

# Nontraded REIT Industry Review: Second Quarter 2015

## Hines Global REIT, Inc.

Total Assets.....	\$4,486.1 Million
Real Estate Assets .....	\$3,368.3 Million
Cash .....	\$146.8 Million
Securities .....	\$0.0 Million
Other .....	\$971.0 Million



Cash to Total Assets Ratio: ..... 3.3%  
 Asset Type: ..... Diversified  
 Number of Properties: ..... 43 Properties; 10 Loans  
 Square Feet / Units / Rooms / Acres: ..... 16.3 Million Sq. Ft.  
 Percent Leased: ..... 95%  
 Weighted Average Lease Term Remaining: ..... Not Applicable  
 LifeStage: ..... Maturing  
 Investment Style: ..... Core  
 Weighted Average Shares Outstanding: ..... 272,401,000

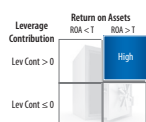
Initial Offering Date: ..... August 5, 2009  
 Offering Close Date: ..... April 11, 2014  
 Current Price per Share: ..... \$9.44  
 Reinvestment Price per Share: ..... \$9.44  
 Cumulative Capital Raised during Offering (including DRP): ..... \$2,737.0 Million

### Historical Price



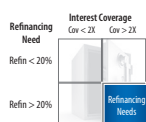
### Performance Profiles

#### Operating Performance



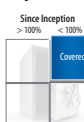
The REIT's recent 12-month average return on assets exceeds yields on 10-year Treasuries, indicating potential for positive risk-adjusted returns. At its current cost of debt and level of borrowing, its use of debt is contributing to increased returns for shareholders.

#### 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



Cumulative MFFO since inception exceeds the cumulative cash distributions to common shareholders, indicating the REIT has fully funded cash distributions from its real estate operations. At the current distribution rate and level of modified funds from operations, trends suggest the distributions can be maintained.

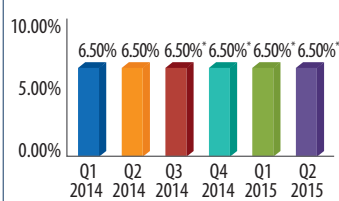
#### Summary

The REIT's average return on assets for the last four quarters was 7.44%, well above the yield on 10-year Treasuries, and it had a positive leverage contribution due to its 2.60% average cost of debt and 57.4% debt ratio. About 24% of the REIT's debt matures within two years and 73% is at unhedged variable rates, indicating a potential refinancing need and substantial interest rate risk. Its interest coverage ratio for the last four quarters at 4.4X is well above the 2.0X benchmark. Since inception the REIT has paid out only 50% of MFFO in cash distributions, excluding DRP, and this rate was 47% for the last four quarters, a very sustainable cash distribution payout rate.

### Contact Information

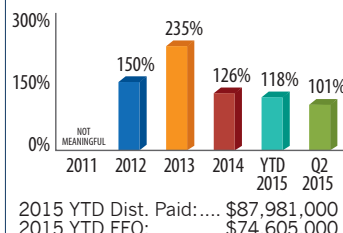
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### Historical Distribution



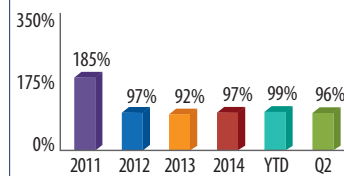
\*Based on \$10 Initial offering price.

### Historical FFO Payout Ratio



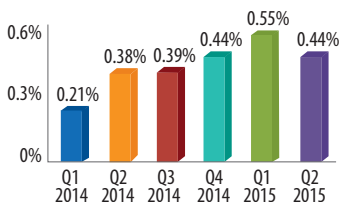
2015 YTD Dist. Paid: ..... \$87,981,000  
 2015 YTD FFO: ..... \$74,605,000

### Historical MFFO Payout Ratio



2015 YTD Dist. Paid: ..... \$87,981,000  
 2015 YTD MFFO: ..... \$88,595,000  
 Company Reported MFFO – see notes

### Redemptions

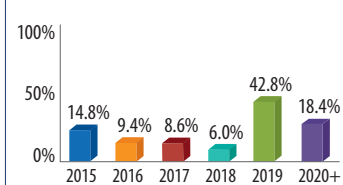


### Debt Breakdown

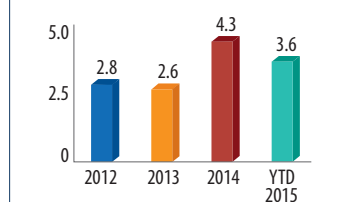


Debt to Total Assets Ratio: ..... 57.4%  
 Total: ..... \$2,573.3 Million  
 Fixed: ..... \$705.9 Million  
 Variable: ..... \$1,867.4 Million  
 Avg. Wtd. Rate: ..... 2.60%  
 Loan Term: ..... < 1 – 7 yrs

### Debt Repayment Schedule



### Interest Coverage Ratio



### Source of Distributions, Trends and Items of Note

- The Company raised approximately \$2.8 billion through two public offerings from August 2009 through April 2014 to provide the equity capital for its real estate investments.
- For the three months ended June 30, 2015, the Company acquired two real estate investments with an aggregate net purchase price of \$116.8 million.
- The Company committed to provide construction financing to the developer of four additional retail parcels at The Rim, an outdoor retail center located in San Antonio, Texas. In April 2015, the Company completed the acquisition of the first of these additional parcels, consisting of 259,316 square feet. The amount of the commitment, as amended in April 2015, is \$26.3 million. As of June 30, 2015, the Company had loaned \$17.8 million to the developer.
- On March 25, 2015, the board of directors established an estimated per share net asset value, or NAV, of the common stock of \$9.44, which is lower than the \$10.40 per share primary offering price in the second public offering.
- The Company has declared distributions for the months of January 2014 through August 2015 at an amount equal to \$0.0017808 per share, per day.
- The REIT's Cash to Total Assets ratio increased to 3.3% as of 2Q 2015 compared to 2.6% as of 2Q 2014.
- The REIT's Debt to Total Assets ratio increased to 57.4% as of 2Q 2015 compared to 51.9% as of 2Q 2014.
- The Company has hedged \$237.7 million of its variable rate debt as of June 30, 2015.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- The Company funded 53% and 78% of total distributions for the three months ended June 30, 2015 and 2014, respectively, with cash flows from operating activities. The balance in each period was funded from financing activities, which includes proceeds from the public offerings and proceeds from its debt financings.