

BLACKROCK CORPORATE HIGH YIELD FUND III INC  
Form N-CSRS  
February 06, 2008

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM N-CSRS

CERTIFIED SHAREHOLDER REPORT OF REGISTERED  
MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-08497

Name of Fund: BlackRock Corporate High Yield Fund III, Inc. (CYE)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: Donald C. Burke, Chief Executive Officer,  
BlackRock Corporate High Yield Fund III, Inc., 800 Scudders Mill Road,  
Plainsboro, NJ 08536. Mailing address: P.O. Box 9011, Princeton, NJ  
08543-9011

Registrant's telephone number, including area code: (800) 882-0052, Option 4

Date of fiscal year end: 05/31/2008

Date of reporting period: 06/01/2007 - 11/30/2007

Item 1 - Report to Stockholders

EQUITIES      FIXED INCOME      REAL ESTATE  
LIQUIDITY      ALTERNATIVES      BLACKROCK SOLUTIONS

BlackRock Corporate High Yield      BLACKROCK  
Fund III, Inc. (CYE)

SEMI-ANNUAL REPORT  
NOVEMBER 30, 2007 | (UNAUDITED)

NOT FDIC INSURED  
MAY LOSE VALUE  
NO BANK GUARANTEE

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## A Letter to Shareholders

Dear Shareholder

The November reporting period was fairly tumultuous for financial markets, culminating in mixed results for some of the major benchmark indexes:

Total Returns as of November 30, 2007	6-month	1
U.S. equities (S&P 500 Index)	-2.33%	
Small cap U.S. equities (Russell 2000 Index)	-8.82	
International equities (MSCI Europe, Australasia, Far East Index)	+2.82	
Fixed income (Lehman Brothers U.S. Aggregate Bond Index)	+5.32	
Tax-exempt fixed income (Lehman Brothers Municipal Bond Index)	+2.40	
High yield bonds (Lehman Brothers U.S. Corporate High Yield 2% Issuer Cap Index)	-2.84	

Past performance is no guarantee of future results. Index performance shown for illustrative purposes only. You cannot invest directly in an index.

Subprime mortgage woes dominated headlines for much of 2007, but intensified in the summer and fall, spawning a widespread liquidity and credit crisis with ramifications across global markets. The Federal Reserve Board (the "Fed") stepped in to inject liquidity into the markets and bolster investor confidence, cutting the federal funds rate by 0.50% in September, 0.25% in October and 0.25% in December, which brought the target short-term interest rate to 4.25%. In taking action, the central bankers, who had long deemed themselves inflation fighters, were seeking to stem the fallout from the credit crunch and forestall a wider economic unraveling.

Amid the volatility throughout 2007, equity markets displayed surprising resilience. To some extent, the credit turmoil dampened corporate merger-and-acquisition (M&A) activity, a key source of strength for equity markets. Still, market fundamentals generally held firm, dividend payouts and share buybacks continued, and valuations remained attractive. As the returns indicate, the most recent six months were more trying, reflecting the slowing U.S. economy, a troubled housing market and a more difficult corporate earnings backdrop. Overall, large cap stocks outperformed small caps as investors grew increasingly risk averse. International markets fared better than their U.S. counterparts, benefiting from generally stronger economies.

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In fixed income markets, mixed economic signals and the credit woes resulted in a flight to quality. Investors shunned bonds associated with the housing and credit markets in favor of higher-quality Treasury issues. The yield on 10-year Treasury issues, which touched 5.30% in June (its highest level in five years), fell to 3.97% by period-end, while prices correspondingly rose. Meanwhile, the tax-exempt bond market has been challenged by a combination of record-setting supply, economic uncertainty and concerns around the credit worthiness of bond insurers. This brought municipal bond prices to relatively attractive levels and, as such, demand generally held firm.

As you navigate market volatility, we encourage you to review your investment goals with your financial professional and to make portfolio changes, as needed. For more market insight and commentary from BlackRock investment professionals, we invite you to visit [www.blackrock.com/funds](http://www.blackrock.com/funds). As always, we thank you for entrusting BlackRock with your investment assets, and we look forward to continuing to serve you in the months and years ahead.

Sincerely,

/s/ Rob Kapito

Rob Kapito  
President, BlackRock Advisors, LLC

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THIS PAGE NOT PART OF YOUR FUND REPORT

Fund Summary as of November 30, 2007

### Investment Objective

BlackRock Corporate High Yield Fund III, Inc. (CYE) seeks to provide shareholders with current income by investing primarily in a diversified portfolio of fixed income securities that are rated in the lower rating categories of the established rating services (Ba or lower by Moody's Investors Service, Inc. or BB or lower by Standard & Poor's Corporation) or are unrated securities of comparable quality.

### Fund Information

Symbol on New York Stock Exchange .....	CYE
Initial Offering Date .....	January 30, 1998
Yield on Closing Market Price as of November 30, 2007 (\$7.19)*	10.01%
Current Monthly Distribution per share of Common Stock** .....	\$.060
Current Annualized Distribution per share of Common Stock** ..	\$.720
Leverage as of November 30, 2007*** .....	24%

\* Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

Past performance does not guarantee future results.

\*\* The distribution is not constant and is subject to change. A portion of the distribution may be deemed a tax return of capital or net realized gain at fiscal year end.

\*\*\* As a percentage of managed assets, which is the total assets of the Fund (including any assets attributable to any borrowing that may be outstanding) minus the sum of accrued liabilities (other than debt representing financial leverage).

The table below summarizes the changes in the Fund's market price and net asset

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value per share:

	11/30/07	5/31/07	Change	High	Low
Market Price .....	\$7.19	\$8.53	(15.71%)	\$8.73	\$6.32
Net Asset Value .....	\$8.13	\$8.99	(9.57%)	\$9.00	\$7.99

The following charts show the Fund's portfolio composition and credit quality allocations of the Fund's long-term investments:

Portfolio Composition

Asset Mix	11/30/07	5/31/07
Corporate Bonds .....	92%	95%
Floating Rate Loan Interests .....	5	2
Common Stocks .....	2	2
Preferred Stocks .....	1	1
Warrants .....	--*	--*
Options .....	--*	--
Other Interests .....	--*	--*
Rights .....	--*	--

\* Amount is less than 1%.

Credit Quality Allocations\*

Credit Rating	11/30/07	5/31/07
BBB/Baa .....	1%	1%
BB/Ba .....	23	22
B/B .....	49	55
CCC/Caa .....	21	16
NR (Not Rated) .....	3	3
Other ** .....	3	3

\* Using the higher of S&P's or Moody's ratings.

\*\* Includes portfolio holdings in common stocks, preferred stocks, warrants, rights, options and other interests.

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Schedule of Investments as of November 30, 2007 (Unaudited) (in U.S. dollars)

Face Amount	Corporate Bonds	Value
Aerospace & Defense -- 4.7%		
\$1,947,000	Alliant Techsystems, Inc., 2.75% due 9/15/2011 (b) (i)	\$ 2,626,016
1,425,000	DRS Technologies, Inc., 6.875% due 11/01/2013	1,407,188
975,000	Esterline Technologies Corp., 7.75% due 6/15/2013	992,062
615,000	Hawker Beechcraft Acquisition Co. LLC, 8.875%	

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	due 4/01/2015 (g) (i)	593,335
	L-3 Communications Corp.:	
1,425,000	7.625% due 6/15/2012	1,462,406
1,625,000	5.875% due 1/15/2015	1,560,000
1,380,000	3% due 8/01/2035 (b) (i)	1,712,925
1,375,000	Series B, 6.375% due 10/15/2015	1,361,250
470,000	TransDigm, Inc., 7.75% due 7/15/2014	474,700
1,950,000	Vought Aircraft Industries, Inc., 8% due 7/15/2011	1,891,500
		-----
		14,081,382
=====		
Airlines -- 0.5%		
	Continental Airlines, Inc. (m):	
987,344	Series 1997-4-B, 6.90% due 7/02/2018	947,851
35,716	Series 1998-1-C, 6.541% due 9/15/2009	35,448
419,800	Series 2001-1-C, 7.033% due 12/15/2012	407,469
		-----
		1,390,768
=====		
Auto Components -- 1.1%		
1,235,000	Allison Transmission, 11.25% due 11/01/2015 (g) (i)	1,155,387
	The Goodyear Tire & Rubber Co.:	
290,000	7.857% due 8/15/2011	295,800
692,000	8.625% due 12/01/2011 (i)	723,140
1,285,000	Lear Corp., 8.75% due 12/01/2016	1,182,200
		-----
		3,356,527
=====		
Automobiles -- 0.4%		
785,000	Ford Capital BV, 9.50% due 6/01/2010	739,862
700,000	Ford Motor Co., 8.90% due 1/15/2032	546,000
		-----
		1,285,862
=====		
Beverages -- 0.5%		
1,500,000	Constellation Brands, Inc., 8.125% due 1/15/2012	1,492,500
=====		
Biotechnology -- 0.4%		
1,140,000	Angiotech Pharmaceuticals, Inc., 8.874% due 12/01/2013 (d)	1,083,000
=====		
Building Products -- 1.4%		
	Goodman Global Holding Co., Inc.:	
699,000	8.36% due 6/15/2012 (d)	698,126
1,350,000	7.875% due 12/15/2012	1,383,750
500,000	Masonite International Corp., 11% due 4/06/2015	398,750
1,970,000	Momentive Performance Materials, Inc., 11.50% due 12/01/2016 (i)	1,748,375
		-----
		4,229,001
=====		
Capital Markets -- 1.0%		
1,520,000	E*Trade Financial Corp., 12.50% due 11/27/2017	1,476,571
1,073,000	Marsico Parent Co., LLC, 10.625% due 1/15/2016 (i)	1,073,000
368,000	Marsico Parent Holdco., LLC, 12.50% due 7/15/2016 (g) (i)	368,000
245,000	Marsico Parent Superholdco, LLC, 14.50% due 1/15/2018 (g) (i)	231,011

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		-----
		3,148,582
=====		
Chemicals -- 2.4%		
880,000	American Pacific Corp., 9% due 2/01/2015	891,000
	Hexion U.S. Finance Corp.:	
625,000	9.369% due 11/15/2014 (d)	637,500
525,000	9.75% due 11/15/2014	564,375
820,000	Ineos Group Holdings Plc, 8.50%	
	due 2/15/2016 (i)	738,000
825,000	Innophos, Inc., 8.875% due 8/15/2014	820,875
455,000	Key Plastics LLC, 11.75% due 3/15/2013 (i)	364,000
1,700,000	MacDermid, Inc., 9.50% due 4/15/2017 (i)	1,542,750
675,000	NOVA Chemicals Corp., 7.863%	
	due 11/15/2013 (d)	648,000
724,000	Nalco Finance Holdings, Inc., 10.065%	
	due 2/01/2014 (a)	658,840
550,000	Terra Capital, Inc. Series B, 7% due 2/01/2017	543,125
		-----
		7,408,465
=====		
Commercial Services & Supplies -- 5.5%		
1,425,000	Ashtead Capital, Inc., 9% due 8/15/2016 (i)	1,254,000
3,000,000	Corrections Corp. of America, 7.50%	
	due 5/01/2011	3,037,500
570,000	DI Finance Series B, 9.50% due 2/15/2013	595,650
1,385,000	PNA Intermediate Holding Corp., 11.869%	
	due 2/15/2013 (d) (g) (i)	1,274,200
2,465,000	Quebecor World, Inc., 9.75% due 1/15/2015 (i)	1,959,675
	Sally Holdings LLC:	
210,000	9.25% due 11/15/2014	208,950
1,109,000	10.50% due 11/15/2016	1,103,455
700,000	US Investigations Services, Inc., 10.50%	
	due 11/01/2015 (i)	651,000
3,000,000	Waste Services, Inc., 9.50% due 4/15/2014	3,000,000
	West Corp.:	
750,000	9.50% due 10/15/2014	738,750
2,850,000	11% due 10/15/2016	2,850,000
		-----
		16,673,180
=====		
Communications Equipment -- 1.4%		
1,750,000	Dycom Industries, Inc., 8.125%	
	due 10/15/2015	1,745,625
2,585,000	Nortel Networks Ltd., 9.493%	
	due 7/15/2011 (d) (i)	2,513,913
		-----
		4,259,538
=====		
Computers & Peripherals -- 0.4%		
1,250,000	Viasystems, Inc., 10.50% due 1/15/2011	1,250,000
=====		
Construction Materials -- 0.4%		
420,000	Nortek, Inc., 8.50% due 9/01/2014	340,200
1,000,000	Texas Industries, Inc., 7.25% due 7/15/2013	970,000
		-----
		1,310,200
=====		
Containers & Packaging -- 5.9%		
	Berry Plastics Holding Corp.:	
1,370,000	8.875% due 9/15/2014	1,322,050
1,915,000	9.569% due 9/15/2014 (d)	1,838,400

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2,200,000	Graham Packing Co., Inc., 9.875% due 10/15/2014	2,018,500
	Graphic Packaging International Corp.:	
1,050,000	8.50% due 8/15/2011	1,034,250
640,000	9.50% due 8/15/2013	633,600
420,000	Impress Holdings B.V., 8.368% due 9/15/2013 (d) (i)	407,400

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Schedule of Investments (continued) (in U.S. dollars)

Face Amount	Corporate Bonds	Value
Containers & Packaging (concluded)		
	Owens-Brockway Glass Container, Inc.:	
\$2,637,000	8.875% due 2/15/2009	\$ 2,646,889
1,000,000	8.25% due 5/15/2013	1,035,000
1,355,000	Packaging Dynamics Finance Corp., 10% due 5/01/2016 (i)	1,233,050
1,200,000	Pregis Corp., 12.375% due 10/15/2013	1,296,000
2,000,000	Rock-Tenn Co., 8.20% due 8/15/2011	2,025,000
2,375,000	Smurfit-Stone Container Enterprises, Inc., 8% due 3/15/2017	2,280,000
		-----
		17,770,139
=====		
Diversified Consumer Services -- 0.9%		
3,000,000	Service Corp. International, 7% due 6/15/2017	2,827,500
=====		
Diversified Financial Services -- 0.8%		
	Ford Motor Credit Co. LLC:	
435,000	7.993% due 1/13/2012 (d)	379,036
200,000	7.80% due 6/01/2012	178,245
	GMAC LLC:	
600,000	7.25% due 3/02/2011	531,416
50,000	8% due 11/01/2031	42,423
1,325,000	Leucadia National Corp., 8.125% due 9/15/2015	1,318,375
		-----
		2,449,495
=====		
Diversified Telecommunication Services -- 1.8%		
350,000	Qwest Communications International, Inc., 7.50% due 2/15/2014	347,375
	Qwest Corp.:	
1,550,000	8.944% due 6/15/2013 (d)	1,592,625
525,000	7.625% due 6/15/2015	535,500
3,000,000	Windstream Corp., 8.125% due 8/01/2013	3,086,250
		-----
		5,561,750
=====		
Electric Utilities -- 2.4%		
1,875,000	Edison Mission Energy, 7.50% due 6/15/2013	1,875,000
1,650,000	Mirant North America LLC, 7.375%	

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	due 12/31/2013	1,654,125
420,000	NSG Holdings LLC, 7.75%	
	due 12/15/2025 (i) (m)	414,750
1,200,000	Sierra Pacific Resources, 8.625%	
	due 3/15/2014	1,278,002
2,006,967	Tenaska Alabama Partners LP, 7%	
	due 6/30/2021 (i) (m)	2,067,244
		-----
		7,289,121
=====		
Electrical Equipment -- 0.6%		
380,000	Belden, Inc., 7% due 3/15/2017	373,350
1,025,000	Coleman Cable, Inc., 9.875% due 10/01/2012	973,750
551,000	UCAR Finance, Inc., 10.25% due 2/15/2012	567,530
		-----
		1,914,630
=====		
Electronic Equipment & Instruments -- 1.2% NXP BV:		
1,315,000	7.993% due 10/15/2013 (d)	1,242,675
949,000	9.50% due 10/15/2015	863,590
1,565,000	Sanmina-SCI Corp., 8.125% due 3/01/2016	1,385,025
		-----
		3,491,290
=====		
Energy Equipment & Services -- 1.9%		
	Compagnie Generale de Geophysique-Veritas:	
215,000	7.50% due 5/15/2015	216,612
320,000	7.75% due 5/15/2017	321,600
720,000	North American Energy Partners, Inc., 8.75%	
	due 12/01/2011	723,600
2,000,000	Ocean RIG ASA, 9.24% due 4/04/2011 (d)	1,970,000
2,690,000	SemGroup LP, 8.75% due 11/15/2015 (i)	2,568,950
		-----
		5,800,762
=====		
Food & Staples Retailing -- 1.8%		
800,000	AmeriQual Group LLC, 9.50% due 4/01/2012 (i)	624,000
2,000,000	National Beef Packing Co. LLC, 10.50%	
	due 8/01/2011	1,935,000
	Rite Aid Corp.:	
570,000	9.375% due 12/15/2015 (i)	493,050
2,555,000	7.50% due 3/01/2017	2,299,500
		-----
		5,351,550
=====		
Food Products -- 1.0%		
3,024,000	Del Monte Corp., 8.625% due 12/15/2012	3,054,240
=====		
Gas Utilities -- 0.5%		
1,320,000	El Paso Performance-Linked Trust, 7.75%	
	due 7/15/2011 (i)	1,382,345
=====		
Health Care Equipment & Supplies -- 1.9%		
600,000	The Cooper Cos., Inc., 7.125% due 2/15/2015	582,000
5,300,000	ReAble Therapeutics Finance LLC, 10.875%	
	due 11/15/2014 (i)	5,101,250
		-----
		5,683,250
=====		
Health Care Providers & Services -- 5.3%		
1,020,000	Accellent, Inc., 10.50% due 12/01/2013	902,700
1,075,000	Community Health Systems, Inc. Series WI,	



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	8.875% due 7/15/2015	1,085,750
	Omnicare, Inc.:	
725,000	6.75% due 12/15/2013	667,000
800,000	Series OCR, 3.25% due 12/15/2035 (b)	601,000
	Tenet Healthcare Corp.:	
4,215,000	6.50% due 6/01/2012	3,709,200
2,260,000	9.875% due 7/01/2014	2,130,050
3,000,000	US Oncology, Inc., 9% due 8/15/2012	2,955,000
1,550,000	United Surgical Partners International, Inc., 8.875% due 5/01/2017	1,511,250
	Universal Hospital Services, Inc. (i):	
310,000	8.288% due 6/01/2015 (d)	305,350
330,000	8.50% due 6/01/2015 (g)	315,823
2,000,000	Vanguard Health Holding Co. II, LLC, 9% due 10/01/2014	1,895,000
		-----
		16,078,123
=====		
Hotels, Restaurants & Leisure -- 7.6%		
	American Real Estate Partners LP:	
185,000	7.125% due 2/15/2013	172,975
1,265,000	7.125% due 2/15/2013 (i)	1,182,775
1,350,000	Caesars Entertainment, Inc., 7.875% due 3/15/2010	1,377,000
785,000	French Lick Resorts & Casino LLC, 10.75% due 4/15/2014 (i)	565,200
	Galaxy Entertainment Finance Co. Ltd. (i):	
300,000	10.409% due 12/15/2010 (d)	307,500
550,000	9.875% due 12/15/2012	577,500
2,000,000	Great Canadian Gaming Corp., 7.25% due 2/15/2015 (i)	1,960,000

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Schedule of Investments (continued) (in U.S. dollars)

Face Amount	Corporate Bonds	Value
=====		
Hotels, Restaurants & Leisure (concluded)		
\$ 595,000	Greektown Holdings, LLC, 10.75% due 12/01/2013 (i)	\$ 580,125
1,550,000	Inn of the Mountain Gods Resort & Casino, 12% due 11/15/2010	1,621,687
245,000	Landry's Restaurants, Inc., 9.50% due 12/15/2014	241,325
1,290,000	Little Traverse Bay Bands of Odawa Indians, 10.25% due 2/15/2014 (i)	1,302,900
2,025,000	Penn National Gaming, Inc., 6.875% due 12/01/2011	2,019,938
1,340,000	Pinnacle Entertainment, Inc., 7.50% due 6/15/2015 (i)	1,239,500
975,000	San Pasqual Casino, 8% due 9/15/2013 (i)	960,375
910,000	Shingle Springs Tribal Gaming Authority, 9.375% due 6/15/2015 (i)	891,800
	Station Casinos, Inc.:	

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1,225,000	6.50% due 2/01/2014	992,250
1,625,000	7.75% due 8/15/2016	1,527,500
410,000	6.625% due 3/15/2018	310,575
370,000	Travelport LLC, 9.749% due 9/01/2014 (d)	362,600
2,060,000	Tropicana Entertainment LLC Series WI, 9.625% due 12/15/2014	1,431,700
1,800,000	Universal City Florida Holding Co. I, 9.661% due 5/01/2010 (d)	1,818,000
400,000	Virgin River Casino Corp., 9% due 1/15/2012	348,000
1,200,000	Wynn Las Vegas LLC, 6.625% due 12/01/2014	1,164,000
		-----
		22,955,225
=====		
Household Durables -- 1.3%		
1,575,000	American Greetings Corp., 7.375% due 6/01/2016	1,512,000
1,015,000	Jarden Corp., 7.50% due 5/01/2017	913,500
1,600,000	Standard-Pacific Corp., 9.25% due 4/15/2012	560,000
895,000	The Yankee Candle Company, Inc., 9.75% due 2/15/2017	825,638
		-----
		3,811,138
=====		
Household Products -- 0.2%		
700,000	Church & Dwight Co., Inc., 6% due 12/15/2012	682,500
=====		
IT Services -- 2.0%		
1,720,000	First Data Corp., 9.875% due 9/24/2015 (i) SunGard Data Systems, Inc.:	1,599,600
2,180,000	9.125% due 8/15/2013	2,218,150
2,105,000	10.25% due 8/15/2015	2,168,150
		-----
		5,985,900
=====		
Independent Power Producers & Energy Traders -- 3.7%		
1,309,000	The AES Corp., 8.75% due 5/15/2013 (i)	1,361,360
3,000,000	Energy Future Holding Corp., 11.25% due 11/01/2017 (g) (i) NRG Energy, Inc.:	2,902,070
1,625,000	7.25% due 2/01/2014	1,588,437
1,475,000	7.375% due 2/01/2016	1,445,500
	Texas Competitive Electric Holdings Co. LLC (i):	
3,200,000	10.25% due 11/01/2015	3,080,000
960,000	10.50% due 11/01/2016 (g)	904,800
		-----
		11,282,167
=====		
Insurance -- 0.7%		
1,700,000	Alliant Holdings I, Inc., 11% due 5/01/2015 (i)	1,615,000
680,000	USI Holdings Corp., 8.744% due 11/15/2014 (d) (i)	608,600
		-----
		2,223,600
=====		
Leisure Equipment & Products -- 0.5%		
1,750,000	Quiksilver, Inc., 6.875% due 4/15/2015	1,553,125
=====		
Machinery -- 1.9%		
1,280,000	AGY Holding Corp., 11% due 11/15/2014 (i)	1,235,200
555,000	Accuride Corp., 8.50% due 2/01/2015 RBS Global, Inc.:	477,300
470,000	9.50% due 8/01/2014	465,300

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755,000	11.75% due 8/01/2016	755,000
560,000	8.875% due 9/01/2016	543,200
2,230,000	Terex Corp., 8% due 11/15/2017	2,241,150
		-----
		5,717,150
=====		
Marine -- 1.3%		
1,472,000	Navios Maritime Holdings, Inc., 9.50% due 12/15/2014	1,512,480
2,325,000	Teekay Shipping Corp., 8.875% due 7/15/2011	2,447,063
		-----
		3,959,543
=====		
Media -- 18.6%		
1,340,000	Affinion Group, Inc., 11.50% due 10/15/2015	1,336,650
1,850,000	Allbritton Communications Co., 7.75% due 12/15/2012	1,831,500
225,000	American Media Operations, Inc. Series B, 10.25% due 5/01/2009	200,250
1,125,000	Barrington Broadcasting Group LLC, 10.50% due 8/15/2014	1,141,875
510,000	Bonten Media Acquisition Co., 9% due 6/01/2015 (g) (i)	428,150
2,000,000	CMP Susquehanna Corp., 9.875% due 5/15/2014	1,680,000
2,275,000	CSC Holdings, Inc. Series B, 7.625% due 4/01/2011	2,229,500
	Cablevision Systems Corp., Series B: 9.644% due 4/01/2009 (d)	527,800
520,000	8% due 4/15/2012	452,437
475,000	Cadmus Communications Corp., 8.375% due 6/15/2014	1,456,000
1,600,000	Charter Communications Holdings I, LLC, 11% due 10/01/2015	4,333,588
4,985,000	Charter Communications Holdings II, LLC, 10.25% due 9/15/2010	2,883,500
2,920,000	Dex Media West LLC, 9.875% due 8/15/2013	1,419,971
1,367,000	Echostar DBS Corp., 7.125% due 2/01/2016	2,056,469
1,975,000	Harland Clarke Holdings Corp.: 9.50% due 5/15/2015	361,200
420,000	9.619% due 5/15/2015 (d)	294,000
350,000	Idearc, Inc., 8% due 11/15/2016	1,879,350
2,010,000	Intelsat Bermuda Ltd.: 11.409% due 6/15/2013 (d)	246,300
240,000	8.886% due 1/15/2015 (d)	680,850
680,000	11.25% due 6/15/2016	724,500
700,000	Intelsat Corp., 9% due 6/15/2016	1,141,875
1,125,000	Intelsat Subsidiary Holding Co. Ltd., 8.625% due 1/15/2015	2,166,125
2,150,000	Liberty Media Corp., 0.75% due 3/30/2023 (b)	1,181,171
1,113,000	Mediacom LLC, 9.50% due 1/15/2013	2,255,250
2,425,000	Network Communications, Inc., 10.75% due 12/01/2013	280,000
280,000	Nielsen Finance LLC, 10% due 8/01/2014	3,052,500
3,000,000	PanAmSat Corp., 9% due 8/15/2014	2,225,895
2,193,000	Paxson Communications Corp., 8.493% due 1/15/2012 (d) (i)	2,922,938
2,975,000	ProtoStar I Ltd., 12.50% due 10/15/2012 (b) (d) (i)	849,293
808,850		

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Schedule of Investments (continued)

(in U.S. dollars)

Face Amount	Corporate Bonds	Value
Media (concluded)		
\$ 950,000	Quebecor Media, Inc., 7.75% due 3/15/2016	\$ 885,875
	R.H. Donnelley Corp.:	
800,000	8.875% due 10/15/2017 (i)	754,000
1,400,000	Series A-2, 6.875% due 1/15/2013	1,277,500
735,000	Series A-3, 8.875% due 1/15/2016	694,575
1,232,000	Rainbow National Services LLC, 10.375% due 9/01/2014 (i)	1,330,560
2,475,000	Salem Communications Corp., 7.75% due 12/15/2010	2,462,625
696,000	Sinclair Broadcast Group, Inc., 8% due 3/15/2012	709,920
500,000	Sirius Satellite Radio, Inc., 9.625% due 8/01/2013	483,750
3,970,000	TL Acquisitions, Inc., 10.50% due 1/15/2015 (i)	3,870,750
800,000	Windstream Regatta Holdings, Inc., 11% due 12/01/2017 (i)	808,000
1,125,000	Young Broadcasting, Inc., 10% due 3/01/2011	900,000
		----- 56,416,492
Metals & Mining -- 4.8%		
2,300,000	Aleris International, Inc., 9% due 12/15/2014 (g)	1,881,290
200,000	Blaze Recycling & Metals LLC, 10.875% due 7/15/2012 (i)	183,000
	FMG Finance Pty Ltd. (i):	
535,000	10% due 9/01/2013	588,500
770,000	10.625% due 9/01/2016	885,500
1,975,000	Foundation PA Coal Co., 7.25% due 8/01/2014	1,900,937
	Freeport-McMoRan Copper & Gold, Inc.:	
1,150,000	8.394% due 4/01/2015 (d)	1,170,125
3,465,000	8.375% due 4/01/2017	3,742,200
1,018,000	Indalex Holding Corp. Series B, 11.50% due 2/01/2014	928,925
1,975,000	Novelis, Inc., 7.25% due 2/15/2015	1,841,688
	Ryerson, Inc. (i):	
400,000	12.574% due 11/01/2014 (d)	385,000
670,000	12% due 11/01/2015	657,438
520,000	Steel Dynamics, Inc., 7.375% due 11/01/2012 (i)	516,100
		----- 14,680,703
Multi-Utilities -- 0.7%		
1,327,000	CenterPoint Energy, Inc. Series B, 3.75% due 5/15/2023 (b)	2,118,224
Multiline Retail -- 0.3%		
875,000	Neiman Marcus Group, Inc., 9% due 10/15/2015 (g)	897,327
Oil, Gas & Consumable Fuels -- 5.0%		

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510,000	Berry Petroleum Co., 8.25% due 11/01/2016	516,375
1,550,000	Chaparral Energy, Inc., 8.50% due 12/01/2015	1,371,750
1,710,000	Compton Petroleum Finance Corp., 7.625% due 12/01/2013	1,598,850
695,000	Copano Energy LLC, 8.125% due 3/01/2016	695,000
2,494,504	Corral Finans AB, 6.743% due 4/15/2010 (g) (i)	2,496,578
2,800,000	EXCO Resources, Inc., 7.25% due 1/15/2011	2,723,000
2,000,000	Encore Acquisition Co., 6.25% due 4/15/2014	1,850,000
1,220,000	Forest Oil Corp., 7.25% due 6/15/2019 (i)	1,207,800
380,000	KCS Energy, Inc., 7.125% due 4/01/2012	365,750
1,725,000	OPTI Canada, Inc., 8.25% due 12/15/2014 (i)	1,699,125
780,000	Sabine Pass LNG LP, 7.50% due 11/30/2016	737,100
		-----
		15,261,328
=====		
Paper & Forest Products -- 4.3%		
	Abitibi-Consolidated, Inc.:	
2,000,000	9.194% due 6/15/2011 (d)	1,582,500
515,000	6% due 6/20/2013	352,775
195,000	8.85% due 8/01/2030	138,450
1,000,000	Ainsworth Lumber Co. Ltd., 8.948% due 10/01/2010 (d)	700,000
840,000	Bowater Canada Finance Corp., 7.95% due 11/15/2011	657,300
2,825,000	Bowater, Inc., 8.694% due 3/15/2010 (d)	2,486,000
2,750,000	Domtar Corp., 7.125% due 8/15/2015	2,653,750
	NewPage Corp.:	
1,450,000	11.161% due 5/01/2012 (d)	1,522,500
1,180,000	12% due 5/01/2013	1,233,100
885,000	Norske Skog Canada Ltd. Series D, 8.625% due 6/15/2011	734,550
1,035,000	Verso Paper Holdings LLC Series B, 9.125% due 8/01/2014	1,028,531
		-----
		13,089,456
=====		
Personal Products -- 0.5%		
1,400,000	Chattem, Inc., 7% due 3/01/2014	1,358,000
=====		
Pharmaceuticals -- 0.9%		
2,000,000	Elan Finance Plc, 8.869% due 11/15/2011 (d)	1,960,000
930,000	PTS Acquisition Corp., 9.50% due 4/15/2015 (g) (i)	846,300
		-----
		2,806,300
=====		
Real Estate Investment Trusts (REITs) -- 0.4%		
1,175,000	FelCor Lodging LP, 8.50% due 6/01/2011	1,236,687
=====		
Real Estate Management & Development -- 2.2%		
3,025,000	Forest City Enterprises, Inc., 7.625% due 6/01/2015	2,941,812
	Realogy Corp. (i):	
1,510,000	10.50% due 4/15/2014	1,136,275
2,390,000	11% due 4/15/2014 (g)	1,667,025
1,610,000	12.375% due 4/15/2015	1,054,550
		-----
		6,799,662
=====		
Road & Rail -- 1.4%		
	Avis Budget Car Rental LLC:	
2,800,000	7.369% due 5/15/2014 (d)	2,590,000

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600,000	7.625% due 5/15/2014	576,000
241,000	Britannia Bulk Plc, 11% due 12/01/2011	249,736
1,400,000	St. Acquisition Corp., 12.50% due 5/15/2017 (i)	742,000
		-----
		4,157,736
=====		
Semiconductors & Semiconductor Equipment -- 1.8%		
	Amkor Technology, Inc.:	
280,000	7.75% due 5/15/2013	263,200
1,530,000	9.25% due 6/01/2016	1,533,825
3,020,000	Freescale Semiconductor, Inc., 9.125% due 12/15/2014 (g)	2,634,950
1,215,000	Spansion, Inc., 8.249% due 6/01/2013 (d) (i)	1,105,650
		-----
		5,537,625
=====		
Software -- 0.2%		
637,406	BMS Holdings, Inc., 12.40% due 2/15/2012 (d) (g) (i)	591,742
=====		
Specialty Retail -- 4.3%		
350,000	Asbury Automotive Group, Inc., 7.625% due 3/15/2017	316,750

8 BLACKROCK CORPORATE HIGH YIELD FUND III, INC. NOVEMBER 30, 2007

Schedule of Investments (continued) (in U.S. dollars)

Face Amount	Corporate Bonds	Value
=====		
Specialty Retail -- (concluded)		
	AutoNation, Inc.:	
\$2,875,000	7.243% due 4/15/2013 (d)	\$ 2,702,500
775,000	7% due 4/15/2014	732,375
310,000	Beverages & More, Inc., 9.25% due 3/01/2012 (i)	313,875
865,000	Buffets, Inc., 12.50% due 11/01/2014	413,037
	General Nutrition Centers, Inc.:	
1,760,000	10.009% due 3/15/2014 (g)	1,672,000
1,420,000	10.75% due 3/15/2015	1,370,300
900,000	Group 1 Automotive, Inc., 2.25% due 6/15/2036 (b) (k)	634,500
	Michaels Stores, Inc.:	
1,700,000	10% due 11/01/2014	1,674,500
2,110,000	11.375% due 11/01/2016	2,009,775
1,110,000	United Auto Group, Inc., 7.75% due 12/15/2016	1,054,500
		-----
		12,894,112
=====		
Textiles, Apparel & Luxury Goods -- 0.6%		
2,000,000	Levi Strauss & Co., 8.875% due 4/01/2016	1,950,000
=====		
Wireless Telecommunication Services -- 6.3%		
1,650,000	Centennial Cellular Operating Co. LLC, 10.125%	

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	due 6/15/2013	1,724,250
1,370,000	Centennial Communications Corp., 10.981%	
	due 1/01/2013 (d)	1,400,825
	Cricket Communications, Inc.:	
670,000	9.375% due 11/01/2014	623,100
1,610,000	9.375% due 11/01/2014 (i)	1,497,300
	Digicel Group Ltd. (i):	
850,000	8.875% due 1/15/2015	760,750
2,283,000	9.125% due 1/15/2015 (g)	2,043,285
1,200,000	Dobson Communications Corp., 9.493%	
	due 10/15/2012 (d)	1,224,000
620,000	iPCS, Inc., 7.036% due 5/01/2013 (d)	576,600
3,680,000	MetroPCS Wireless, Inc., 9.25%	
	due 11/01/2014	3,486,800
2,400,000	Nordic Telephone Co. Holdings ApS, 8.875%	
	due 5/01/2016 (i)	2,436,000
	Orascom Telecom Finance SCA:	
210,000	7.875% due 2/08/2014	193,200
380,000	7.875% due 2/08/2014 (i)	349,600
2,600,000	Rural Cellular Corp., 8.25% due 3/15/2012	2,697,500
		-----
		19,013,210
-----		
	Total Corporate Bonds	
	(Cost -- \$373,090,097) -- 117.6%	356,602,152
=====		
-----		
	Floating Rate Loan Interests (1)	
=====		
-----		
	Chemicals -- 0.4%	
2,830,000	Wellman, Inc. Second Lien Term Loan, 11.661%	
	due 2/10/2010	1,238,125
=====		
-----		
	Containers & Packaging -- 0.3%	
869,116	Berry Plastics Corp. Term Loan B, 12.244%	
	due 6/15/2014	738,749
=====		
-----		
	Health Care Providers & Services -- 0.5%	
1,539,215	Rotech Healthcare, Inc. Term Loan B, 10.832%	
	due 9/26/2011	1,446,862
=====		
-----		
	Hotels, Restaurants & Leisure -- 0.8%	
2,550,012	Travelport, Inc. Term Loan, 12.198%	
	due 3/22/2012	2,380,011
=====		
-----		
	Household Products -- 0.2%	
	Spectrum Brands, Inc.:	
24,970	Letter of Credit, 4.566% due 4/15/2013	24,083
498,274	Term Loan B-1, 8.665% - 9.249%	
	due 4/15/2013	480,585
-----		
		504,668
=====		
-----		
	Independent Power Producers & Energy Traders -- 1.3%	
	TXU Corp.:	
3,500,000	Term Loan 3, 8.622% due 10/10/2014	3,439,545
500,000	Term Loan B 2, 8.396% due 10/14/2029	490,625
-----		
		3,930,170

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=====		
Machinery -- 0.1%		
372,697	Rexnord Corp. Payment In Kind Term Loan, 12.58% due 3/02/2013	327,973
=====		
Media -- 1.4%		
400,000	Affinion Group, Inc. Term Loan, 11.678% due 3/01/2012	380,000
2,700,000	Catalina Marketing Group Term Loan, 8.981% due 10/09/2017	2,524,500
1,500,000	New Vision First Lien Term Loan, 11.63% due 10/26/2014	1,455,000
		----- 4,359,500
=====		
Oil, Gas & Consumable Fuels -- 0.3%		
1,000,000	SandRidge Energy, Inc. Term Loan, 8.625% due 3/01/2015	997,500
=====		
Paper & Forest Products -- 0.6%		
1,960,000	Verso Paper Holdings LLC Term Loan B, 11.161% due 2/01/2013	1,869,350
=====		
Specialty Retail -- 0.2%		
797,985	Michaels Stores, Inc. Term Loan B, 6.938% - 7.625% due 10/31/2013	731,063
-----		
	Total Floating Rate Loan Interests (Cost -- \$20,652,393) -- 6.1%	18,523,971
=====		
=====		
Shares		
Held	Common Stocks	
=====		
Communications Equipment -- 0.9%		
82,907	Loral Space & Communications Ltd. (c)	2,838,736
=====		
Electrical Equipment -- 0.3%		
70,784	Medis Technologies Ltd. (c)	903,912
=====		
Paper & Forest Products -- 0.1%		
203,785	Western Forest Products, Inc. (c)	285,313
=====		
Semiconductors & Semiconductor Equipment -- 1.1%		
98,040	Cypress Semiconductor Corp. (c)	3,256,889
-----		
	Total Common Stocks (Cost -- \$8,251,141) -- 2.4%	7,284,850
=====		
=====		
Preferred Stocks		
=====		
Capital Markets -- 0.0%		
72	Marsico Parent Superholdco, LLC (i)	67,886
=====		
Oil, Gas & Consumable Fuels -- 0.8%		



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43 EXCO Resources, Inc., 7% (b)

473,000

BLACKROCK CORPORATE HIGH YIELD FUND III, INC.

NOVEMBER 30, 2007

9

Schedule of Investments (concluded)

(in U.S. dollars)

Shares Held	Preferred Stocks	Value
Oil, Gas & Consumable Fuels (concluded)		
175	EXCO Resources, Inc., 11%	\$ 1,925,000
		2,398,000
	Total Preferred Stocks (Cost -- \$2,247,885) -- 0.8%	2,465,886
Warrants (h)		
Health Care Providers & Services -- 0.0%		
32,042	HealthSouth Corp. (expires 1/16/2014)	25,634
Paper & Forest Products -- 0.0%		
700	MDP Acquisitions Plc (expires 10/01/2013)	90,699
Wireless Telecommunication Services -- 0.2%		
825	American Tower Corp. (expires 8/01/2008)	526,350
	Total Warrants (Cost -- \$53,675) -- 0.2%	642,683
Rights		
Electrical Equipment -- 0.0%		
7,078	Medis Technologies Ltd. (n)	0
	Total Rights -- (Cost -- \$0) -- 0.0%	0
Beneficial Interest		
	Other Interests (e)	Value
Media -- 0.0%		
\$ 750,000	Adelphia Escrow	\$ 75
940,601	Adelphia Recovery Trust	94

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-----		Total Other Interests (Cost -- \$3,075) -- 0.0%	169
=====			
-----			
Short-Term Securities			
=====			
3,743,377	BlackRock Liquidity Series, LLC Cash Sweep Series, 4.75% (f) (j)		3,743,377
-----		Total Short-Term Securities (Cost -- \$3,743,377) -- 1.3%	3,743,377
=====			
-----			
Number of Contracts	Options Purchased		
=====			
Call Options Purchased -- 0.0%			
19	Marsico Parent Superholdco, LLC, expiring December 2019 at \$1,000 (i)		18,578
-----		Total Options Purchased (Premiums Paid -- \$18,578) -- 0.0%	18,578
=====			
Total Investments (Cost -- \$408,060,221*) -- 128.4%			389,281,666
Liabilities in Excess of Other Assets -- (28.4%)			(86,033,390)
Net Assets -- 100.0%			\$303,248,276
=====			

\* The cost and unrealized appreciation (depreciation) of investments as of November 30, 2007, as computed for federal income tax purposes, were as follows:

Aggregate cost .....	\$ 408,463,677
	=====
Gross unrealized appreciation .....	\$ 5,883,266
Gross unrealized depreciation .....	(25,065,277)
	-----
Net unrealized depreciation .....	\$ (19,182,011)
	=====

- (a) Represents a step bond; the interest rate shown reflects the effective yield at the time of purchase.
- (b) Convertible security.
- (c) Non-income producing security.
- (d) Floating rate security.
- (e) "Other interests" represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.
- (f) Represents the current yield as of November 30, 2007.
- (g) Represents a pay-in-kind security which may pay interest/dividends in additional face/shares.
- (h) Warrants entitle the Fund to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date.

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- (i) The security may be offered and sold to "qualified institutional buyers" under Rule 144A of the Securities Act of 1933.
- (j) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

Affiliate	Net Activity	Interest Income
BlackRock Liquidity Series LLC, Cash Sweep Series	\$2,173,671	\$107,827

- (k) Represents a step bond.
- (l) Floating rate loan interests in which the Fund invests generally pay interest at rates that are periodically determined by reference to a base lending rate plus a premium. The base lending rates are generally (i) the lending rate offered by one or more major European banks, such as LIBOR (London InterBank Offered Rate), (ii) the prime rate offered by one or more major U.S. banks or (iii) the certificate of deposit rate.
- (m) Subject to principal paydowns.
- (n) The rights may be exercised until January 7, 2008.
- o For Fund compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report which may combine industry sub-classifications for reporting ease. Industries are shown as a percent of net assets.
- o Swaps outstanding as of November 30, 2007 were as follows:

	Notional Amount	Unrealized Depreciation
Sold credit default protection on Ford Motor Company and receive 3.80%		
Broker, JPMorgan Chase Expires March 2010	\$3,000,000	\$ (111,486)
Sold credit default protection on Ford Motor Company and receive 3.80%		
Broker, UBS Warburg Expires March 2010	\$1,000,000	(37,162)
Sold credit default protection on Ford Motor Company and receive 5.00%		
Broker, Goldman Sachs & Co. Expires June 2010	\$4,000,000	(68,517)
Total		\$ (217,165)

See Notes to Financial Statements.

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Statement of Assets and Liabilities

As of November 30, 2007 (Unaudited)

=====	
Assets	
-----	
Investments in unaffiliated securities, at value	
(identified cost -- \$404,298,266) .....	\$ 385,519,711
Investments in affiliated securities, at value	
(identified cost -- \$3,743,377) .....	3,743,377
Options purchased, at value (premiums paid -- \$18,578) .....	18,578
Cash .....	100,000
Receivables:	
Interest .....	8,407,687
Securities sold .....	3,872,300
Swaps .....	72,359
Dividends .....	13,331
Prepaid expenses and other assets .....	65,163
	-----
Total assets .....	401,812,506
	-----
=====	
Liabilities	
-----	
Loans .....	93,700,000
Unrealized depreciation on swaps .....	217,165
Payables:	
Securities purchased .....	4,123,674
Investment adviser .....	206,419
Dividends to shareholders .....	119,069
Interest on loans .....	107,918
Other affiliates .....	2,257
Accrued expenses and other liabilities .....	87,728
	-----
Total liabilities .....	98,564,230
	-----
=====	
Net Assets	
-----	
Net Assets .....	\$ 303,248,276
	=====
=====	
Capital	
-----	
Common Stock, \$.10 par value, 200,000,000 shares authorized ..	\$ 3,731,650
Paid-in capital in excess of par .....	540,794,598
Undistributed investment income -- net .....	4,991,406
Accumulated realized capital losses -- net .....	(227,273,658)
Unrealized depreciation -- net .....	(18,995,720)
	-----
Total -- Equivalent to \$8.13 per share based on 37,316,497	
shares of capital stock outstanding (market price -- \$7.19)	\$ 303,248,276
	=====

See Notes to Financial Statements.

Statement of Operations

For the Six Months Ended November 30, 2007 (Unaudited)

=====

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Investment Income

Interest (including \$107,827 from affiliates) .....	\$ 17,859,296
Dividends .....	228,739
Other .....	23,101
<hr/>	
Total income .....	18,111,136

Expenses

Loan interest expense .....	2,794,745
Investment advisory fees .....	1,250,889
Borrowing costs .....	87,219
Accounting services .....	48,520
Professional fees .....	37,663
Printing and shareholder reports .....	22,628
Pricing services .....	19,101
Transfer agent fees .....	14,175
Custodian fees .....	11,297
Directors' fees and expenses .....	10,033
Listing fees .....	6,714
Other .....	14,130
<hr/>	
Total expenses .....	4,317,114
<hr/>	
Investment income -- net .....	13,794,022

Realized & Unrealized Gain (Loss) -- Net

Realized gain (loss) on:	
Investments -- net .....	(957,235)
Swaps -- net .....	196,044
<hr/>	
Total realized loss -- net .....	(761,191)
<hr/>	
Change in unrealized appreciation/depreciation on:	
Investments -- net .....	(31,387,902)
Swaps -- net .....	(442,187)
<hr/>	
Total change in unrealized appreciation/depreciation -- net ..	(31,830,089)
<hr/>	
Total realized and unrealized loss -- net .....	(32,591,280)
<hr/>	
Net Decrease in Net Assets Resulting from Operations .....	\$ (18,797,258)

See Notes to Financial Statements.

BLACKROCK CORPORATE HIGH YIELD FUND III, INC.

NOVEMBER 30, 2007

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Statements of Changes in Net Assets

For the Six  
Months Ended  
November 30,  
2007

For the  
Year Ended  
May 31,

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Increase (Decrease) in Net Assets:	(Unaudited)	2007
<b>Operations</b>		
Investment income -- net .....	\$ 13,794,022	\$ 26,588,400
Realized gain (loss) -- net .....	(761,191)	4,716,070
Change in unrealized appreciation/depreciation -- net .....	(31,830,089)	13,552,860
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>(18,797,258)</b>	<b>44,857,340</b>
<b>Dividends to Shareholders</b>		
Dividends to shareholders from investment income -- net .....	(13,433,939)	(25,076,680)
<b>Net Assets</b>		
Total increase (decrease) in net assets .....	(32,231,197)	19,780,660
Beginning of period .....	335,479,473	315,698,810
<b>End of period*</b> .....	<b>\$ 303,248,276</b>	<b>\$ 335,479,470</b>
* Undistributed investment income -- net .....	\$ 4,991,406	\$ 4,631,320

See Notes to Financial Statements.

Statement of Cash Flows

For the Six Months Ended November 30, 2007 (Unaudited)

<b>Cash Provided by Operating Activities</b>	
Net decrease in net assets resulting from operations .....	\$ (18,797,258)
Adjustments to reconcile net decrease in net assets resulting from operations to net cash provided by operating activities:	
Decrease in receivables .....	1,063,870
Decrease in other liabilities .....	(116,650)
Realized and unrealized loss -- net .....	32,999,740
Amortization of premium and discount .....	(31,300)
Proceeds from sales and paydowns of long-term securities .....	110,193,860
Purchases of long-term securities .....	(74,387,640)
Net purchases of short-term securities .....	(2,171,880)
<b>Cash provided by operating activities</b> .....	<b>48,752,750</b>
<b>Cash Used for Financing Activities</b>	
Cash receipts from borrowings .....	33,000,000
Cash payments on borrowings .....	(69,000,000)
Dividends paid to shareholders .....	(13,440,920)
<b>Cash used for financing activities</b> .....	<b>(49,440,920)</b>

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Cash

Net decrease in cash .....	(688,17
Cash at beginning of period .....	788,17
Cash at end of period .....	\$ 100,00

Cash Flow Information

Cash paid for interest .....	\$ 2,825,81
------------------------------	-------------

See Notes to Financial Statements.

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Financial Highlights

The following per share data and ratios have been derived from information provided in the financial statements.

	For the Six Months Ended November 30, 2007 (Unaudited)	2007	2006	For the M
--	--	------	------	--------------

Per Share Operating Performance

Net asset value, beginning of period .....	\$ 8.99	\$ 8.46	\$ 8.46	\$
Investment income -- net** .....	.37	.71	.72	
Realized and unrealized gain (loss) -- net .....	(.87)	.49	.02	
Total from investment operations .....	(.50)	1.20	.74	
Less dividends from investment income -- net ...	(.36)	(.67)	(.74)	
Recovery of previously expensed offering costs resulting from issuance of Common Stock .....	--	--	--	
Net asset value, end of period .....	\$ 8.13	\$ 8.99	\$ 8.46	\$
Market price per share, end of period .....	\$ 7.19	\$ 8.53	\$ 7.36	\$

Total Investment Return\*\*\*

Based on net asset value per share .....	(5.17%)@	15.51%	9.78%
Based on market price per share .....	(11.61%)@	25.98%	(3.59%)

Ratios to Average Net Assets

Expenses, excluding interest expense .....	.95%*	1.04%	1.00%
--	-------	-------	-------

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Expenses .....	2.70%*	3.38%	2.49%	
Investment income -- net .....	8.63%*	8.25%	8.45%	
=====				
Leverage				
-----				
Amount of borrowings outstanding, end of period (in thousands) .....	\$ 93,700	\$129,700	\$141,000	\$1
Average amount of borrowings outstanding during the period (in thousands) .....	\$ 97,051	\$134,704	\$109,144	\$1
Average amount of borrowings outstanding per share during the period** .....	\$ 2.60	\$ 3.61	\$ 2.93	\$
=====				
Supplemental Data				
-----				
Net assets, end of period (in thousands) .....	\$303,248	\$335,479	\$315,699	\$3
Portfolio turnover .....	18%	62%	56%	
=====				

\* Annualized.

\*\* Based on average shares outstanding.

\*\*\* Total investment returns based on market value, which can be significantly greater or lesser than net asset value, may result in substantially different returns. Total investment returns exclude the effects of sales charges.

+ Amount is less than \$.01 per share.

@ Aggregate total investment return.

See Notes to Financial Statements.

BLACKROCK CORPORATE HIGH YIELD FUND III, INC.

NOVEMBER 30, 2007

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### Notes to Financial Statements (Unaudited)

#### 1. Significant Accounting Policies:

BlackRock Corporate High Yield Fund III, Inc., (the "Fund") is registered under the Investment Company Act of 1940, as amended, as a diversified, closed-end management investment company. The Fund's financial statements are prepared in conformity with U.S. generally accepted accounting principles, which may require the use of management accruals and estimates. Actual results may differ from these estimates. These unaudited financial statements reflect all adjustments, which are, in the opinion of management, necessary to present a fair statement of the results for the interim period. All such adjustments are of a normal, recurring nature. The Fund determines and makes available for publication the net asset value of its Common Stock on a daily basis. The Fund's Common Stock shares are listed on the New York Stock Exchange ("NYSE") under the symbol CYE. The following is a summary of significant accounting policies followed by the Fund.

(a) Valuation of investments -- Debt securities are traded primarily in the over-the-counter ("OTC") markets and are valued at the last available bid price in the OTC market or on the basis of values obtained by a pricing service. Floating rate loan interests are valued at the mean between the last available



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bid and asked prices from one or more brokers or dealers as obtained by a pricing service. Pricing services use valuation matrixes that incorporate both dealer-supplied valuations and valuation models. The procedures of the pricing service and its valuations are reviewed by the officers of the Fund under the general direction of the Board of Directors. Such valuations and procedures will be reviewed periodically by the Board of Directors of the Fund. Financial futures contracts and options thereon, which are traded on exchanges, are valued at their closing prices as of the close of such exchanges. Effective September 4, 2007, exchange-traded options are valued at the mean between the last bid and ask prices at the close of the options market in which the options trade and previously were valued at the last sales price as of the close of options trading on applicable exchanges. Options traded in the OTC market are valued at the last asked price (options written) or the last bid price (options purchased). Swap agreements are valued based upon quoted fair valuations received daily by the Fund from a pricing service or counterparty. Valuation of short-term investment vehicles is generally based on the net asset value of the underlying investment vehicle or amortized cost. Repurchase agreements are valued at cost plus accrued interest. Investments in open-end investment companies are valued at their net asset value each business day. Securities and other assets for which market quotations are not readily available are valued at fair value as determined in good faith by or under the direction of the Board of Directors of the Fund.

Equity securities held by the Fund that are traded on stock exchanges or the NASDAQ Global Market are valued at the last sale price or official close price on the exchange, as of the close of business on the day the securities are being valued or, lacking any sales, at the last available bid price for long positions, and at the last available asked price for short positions. In cases where equity securities are traded on more than one exchange, the securities are valued on the exchange designated as the primary market by or under the authority of the Board of Directors of the Fund. Long positions traded in the OTC markets, NASDAQ Capital Market or Bulletin Board are valued at the last available bid price obtained from one or more dealers or pricing services approved by the Board of Directors of the Fund. Short positions traded in the OTC markets are valued at the last available asked price. Portfolio securities that are traded both in the OTC markets and on a stock exchange are valued according to the broadest and most representative market.

Generally, trading in foreign securities is substantially completed each day at various times prior to the close of business on the NYSE. The values of such securities used in computing the net asset value of the Fund's shares are determined as of such times. Foreign currency exchange rates will generally be determined as of the close of business on the NYSE. Occasionally, events affecting the values of such securities and such exchange rates may occur between the times at which they are determined and the close of business on the NYSE that may not be reflected in the computation of the Fund's net asset value. If events (for example, a company announcement, market volatility or a natural disaster) occur during such periods that are expected to materially affect the value of such securities, those securities will be valued at their fair value as determined in good faith by the Fund's Board of Directors or by BlackRock Advisors, LLC (the "Manager"), an indirect, wholly owned subsidiary of BlackRock, Inc., using a pricing service and/or procedures approved by the Fund's Board of Directors.

(b) Derivative financial instruments -- The Fund may engage in various portfolio investment strategies both to increase the return of the Fund and to hedge, or protect, its exposure to interest rate movements and movements in the securities markets. Losses may arise due to changes in the value of the contract due to an unfavorable change in the price of the underlying security, or index, or if the counterparty does not perform under the contract. The counterparty for certain instruments may pledge cash or securities as collateral.

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- o Options -- The Fund may write and purchase call and put options. When the Fund writes an option, an amount equal to the premium received by the Fund is reflected as an asset and an equivalent liability. The amount of the liability is subsequently marked-to-market to reflect the current market value of the option written. When a security is purchased or sold through an exercise of an option, the related premium paid (or received) is added to (or deducted from) the basis of the security acquired or deducted from (or added to) the proceeds of the security sold. When an option expires (or the Fund enters into a closing transaction), the Fund realizes a gain or loss on the option to the extent of the premiums received or paid (or gain or loss to the extent the cost of the closing transaction exceeds the premium paid or received).

Written and purchased options are non-income producing investments.

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### Notes to Financial Statements (continued)

- o Financial futures contracts -- The Fund may purchase or sell financial futures contracts and options on such financial futures contracts. Financial futures contracts are contracts for delayed delivery of securities at a specific future date and at a specific price or yield. Upon entering into a contract, the Fund deposits, and maintains as collateral, such initial margin as required by the exchange on which the transaction is effected. Pursuant to the contract, the Fund agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as variation margin and are recorded by the Fund as unrealized gains or losses. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.
- o Swaps -- The Fund may enter into swap agreements, which are OTC contracts in which the Fund and a counterparty agree to make periodic net payments on a specified notional amount. The net payments can be made for a set period of time or may be triggered by a predetermined credit event. The net periodic payments may be based on a fixed or variable interest rate; the change in market value of a specified security, basket of securities, or index; or the return generated by a security. These periodic payments received or made by the Fund are recorded in the accompanying Statement of Operations as realized gains or losses, respectively. Gains or losses are also realized upon termination of the swap agreements. Swaps are marked-to-market daily and changes in value are recorded as unrealized appreciation (depreciation). Risks include changes in the returns of the underlying instruments, failure of the counterparties to perform under the contracts' terms and the possible lack of liquidity with respect to the swap agreements.

(c) Foreign currency transactions -- Transactions denominated in foreign currencies are recorded at the exchange rate prevailing when recognized. Assets and liabilities denominated in foreign currencies are valued at the exchange rate at the end of the period. Foreign currency transactions are the result of settling (realized) or valuing (unrealized) assets or liabilities expressed in foreign currencies to U.S. dollars. Realized and unrealized gains or losses from investments include the effects of foreign exchange rates on investments. The Fund invests in foreign securities, which may involve a number of risk factors and special considerations not present with investments in securities of U.S. corporations.

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(d) Income taxes -- It is the Fund's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its taxable income to its shareholders. Therefore, no federal income tax provision is required.

(e) Security transactions and investment income -- Security transactions are recorded on the dates the transactions are entered into (the trade dates). Realized gains and losses on security transactions are determined on the identified cost basis. Dividend income is recorded on the ex-dividend dates. Interest income is recognized on the accrual basis. The Fund amortizes all premiums and discounts on debt securities.

(f) Dividends and distributions -- Dividends from net investment income are declared and paid monthly. Distributions of capital gains are recorded on the ex-dividend dates.

(g) Securities lending -- The Fund may lend securities to financial institutions that provide cash or securities issued or guaranteed by the U.S. government as collateral, which will be maintained at all times in an amount equal to at least 100% of the current market value of the loaned securities. The market value of the loaned securities is determined at the close of business of the Fund and any additional required collateral is delivered to the Fund on the next business day. Where the Fund receives securities as collateral for the loaned securities, it collects a fee from the borrower. The Fund typically receives the income on the loaned securities but does not receive the income on the collateral. Where the Fund receives cash collateral, it may invest such collateral and retain the amount earned on such investment, net of any amount rebated to the borrower. Loans of securities are terminable at any time and the borrower, after notice, is required to return borrowed securities within five business days. The Fund may pay reasonable finder's, lending agent, administrative and custodial fees in connection with its loans. In the event that the borrower defaults on its obligation to return borrowed securities because of insolvency or for any other reason, the Fund could experience delays and costs in gaining access to the collateral. The Fund also could suffer a loss where the value of the collateral falls below the market value of the borrowed securities, in the event of borrower default or in the event of losses on investments made with cash collateral.

(h) Recent accounting pronouncements -- Effective June 29, 2007, the Fund implemented Financial Accounting Standards Board ("FASB") Interpretation No. 48, "Accounting for Uncertainty in Income Taxes -- an interpretation of FASB Statement No. 109" ("FIN 48"). FIN 48 prescribes the minimum recognition threshold a tax position must meet in connection with accounting for uncertainties in income tax positions taken or expected to be taken by an entity, including investment companies, before being measured and recognized in the financial statements. Management has evaluated the application of FIN 48 to the Fund, and has determined that the adoption of FIN 48 does not have a material impact on the Fund's financial statements. The Fund files U.S. and various state tax returns. No income tax returns are currently under examination. The statute of limitations on the Fund's tax returns remains open for the years ended May 31, 2004 through May 31, 2007.

BLACKROCK CORPORATE HIGH YIELD FUND III, INC.

NOVEMBER 30, 2007

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Notes to Financial Statements (concluded)

In September 2006, Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" ("FAS 157"), was issued and is effective for fiscal years beginning after November 15, 2007. FAS 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value

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measurements. At this time, management is evaluating the implications of FAS 157 and its impact on the Fund's financial statements, if any, has not been determined.

In addition, in February 2007, Statement of Financial Accounting Standards No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" ("FAS 159"), was issued and is effective for fiscal years beginning after November 15, 2007. Early adoption is permitted as of the beginning of a fiscal year that begins on or before November 15, 2007, provided the entity also elects to apply the provisions of FAS 157. FAS 159 permits entities to choose to measure many financial instruments and certain other items at fair value that are not currently required to be measured at fair value. FAS 159 also establishes presentation and disclosure requirements designed to facilitate comparisons between entities that choose different measurement attributes for similar types of assets and liabilities. At this time, management is evaluating the implications of FAS 159 and its impact on the Fund's financial statements, if any, has not been determined.

### 2. Investment Advisory Agreement and Transactions with Affiliates:

The Fund has entered into an Investment Advisory Agreement with the Manager. Merrill Lynch & Co., Inc. ("Merrill Lynch") and The PNC Financial Services Group, Inc. are the principal owners of BlackRock, Inc.

The Manager is responsible for the management of the Fund's portfolio and provides the necessary personnel, facilities, equipment and certain other services necessary to the operations of the Fund. For such services, the Fund pays a monthly fee at an annual rate of .60% of the Fund's average daily net assets plus the proceeds of any outstanding principal borrowed. In addition, the Manager has entered into a sub-advisory agreement with BlackRock Financial Management, Inc., an affiliate of the Manager, under which the Manager pays the sub-adviser for services it provides a monthly fee at an annual rate equal to a percentage of the management fee paid by the Fund to the Manager.

The Fund has received an exemptive order from the Securities and Exchange Commission permitting it to lend portfolio securities to Merrill Lynch, Pierce, Fenner & Smith Incorporated, a wholly owned subsidiary of Merrill Lynch, or its affiliates. Pursuant to that order, the Fund has retained BlackRock Investment Management, LLC ("BIM"), an affiliate of the Manager, as the securities lending agent for a fee based on a share of the returns on investment of cash collateral. BIM may, on behalf of the Fund, invest cash collateral received by the Fund for such loans, among other things, in a private investment company managed by the Manager or in registered money market funds advised by the Manager or its affiliates.

For the six months ended November 30, 2007, the Fund reimbursed the Manager \$2,876 for certain accounting services.

Certain officers and/or directors of the Fund are officers and/or directors of BlackRock, Inc. or its affiliates.

### 3. Investments:

Purchases and sales (including paydowns) of investments, excluding short-term securities, for the six months ended November 30, 2007 were \$73,213,875 and \$110,552,300, respectively.

### 4. Capital Share Transactions:

The Fund is authorized to issue 200,000,000 shares of capital stock, par value \$.10, all of which were initially classified as Common Stock. The Board of Directors is authorized, however, to reclassify any unissued shares of capital

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stock without approval of the holders of Common Stock.

### 5. Short-Term Borrowings:

On May 18, 2007, the Fund renewed its revolving credit and security agreement funded by a commercial paper asset securitization program with Citicorp North America, Inc. ("Citicorp") as agent, certain secondary backstop lenders, and certain asset securitization conduits as lenders (the "Lenders"). The agreement was renewed for one year and has a maximum limit of \$160,000,000. Under the Citicorp program, the conduits will fund advances to the Fund through the issuance of highly rated commercial paper. As security for its obligations to the Lenders under the revolving securitization facility, the Fund has granted a security interest in substantially all of its assets to and in favor of the Lenders. The interest rate on the Fund's borrowings is based on the interest rate carried by the commercial paper plus a program fee. The Fund pays additional borrowing costs including a backstop commitment fee.

For the six months ended November 30, 2007, the average amount borrowed was approximately \$97,051,000, and the daily weighted average interest rate was 5.68%.

### 6. Capital Loss Carryforward:

On May 31, 2007, the Fund had a net capital loss carryforward of \$226,665,964, of which \$18,095,581 expires in 2008, \$34,200,029 expires in 2009, \$52,918,036 expires in 2010, \$119,513,437 expires in 2011 and \$1,938,881 expires in 2012. This amount will be available to offset like amounts of any future taxable gains.

### 7. Subsequent Event:

The Fund paid an ordinary income dividend in the amount of \$.060000 per share on December 18, 2007 to shareholders of record on December 13, 2007.

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### The Benefits and Risks of Leveraging

BlackRock Corporate High Yield Fund III, Inc. utilizes leverage through borrowings or issuance of short-term debt securities or shares of Preferred Stock. The concept of leveraging is based on the premise that the cost of assets to be obtained from leverage will be based on short-term interest rates, which normally will be lower than the income earned by the Fund on its longer-term portfolio investments. Since the total assets of the Fund (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, the Fund's Common Stock shareholders are the beneficiaries of the incremental yield.

Leverage creates risks for holders of Common Stock including the likelihood of greater net asset value and market price volatility. In addition, there is the risk that fluctuations in interest rates on borrowings (or in the dividend rates on any Preferred Stock, if the Fund were to issue Preferred Stock) may reduce the Common Stock's yield and negatively impact its net asset value and market price. If the income derived from securities purchased with assets received from leverage exceeds the cost of leverage, the Fund's net income will be greater than if leverage had not been used. Conversely, if the income from the securities purchased is not sufficient to cover the cost of leverage, the Fund's net income will be less than if leverage had not been used, and therefore the amount available for distribution to Common Stock shareholders will be reduced.

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### Officers and Directors

G. Nicholas Beckwith, III, Director  
Richard E. Cavanagh, Director  
Richard S. Davis, Director  
Kent Dixon, Director  
Frank J. Fabozzi, Director  
Kathleen F. Feldstein, Director  
James T. Flynn, Director  
Henry Gabbay, Director  
Jerrold B. Harris, Director  
R. Glenn Hubbard, Director  
W. Carl Kester, Director  
Karen P. Robards, Director  
Robert S. Salomon, Jr., Director  
Roscoe S. Suddarth, Advisory Board Member  
Donald C. Burke, Fund President and Chief Executive Officer  
Anne F. Ackerley, Vice President  
Howard Surloff, Secretary  
Brian P. Kindelan, Chief Compliance Officer  
Neal J. Andrews, Chief Financial Officer  
Jay M. Fife, Treasurer

### Custodian

State Street Bank and Trust Company  
Boston, MA 02101

### Transfer Agent

Computershare Trust Company, N.A.  
Providence, RI 02940-3010

### Accounting Agent

State Street Bank and Trust Company  
Princeton, NJ 08540

### Independent Registered Public Accounting Firm

Deloitte & Touche LLP  
Princeton, NJ 08540

### Legal Counsel

Skadden, Arps, Slate, Meagher & Flom LLP  
New York, NY 10036

BLACKROCK CORPORATE HIGH YIELD FUND III, INC.                      NOVEMBER 30, 2007                      17

### Additional Information

#### Proxy Results

During the six-month period ended November 30, 2007, the shareholders of BlackRock Corporate High Yield Fund III, Inc. voted on the following proposal, which was approved at an annual shareholders' meeting on August 16, 2007. This proposal was part of the reorganization of the Fund's Board of Directors that took effect on November 1, 2007. A description of the proposal and number of

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shares voted are as follows:

	Shares Voted For	Shares Withheld From Voting
To elect the Fund's Directors:		
G. Nicholas Beckwith, III	26,796,937	1,035,585
Richard E. Cavanagh	26,827,403	1,005,119
Richard S. Davis	26,832,637	999,885
Kent Dixon	26,815,721	1,016,801
Frank J. Fabozzi	26,827,637	1,004,885
Kathleen F. Feldstein	26,852,924	979,598
James T. Flynn	26,827,047	1,005,475
Henry Gabbay	26,828,335	1,004,187
Jerrold B. Harris	26,796,841	1,035,681
R. Glenn Hubbard	26,819,603	1,012,919
W. Carl Kester	26,831,737	1,000,785
Karen P. Robards	26,861,464	971,058
Robert S. Salomon, Jr.	26,813,157	1,019,365

### Availability of Quarterly Schedule of Investments

The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission ("SEC") for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q are available on the SEC's Web site at <http://www.sec.gov>. The Fund's Forms N-Q may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

### Electronic Delivery

Electronic copies of most financial reports are available on the Fund's Web site. Shareholders can sign up for e-mail notifications of quarterly statements and annual and semi-annual reports by enrolling in the Fund's electronic delivery program.

### Shareholders Who Hold Accounts with Investment Advisers, Banks or Brokerages:

Please contact your financial advisor to enroll. Please note that not all investment advisers, banks or brokerages may offer this service.

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### Additional Information (concluded)

#### BlackRock Privacy Principles

BlackRock is committed to maintaining the privacy of its current and former fund investors and individual clients (collectively, "Clients") and to safeguarding their non-public personal information. The following information is provided to help you understand what personal information BlackRock collects, how we protect that information and why in certain cases we share such information with select parties.

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If you are located in a jurisdiction where specific laws, rules or regulations require BlackRock to provide you with additional or different privacy-related rights beyond what is set forth below, then BlackRock will comply with those specific laws, rules or regulations.

BlackRock obtains or verifies personal non-public information from and about you from different sources, including the following: (i) information we receive from you or, if applicable, your financial intermediary, on applications, forms or other documents; (ii) information about your transactions with us, our affiliates, or others; (iii) information we receive from a consumer reporting agency; and (iv) from visits to our Web sites.

BlackRock does not sell or disclose to non-affiliated third parties any non-public personal information about its Clients, except as permitted by law or as is necessary to respond to regulatory requests or to service Client accounts. These non-affiliated third parties are required to protect the confidentiality and security of this information and to use it only for its intended purpose.

We may share information with our affiliates to service your account or to provide you with information about other BlackRock products or services that may be of interest to you. In addition, BlackRock restricts access to non-public personal information about its Clients to those BlackRock employees with a legitimate business need for the information. BlackRock maintains physical, electronic and procedural safeguards that are designed to protect the non-public personal information of its Clients, including procedures relating to the proper storage and disposal of such information.

BLACKROCK CORPORATE HIGH YIELD FUND III, INC.                      NOVEMBER 30, 2007                      19

This report, including the financial information herein, is transmitted to shareholders of BlackRock Corporate High Yield Fund III, Inc. for their information. It is not a prospectus. The Fund has leveraged its Common Stock to provide Common Stock shareholders with a potentially higher rate of return. Leverage creates risk for Common Stock shareholders, including the likelihood of greater volatility of net asset value and market price of Common Stock shares, and the risk that fluctuations in short-term interest rates may reduce the Common Stock's yield. Past performance results shown in this report should not be considered a representation of future performance. Statements and other information herein are as dated and are subject to change.

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities is available (1) without charge, upon request, by calling toll-free 1-800-441-7762; (2) at [www.blackrock.com](http://www.blackrock.com); and (3) on the Securities and Exchange Commission's Web site at <http://www.sec.gov>. Information about how the Fund voted proxies relating to securities held in the Fund's portfolio during the most recent 12-month period ended June 30 is available (1) at [www.blackrock.com](http://www.blackrock.com) and (2) on the Securities and Exchange Commission's Web site at <http://www.sec.gov>.

BlackRock Corporate High Yield Fund III, Inc.  
100 Bellevue Parkway  
Wilmington, DE 19809

BLACKROCK

#COYIII-11/07



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- Item 2 - Code of Ethics - Not Applicable to this semi-annual report
- Item 3 - Audit Committee Financial Expert - Not Applicable to this semi-annual report
- Item 4 - Principal Accountant Fees and Services - Not Applicable to this semi-annual report
- Item 5 - Audit Committee of Listed Registrants - Not Applicable to this semi-annual report
- Item 6 - Schedule of Investments - The registrant's Schedule of Investments is included as part of the Report to Stockholders filed under Item 1 of this form.
- Item 7 - Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies - Not Applicable to this semi-annual report
- Item 8 - Portfolio Managers of Closed-End Management Investment Companies - Not Applicable to this semi-annual report
- Item 9 - Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers - Not Applicable
- Item 10 - Submission of Matters to a Vote of Security Holders - The registrant's Nominating and Governance Committee will consider nominees to the Board recommended by shareholders when a vacancy becomes available. Shareholders who wish to recommend a nominee should send nominations which include biographical information and set forth the qualifications of the proposed nominee to the registrant's Secretary. There have been no material changes to these procedures.
- Item 11 - Controls and Procedures
  - 11(a) - The registrant's principal executive and principal financial officers or persons performing similar functions have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act")) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities and Exchange Act of 1934, as amended.
  - 11(b) - There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the second fiscal quarter of the period covered by this report that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.
- Item 12 - Exhibits attached hereto
  - 12(a) (1) - Code of Ethics - Not Applicable to this semi-annual report
  - 12(a) (2) - Certifications - Attached hereto
  - 12(a) (3) - Not Applicable
  - 12(b) - Certifications - Attached hereto

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Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BlackRock Corporate High Yield Fund III, Inc.

By: /s/ Donald C. Burke  
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Donald C. Burke,  
Chief Executive Officer of  
BlackRock Corporate High Yield Fund III, Inc.

Date: January 16, 2008

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Donald C. Burke  
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Donald C. Burke,  
Chief Executive Officer (principal executive officer) of  
BlackRock Corporate High Yield Fund III, Inc.

Date: January 16, 2008

By: /s/ Neal J. Andrews  
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Neal J. Andrews,  
Chief Financial Officer (principal financial officer) of  
BlackRock Corporate High Yield Fund III, Inc.

Date: January 16, 2008