



Real Estate
Investment
Trust III

FOR IMMEDIATE RELEASE

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KBS REIT III's Advisor to Defer Asset Management Fees

NEWPORT BEACH, CA (March 17, 2014) – [KBS Real Estate Investment Trust III](#) (“KBS REIT III”), a public non-traded real estate investment trust based in Newport Beach, Calif., recently announced that KBS Capital Advisors, LLC, KBS REIT III's external advisor (the “Advisor”), will defer asset management fees without interest in any month that KBS REIT III's modified funds from operations (MFFO), as defined in the practice guideline issued by the Investment Program Association in November 2010 and interpreted by KBS REIT III, excluding asset management fees, does not exceed the amount of distributions declared for that month.

The amendment to the advisory agreement between KBS REIT III and the Advisor pertains to asset management fees that began accruing on March 1, 2014, and helps KBS REIT III get to full coverage of its distribution to shareholders from MFFO.*

“We are confident that deferring asset management fees in these instances is in the best interest of our stockholders and reflects our commitment to supporting the REIT's long-term strategy,” said Charles J. Schreiber, CEO of KBS REIT III and co-founder of the Advisor.

*KBS REIT III remains obligated to pay the Advisor asset management fees in any month in which MFFO, excluding asset management fees, exceeds the amount of distributions declared for that month; however, the Advisor will defer any amount of such asset management fees that exceed the surplus of MFFO for that month. If a surplus of MFFO for any month exceeds the asset management fees for that month, the amount of excess MFFO will be applied to pay asset management fee amounts deferred in prior months. Additionally, all deferred asset management fees will become immediately due and payable to the Advisor at the time stockholders collectively receive a return of their net invested capital and an 8-percent per year cumulative, non-compounded return of such net invested capital. The complete details of the terms of the deferral of the asset management fee were publicly filled with the SEC on March 6, 2014 and are available on the SEC's website, www.sec.gov.

About KBS

KBS Capital Advisors is KBS REIT III's external advisor and is an affiliate of KBS Realty Advisors, a private equity real estate company and SEC-registered investment advisor founded in 1992. Since its inception, KBS Realty Advisors and its affiliated companies have completed transactional activity of more than \$28 billion via 14 separate accounts, six commingled funds, five sovereign wealth funds and five non-traded REITs. For information, visit www.kbscapital.com.

This release may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements relating to KBS REIT III's future performance and operating results. These statements are subject to known and unknown risks, uncertainties and other factors which may cause KBS REIT III's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

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