



Real Estate  
Investment  
Trust II

**FOR IMMEDIATE RELEASE**

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**KBS REIT II Eliminates Internalization Compensation**

NEWPORT BEACH, Calif. (Oct. 16, 2012) – The board of directors of [KBS Real Estate Investment Trust II](#) (KBS REIT II), a Newport Beach, Calif.-based public, non-traded real estate investment trust with \$2.9 billion in total assets, is pleased to announce that KBS REIT II will not pay any internalization fees or compensation to its advisor, KBS Capital Advisors LLC, or any of its affiliates, should KBS REIT II enter into any internalization transaction. The decision was made upon the recommendation of KBS Capital Advisors and approved by the board of directors of KBS REIT II as being in the best interest of the REIT and its shareholders.

Traditionally, in the event a non-traded REIT lists its shares on a public stock exchange, all management, acquisition and other functions previously performed by the REIT's external advisor are absorbed by the REIT, making it "self-managed." Such internalization potentially could result in compensation, typically fees or shares of the REIT's stock, paid to the advisor by the REIT in exchange for the personnel, infrastructure and other assets of the advisor. The elimination of this compensation can be a substantial cost savings for the REIT, which could significantly enhance the investment returns to the REIT and its shareholders.

"While our advisor and its affiliates have a history of successfully liquidating portfolios by selling assets individually, KBS REIT II's prospectus doesn't specify a particular exit strategy," said Charles Schreiber, chief executive officer of KBS REIT II. "There are multiple ways of liquidating a portfolio, including individual asset sales, a transaction involving an entire portfolio or listing on a public stock exchange. This announcement gives us the flexibility to choose the best liquidity event and positions the REIT to take advantage of the changing markets and new opportunities that could maximize shareholder returns without the shareholders having to bear the burden of internalization fees."

**About KBS**

KBS Capital Advisors is an affiliate of KBS Realty Advisors, which is a private equity real estate company and SEC-registered investment advisor founded by Peter Bren and Charles Schreiber, Jr. Since 1992, KBS Realty Advisors and its affiliated companies have completed transactional activity of approximately \$25 billion via 14 separate accounts, six commingled funds, five sovereign wealth funds and five non-traded REITs. For information, visit [www.kbscapital.com](http://www.kbscapital.com).

KBS REIT II Announces Elimination of Internalization Fees  
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*This release may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including the selection and potential success of KBS REIT II's liquidity events and potential returns to its Shareholders. These statements are subject to known and unknown risks, uncertainties and other factors which may cause KBS REIT II'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.*