulative cash distributions to common shareholders, indicating the REIT has fully funded cash distributions from its real estate operations. At the current distribution rate and level of modified funds from operations, trends suggest the distributions can be maintained.

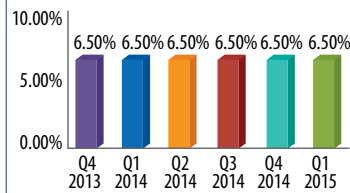
Summary

The REIT's return on assets over the last four quarters was 6.52%, well above the yield on 10-Year Treasuries, providing an additional return to shareholders. It had a positive leverage contribution with its average cost of debt of 3.27% and 49% debt ratio. Just 0.1% of the REIT's debt matures within two years but 45.6% is at unhedged variable rates, indicating little immediate refinancing need but some interest rate risk. Its trailing 12-month interest coverage ratio at 3.3X was well above the 2.0X benchmark. Since inception the REIT has paid out 54% of MFFO in cash distributions excluding DRP proceeds, and this rate was 47% in the last four quarters, a sustainable distribution rate.

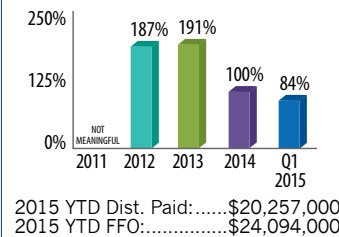
Contact Information

www.KBS-CMG.com
KBS Real Estate Investment Trust III, Inc.
 P.O. Box 219015
 Kansas City, MO 64121-9015
 866-584-1381

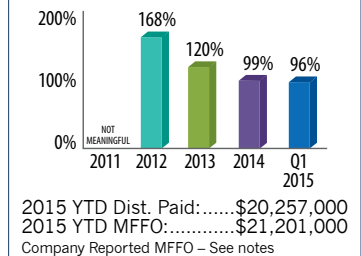
Historical Distribution



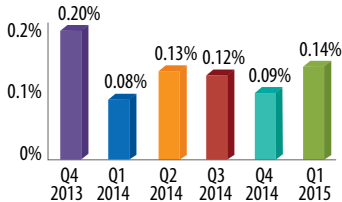
Historical FFO Payout Ratio



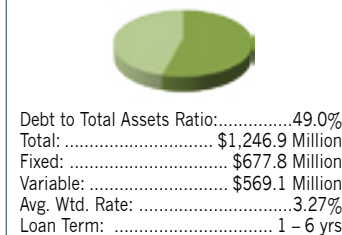
Historical MFFO Payout Ratio



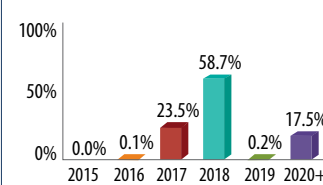
Redemptions



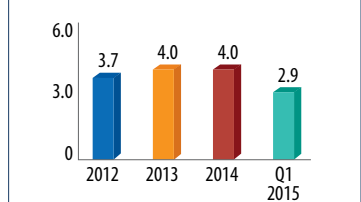
Debt Breakdown



Debt Repayment Schedule



Interest Coverage Ratio



Source of Distributions, Trends and Items of Note

- As of March 31, 2015, the Company owned 1 real estate note and 20 office properties with an aggregate 8.2 million rentable square feet with an 89% occupancy rate.
- The REIT's Cash to Total Assets ratio increased to 10.0% as of 1Q 2015 compared to 5.1% as of 1Q 2014.
- The REIT's Debt to Total Assets ratio decreased to 49.0% as of 1Q 2015 compared to 53.3% as of 1Q 2014.
- As of March 31, 2015, the Company had accrued and deferred \$5.2 million of asset management fees.
- The Company had hedged \$625.1 million of its variable rate debt as of March 31, 2015.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- For the quarter ended March 31, 2015, the Company paid aggregate distributions of \$20.3 million, including \$9.5 million of distributions paid in cash and \$10.8 million of distributions reinvested through the dividend reinvestment plan. The Company funded the total distributions paid, which includes net cash distributions and dividends reinvested by stockholders, with \$14.2 million (70%) of cash flow from operating activities, \$5.1 million (25%) of cash flow from operating activities in excess of distributions paid during second, third and fourth quarters of 2014 and \$1.0 million (5%) of debt financing. For the three months ended March 31, 2015, cash flow from operating activities to distributions paid coverage ratio was 70% and our funds from operations to distributions paid coverage ratio was 119%.