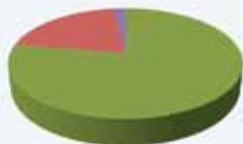




# Nontraded REIT Industry Review: Fourth Quarter 2011

## KBS Real Estate Investment Trust III, Inc.

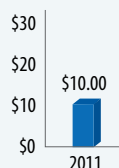
Total Assets.....	\$130.9 Million
Real Estate Assets .....	\$92.6 Million
Cash .....	\$37.2 Million
Securities .....	\$0.0 Million
Other .....	\$1.1 Million



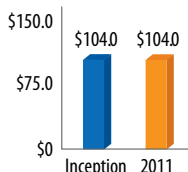
Initial Offering Date: .....	October 26, 2010
Number of Months Fundraising: .....	14
Anticipated Offering Close Date: .....	October 26, 2012
Current Price per Share: .....	\$10.00
Reinvestment Price per Share: .....	\$9.50

Cash to Total Assets Ratio: .....	28.4%
Asset Type: .....	Office
Number of Properties: .....	2 Properties and 1 Note
Square Feet / Units / Rooms / Acres: .....	311,970 Sq. Ft.
Percent Leased: .....	97%
LifeStage.....	Growth
Investment Style .....	Core

### Historical Price



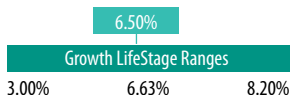
### Gross Dollars Raised\*



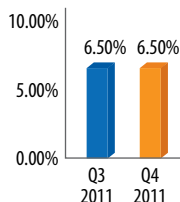
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 6.50%



### Historical Distribution

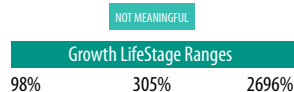


### Contact Information

**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

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: **NOT MEANINGFUL**



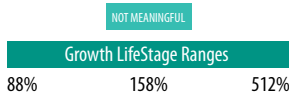
YTD Distributions Paid: ... \$1,662,000  
 YTD FFO: ..... (\$1,340,000)

### Historical FFO Payout Ratio



### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: **NOT MEANINGFUL**

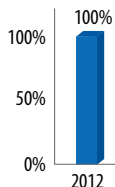


YTD Distributions Paid: ... \$1,662,000  
 YTD MFFO: ..... (\$281,000)  
 \*BVP estimated MFFO – see notes

### Historical MFFO Payout Ratio

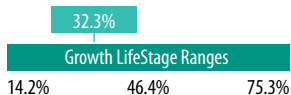


### Debt Maturity



### Current Debt Ratio

Debt to Total Assets Ratio: ... 32.3%



### Debt Breakdown



Total: ..... \$42.3 Million  
 Fixed: ..... \$0.0 Million  
 Variable: ..... \$42.3 Million  
 Avg. Wtd. Rate: ..... 2.50%  
 Term: ..... 1 yr.

### Interest Coverage Ratio

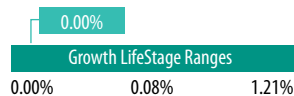
YTD Interest Coverage Ratio: ..... 0.7



Adjusted EBITDA: ..... \$213,000  
 Interest Expense: ..... \$300,000

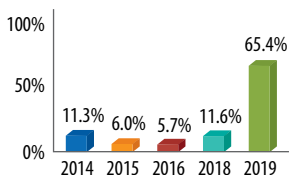
### Redemptions

Ratio of Shares Redeemed to Wtd.  
 Avg. Shares Outstanding: ..... 0.00%



Redemptions Year to Date: ..... 0  
 Wtd. Avg. Shares Outstanding  
 as of 12/31/11: ..... 3,724,745

### Lease Expirations



### Trends and Items of Note

- The REIT transitioned from the Emerging LifeStage into the Growth LifeStage during the fourth quarter.
- The Company acquired one property during the fourth quarter of 2011 for \$35.7 million.
- Distributions to stockholders began in June 2011 and remained at 6.50% annualized.
- The Company's debt ratio increased to 32.3% from 24.8% in the third quarter with an increase in variable rate debt. The Company has a single note payable, a Portfolio Bridge Loan, with a principal balance of \$42.25 million which matures in September, 2012.
- The Company did not report MFFO for 2011. The MFFO figures above are Blue Vault Partners' estimate.
- See additional notes on page 74 for information regarding the source of distributions.