



KBS Real Estate Investment Trust III, Inc.

Total Assets.....	\$1,617.6 Million
Real Estate Assets	\$1,438.9 Million
Cash	\$132.4 Million
Securities	\$0.0 Million
Other	\$46.4 Million



Cash to Total Assets Ratio:	8.2%
Asset Type:	Office
Number of Properties:	13 Properties; 1 Note
Square Feet / Units / Rooms / Acres:	5.6 Million Sq. Ft.
Percent Leased:	89%
Weighted Average Lease Term Remaining:	5.2 Years
LifeStage.....	Stabilizing
Investment Style	Core
Weighted Average Shares Outstanding:	87,278,000

Initial Offering Date:	October 26, 2010
Offering Status	Initial
Number of Months Fundraising:	44
Anticipated Offering Close Date:	September 2015
Current Price per Share:	\$10.39*
Reinvestment Price per Share:	\$9.88*

Historical Price



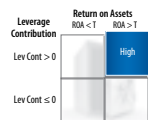
Contact Information

www.KBS-CMG.com

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Kansas City, MO 64121-9015
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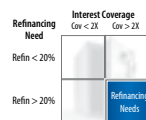
Performance Profiles

Operating Performance



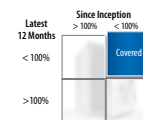
The REIT's recent 12-month average return on assets exceeds yields on 10-year Treasuries, indicating potential for positive risk-adjusted returns. At its current cost of debt and level of borrowing, its use of debt is contributing to increased returns for shareholders.

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

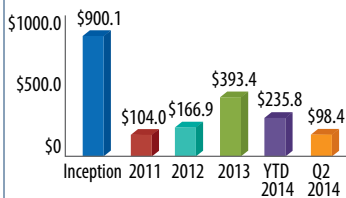


Cumulative MFFO since inception exceeds the cumulative cash distributions to common shareholders, indicating the REIT has fully funded cash distributions from its real estate operations. At the current distribution rate and level of modified funds from operations, trends suggest the distributions can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

Summary

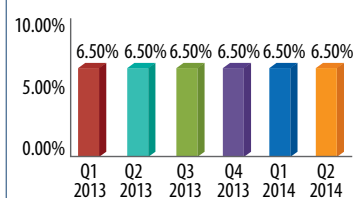
The REIT's return on assets over the last four quarters was 6.41%, well above the yield on 10-Year Treasuries of 2.50%, providing an additional return to shareholders. It had a positive leverage contribution with its average cost of debt of 2.77% and 52% debt ratio. Just 2.4% of the REIT's debt matures within two years but 27.7% is at unhedged variable rates, indicating little immediate refinancing need but some interest rate risk. Its trailing 12-month interest coverage ratio at 4.4X was well above the 2.0X benchmark. Since inception the REIT has paid out 62% of MFFO in cash distributions excluding DRP proceeds, and this rate was 48% in the last four quarters, a sustainable distribution rate.

Gross Dollars Raised*

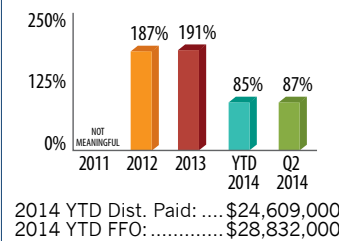


*Includes reinvested distributions (in millions)

Historical Distribution

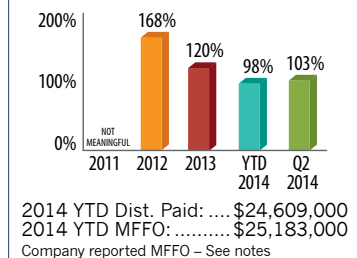


Historical FFO Payout Ratio



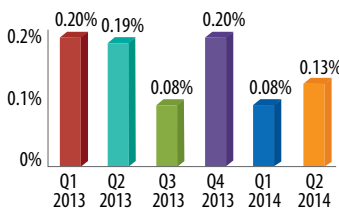
2014 YTD Dist. Paid: \$24,609,000
 2014 YTD FFO: \$28,832,000

Historical MFFO Payout Ratio

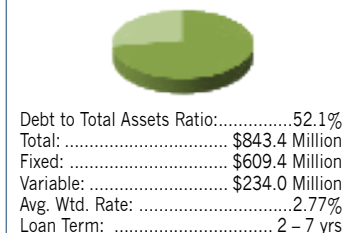


2014 YTD Dist. Paid: \$24,609,000
 2014 YTD MFFO: \$25,183,000
 Company reported MFFO - See notes

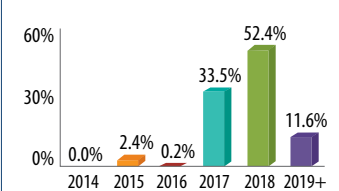
Redemptions



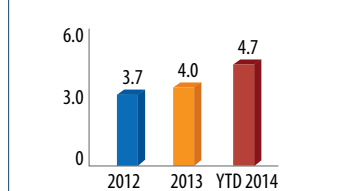
Debt Breakdown



Debt Repayment Schedule



Interest Coverage Ratio



Source of Distributions, Trends and Items of Note

- The REIT acquired one property for \$85.1 million during 2Q 2014.
- The REIT's Cash to Total Assets ratio increased to 8.2% as of 2Q 2014 compared to 4.3% as of 2Q 2013.
- The REIT's Debt to Total Assets ratio decreased to 52.1% as of 2Q 2014 compared to 53.1% as of 2Q 2013.
- The Company had hedged \$506.7 million of its variable rate debt as of June 30, 2014.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- For the six months ended June 30, 2014, the Company paid aggregate distributions of \$24.6 million, including \$12.0 million of distributions paid in cash and \$12.6 million of distributions reinvested through the dividend reinvestment plan. Net income for the six months ended June 30, 2014 was \$3.2 million. FFO for the six months ended June 30, 2014 was \$28.8 million and cash flow from operating activities was \$21.7 million. The Company funded total distributions paid, which includes net cash distributions and dividends reinvested by stockholders, with \$13.6 million of cash flow from operating activities and \$11.0 million of debt financing.