

Nontraded REIT Industry Review: Third Quarter 2012



Hines Real Estate Investment Trust, Inc.

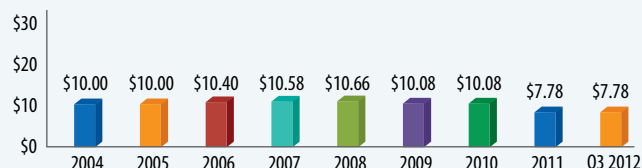
Total Assets.....	\$2,836.6 Million
Real Estate Assets	\$2,364.2 Million
Cash.....	\$100.5 Million
Securities	\$0.0 Million
Other.....	\$371.9 Million



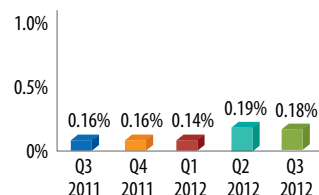
Initial Offering Date: June 18, 2004
 Offering Close Date: December 31, 2009
 Current Price per Share: \$7.78
 Reinvestment Price per Share: \$7.78
 Cumulative Capital Raised during Offering (including DRP)..... \$2,562.1 Million

Cash to Total Assets Ratio: 3.5%
 Asset Type: Office
 Number of Properties: 55
 Square Feet / Units / Rooms / Acres: 25.0 Million Sq. Ft.
 Percent Leased: 87%
 LifeStage: Maturing
 Investment Style Core

Historical Price

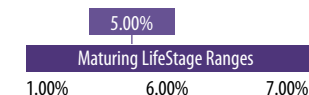


Redemptions

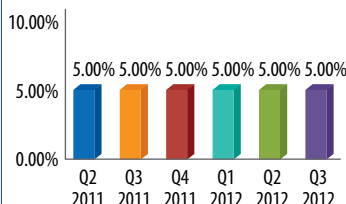


Current Distribution

Current Distribution Yield: ... 5.00%



Historical Distribution

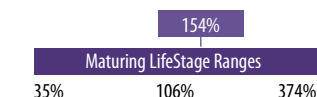


Contact Information

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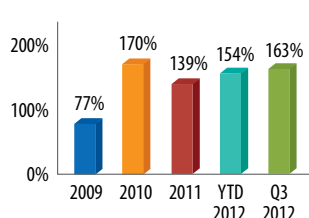
Year to Date FFO Payout Ratio

FFO Payout Ratio:
 YTD Distributions/YTD FFO: 154%



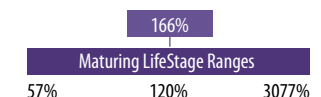
YTD Distributions Paid: \$86,398,000
 YTD FFO: \$56,024,000

Historical FFO Payout Ratio



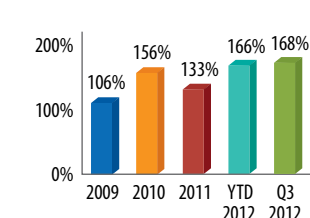
Year to Date MFFO Payout Ratio

MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: ... 166%

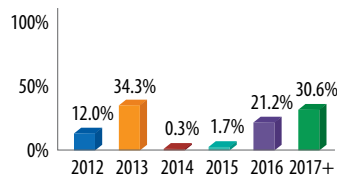


YTD Distributions Paid: \$86,398,000
 YTD MFFO: \$52,165,000
 Company Reported MFFO – see notes

Historical MFFO Payout Ratio

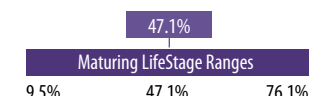


Debt Repayment Schedule



Current Debt Ratio

Debt to Total Assets Ratio: ... 47.1%

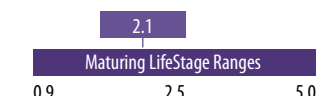


Debt Breakdown

Total: \$1,337.0 Million
 Fixed: \$1,337.0 Million
 Variable: \$0.0 Million
 Avg. Wtd. Rate: 5.64%
 Term: <1 – 9 yrs

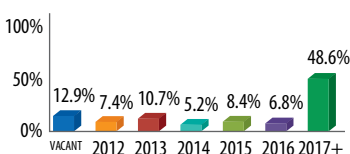
Interest Coverage Ratio

YTD Interest Coverage Ratio: 2.1



Adjusted EBITDA: \$121,267,000
 Interest Expense: \$58,501,000

Lease Expirations*



*As of 12/31/11 as a percent of space.

Trends and Items of Note

- The REIT sold two office properties, One Shell Plaza and Two Shell Plaza, in Houston, TX, in 3Q 2012 for a total of \$60.5 million.
- For the period from July 1, 2011 through December 31, 2012, REIT's Advisor has agreed to waive a portion of its monthly cash asset management fee such that the fee will be reduced from 0.75% to 0.50% on an annual basis of the net equity capital invested in real estate investments as of the end of each month.
- A significant portion (46.3%) of the REIT's secured mortgage debt must be repaid by 6/1/2013.
- Fixed rate debt includes variable rate debt that has been swapped for fixed rate payments. The Company hedged \$520,000,000 of its variable rate debt as of September 30, 2012.
- The interest coverage ratio has increased from 1.4 as of year-end 2011 to 2.1 as of September 30, 2012.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 98 for information regarding the source of distributions.