

Nontraded REIT Industry Review: First Quarter 2015

KBS Real Estate Investment Trust, Inc.

Total Assets.....	\$1,351.3 Million
Real Estate Assets	\$1,061.8 Million
Cash	\$141.9 Million
Securities	\$0.0 Million
Other	\$147.6 Million



Initial Offering Date: January 13, 2006
 Offering Close Date: May 30, 2008
 Current Price per Share: \$4.52
 Reinvestment Price per Share: Not Applicable
 Cumulative Capital Raised during Offering (including DRP)..... \$1,734.7 Million

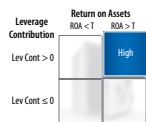
* See Notes



Cash to Total Assets Ratio: 10.5%
 Asset Type: Diversified
 Number of Properties: 397 RE; 4 RE Loans; 1 Joint Venture
 Square Feet / Units / Rooms / Acres: 9,700,000 Sq. Ft.
 Percent Leased: 79%
 Weighted Average Lease Term Remaining: 4.9 Years
 LifeStage: Maturing
 Investment Style Core
 Weighted Average Shares Outstanding: 187,718,362

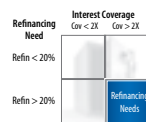
Performance Profiles

Operating Performance



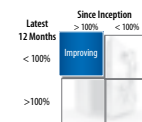
The REIT's recent 12-month average return on assets exceeds yields on 10-year Treasuries, indicating potential for positive risk-adjusted returns. At its current cost of debt and level of borrowing, its use of debt is contributing to increased returns for shareholders.

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



The REIT has not yet reached full coverage of cash distributions with an MFFO payout ratio below 100% since inception, but the last 12 months shows full coverage of distributions, a positive trend. If the 12-month trend continues, the distribution rate can be maintained.

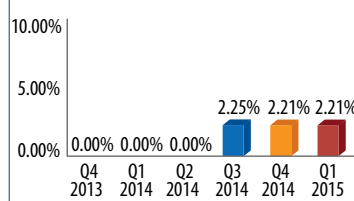
Summary

The REIT's return on assets for the last four quarters was 6.42%, above the yield on 10-Year Treasuries, providing additional returns to shareholders. It had a leverage contribution with its estimated average cost of debt at 4.71% and 47.3% debt ratio. About 49% of the REIT's debt principal must be repaid within two years and 31.9% is at unhedged variable rates, indicating significant refinancing need and considerable interest rate risk. Its interest coverage ratio for the last four quarters was 2.6, above the 2.0X benchmark. Since inception the REIT has paid out 109% of MFFO in cash distributions excluding DRP proceeds, and this rate was 69% for the last four quarters.

Contact Information

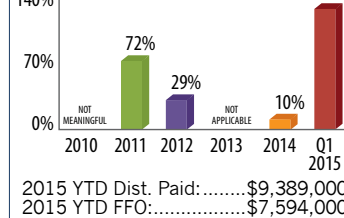
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Historical Distribution



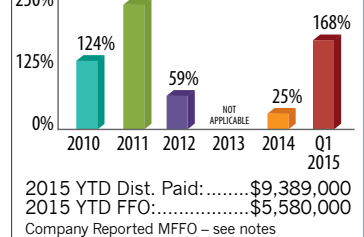
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Historical FFO Payout Ratio



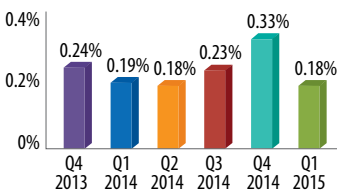
2015 YTD Dist. Paid:\$9,389,000
 2015 YTD FFO:.....\$7,594,000

Historical MFFO Payout Ratio

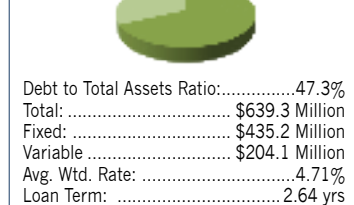


2015 YTD Dist. Paid:\$9,389,000
 2015 YTD MFFO:.....\$5,580,000
 Company Reported MFFO – see notes

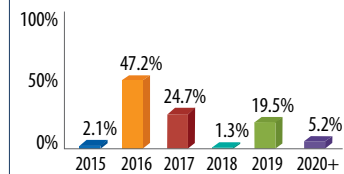
Redemptions



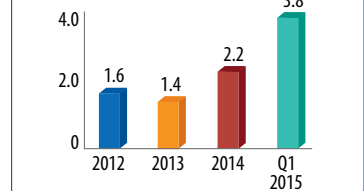
Debt Breakdown



Debt Repayment Schedule



Interest Coverage Ratio



Source of Distributions, Trends and Items of Note

- On December 9, 2014, the board of directors approved an estimated value per share of common stock of \$4.52 based on the estimated value of assets less the estimated value of liabilities, divided by the number of shares outstanding, all as of September 30, 2014.
- Distributions declared per share of common stock were \$0.025 for the three months ended March 31, 2015.
- On January 15, 2015, the Company and the Advisor amended the Advisory Agreement to a disposition fee of 1% on the contract sales price of properties, loans or investments sold. In no event (including disposition fees) shall total commissions exceed 6% of the sales price. The disposition fee for the GKK Properties was modified to a maximum 1% fee on the contracted sales price.
- The REIT's FFO and MFFO payout ratios for 2013 reflect a one-time return of principal of \$0.395 per share which was paid on December 5, 2013. Accordingly, those payout ratios are not relevant to understanding the REIT's performance. Due to the nature of such distributions, BVP restated the ratios as "NA" or "Not Applicable."
- The REIT's Cash to Total Assets ratio increased to 13.7% as of 1Q 2015 compared to 9.6% as of 1Q 2014.
- The REIT's Debt to Total Assets ratio increased to 61.9% as of 1Q 2015 compared to 52.7% as of 1Q 2014.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").