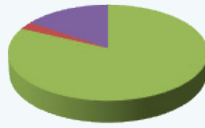


# Nontraded REIT Industry Review: Second Quarter 2015

## Hines Real Estate Investment Trust, Inc.

|                          |                   |
|--------------------------|-------------------|
| Total Assets.....        | \$2,411.7 Million |
| Real Estate Assets ..... | \$1,977.9 Million |
| Cash .....               | \$61.9 Million    |
| Securities .....         | \$0.0 Million     |
| Other .....              | \$371.9 Million   |



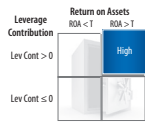
|                                              |                    |
|----------------------------------------------|--------------------|
| Cash to Total Assets Ratio: .....            | 2.6%               |
| Asset Type: .....                            | Office             |
| Number of Properties: .....                  | 32                 |
| Square Feet / Units / Rooms / Acres: .....   | 14,644,632 Sq. Ft. |
| Percent Leased: .....                        | 89%                |
| Weighted Average Lease Term Remaining: ..... | Not Available      |
| LifeStage: .....                             | Maturing           |
| Investment Style: .....                      | Core               |
| Weighted Average Shares Outstanding: .....   | 223,724,000        |

|                                                                  |                   |
|------------------------------------------------------------------|-------------------|
| Initial Offering Date: .....                                     | June 18, 2004     |
| Offering Close Date: .....                                       | December 31, 2009 |
| Current Price per Share: .....                                   | \$6.50            |
| Reinvestment Price per Share: .....                              | \$6.50            |
| Cumulative Capital Raised during Offering (including DRP): ..... | \$2,562.1 Million |



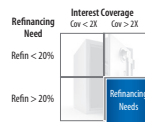
### Performance Profiles

#### Operating Performance



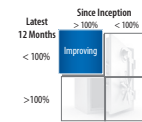
The REIT's recent 12-month average return on assets exceeds yields on 10-year Treasuries, indicating potential for positive risk-adjusted returns. At its current cost of debt and level of borrowing, its use of debt is contributing to increased returns for shareholders.

#### 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



The REIT has not achieved a level of MFFO in excess of cash distributions since inception and the latest 12-month results indicate cash distributions exceed MFFO, a trend which must be eventually reversed for distribution sustainability.

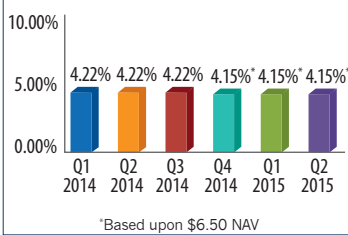
#### Summary

The REIT's return on assets for the last four quarters was 5.12%, above the yield on 10-Year Treasuries, and it had a positive leverage contribution due to its 3.60% average cost of debt and 42% debt ratio. With 41% of the REIT's debt principal to be repaid within two years and 56% at unhedged variable rates, there is considerable refinancing required and interest rate risk in the near term. Its interest coverage ratio for the last four quarters at 3.6X was well above the 2.0X benchmark. Since inception the REIT has paid out 108% of estimated MFFO in cash distributions (excluding DRP), including the special distribution in 2013, but this rate was an estimated 61% for the last four quarters, a sustainable rate if DRP participation rates continue.

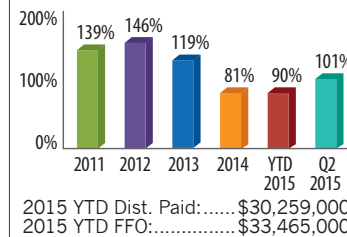
### Contact Information

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 (888) 220-6121

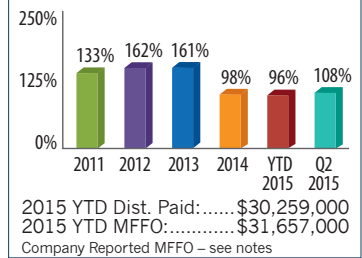
### Historical Distribution



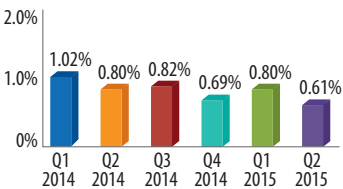
### Historical FFO Payout Ratio



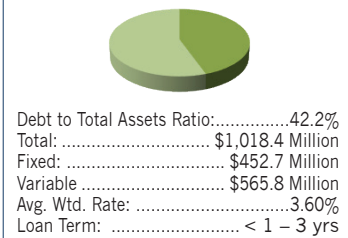
### Historical MFFO Payout Ratio



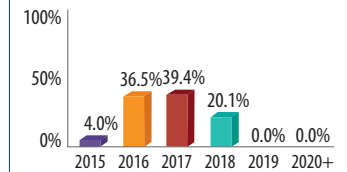
### Redemptions



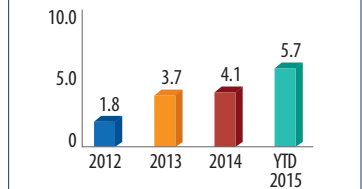
### Debt Breakdown



### Debt Repayment Schedule



### Interest Coverage Ratio



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

- The Company declared distributions for the period from January 2014 through August 2015. These distributions were or will be calculated based on stockholders of record each day during this period in an amount equal to \$0.00073973 per share, per day and will be paid on the first day of the month following the fiscal quarter to which they relate in cash, or reinvested in stock for those participating in the Company's dividend reinvestment plan. This is a distribution yield of 4.15% based upon the \$6.50 share value.
- In May, 2015, the Company acquired 3851 Junction Avenue in San Jose, California, for a total purchase price of \$86.864 million.
- In April 2015, the Company sold 4050/4055 Corporate Drive, an industrial property located in Dallas, Texas. The contract sales price for 4050/4055 Corporate Drive was \$44.3 million, exclusive of transaction costs and closing prorations. The Company acquired 4050/4055 Corporate Drive in May 2008 for \$42.8 million. The Company recognized a gain on sale of this asset of \$8.3 million.
- In July 2015, the Company sold 2555 Grand for a contract sales price of \$153.5 million. 2555 Grand is an office building located in Kansas City, Missouri. The Company acquired 2555 Grand in February 2008 for \$155.8 million.
- As of June 30, 2015, the Company had direct and indirect interests in 32 properties. These properties consist of 24 office properties located throughout the United States and a portfolio of eight grocery-anchored shopping centers located in four states primarily in the Southeastern United States. In total, the REIT has acquired interests in 66 properties since inception and has sold interests in 35 of those properties as of August 12, 2015.
- The REIT's Cash to Total Assets ratio decreased to 2.6% as of 2Q 2015 compared to 3.5% as of 2Q 2014.
- As of June 30, 2015, the Company had direct and indirect interests in 32 properties. These properties consist of 24 office properties located throughout the United States and a portfolio of eight grocery-anchored shopping centers located in four states primarily in the Southeastern United States. In total, the REIT has acquired interests in 66 properties since inception and has sold interests in 35 of those properties as of August 12, 2015.
- The REIT's Debt to Total Assets ratio decreased to 42.2% as of 2Q 2015 compared to 43.1% as of 2Q 2014.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- For the six months ended June 30, 2015, the REIT funded cash distributions with cash flows from operating activities (87%) and proceeds from the sales of real estate investments (13%).