



KBS Real Estate Investment Trust III, Inc.

Total Assets	\$1,488.2 Million
Real Estate Assets	\$1,364.7 Million
Cash	\$75.4 Million
Securities	\$0.0 Million
Other	\$48.0 Million



Cash to Total Assets Ratio	5.1%
Asset Type	Office
Number of Properties	12 Properties; 1 Note
Square Feet / Units / Rooms / Acres	5,300,000 Sq. Ft.
Percent Leased	90.0%
Weighted Average Lease Term Remaining	5.3 Years
LifeStage	Stabilizing
Investment Style	Core
Weighted Average Shares Outstanding	72,753,222

Initial Offering Date	October 26, 2010
Offering Status	Initial
Number of Months Fundraising	41
Anticipated Offering Close Date	September 2015
Current Price per Share	\$10.39*
Reinvestment Price per Share	\$9.88*

*See notes



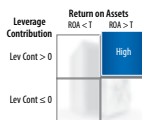
Contact Information

www.KBS-CMG.com

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

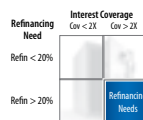
Performance Profiles

Operating Performance



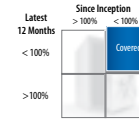
The REIT's recent 12-month average return on assets exceeds yields on 10-year Treasuries, indicating potential for positive risk-adjusted returns. At its current cost of debt and level of borrowing, its use of debt is contributing to increased returns for shareholders.

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

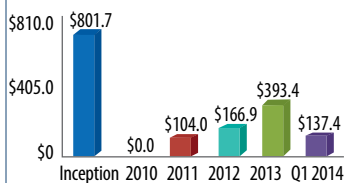


Cumulative MFFO since inception exceeds the cumulative cash distributions to common shareholders, indicating the REIT has fully funded cash distributions from its real estate operations. At the current distribution rate and level of modified funds from operations, trends suggest the distributions can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

Summary

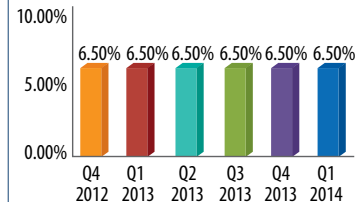
The REIT's return on assets over the last four quarters was 2.97%, above the yield on 10-Year Treasuries of 1.87%, providing a small additional return to shareholders. It had a small leverage contribution with its average cost of debt of 2.80% and 53.3% debt ratio. Just 2.5% of the REIT's debt matures within two years but 23.2% is at unhedged variable rates, indicating little immediate refinancing need but some interest rate risk. Its trailing 12-month interest coverage ratio at 4.6X was well above the 2.0X benchmark. Since inception the REIT has paid out 66% of MFFO in cash distributions excluding DRP proceeds, and this rate was 57% in the last four quarters, a sustainable distribution.

Gross Dollars Raised*

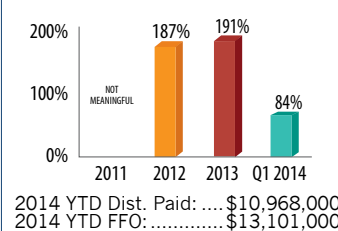


*Includes reinvested distributions (in millions)

Historical Distribution

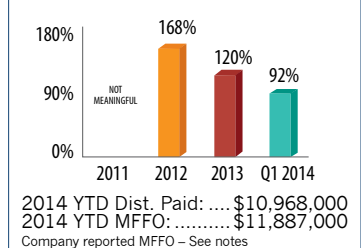


Historical FFO Payout Ratio



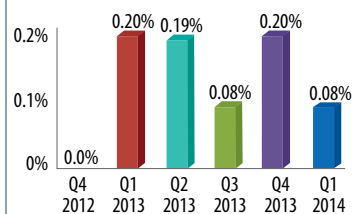
2014 YTD Dist. Paid: \$10,968,000
 2014 YTD FFO: \$13,101,000

Historical MFFO Payout Ratio

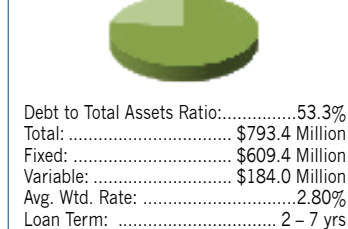


2014 YTD Dist. Paid: \$10,968,000
 2014 YTD MFFO: \$11,887,000
 Company reported MFFO - See notes

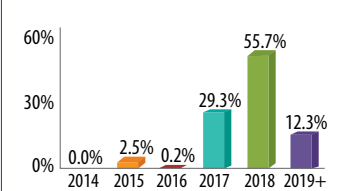
Redemptions



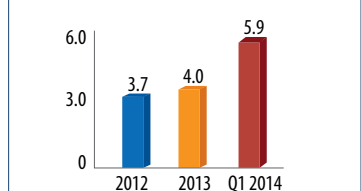
Debt Breakdown



Debt Repayment Schedule



Interest Coverage Ratio



Source of Distributions, Trends and Items of Note

- The board of directors has extended the closing date of the primary initial public offering until the earlier of the sale of up to 200,000,000 shares, or up to \$2,000,000,000 of shares, or the date the registration statement relating to the Follow-on Offering is declared effective by the SEC. The dealer manager has also recommended that the offering stage last no longer than September 2015.
- On May 5, 2014, the board of directors established an updated offering price for shares of common stock to be sold in the primary offering of \$10.39 per share (with discounts available to certain categories of purchasers) and an offering price for shares of common stock to be sold under the dividend reinvestment plan of \$9.88 per share (which is 95% of the price to acquire a share in this primary offering). The updated offering prices for the primary offering and the dividend reinvestment plan offering will be effective May 7, 2014.
- The REIT acquired one property for a total of \$169.8 million and sold one property for \$3.2 million during 1Q 2014.
- The REIT's Cash to Total Assets ratio decreased to 5.1% as of 1Q 2014 compared to 9.4% as of 1Q 2013.
- The REIT's Debt to Total Assets ratio increased to 53.3% as of 1Q 2014 compared to 44.8% as of 1Q 2014.
- The Company hedged \$506.7 million of its variable rate debt.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- For the three months ended March 31, 2014, the Company paid aggregate distributions of \$11.0 million, including \$5.4 million of distributions paid in cash and \$5.6 million of distributions reinvested through the dividend reinvestment plan. Net income for the three months ended March 31, 2014 was \$6.7 million. FFO for the three months ended March 31, 2014 was \$13.1 million and cash flow used in operating activities was \$0.2 million. The Company funded total distributions paid, which includes net cash distributions and dividends reinvested by stockholders, with debt financing. For purposes of determining the source of distributions paid, the Company assumes first that it uses cash flow from operating activities from the relevant periods or prior periods to fund distribution payments.