

Hines Air Property Limited

Abbreviated accounts

For the year ended 31 December 2007

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COMPANIES HOUSE

Hines Air Property Limited

Directors

S O'Donnell
S H R Musgrave
I Brown
M Topham

Secretary

Abogado Nominees Limited

Auditors

Ernst & Young LLP
1 More London Place
London SE1 2AF

Registered Office

100 New Bridge Street
London EC4 6JA

Independent auditors' report

to the members of Hines Air Property Limited under section 247B of the Companies Act 1985

We have examined the company's abbreviated accounts for the year ended 31 December 2007 which comprise the Balance Sheet and the related notes 1 to 4, which have been prepared in accordance with applicable United Kingdom law, together with the company's financial statements for the year ended 31 December 2007 prepared under section 226 of the Companies Act 1985

This report is made solely to the company pursuant to Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company those matters we are required to state in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

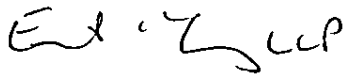
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and 246(6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.



Ernst & Young LLP
Registered Auditor
London
Date

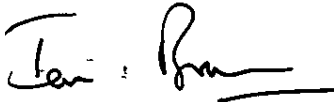
30 October 2008

Abbreviated balance sheet

at 31 December 2007

	Notes	2007 £	2006 £
Net current assets		—	—
Total assets less current liabilities		—	—
Creditors amounts falling due after more than one year	2	—	(4,321,891)
		—	(4,321,891)
Capital and reserves			
Called up share capital	3	100	100
Profit and loss account		(100)	(4,321,991)
Equity shareholder's funds/ (deficit)		—	(4,321,891)

The abbreviated accounts, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, were approved and authorised for issue by the board and were signed on its behalf on


 Director 29/10/08

The notes on pages 4 to 5 form part of these abbreviated accounts

Notes to the abbreviated accounts

at 31 December 2007

1. Accounting policies

Basis of preparation

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with applicable accounting standards

Statement of cash flow

Under the provisions of Financial Reporting Standard No 1 (Revised), the company has not prepared a statement of cash flow because it qualifies as a small company as defined by statute and has taken advantage of the exemption afforded by sections 246 and 249 of the Companies Act 1985

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted
- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

2. Creditors: amounts falling due after more than one year

	2007	2006
	£	£
Amounts due in more than one year but less than two years		
Amounts owed to group companies	–	4,321,891
	<u> </u>	<u> </u>

During the year the intercompany balance owed to Hines UK Limited during the year was forgiven

3. Share capital

	2007	2006
	£	£
<i>Authorised, allotted, called-up and fully paid</i>		
100 ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>

Notes to the abbreviated accounts

at 31 December 2007

4. Parent undertaking and controlling party

The company's immediate parent entity is Hines GB Holdings LLC, a company incorporated in the United States of America

The company's ultimate parent is Hines International Real Estate Holdings Limited Partnership, a partnership registered in the United States of America. The largest and smallest group in which the results of the company are consolidated is that headed by Hines International Real Estate Holdings Limited Partnership, the financial statements of which are not available to the public