



Nontraded REIT Industry Review: Second Quarter 2012

KBS Real Estate Investment Trust III, Inc.

Total Assets.....	\$297.8 Million
Real Estate Assets	\$276.2 Million
Cash	\$17.6 Million
Securities	\$0.0 Million
Other	\$4.0 Million



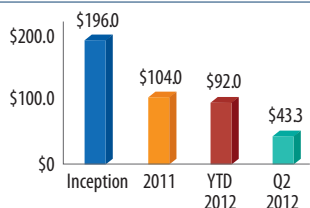
Initial Offering Date:	October 26, 2010
Number of Months Fundraising:	20
Anticipated Offering Close Date:	October 26, 2012
Current Price per Share:	\$10.00
Reinvestment Price per Share:	\$9.50

Cash to Total Assets Ratio:	5.9%
Asset Type:	Office
Number of Properties:	5 Properties and 1 Note
Square Feet / Units / Rooms / Acres:	1,207,840 Sq. Ft.
Percent Leased:	92.0%
LifeStage.....	Growth
Investment Style	Core

Historical Price



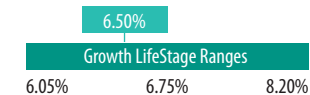
Gross Dollars Raised*



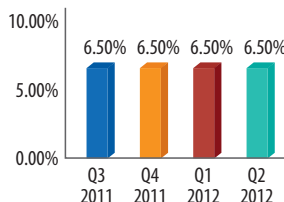
*Includes reinvested distributions (in millions)

Current Distribution

Current Distribution Yield: ... 6.50%



Historical Distribution

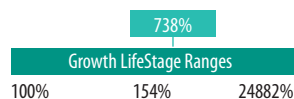


Contact Information

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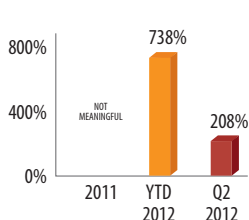
Year to Date FFO Payout Ratio

FFO Payout Ratio:
 YTD Distributions/YTD FFO: 738%



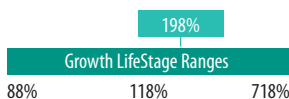
YTD Distributions Paid:.... \$4,393,000
 YTD FFO: \$595,000

Historical FFO Payout Ratio



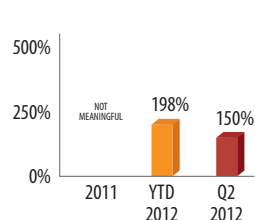
Year to Date MFFO Payout Ratio

MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: ...198%

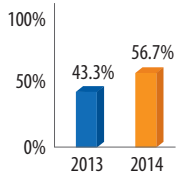


YTD Distributions Paid:.... \$4,393,000
 YTD MFFO: \$2,220,000
 *BVP estimated MFFO – see notes

Historical MFFO Payout Ratio

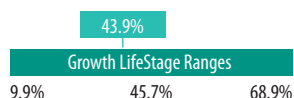


Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: ... 43.9%



Debt Breakdown



Total: \$130.6 Million
 Fixed: \$0.0 Million
 Variable: \$130.6 Million
 Avg. Wtd. Rate: 2.90%
 Term: <1 – 2 yrs

Interest Coverage Ratio

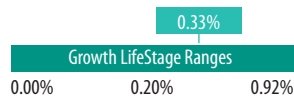
YTD Interest Coverage Ratio: 3.0



Adjusted EBITDA: \$4,963,000
 Interest Expense: \$1,650,000

Redemptions

Ratio of Shares Redeemed to Wtd.
 Avg. Shares Outstanding:.....0.33%



Redemptions Year to Date: ... 50,543
 Wtd. Avg. Shares
 Outstanding: 15,118,048

Lease Expirations

Average weighted term
 of 5.6 years

Trends and Items of Note

- The REIT acquired two properties in 2Q 2012, the McEwen Building in Franklin, TN, with 175,000 sq. ft. for \$40.3 million, and the Gateway Tech Center in Salt Lake City, UT, with 199,000 sq. ft. for \$30.2 million.
- The REIT's debt to total assets ratio remained steady at 43.9%.
- The interest coverage of 3.0x as of Q2 2012 was consistent with the ratio of 3.1x as of 1Q 2012.
- Cash to total assets at 5.9% was well below the median of 10.3% for Growth LifeStage REITs.
- The Company did not report MFFO for Q2 2012. The MFFO figures above are Blue Vault Partners estimates.
- See additional notes on pages 76-77 for information regarding the source of distributions.