UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): July 28, 2011

Hines Real Estate Investment Trust, Inc.

(Exact name of registrant as specified in its charter)

Maryland	000-50805	20-0138854
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

2800 Post Oak Blvd, Suite 5000, Houston, Texas	77056-6118
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (888) 220-6121

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01 Regulation FD Disclosure.

First Quarter Presentation

Hines Real Estate Investment Trust, Inc. (“Hines REIT”) is making a presentation available to stockholders by furnishing the presentation as Exhibit 99.1 to this Current Report on Form 8-K. The information in this Item 7.01 of this Current Report on Form 8-K, including the exhibit hereto, is furnished pursuant to Item 7.01 and shall not be deemed “filed” for any purpose, including for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of Section 18. The information in this Current Report on Form 8-K shall not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, regardless of any general incorporation language in any such filing.

Item 8.01 Other Events.

August 2011 Distributions

With the authorization of its board of directors, Hines REIT declared distributions for the month of August 2011. These distributions will be calculated based on shareholders of record each day during the month of August 2011 in an amount equal to $0.00138082 per share, per day and will be paid in October 2011 in cash or reinvested in stock for those participating in Hines REIT's dividend reinvestment plan. Of the amount described above, $0.00041425 of the per share, per day dividend will be designated by the Company as a special distribution which will be a return of a portion of the shareholders’ invested capital and, as such, will reduce their remaining investment in the Company. The special distribution represents a portion of the profits from sales of investment property. The above designations of a portion of the distribution as a special distribution will not impact the tax treatment of the distributions to our shareholders.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits-

99.1 First Quarter Presentation

Statements in this Current Report on Form 8-K, including intentions, beliefs, expectations or projections relating to items such as the timing of payment of distributions are forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Such statements are based on current expectations and assumptions with respect to, among other things, future economic, competitive and market conditions and future business decisions that may prove incorrect or inaccurate. Important factors that could cause actual results to differ materially from those in the forward looking statements include the risks described in the “Risk Factors” section of Hines REIT’s Annual Report on Form 10-K for the year ended December 31, 2010 and its other filings with the Securities and Exchange Commission.

SIGNATURES

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

	Hines Real Estate Investment Trust, Inc.
July 28, 2011	By: /s/ Ryan T. Sims
	Name: Ryan T. Sims
	Title: Chief Accounting Officer

Exhibit Index

Exhibit No.	Description
99.1	First Quarter Presentation

Hines REIT Update

As of March 31, 2011

Hines

Hines Real Estate Investment Trust, Inc. (Hines REIT) is closed to new investors.

Hines History

Gerald D. Hines founded Hines Interests Limited Partnership (Hines)[1] upon a single premise: buildings of superior quality and architectural merit backed by responsive, professional management attract better tenants; command higher rents; and retain their value longer despite the ups and downs of real estate cycles. He also imbued the organization with a constant quest for excellence and an adherence to the highest tenets of ethical behavior. This foundation, coupled with the firm's sound financial policies, has fueled Hines' growth from a one-person endeavor to a fully integrated, international real estate firm of approximately 3,200 employees.

Jeffrey C. Hines and Gerald D. Hines

[1]Hines REIT Investors do not receive an interest in Hines or its affiliates. The performance and experience of Hines may not be indicative of future results for Hines REIT.

Hines

Ownership & Structure of Hines[1]

LEADERSHIP

Name	Tenure w/Hines (yrs)
Gerald D. Hines	54
Jeffrey C. Hines	29
C. Hastings Johnson	33
Charles M. Baughn	26
James C. Buie, Jr.	30
Mark A. Cover	27
Christopher D. Hughes	24
E. Staman Ogilvie	37
Thomas D. Owens	38
C. Kevin Shannahan	28
Michael J. G. Topham	35
Jerrold P. Lea	30

TENURE OF HINES EXECUTIVES

TITLE	NO. OF EMPLOYEES	AVG. TENURE (YEARS)
EVP	10	31
SVP	43	22
VP	125	16

OWNERSHIP

Gerald D. Hines
Jeffrey C. Hines

HINES CENTRAL RESOURCES

- Conceptual Construction
- Corporate Communications
- Human Resources
- Operating / Engineering Services

Personnel :83

HINES CENTRAL RESOURCES

- Fund Management
- Capital Markets Group
- Financial Admin. & Internal Audit
- Risk Management
- Information Technology

Personnel: 305

WEST REGION

Personnel: 478

SOUTHWEST REGION

Personnel: 373

MIDWEST REGION

Personnel: 463

SOUTHEAST REGION

Personnel: 138

EAST REGION

Personnel: 430

INTERNATIONAL

- Canada
- Europe
- Asia Pacific
- Mexico
- Eurasia
- South America

Personnel: 1,196

[1]All data as of December 31, 2010

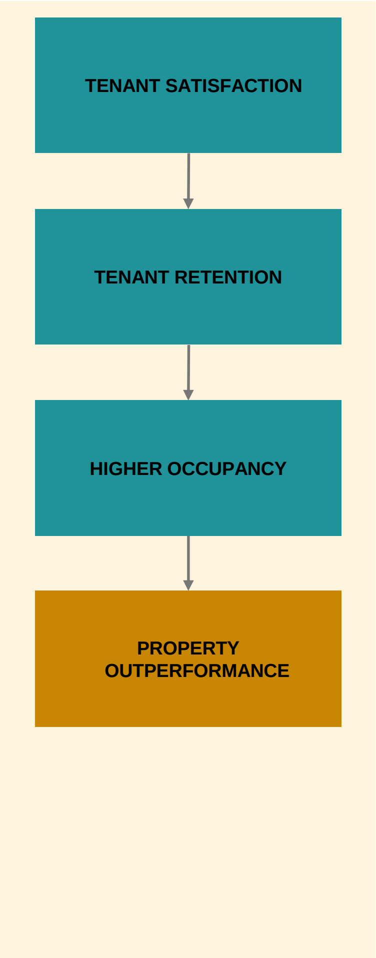
Hines Worldwide Operations

- Approximately 3,200 employees worldwide
- Operations in 66 U.S. cities and 17 countries worldwide
- Local market knowledge and expertise

Hines

Superior Property Management

TENURED HINES PROPERTY MANAGEMENT AND LEASING PERSONNEL	AVERAGE HINES U.S. TENURE (YRS)[1]
Property Managers	9+
Assistant Property Managers	4+
Chief Engineers and Engineering Managers	12+
Assistant Chief Engineers	7+
Building Engineers / Maintenance Technicians / Apprentice Engineers	5+
Marketing / Leasing Managers	6+



[1]Average Hines U.S. Tenures as of 12/31/2010.

Hines

Hines REIT Portfolio*

One North Wacker
Chicago, Illinois

Corporate Headquarters
Williams Tower
Houston, Texas

Atrium on Bay
Toronto, Ontario

*** As of March 31, 2011**

Hines

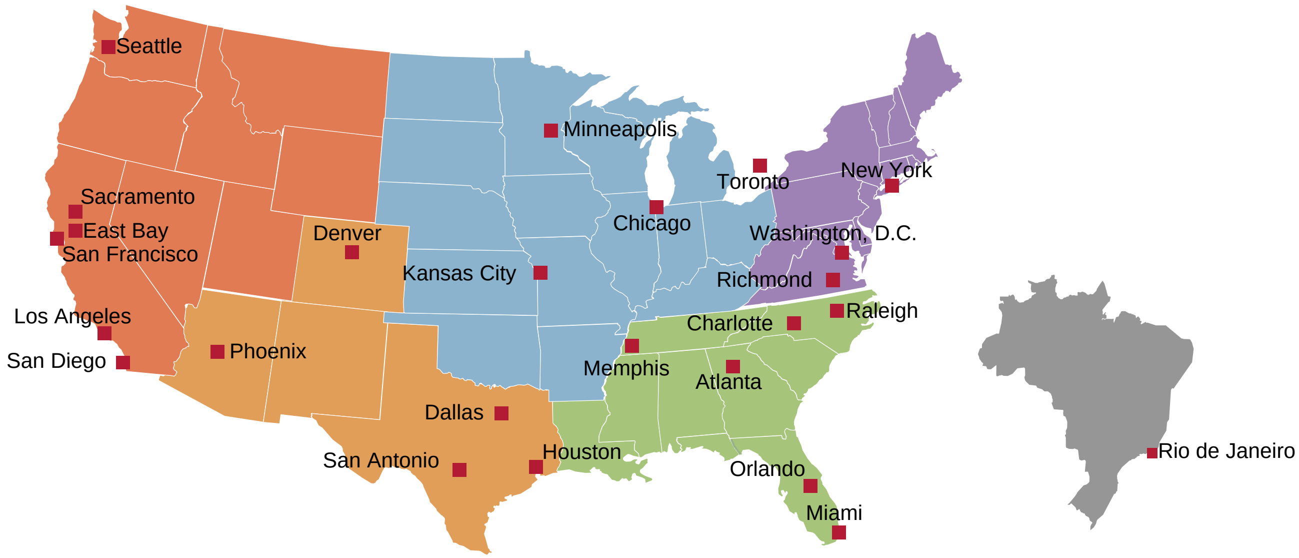
Hines REIT Portfolio Summary
(as of March 31, 2011)

- Holds a diversified portfolio of commercial real estate assets including:
  - Primarily institutional-quality office properties
  - Grocery-Anchored Retail
  - Mixed-Use office
  - Industrial
- Invests through direct acquisitions and joint ventures
- As of 3/31/11 owns directly or indirectly 59 properties:
  - Over 29 million square feet
  - Portfolio 89% leased, 4% above the national average
  - Both domestic and international holdings:
    - 57 domestic assets totaling approximately 27.5 million square feet
    - 2 international assets totaling in excess of 1.7 million square feet
  - Total real estate assets of $3.7 billion acquired
  - Minimal near term rollover with an average annual lease roll of 8.81% through 2015
  - Current leverage 58%
  - Current refinancing exposure is approximately $286 million in 2011 and 2012 and represents approximately 18.5% of the fund's total debt.
- Proceeds raised in excess of $2.5 billion
- Approximately 58,000 shareholders
- Total shareholder distributions since inception: $511.5 million
- Delivered annualized distributions at a rate of 5.0% - 6.35% (based on $10.08 share price) since inception in November 2004 through June 30, 2011*

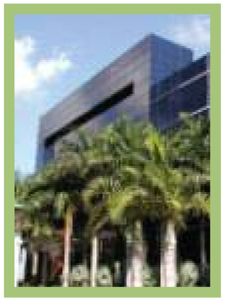
***On May 24, 2011, as required by FINRA Regulatory Notice 09-09, the board of directors of Hines REIT established an estimated per-share value of Hines REIT's common stock of $7.78 per share. Based upon that estimated valuation, the annualized distribution rate is 6.5%**

Hines

Hines REIT Portfolio
(as of March 31, 2011)



Three Huntington Quadrangle
Long Island, NY
407,912 Square Feet
Acquired 7/07
52% leased

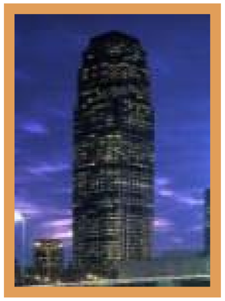


Airport Corporate Center
Miami, FL
1,018,428 Square Feet
Acquired 1/06
83% leased

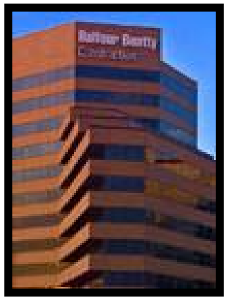
321 North Clark
Chicago, IL
888,837 Square Feet
Acquired 4/06
75% leased

Minneapolis Office/Flex Portfolio
Minneapolis, MN
767,859 Square Feet
Acquired 9/07
86% leased

2555 Grand Blvd
Kansas City, MO
595,607 Square Feet
Acquired 2/08
100% leased



Williams Tower
Houston, TX
1,479,764 Square Feet
Acquired 05/08
87% leased



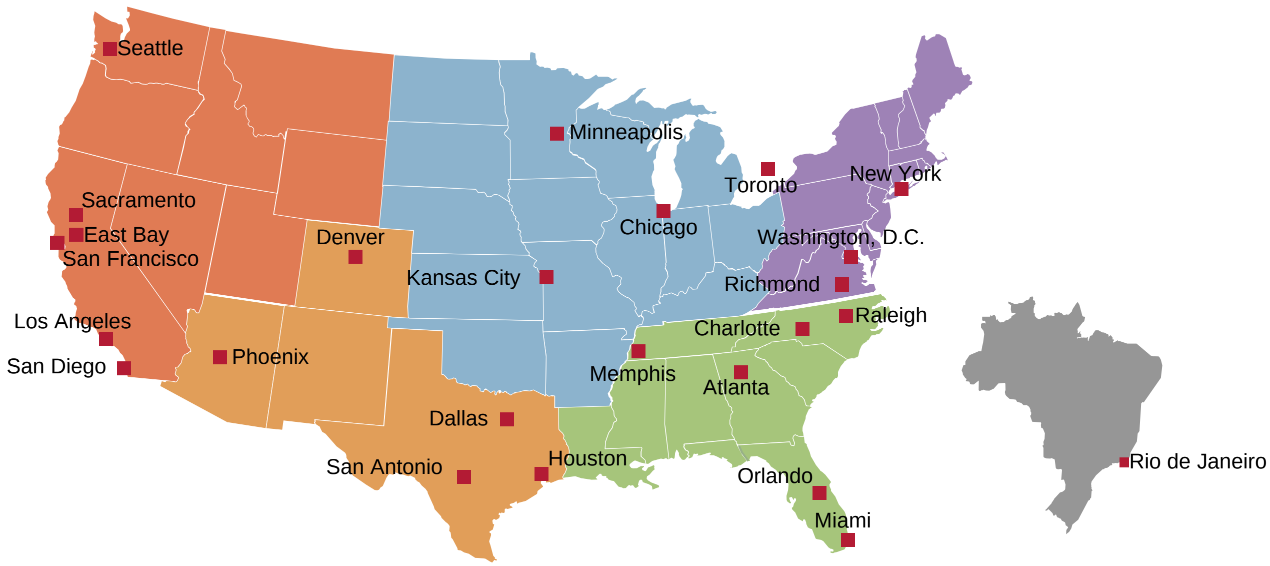
Citymark
Dallas, TX
219,117 Square Feet
Acquired 8/05
84% leased

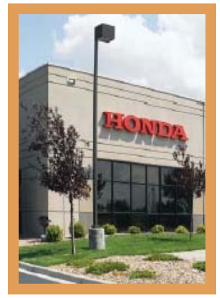
Chase Tower
Dallas, TX
1,252,019 Square Feet
Acquired 11/07
88% leased

4050/4055 Corporate Drive
Dallas, TX
643,429 Square Feet
Acquired 05/08
100% leased

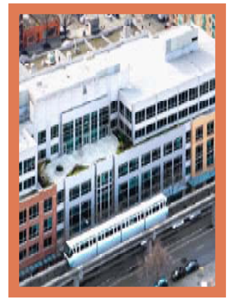
Hines

Hines REIT Portfolio
(as of March 31, 2011)

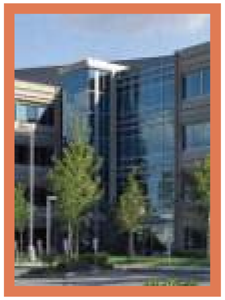




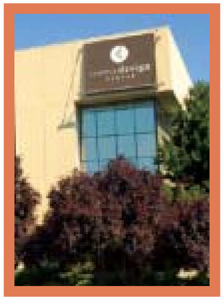
Denver Industrial
Denver, CO
484,737 Square Feet
Acquired 12/08
84% leased



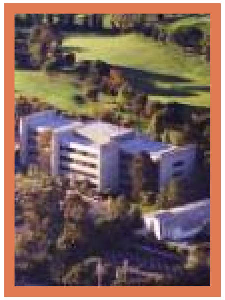
5th & Bell
Seattle, WA
197,135 Square Feet
Acquired 6/07
91% leased



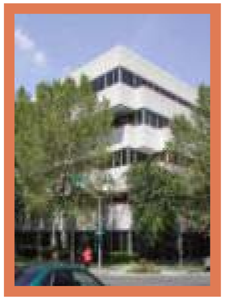
Daytona-Hart Portfolio
Redmond, WA
711,974 Square Feet
Acquired 12/06, 1/07
100% leased (Daytona)
85% leased (Laguna)



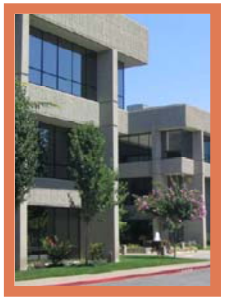
Seattle Design Center
Redmond, WA
390,684 Square Feet
Acquired 6/07
74% leased



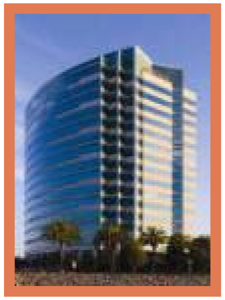
1900/2000 Alameda
San Mateo, CA
254,145 Square Feet
Acquired 6/05
91% leased



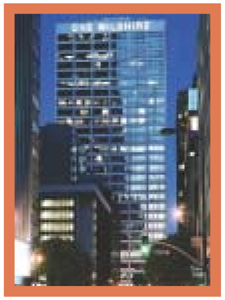
1515 S Street
Sacramento, CA
349,740 Square Feet
Acquired 11/05
99% leased



3400 Data Drive
Sacramento, CA
149,703 Square Feet
Acquired 11/06
100% leased



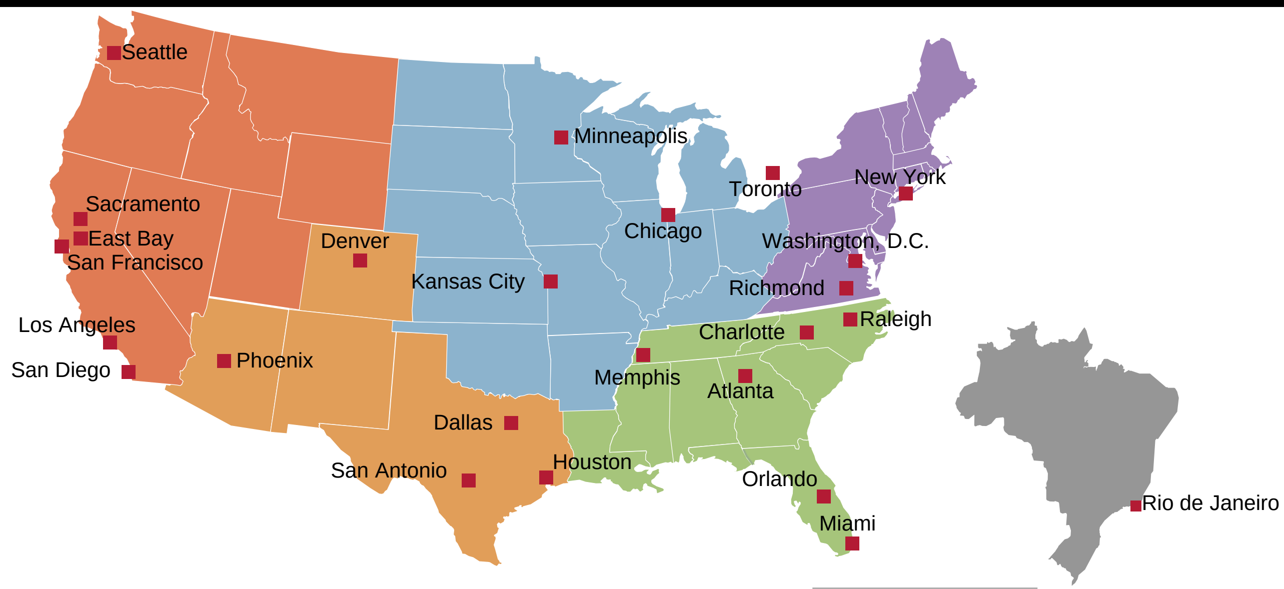
2100 Powell
Emeryville, CA
344,433 Square Feet
Acquired 12/06
100% leased

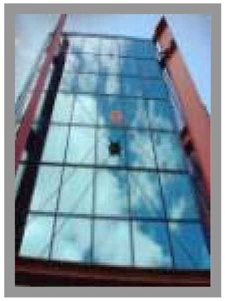


One Wilshire
Los Angeles, CA
661,553 Square Feet
Acquired 8/07
95% leased

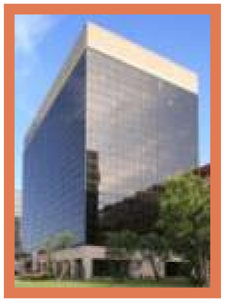
Hines

Hines REIT Portfolio
(as of March 31, 2011)





Distribution Park Rio
Rio de Janeiro, Brazil
693,115 Square Feet
Acquired 07/07
100% leased
50%[1]



Raytheon/DirecTV
El Segundo, CA
550,579 Square Feet
Acquired 3/08
100% leased

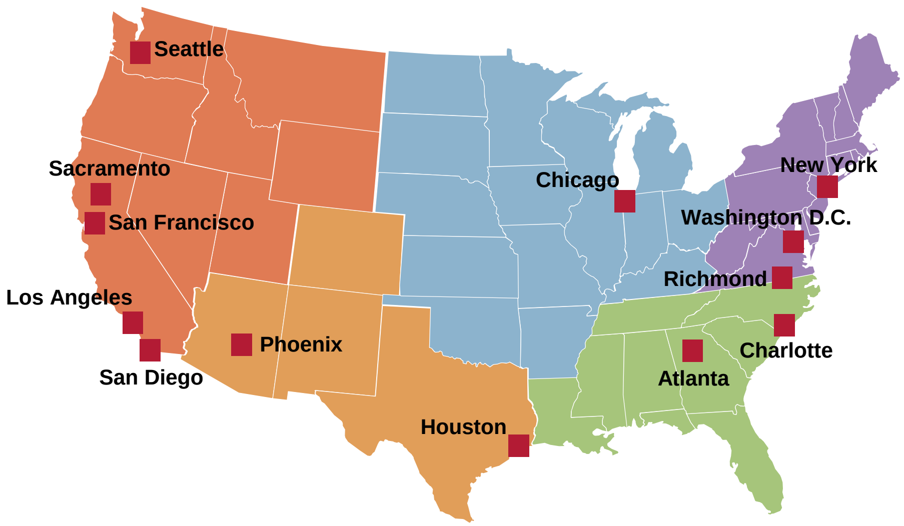
Weingarten Retail Portfolio
Various locations
1,497,298 Square Feet
Acquired 11/08 – 3/09
93% leased
70%[1]

Atrium on Bay[2]
Toronto, Ontario
1,077,496 Square Feet
Acquired 02/07
98% leased

[1]Italicized percentage numbers represent Hines REIT's effective ownership in each property listed.
[2]Atrium on Bay was sold on June 1, 2011 for $344.8 million CAD ($353 million based on the exchange rate in effect on the date of sale)

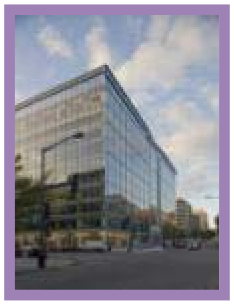
Hines

Hines US Core Office Fund Portfolio
(as of March 31, 2011)[1]

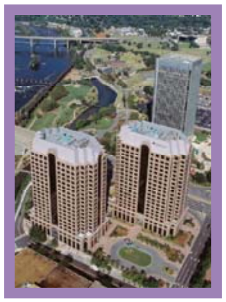


425 Lexington Ave
New York, NY
700,034 Square Feet
Acquired 8/03
100% leased
11%[2]

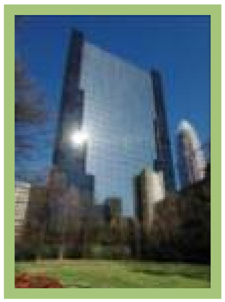
499 Park Ave
New York, NY
291,515 Square Feet
Acquired 8/03
94% leased
11%[2]



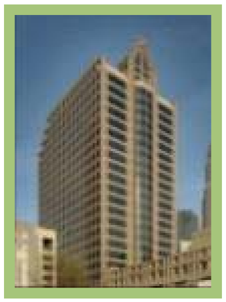
1200 19th Street
Washington D.C.
337,486 Square Feet
Acquired 8/03
83% leased
11%[2]



Riverfront Plaza
Richmond, VA
951,616 Square Feet
Acquired 11/06
97% leased
22%[2]



Charlotte Plaza
Charlotte, NC
625,026 Square Feet
Acquired 6/07
89% leased
22%[2]

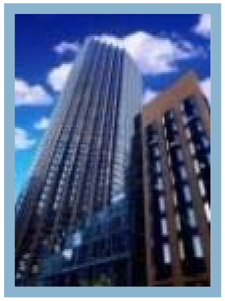


Carillon
Charlotte, NC
472,222 Square Feet
Acquired 7/07
85% leased
22%[2]

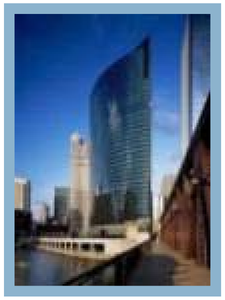
[1]As of March 31, 2011, Hines REIT owned a 26.8% interest in the Hines US Core Office Fund.
[2]Italicized percentage numbers represent Hines REIT's effective ownership in each property listed.

Hines

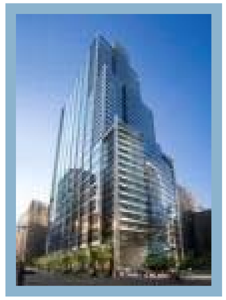
Hines US Core Office Fund Portfolio
(as of March 31, 2011)[1]



Three First National
Chicago, IL
1,423,515 Square Feet
Acquired 3/05
92% leased
18%[2]

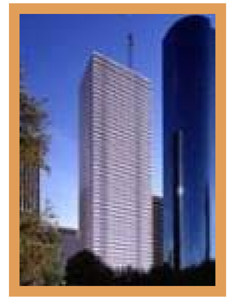


333 West Wacker
Chicago, IL
855,056 Square Feet
Acquired 4/06
75% leased
18%[2]

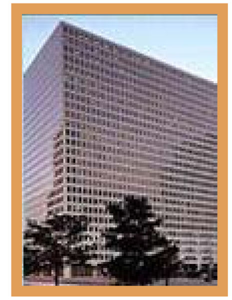


One North Wacker
Chicago, IL
1,373,754 Square Feet
Acquired 3/08
94% leased
22%[2]

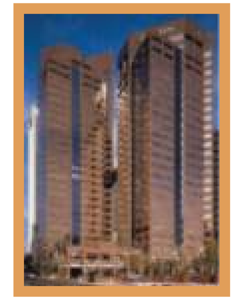
One Atlantic Center
Atlanta, GA
1,100,312 Square Feet
Acquired 7/06
90% leased
22%[2]



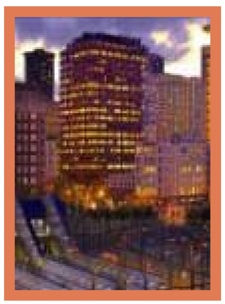
One Shell Plaza
Houston, TX
1,230,395 Square Feet
Acquired 5/04
99% leased
11%[2]



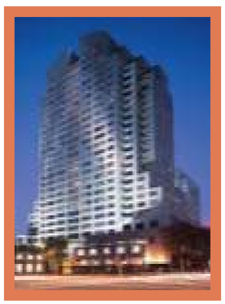
Two Shell Plaza
Houston, TX
565,573 Square Feet
Acquired 5/04
97% leased
11%[2]



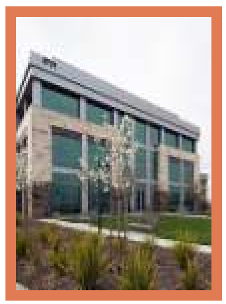
Renaissance Square
Phoenix, AZ
965,508 Square Feet
Acquired 12/07
83% leased
22%[2]



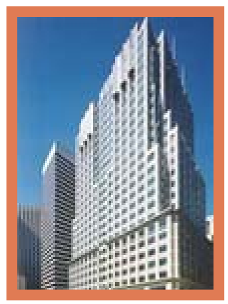
720 Olive Way
Seattle, WA
300,710 Square Feet
Acquired 1/06
84% leased
18%[2]



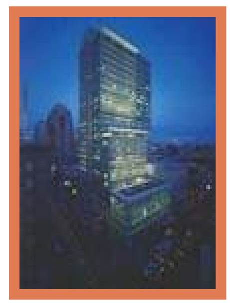
Wells Fargo Center
Sacramento, CA
502,365 Square Feet
Acquired 05/07
96% leased
18%[2]



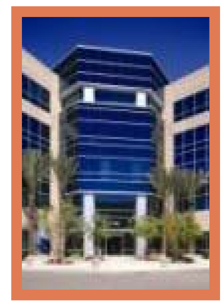
Douglas Boulevard
Sacramento, CA
884,320 Square Feet
Acquired 05/07
62% leased
18%[2]



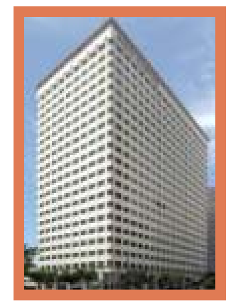
The KPMG Building
San Francisco, CA
379,328 Square Feet
Acquired 9/04
88% leased
22%[2]



101 Second Street
San Francisco, CA
388,370 Square Feet
Acquired 9/04
83% leased
22%[2]



Warner Center
Los Angeles, CA
808,274 Square Feet
Acquired 10/06
89% leased
18%[2]

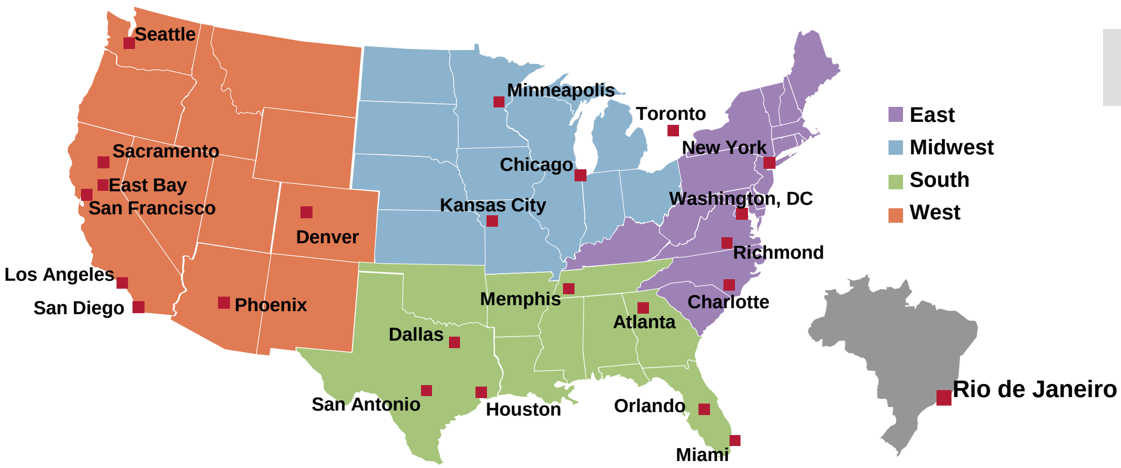


Golden Eagle Plaza
San Diego, CA
449,180 Square Feet
Acquired 8/05
95% leased
22%[2]

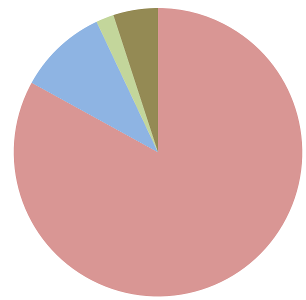
[1]As of March 31, 2011, Hines REIT owned a 26.8% interest in the Hines US Core Office Fund.
[2]Italicized percentage numbers represent Hines REIT's effective ownership in each property listed.

Hines

Hines REIT Portfolio Summary
Geographical Diversification

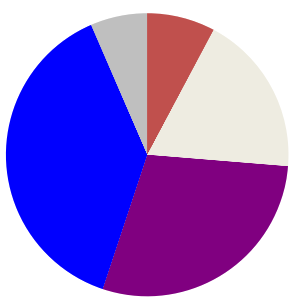


ASSET CLASS MIX[1]
% OF TOTAL PORTFOLIO—BASED ON ESTIMATED AGGREGATE VALUE



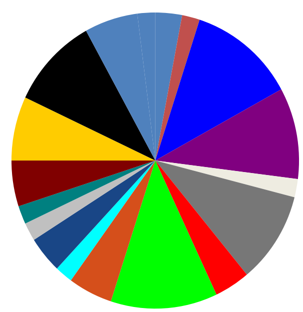
- Office - 83%
- Mixed-Use - 10%
- Industrial - 2%
- Retail - 5%

REGIONAL MIX[1]
% OF TOTAL PORTFOLIO—BASED ON ESTIMATED AGGREGATE VALUE



- East - 7.8%
- Midwest - 18.5%
- South - 28.8%
- West - 38.4%
- International - 6.5%

CITY MIX[1]
% OF TOTAL PORTFOLIO—BASED ON ESTIMATED AGGREGATE VALUE



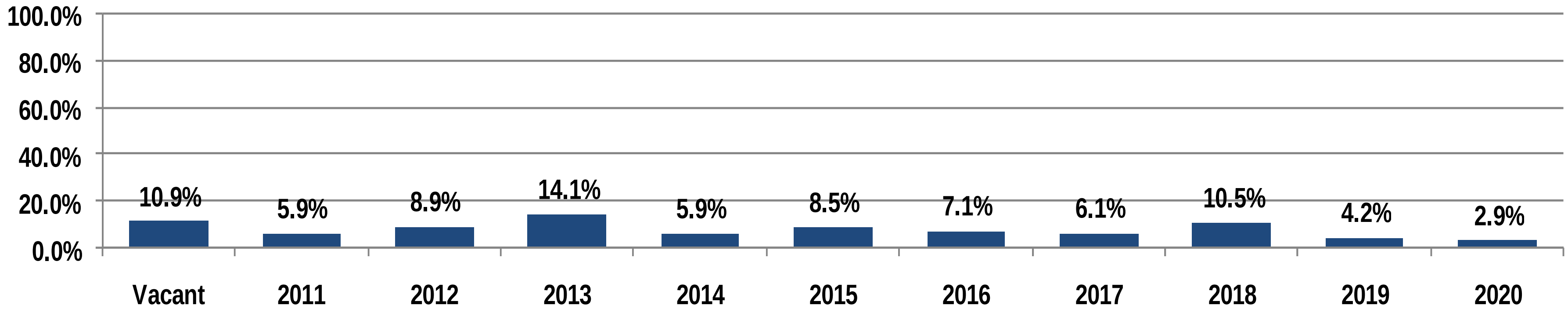
- Atlanta - 3%
- Chicago - 12%
- Denver - 2%
- Kansas City - 4%
- Miami - 5%
- New York - 4%
- Richmond - 2%
- San Francisco/East Bay - 7%
- Toronto - 6%
- Charlotte - 2%
- Dallas - 10%
- Houston - 10%
- Los Angeles - 12%
- Minneapolis - 2%
- Phoenix - 2%
- Sacramento - 5%
- Seattle - 10%
- Other - 2%

[1]Weighted by Hines REIT's effective ownership as of 3/31/11

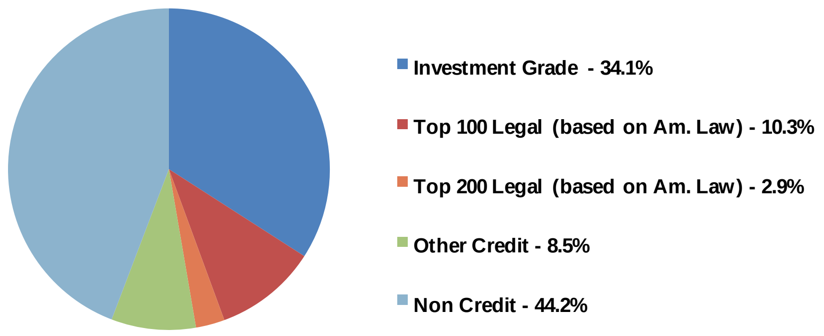
Hines

Hines REIT Lease Rollover and Tenant Industry

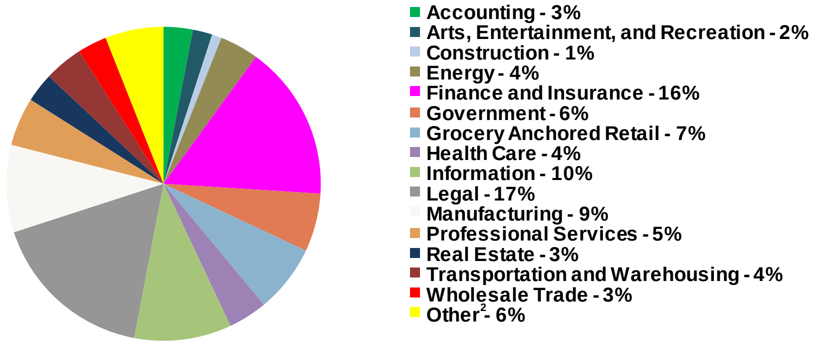
ROLLOVER[1] ***(Portfolio occupancy was 89%)***
% OF TOTAL LEASABLE SQUARE FEET IN PORTFOLIO



TENANT CREDIT QUALITY[1]
% OF TOTAL PORTFOLIO—BASED ON SQUARE FOOTAGE



TENANT INDUSTRY MIX[1]
% OF TOTAL PORTFOLIO—BASED ON SQUARE FOOTAGE



[1]Weighted by Hines REIT's effective ownership as of 3/31/11
[2]Other represents all of the tenant industry mix categories that have less than 1% of the total portfolio

Hines

Hines REIT Strategic Dispositions

600 Lexington[1]

	Acquired	Sold
Date	Feb-04	May-10
Price	$91.6M	$193M
Lease %	76%	94%
Gain	Economic gain of $79M (REIT economic gain of $9.6M) [1]	

Araucaria, Elouveira and Vinhedo

	Acquired	Sold
Date	Dec-08	Jan-2010 & April-2010
Price	$115M	$141M
Exchange Rate	2.35BRL/$USD	1.81BRL & 1.76BRL/$USD
Gain	REIT Economic gain of $11.8M	

Atrium on Bay

	Acquired	Sold
Date	Feb-07	June-11
Price	$250M CAD $215M USD	$344.8M CAD $353M USD
Exchange Rate	$CAD/$0.861USD	$CAD/$1.023USD
Lease %	86%	98%
Gain	Net sales proceeds of $128.7M (USD)	

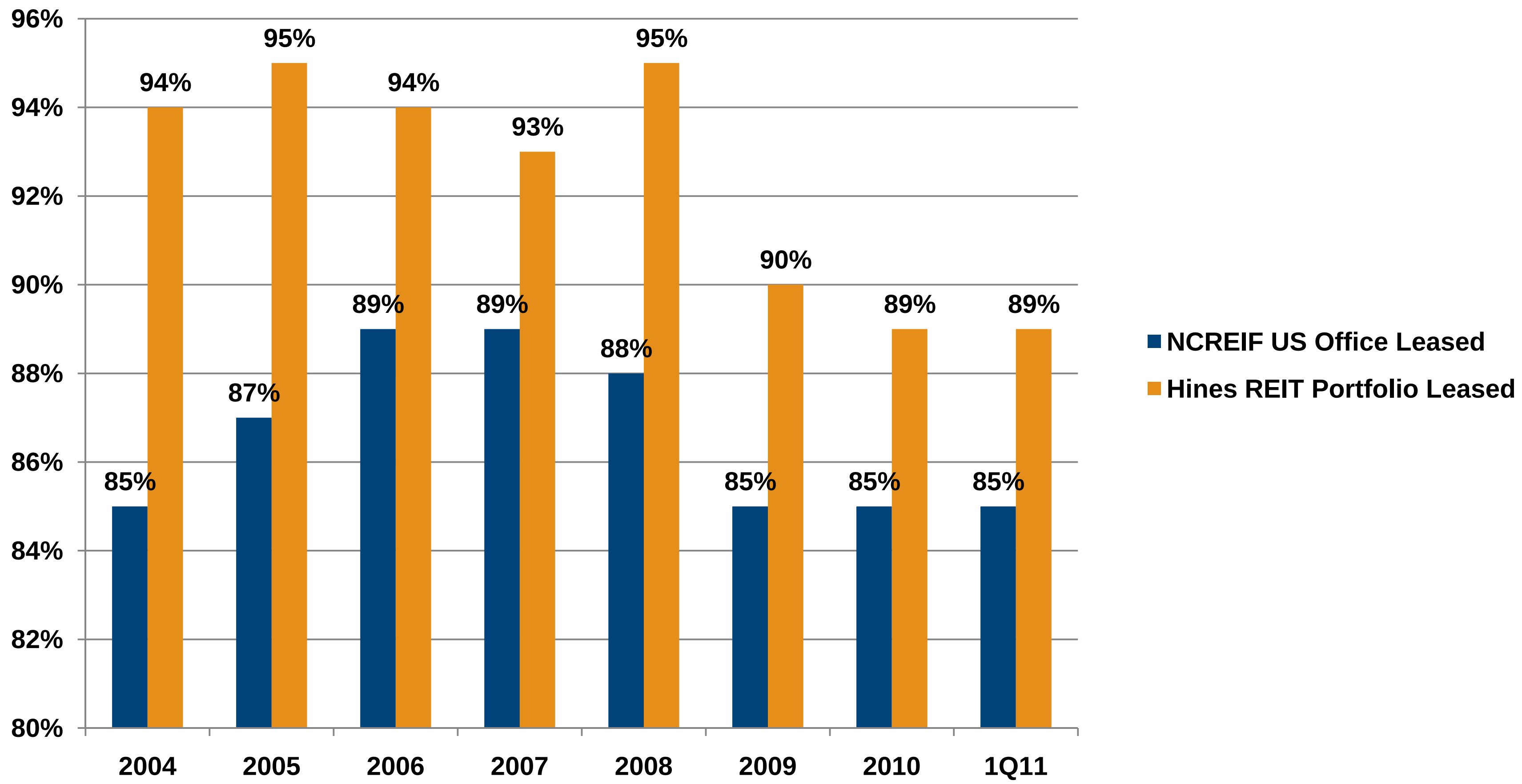
Since the closing of Hines REIT in December 2009, the firm has evaluated opportunities for targeted asset sales.

The proceeds from these sales continue to support the overall objectives of deleveraging the portfolio, managing liquidity, funding capital expenditures and leasing costs, and maximizing shareholder distributions.

[1] Hines REIT owned an 11.67% effective ownership interest in this property prior to its sale. The REIT's economic gain is based on its effective ownership interest prior to the sale.

Hines

Hines REIT – Tracking Occupancy



Source: NCREIF

Hines

Finding Success in Challenging Markets Q1 2011

- Houston, TX – Williams Tower
  - Williams Companies, an integrated natural gas company, renewed 265,000 Square Feet (SF) for 10 years
- Atlanta, GA – One Atlantic Center
  - National law firm Alston + Bird renewed 365,000 SF for 17 years
- Sacramento, CA – Wells Fargo Center
  - Wells Fargo Bank (subsidiary of NYSE: WFC), a nationwide, diversified, community-based financial services company with $1.2 trillion in assets, executed a 45,000 SF lease extension for five years
- Richmond, VA – Riverfront Plaza
  - Morgan Stanley Smith Barney, a premier global wealth management firm, executed a 23,000 SF lease for 11 years

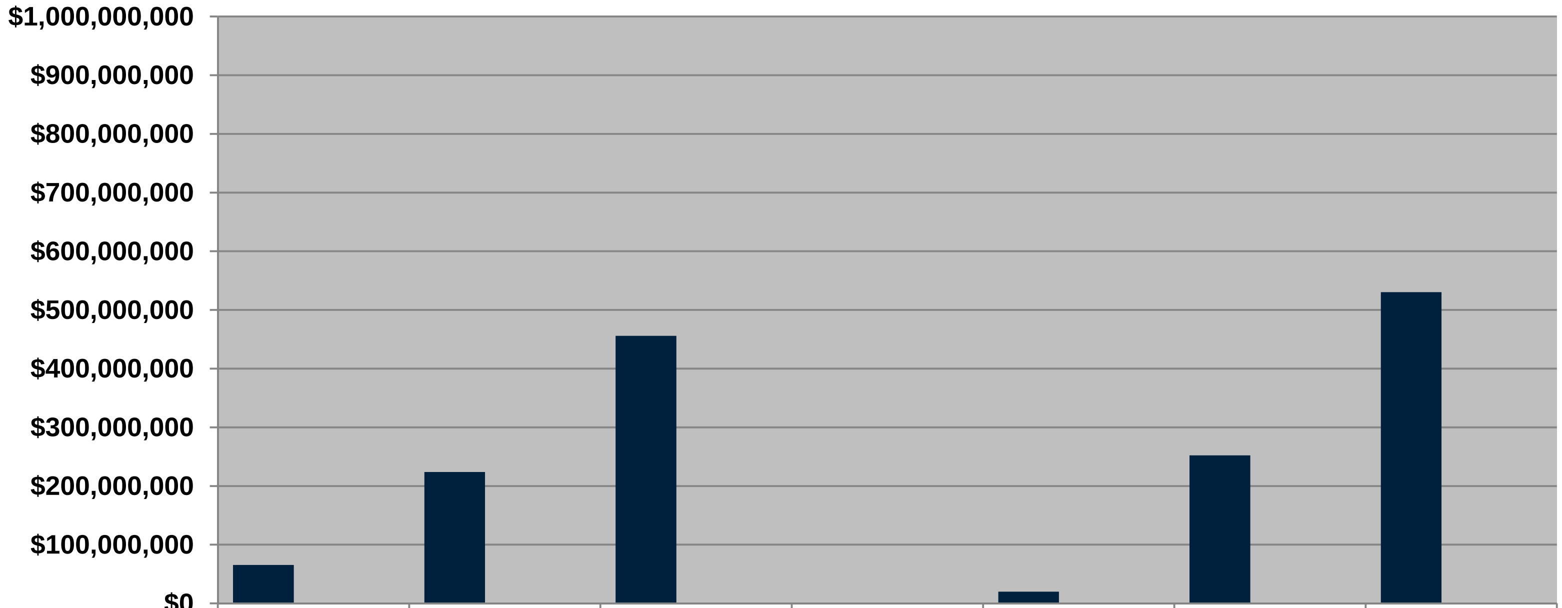
Hines

Finding Success in Challenging Markets Q1 2011

- Los Angeles, CA – Warner Center
  - HealthNetInc. (NYSE: HNT), a managed care organization, executed a 334,000 SF lease renewal for 10 years
- Roseville, CA - Douglas Boulevard
  - Intel-GE Care Innovations, a firm that creates technology-based solutions that give people confidence to live independently, executed a 19,000 SF lease
- Los Angeles, CA – One Wilshire
  - Executed three leases for a total of 13,000 SF

Hines REIT Debt Maturity Chart
($ in millions as of March 31, 2011)

Portfolio Weighted Average Interest Rate 5.64%

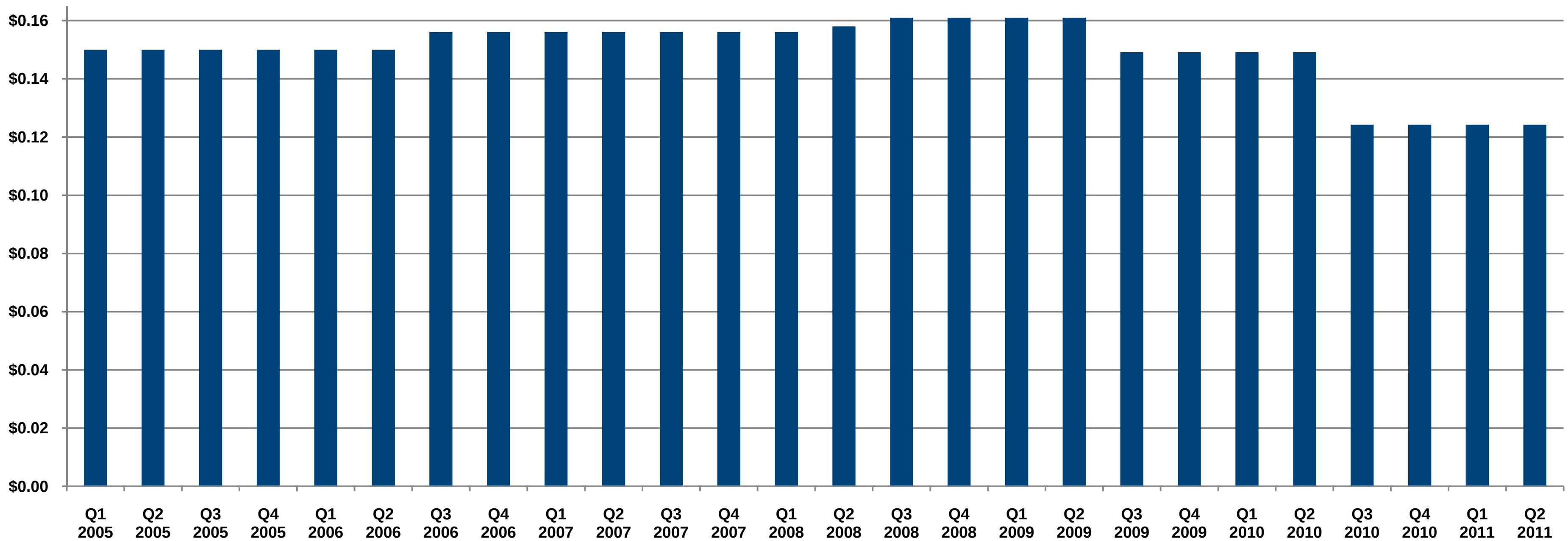


	2011	2012	2013	2014	2015	2016	2017
Amount Maturing	$65,435,000	$223,783,000	$456,000,000	$0	$19,830,000	$252,118,000	$530,377,000
% of Debt Maturing	4.23%	14.46%	29.47%	0.00%	1.28%	16.29%	34.27%
No. of Loans	3	2	3	0	2	3	5
Wtg. Avg. Interest Rate	5.17%	6.13%	5.57%	0.00%	5.43%	5.82%	5.47%

Hines REIT is contractually obligated to make principal payments on its outstanding notes payable for the period of April 1, 2011 through December 31, 2011, for each of the years ending December 31, 2012 through December 31, 2015 and for the period thereafter (in thousands): $$66,945, $224,638, $457,480, $3,820, $22,833 and $771,827.

Distribution History -
Cents Per Share Paid Quarterly

Relatively Stable Distribution



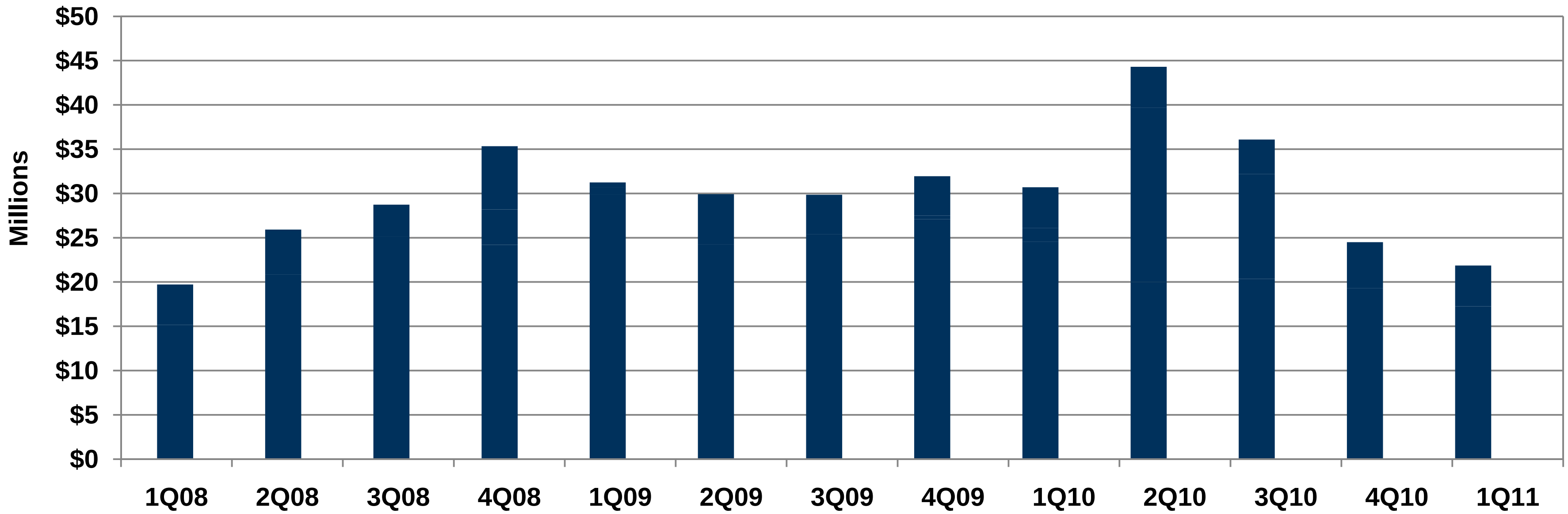
Hines

Modified Funds From Operations

- Modified Funds From Operations (“MFFO”) is a non-GAAP supplemental earnings-based performance measure used to evaluate REIT operating performance.
- MFFO was derived by making certain adjustments to Funds From Operations, which was originally defined by NAREIT in 1991 and last modified in 2002.
- Currently the IPA and certain issuers are working through an agreed upon definition of MFFO with the SEC and other regulators.

Evaluating Operating Performance

- MFFO is used by Senior Management and the Board of Directors to evaluate operating performance
- The graph below includes MFFO and certain other items[1] we believe may be helpful in assessing our operating performance results such as gains on the sale of assets, reversal of participation interest expense and reversal of deferred financing cost amortization



[1]Includes IPA-defined MFFO and gains on asset sales, as well as adjustments to reverse participation interest expense and deferred financing cost amortization. Deferred financing costs are amortized into interest expense over the terms of the related obligations. Hines REIT records a liability in its balance sheet related to the interests (Participation Interest) owned by Hines' subsidiaries. This liability is based on its estimated settlement value, which is measured at fair value based on the Company's redemption price in place as of each balance sheet date. Periodic increases in the Participation Interest, as well as adjustments required to record this liability at fair value, are included in asset management and acquisition fees in the Company's statements of operations.

Hines

Appendix 1: Evaluating Operating Performance

Funds from Operations and Modified Funds from Operations

- Funds from Operations ("FFO") is a non-GAAP financial performance measure defined by the National Association of Real Estate Investment Trusts ("NAREIT") widely recognized by investors and analysts as one measure of operating performance of a real estate company. FFO excludes items such as real estate depreciation and amortization and gains and losses on the sale of real estate assets. Depreciation and amortization, as applied in accordance with GAAP, implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values have historically risen or fallen with market conditions, it is management's view, and we believe the view of many industry investors and analysts, that the presentation of operating results for real estate companies by using the historical cost accounting alone is insufficient. In addition, FFO excludes gains and losses from the sale of real estate, which we believe provides management and investors with a helpful additional measure of the historical performance of our real estate portfolio, as it allows for comparisons, year to year, that reflect the impact on operations from trends in items such as occupancy rates, rental rates, operating costs, general and administrative expenses and interest costs.
- In addition to FFO, management uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA") as a non-GAAP supplemental financial performance measure, to evaluate our operating performance. MFFO includes funds generated by the operations of our real estate investments and funds used in our corporate-level operations. MFFO is based on FFO, but includes certain additional adjustments which we believe are appropriate due to changes in the accounting and reporting rules under GAAP that have been put into effect since the establishment of NAREIT's definition of FFO. These changes have prompted a significant increase in the magnitude of non-cash and non-operating items included in FFO, as defined. Such items include amortization of out-of-market lease intangible assets and liabilities and certain tenant incentives, the effects of straight-line rent revenue recognition, fair value adjustments to derivative instruments that we have not designated as hedging instruments for accounting purposes, non-cash impairment charges and certain other items as described in the footnotes below. We believe that MFFO more closely reflects the overall impact on the performance of our real estate investments of occupancy rates, rental rates, property operating costs, as well as corporate-level general and administrative expenses and interest costs, which is not immediately apparent from net income (loss).
- As such, we believe FFO and MFFO, in addition to net income (loss) and cash flows from operating activities as defined by GAAP, are meaningful supplemental performance measures and are useful to investors in understanding how our management evaluates our ongoing operating performance. However, FFO and MFFO should not be considered as alternatives to net income (loss) or to cash flows from operating activities and are not intended to be used as liquidity measures indicative of cash flow available to fund our cash needs. Additionally, please see the limitations listed below associated with the use of MFFO as compared to net income (loss):
  - MFFO excludes gains (losses) related to changes in estimated values of our interest rate swaps. Although we expect to hold these instruments to maturity, if we were to settle these instruments currently, it would have an impact on our operations.
  - MFFO excludes impairment charges related to long-lived assets that have been written down to current market valuations. Although these losses are included in the calculation of net income (loss), we have excluded them from MFFO because we believe doing so more appropriately presents the operating performance of our real estate investments on a comparative basis.
  - MFFO excludes acquisition fees payable to our Advisor. Although these amounts reduce net income, we fund such costs with proceeds from our public offerings and acquisition-related indebtedness and do not consider these fees in the evaluation of our operating performance and determining MFFO.

Hines

Appendix 1: Evaluating Operating Performance

	2011-Q1	2010-Q4	2010-Q3	2010-Q2	2010-Q1	2009-Q4	2009-Q3	2009-Q2	2009-Q1	2008-Q4	2008-Q3	2008-Q2	2008-Q1
Net Income (Loss)	$(9,282,000)	$14,276,000	$(28,302,000)	$(8,419,000)	$(12,938,000)	$5,120,000	$(25,789,000)	$23,549,000	$3,805,000	$(104,212,818)	$(23,780,066)	$8,836,804	$(43,186,923)
Add (deduct) NAREIT defined adjustments:													
Depreciation and amortization[1]	25,680,000	27,157,263	28,379,702	27,371,787	28,875,107	31,423,724	31,859,012	31,009,829	31,778,589	32,312,877	32,888,148	32,215,784	25,381,478
Gain on sale of real estate[2]	-	(25,098)	-	(18,310,535)	(4,226,561)	-	-	-	(612,000)				
Adjustments to equity in earnings (losses) of unconsolidated subsidiaries[3]	8,863,000	9,027,651	9,306,047	(2,714,681)	10,585,753	9,464,294	9,526,393	9,846,055	10,432,052	14,307,417	9,702,314	10,090,246	9,400,774
Income (loss) to minority interests [4]	(1,003,000)	(1,926,908)	(372,449)	72,218	(747,212)	(1,460,735)	(484,670)	(1,941,983)	(1,316,404)	1,519,282	(483,589)	(1,294,098)	204,838
NAREIT Defined FFO	24,258,000	48,508,908	9,011,299	(2,000,211)	21,549,088	44,547,282	15,111,735	62,462,901	44,087,237	(56,073,242)	18,326,807	49,848,737	(8,199,833)
Add (deduct) our MFFO adjustments													
(Gain) loss on derivative instruments [5]	(5,196,000)	(27,144,111)	15,441,318	24,373,854	5,853,592	(14,207,567)	11,700,747	(35,894,682)	(10,895,939)	74,685,772	10,529,600	(26,780,236)	27,444,828
Impairment on land parcel[6]	-	-	810,536	-	-	-	3,412,163	-	-	-	-	-	-
Other non-cash components of revenues and expenses[7]	(2,173,000)	(3,752,457)	(4,647,523)	(1,708,545)	(3,172,038)	(4,183,574)	(4,905,616)	(3,980,490)	(5,395,288)	(1,993,712)	(3,647,595)	(4,549,551)	(4,939,235)
Acquisition fees[8]	-	-	-	-	-	-	-	1	1,159,901	8,123,377	-	1,571,500	1,446,500
Adjustments to equity in earnings (losses) of unconsolidated subsidiaries[3]	87,000	510,142	141,937	135,871	401,010	378,327	382,385	456,725	489,747	1,626,108	141,836	28,020	(27,138)
Income (loss) to minority interests[4]	289,000	1,160,107	(398,864)	(797,763)	(102,989)	560,123	(328,692)	1,188,682	418,952	(2,177,781)	(180,351)	752,360	(583,750)
MFFO	$17,265,000	$19,282,590	$20,358,702	$20,003,206	$24,528,663	$27,094,592	$25,372,722	$24,233,136	$29,864,610	$24,190,522	$25,170,297	$20,870,829	$15,141,372

1) Represents the depreciation and amortization of various real estate assets. Historical cost accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values have historically risen or fallen with market conditions, we believe that such depreciation and amortization may be of limited relevance in evaluating current operating performance and, as such, these items are excluded from our determination of FFO. This amount includes $1.1 million, $1.1 million, $1.9 million and approximately $67,000 of depreciation and amortization related to discontinued operations for the three months ended March 31, 2011 and the years ended December 31, 2010, 2009 and 2008, respectively.

2) Represents the gain on disposition of certain real estate investments. Although this gain is included in the calculation of net income (loss), we have excluded it from FFO because we believe doing so more appropriately presents the operating performance of our real estate investments on a comparative basis.

3) Includes adjustments to equity in earnings (losses) of unconsolidated entities, net, similar to those described in Notes 1, 2 and 7 for our unconsolidated entities, which are necessary to convert our share of income (loss) from unconsolidated entities to FFO and MFFO.

Hines

Appendix 1: Evaluating Operating Performance

4) Includes income attributable to noncontrolling interests and all adjustments to eliminate the noncontrolling interests' share of the adjustments to convert our net income (loss) to FFO and MFFO.

5) Represents components of net income (loss) related to the estimated changes in the values of our interest rate swap derivatives. We have excluded these changes in value from our evaluation of our operating performance and MFFO because we expect to hold the underlying instruments to their maturity and accordingly the interim gains or losses will remain unrealized.

6) Represents impairment charges recorded in the third quarters of 2010 and 2009 in accordance with GAAP. Although such charges are included in the calculation of net income (loss), we have excluded them from MFFO because we believe doing so more appropriately presents the operating performance of our real estate investments on a comparative basis.

7) Includes the following components of revenues and expenses that we do not consider in evaluating our operating performance and determining MFFO for the three months ended March 31, 2011 and the years ended December 31, 2010, 2009 and 2008 (in thousands):

	2011-Q1	2010-Q4	2010-Q3	2010-Q2	2010-Q1	2009-Q4	2009-Q3	2009-Q2	2009-Q1	2008-Q4	2008-Q3	2008-Q2	2008-Q1
Other components of revenues and expenses													
Straight Line Rent Adjustments	$(2,350,000)	(2,662,719)	(2,933,835)	(723,687)	(1,977,490)	(1,552,355)	(2,633,424)	(1,831,787)	(3,417,929)	(3,566,572)	(4,243,951)	(4,652,920)	(3,925,028)
Amortization of Lease Incentives	2,815,000	2,442,658	2,237,208	1,957,599	1,787,982	1,468,973	1,301,896	1,264,734	1,270,470	1,471,652	1,076,880	896,599	773,271
Out-of-market Lease Amortization	(2,849,000)	(3,695,643)	(4,164,311)	(3,155,884)	(3,196,281)	(3,706,270)	(3,788,830)	(3,627,862)	(3,625,008)	(437,983)	(765,096)	(1,078,418)	(2,054,596)
Amortization of Deferred Financing Costs	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Non-cash Components	211,000	163,247	213,415	213,427	213,750	(393,921)	214,741	214,425	377,180	539,191	284,572	285,188	267,118
Other components of revenues and expenses	$(2,173,000)	(3,752,457)	(4,647,523)	(1,708,545)	(3,172,038)	(4,183,574)	(4,905,616)	(3,980,490)	(5,395,288)	(1,993,712)	(3,647,595)	(4,549,551)	(4,939,235)

a) Represents the adjustments to rental revenue as required by GAAP to recognize minimum lease payments on a straight-line basis over the respective lease terms. We have excluded these adjustments from our evaluation of the operating performance of the Company and in determining MFFO because we believe that the rent that is billable during the current period is a more relevant measure of the Company's operating performance for such period.

b) Represents the amortization of lease incentives and out-of-market leases. As stated in Note 1 on the previous slide, historical cost accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values have historically risen or fallen with market conditions, we believe that such amortization may be of limited relevance in evaluating current operating performance and, as such, these items are excluded from our determination of MFFO.

Hines

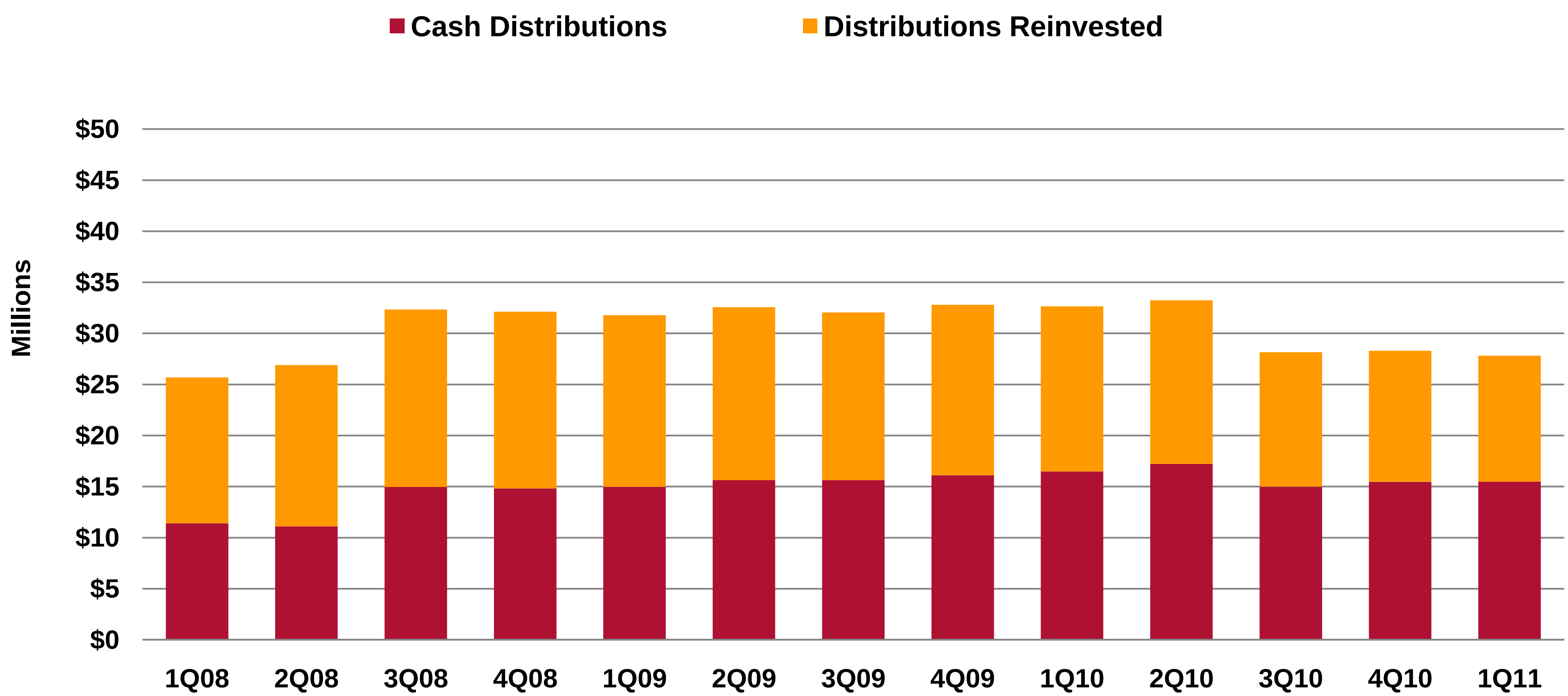
Appendix 1: Evaluating Operating Performance

8) Represents acquisition expenses and acquisition fees paid to our Advisor that are expensed in our consolidated statements of operations. We fund such costs with proceeds from our offering and acquisition-related indebtedness, and therefore do not consider these expenses in evaluating our operating performance and determining MFFO.

Set forth below is additional information relating to certain items excluded from the analysis above which may be helpful in assessing our operating results:

- Pursuant to the terms of the Grocery Anchored Portfolio joint venture agreement, for the three months ended March 31, 2011, we received distributions of approximately $670,000 and for the years ended December 31, 2010, 2009 and 2008, we received distributions of approximately $1.1 million, $1.7 million and $161,000 in excess of our pro-rata share of the joint venture's MFFO, respectively.
- On January 22, 2010, we sold Distribution Park Araucaria, an industrial property located in Curitiba, Brazil, which we acquired in December 2008 for $33.0 million. Net proceeds from the sale after deducting transaction costs, fees and taxes were $34.6 million.
- On April 22, 2010, we sold Distributions Park Elouveira and Vinhedo, two industrial properties located in Sao Paulo, Brazil, which we acquired in December 2008 for $83.1 million. Net proceeds from the sale after deducting transaction costs, fees and taxes were $93.3 million.
- On May 22, 2010, the Core Fund sold 600 Lexington, an office property located in New York, New York, which it acquired in February 2004. The Core Fund's total cost basis in 600 Lexington was approximately $103.8 million and the net proceeds from the sale after deducting transaction costs, taxes and fees were approximately $185.9 million. Our effective ownership in this asset on the date of sale was 11.67%.
- On September 14, 2010, we sold a land parcel located in Houston, Texas, which we acquired in connection with our purchase of Williams Tower. The sales price of the land parcel was $12.8 million. Proceeds received after closing costs and fees were $11.8 million. We recorded impairment charges of approximately $811,000 and $3.4 million for the years ended December 31, 2010 and 2009, respectively, which is included in other losses in the accompanying condensed consolidated statements of operations but have been excluded from MFFO. See Note 6.
- We received $4.0 million in net proceeds from our sale of the Williams Tower waterwall and park in December 2008.
- We received $1.2 million in net proceeds from our sale of land owned in connection with the Laguna Buildings in December 2009.
- Amortization of deferred financing costs was $709,000, $2.8 million, $2.8 million and $1.7 million for the three months ended March 31, 2011 and for the years ended December 31, 2010, 2009 and 2008, respectively, and was deducted in determining MFFO.
- A portion of our acquisition and asset management fees are paid in equity through the Participation Interest. For the three months ended March 31, 2011, this amount was $3.9 million. For the years ended December 31, 2010, 2009 and 2008, these amounts were $15.5 million, $12.4 million and $18.6 million, respectively.
- We received master lease payments of $1.2 million and $7.0 million for the years ended December 31, 2009 and 2008, respectively. These leases were entered into in conjunction with certain asset acquisitions.
- We incurred organizational and offering expenses of $3.7 million as of December 31, 2008. These expenses are paid to our Advisor and expensed in our consolidated statement of operations.

Distribution History – Quarterly in Dollars



We funded our cash distributions with cash flows from operating activities, distributions received from our unconsolidated investments, proceeds from the sales of our real estate investments and cash generated during prior periods, which had cash flows from operating activities and distributions received from our unconsolidated investments in excess of distributions.

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Hines REIT Repricing Discussion

- FINRA Regulatory Notice 09-09 requires publishing estimated share value 18 months after closing of the offering (June 30, 2011 for Hines REIT). The new share value was $7.78 based upon this most recent estimated share valuation .
- The estimated share value was determined based primarily on:
  - Valuations of substantially all of our real estate investments by independent third parties;
  - Internal valuations of our real estate investments by the Company's management using methodologies that are commonly used in the commercial real estate industry (including discounted cash flow analyses and reviews of current, historical and projected capitalization rates for properties comparable to those owned by the Company);
  - Valuations of our notes payable by an independent third party; and
  - The estimated values of other assets and liabilities determined by management as of March 31, 2011.

Hines

Hines REIT Exit Strategy

- Overall goal is to maximize returns to investors
- Exit strategy may include the targeted sale of individual or groups of assets
- May also consider a sale, merger or listing on a national exchange
- Will continue to identify opportunities for strategic asset sales

Current Priorities & Focus

- Our Near-Term Priorities Consist of:
  - Leasing of Existing Assets in Our Portfolio
  - Strategic Asset Sales
  - Managing Liquidity & Maximizing Distributions to Shareholders
- Our Long-Term Priorities Consist of:
  - Evaluating Potential Exit Strategies
  - Managing Our Debt Maturities
- These Priorities are Designed to Assist Us in Meeting Our Primary Objective of Maximizing Shareholder Returns over the Long Term

Hines

"**Hines** began as a one-man operation in 1957 with the sole focus of delivering better quality services and products to tenants and investors. More than **half a century** later, with 3,200 professionals working on four continents, our philosophy has not wavered and our **commitment to excellence in the built environment** is stronger than ever."

Gerald D. Hines

Hines

Thank You

Hines