

Weingarten Realty Investors

Annual Report 2001

“We’ve got a lot to talk about.”

Continuity

Stability

Strength

Growth

Focus

Weingarten

Weingarten Realty Investors is a Houston-based equity real estate investment trust (REIT). Founded in 1948, we restructured to a REIT and listed on the New York Stock Exchange in 1985.

Throughout our 50 plus year history, our longstanding mission has been to maximize shareholder value. We achieve this through acquiring, developing and operating well-located neighborhood/community shopping centers anchored with supermarkets or large value-oriented retailers, as well as selective industrial properties. In operating these properties we look for merchants and service businesses who want an owner with a long-term commitment to the viability of the property, and we operate these properties with hands on, proactive, and disciplined property management. At the close of 2001, our portfolio contained 287 income-producing properties totaling over 35 million square feet in 18 states.

The execution of the Company's mission described above, and management's ability to maneuver through all economic and real estate cycles, has resulted in increasing our dividend each year since becoming a public company. Moreover, WRI has consistently provided attractive total returns for investors who want both dividend growth and appreciation of per share asset value from a low risk investment. WRI currently enjoys the highest combined credit rating (A/A3) of any REIT. Our common shares are traded on the New York Stock Exchange under the symbol "WRI".

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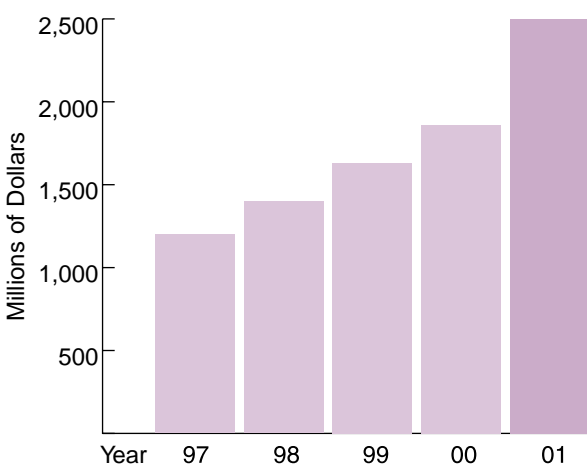
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Financial Highlights

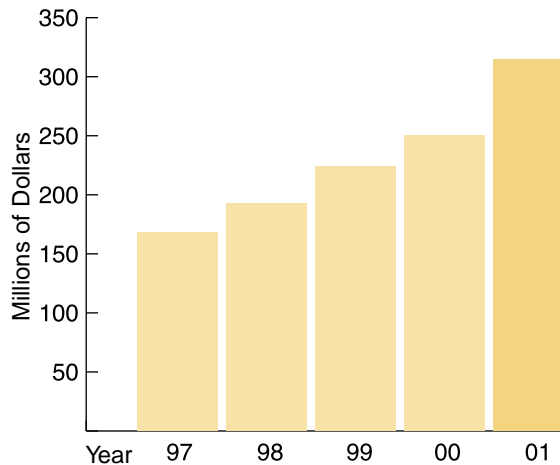
In thousands, except per share amounts

	2001	2000	1999
Revenues	\$ 314,892	\$ 250,234	\$ 224,095
Funds from Operations:			
Net Income	\$ 108,542	\$ 79,001	\$ 96,130
Preferred Dividends	(19,703)	(20,040)	(19,593)
Net Income Available to Common Shareholders	88,839	58,961	76,537
Depreciation and Amortization	67,803	55,344	49,256
Gain on Sales of Property	(9,795)	(382)	(20,596)
Extraordinary Charge—Early Retirement of Debt			190
Funds from Operations	\$ 146,847	\$ 113,923	\$ 105,387
Property (at cost)	\$2,352,393	\$1,728,414	\$1,486,224
Weighted Average Number of Common Shares Outstanding—Diluted			
	32,246	26,931	26,890
Per Common Share:			
Funds from Operations—Diluted	\$ 4.56	\$ 4.24	\$ 3.93
Net Income—Diluted	\$ 2.76	\$ 2.19	\$ 2.85
Cash Dividends	\$ 3.16	\$ 3.00	\$ 2.84

Total Assets Before Depreciation



Total Revenues



Continuity

is an essential cornerstone of the

long-term success of Weingarten. Continuity of management's philosophy and culture coupled with a well planned and executed succession strategy has allowed us to assemble and retain one of the most qualified and experienced management teams in the real estate industry.



Andrew M. (Drew) Alexander
President/Chief Executive Officer

Equally important is the continuity of our business strategy. Several principles form the foundation of this strategy including our commitment to supermarket-anchored and unique community shopping centers and select industrial properties. Secondly, we concentrate our assets in high growth markets that fit within our overall geographic footprint which allows us to intensely lease and manage these properties. Finally, as we are long-term owners of properties, we are committed to enhancing their value through periodic re-merchandising and remodeling.

Stability

is another cornerstone of

Weingarten's success. Our recession-resilient supermarket and discount store-anchored centers cater to the basic, day-to-day consumer necessities. This is exemplified by a historical occupancy which has never fallen below 90%, even in the worst of economic and real estate cycles.

Further stability arises from a portfolio that is diversified both geographically and by tenant base. We have over 4,100 different tenants and our two largest, Safeway and Kroger, each represent less than 4% of total revenue,

with all other individual tenants representing less than 1.4%. Moreover, we own 287 operating properties with our largest property accounting for only 2.7% of our total assets and 2.0% of revenue.

Consistently raising the annual dividend while maintaining a low ratio (currently 70%) of dividends paid to funds from operations is also indicative of our stability.

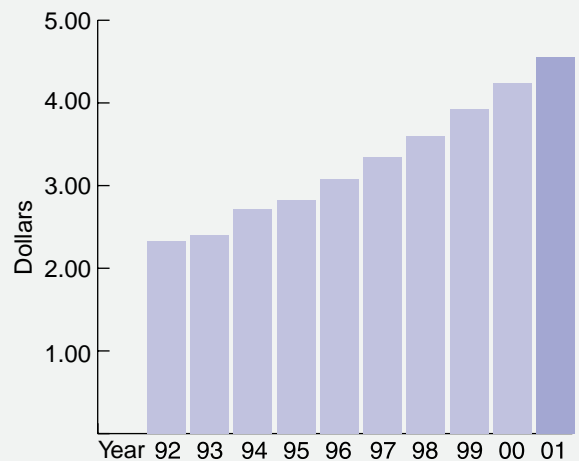
Strength

is a third cornerstone of our success as a real estate

investment trust. Weingarten is dedicated to maintaining financial strength and preserving the competitive advantage that it provides. As the only public real estate investment trust with an unsecured “A/A3” debt rating, we have one of the strongest balance sheets in the industry. We firmly believe that our shareholders and the investment community view the strength of our balance sheet not only as a financing advantage but also as a confirmation of our stability, discipline and conservatism—all of which contribute to our continued success.

The quality of our shopping centers is another great strength. Located at key intersections in areas with strong demographic profiles, our locations are occupied by retailers that exhibit financial vigor, merchandising expertise, ability to produce strong sales volumes and willingness to maintain a fresh physical environment through periodic renovation.

Funds from Operations per Share (Diluted)
Ten Year Performance



Shareholders' Letter

The business environment of 2001 provided not only challenges but also wonderful opportunities. A weakening economy made our jobs more difficult as we worked to enhance the value of our portfolio. At the same time, however, it created an attractive acquisitions environment which increased our deal pipeline and presented many opportunities. The entire Weingarten team worked diligently to deal with each challenge and opportunity, and we are pleased to announce these outstanding accomplishments:

- Funds from operations increased 28.9% to \$146.8 million from \$113.9 million in 2000;
- Net income increased \$29.5 million to \$108.5 million in 2001 from \$79.0 million in the prior year;
- Rental revenue increased \$65.8 million, or 27.0%, to \$309.5 million in 2001, from \$243.6 million in 2000;
- Investments in acquisitions, new developments and redevelopments totaled \$607 million, a 164% increase over our previous all-time high;
- Rental rates on new leases and renewals increased by 10.4% on a same space basis; and
- Common equity totaling over \$300 million was issued in three separate transactions and a ten-year \$200 million bond issue was completed.

Solid Operating Performance

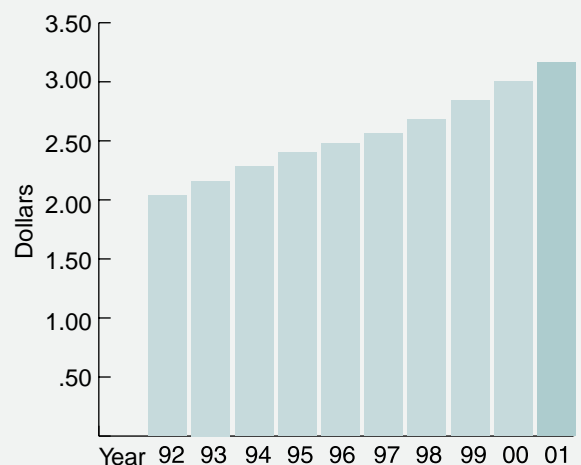
Our 2001 operating results validate our long-standing belief that well-anchored community and neighborhood shopping centers perform well in all economic environments. The effect of a softening economy did not adversely impact our performance as the Company produced record operating results in 2001. Funds from operations increased 28.9% from \$113.9 million in 2000 to \$146.8 million in 2001. On a diluted per share basis, funds from operations increased 7.5%, from \$4.24 in 2000 to \$4.56 in 2001. Net income available to common shareholders increased 50.7% from \$59.0 million in 2000 to \$88.8 million in 2001, and by 26.0% on a diluted per share basis to \$2.76 for 2001. Rental revenues increased to \$309.5 million in 2001 from \$243.6 million in 2000, an increase of 27.0%. A significant portion of this increase was attributable to our acquisition and new development programs, lower interest rates and the performance of our existing portfolio. We completed 966 new leases or renewals comprising 4.9 million square feet with an increase in rental rates of 10.4% on a same space basis. Net of the amortized portion of capital costs for tenant improvements, the rental rate increase averaged 7.8%, up from 6.4% in 2000 and 5.9% in 1999. Despite the softening economy the occupancy of our retail portfolio was 92.8% at year-end 2001. The occupancy of the industrial portfolio, which represents 10.2% of the Company's total revenue, was 90.1%, down from 91.2% in the prior year. Occupancy of the total portfolio stood at 92.2% as compared to 93.0% at the end of 2000.

A Year of Opportunity

Highlighted by the purchase of the California portfolio in the early part of the year, the Company capitalized on many acquisition opportunities in 2001. We began the year with the purchase of Colonial Plaza in Orlando, Florida, the single largest individual center we had ever acquired. This was closely followed with our purchase of the 19 supermarket-anchored centers in California for \$278 million, truly a landmark transaction for the Company. As we worked hard to integrate these purchases into our system, we continued to be presented with attractive acquisition prospects. In June, we completed the purchase of four supermarket-anchored centers in the Memphis, Tennessee metropolitan area. We finished the year with the purchase of five additional shopping centers in Florida and our first property in North Carolina. In total, we acquired 30 shopping centers in 2001, of which 28 are supermarket-anchored. We also invested \$39 million in the purchase of four industrial properties, including our first asset in the Atlanta, Georgia market. The total investment in these properties was \$519 million, adding 6.1 million square feet to our portfolio.

This year has also been very active for our new development team. We began the year with 13 new development projects under construction and over the course of the year added seven additional projects including two shopping centers in the Denver area, two in Phoenix, two in Dallas/Fort Worth and one in

Dividends per Share
Ten Year Performance



Louisiana. All of these additions will be anchored by either a supermarket or a Target discount department store. We invested \$77 million in these twenty projects in 2001 and will spend an additional \$89 million in 2002 and 2003. Upon completion, these developments will add 1.8 million square feet to our portfolio and will represent an investment of \$223 million. Additionally, we invested \$11 million on expansions, renovations and redevelopments, primarily on projects in Las Vegas, Dallas and Houston.

An Active Year for Financing

This Company takes great pride in its reputation of operating its business and its properties in a hands-on and disciplined manner and, just as importantly, in maintaining a conservative balance sheet. The rating agencies have recognized these attributes by assigning us the highest credit ratings (A/A3) of any REIT. The equity financing transactions we completed in 2001 enabled us to maintain these high ratings while still achieving significant growth through our existing portfolio, acquisitions and new development. Had we chosen to finance our growth through the use of long-term debt instead of a blend of common equity and debt, our increase in funds from operations per share would have been 17.9% instead of the 7.5% we are reporting. Nevertheless, we strongly believe that issuing common equity was the right course, as we continue to match our long-term assets with long-term financing. In January, we completed our first common equity offering since 1993. We sold 4.7 million common shares in an underwritten offering at \$42.19 per share, resulting in net proceeds of \$188 million. In May, we issued an additional 690,000 common shares at \$42.85 per share for net proceeds of \$28 million, and in early November we issued 1.8 million common shares at \$50.20 per share for net proceeds of \$86 million. In each case, the proceeds were used to pay down amounts outstanding under our \$350 million revolving credit facility that we use to temporarily fund our acquisition and new development programs. From a historical perspective, the amount of common equity issued in 2001 was clearly unusual for a single year. Looking ahead, as we issue additional common equity, our expected approach will be to complete smaller offerings on a more regular basis to avoid the significant dilution that comes with the level of activity experienced in 2001. We also completed two significant debt transactions during the year. In July, we entered into a \$50 million unsecured term loan with terms substantially identical to our \$350 million facility. Later in July, we completed our first large underwritten debt offering. We sold \$200 million of ten-year unsecured notes at a coupon of 7% and received net proceeds of \$198 million.

Perspective

We believe our outstanding results in 2001 exemplify the many strengths of Weingarten Realty Investors. Our California portfolio purchase was an outstanding transaction made possible by our ability to act quickly on a unique opportunity and our unsurpassed access to the capital markets. Our experienced management team rapidly integrated these properties into our operations, immediately providing the same high level of attention and care to these merchants that we do for all other Weingarten retailers. This level of operational focus contributed to our ability to exceed the Company's return expectations on the California portfolio. The depth of our management team also allowed us to concurrently pursue the significant amount of additional external growth opportunities that we encountered as we moved through the year and, all the while, maintain our focus on the leasing and management of our existing portfolio.

With 2002 comes some degree of uncertainty about the national economy. We remain, however, cautiously optimistic that we will not only maintain but further improve the overall value of our portfolio while continuing to improve our retailer composition and rental rates. We believe the diversification of our tenant base, the relative stability of our product type and the overall quality of our properties make this kind of performance possible, even in difficult environments. In the event market conditions should deteriorate further, our management team has valuable experience in successfully operating in this type of environment. We believe the market for acquisitions and, to a lesser degree, new developments will remain attractive and that we will be successful in purchasing shopping centers and industrial properties as opportunities are presented. We anticipate 2002 will be another highly productive year for Weingarten Realty Investors.

Our performance in 2001 and our confidence going forward have a direct correlation with the quality of the team of associates assembled at this Company. Our growth has required us to hire more people, and we have been very successful in attracting talented individuals to complement our existing team. The entire group of associates worked extremely hard in 2001 to accomplish our goals and, for this, they have our sincere gratitude. We also thank the members of our Board of Trust Managers for the significant input and guidance they provided in this very productive year.



Andrew M. Alexander,
President/
Chief Executive Officer



Stanford Alexander,
Chairman



Martin Debrovner,
Vice Chairman

Another highlight of 2001 is that our Chairman, Stanford Alexander, was inducted into the Texas Business Hall of Fame in recognition of his outstanding entrepreneurial accomplishments and numerous financial and leadership contributions to the business community.

Growth

through acquisitions and new development has always been well planned and disciplined.

This growth occurs only when rates of return exceed our weighted-average cost of capital by an acceptable risk-adjusted margin.

Our conservative underwriting of acquisitions and new developments combined with a detailed, thorough due diligence process helps ensure that we will meet or exceed our targeted short and long-term return hurdles. Furthermore, we concentrate our new developments in growth markets with strong demographic profiles and proceed only when we have commitments from anchor retailers.

We will continue to evaluate growth opportunities as they arise. However, we will concentrate our expansion in our core markets where we have significant investment and, accordingly, can actively lease and manage our properties in an efficient manner.



2001 Retail Acquisitions ⁽¹⁾

	Building Area In Square Feet
California	
Arcade Square, Sacramento	76,000
Buena Vista Marketplace, Duarte	91,000
Centerwood Plaza, Bellflower	71,000
Creekside Center, Vacaville	116,000
Discovery Plaza, Sacramento	93,000
Gateway Plaza, Fremont	195,000
Hallmark Town Center, Madera	85,000
Market Place, Castro Valley	102,000
Menifee Town Center, Menifee	83,000
Prospectors Plaza, Placerville	219,000
Ralphs Redondo, Redondo Beach	67,000
San Marcos Plaza, San Marcos	36,000
Shasta Crossroads, Redding	121,000
Silver Creek Plaza, San Jose	134,000
Southampton Center, Benicia	162,000
Stony Point Plaza, Santa Rosa	199,000
Summerhill Plaza, Citrus Heights	134,000
Sunset Center, Suisun City	85,000
Westminster Center, Westminster	411,000
Florida	
Argyle Village, Jacksonville	305,000
Boca Lyons Center, Boca Raton	117,000
Colonial Plaza, Orlando	488,000
Sunset Point 19, Clearwater	273,000
Winter Park Corners, Winter Park	103,000
Venice Pines Center, Venice	97,000
Mississippi	
Southaven Commons, Southaven	117,000
North Carolina	
Parkway Pointe Center, Cary	80,000
Tennessee	
Bartlett Towne Center, Bartlett	179,000
The Commons at Dexter Lake, Memphis	167,000
Summer Center, Memphis	154,000
Total Retail Acquisitions	4,560,000

2001 Retail New Development ⁽¹⁾

	Building Area In Square Feet
Arizona	
Ellsworth Plaza, Phoenix	12,000
Palmilla-Phase II, Avondale	58,000
Red Mountain Gateway, Phoenix	70,000
Val Vista Towne Center, Phoenix	93,000
Colorado	
Aurora Town Place, Denver	178,000
Crossing at Stonegate, Denver	50,000
Crossing at Thorncreek, Denver	88,000
Englewood City Center, Denver	105,000
Lowry Town Center, Denver	66,000
Louisiana	
Ambassador Plaza, Lafayette	35,000
Manhattan Place, New Orleans	154,000
Prien Lake Plaza, Lake Charles	118,000
River Marketplace, Lafayette	183,000
Siegen Plaza, Baton Rouge	168,000
University Place, Shreveport	191,000
Nevada	
Eastern Commons, Las Vegas	61,000
Texas	
Boswell Towne Center, Dallas	33,000
Golden Beach Marketplace, Fort Worth	47,000
Lake Pointe Market, Dallas	51,000
McDermott Commons, Dallas	57,000
Total New Development	1,818,000

2001 Industrial Acquisitions

Florida	
Lakeland Industrial Center, Lakeland	600,000
Georgia	
Crescent Drive, Norcross (Atlanta)	363,000
Tennessee	
Outland Business Center, Memphis	407,000
Texas	
Oak Hill Industrial Park, Austin	90,000
Total Industrial Acquisitions	1,460,000

⁽¹⁾ Building area represents the Company's proportionate ownership in joint ventures, and excludes corporately-owned anchor spaces.

▼ **Colonial Plaza
Orlando, Florida**

Purchased in early 2001, Colonial Plaza was the third of eight retail acquisitions in the Florida market. A unique investment opportunity due to its strategic in-fill location, this 488,000 square foot property is anchored by Barnes & Noble, Old Navy, Stein Mart, Linens 'N Things, Marshalls, Staples, Rhodes, Ross Dress For Less, Circuit City, Just For Feet and Babies R Us, in addition to over 30 specialty and service-oriented retailers.





◀ **Crossing at Thorncreek
Thornton, Colorado**

Phase I of this new development is fully leased and substantially complete. Anchored by a corporately-owned 174,000 square foot Super Target, the center also includes Michaels, Office Max, Barnes & Noble, Cost Plus, and many other well known national and regional retailers and restaurants. Krispy Kreme has opened its second Colorado location at Crossing at Thorncreek.



◀ **Southampton Center
Benicia, California**

One of 19 properties in our expansion into the California market, Southampton Center is anchored by a 60,000 square foot Raley's supermarket, with several other notable tenants such as GNC, Ace Hardware and Hollywood Video.

► **Outland Business Center
Memphis, Tennessee**

Outland Business Center represents our sixth industrial property in the Memphis market. A complementary mix of service center and bulk distribution, this 407,000 square foot complex consists of five buildings, and contributes to a total of 1.1 million square feet of industrial space in Memphis, America's "Distribution City".



► **The Commons at Dexter Lake
Memphis, Tennessee**

One of four Memphis area shopping centers acquired in 2001, The Commons at Dexter Lake contains 167,000 square feet and is anchored by Kroger and Stein Mart. This center was developed in 1998 and is currently 97% leased.





▲ **Silver Creek Plaza
San Jose, California**

Another selection from our California portfolio, Silver Creek Plaza is a 134,000 square foot center with notable merchants such as Safeway, Walgreens, Orchard's (Sears) and Bank of America. The 19 properties purchased in the California market aggregate 2.5 million square feet and represent an investment of \$278 million.



▲ **Sunset Point 19
Clearwater, Florida**

Purchased in the latter part of the year, this property was developed in 1972 and extensively renovated in 1998. Sunset Point 19 is anchored by Publix Super Market, Old Navy, Bed Bath & Beyond, Sports Authority, Staples, CompUSA, Barnes & Noble and Eckerd, and contains 273,000 square feet.





◀ **Oak Hill Industrial Park
Austin, Texas**

This industrial property consists of two separate single story buildings that aggregate approximately 90,000 square feet. With this acquisition, the Company now has ten properties in the Austin market, including eight industrial properties and two supermarket-anchored shopping centers.



◀ **University Place
Shreveport, Louisiana**

This new development was brought on-line during 2001. It is a 345,000 square foot center anchored by a Super Target (corporately-owned), and also features major merchants such as Bed Bath & Beyond, Best Buy and TJ Maxx.

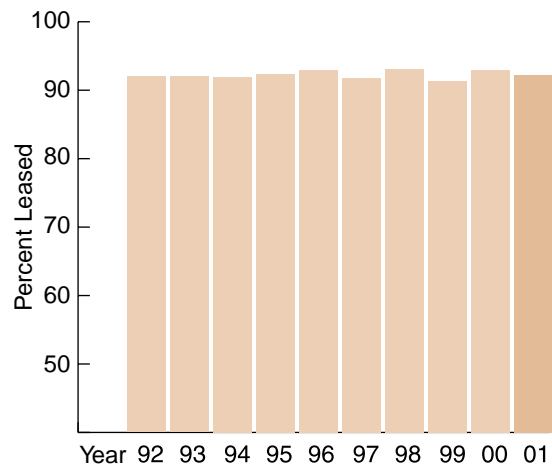
Focus

on enhancing the cash flow and value of our existing portfolio is a priority for every associate in

our company. We long ago recognized the importance of not just maintaining but also improving the viability of our existing assets and, accordingly, we direct numerous efforts toward this goal:

- Continuous, customer-focused management of our operating properties;
- Relationship-driven leasing efforts which concentrate on providing each retailer with the location that will be mutually beneficial to the success of their business and the existing merchants;

Occupancy Rate
Ten Year Performance



- Continuous re-merchandising and renovation of our properties to provide an attractive and up-to-date shopping environment for our customers; and
- Constant training and development of our associates to ensure the highest level of service and expertise is available to our tenants.

Additionally, recycling of assets through the sale of selected non-core properties ensures that our operational efforts are focused on those assets that will provide solid long-term growth, are located in our core markets and fit our product-type profile.

2001 Renovations

	Building Area In Square Feet
Arizona	
Fountain Plaza, Scottsdale	112,000
Louisiana	
Park Plaza, Lake Charles	207,000
Nevada	
Westland Fair, Las Vegas	374,000
Texas	
Copperfield Village, Houston	163,000
Corum South, League City	127,000
Custer Park, Plano	119,000
Galveston Place, Galveston	210,000
Moore Plaza, Corpus Christi	355,000
Northbrook, Houston	175,000
Total Renovations	1,842,000

▼ Northbrook Houston, Texas

Located in northwest Houston, Northbrook was renovated during 2001, with a Randalls (Safeway) super-market relocating to this location. We added 7,700 square feet of retail space adjacent to the Randalls and remodeled this 175,000 square foot center with improvements including new facia, parking lot, updated pylon signage, and additional landscaping.



► **Moore Plaza
Corpus Christi, Texas**

A total of approximately \$2.5 million was invested in this 355,000 square foot center, including the remerchandising of space for a Hobby Lobby, Linens 'N Things, Marshalls and Rack Room Shoes. Physically, facia and landscape upgrades were also made to the center for a consistent look.

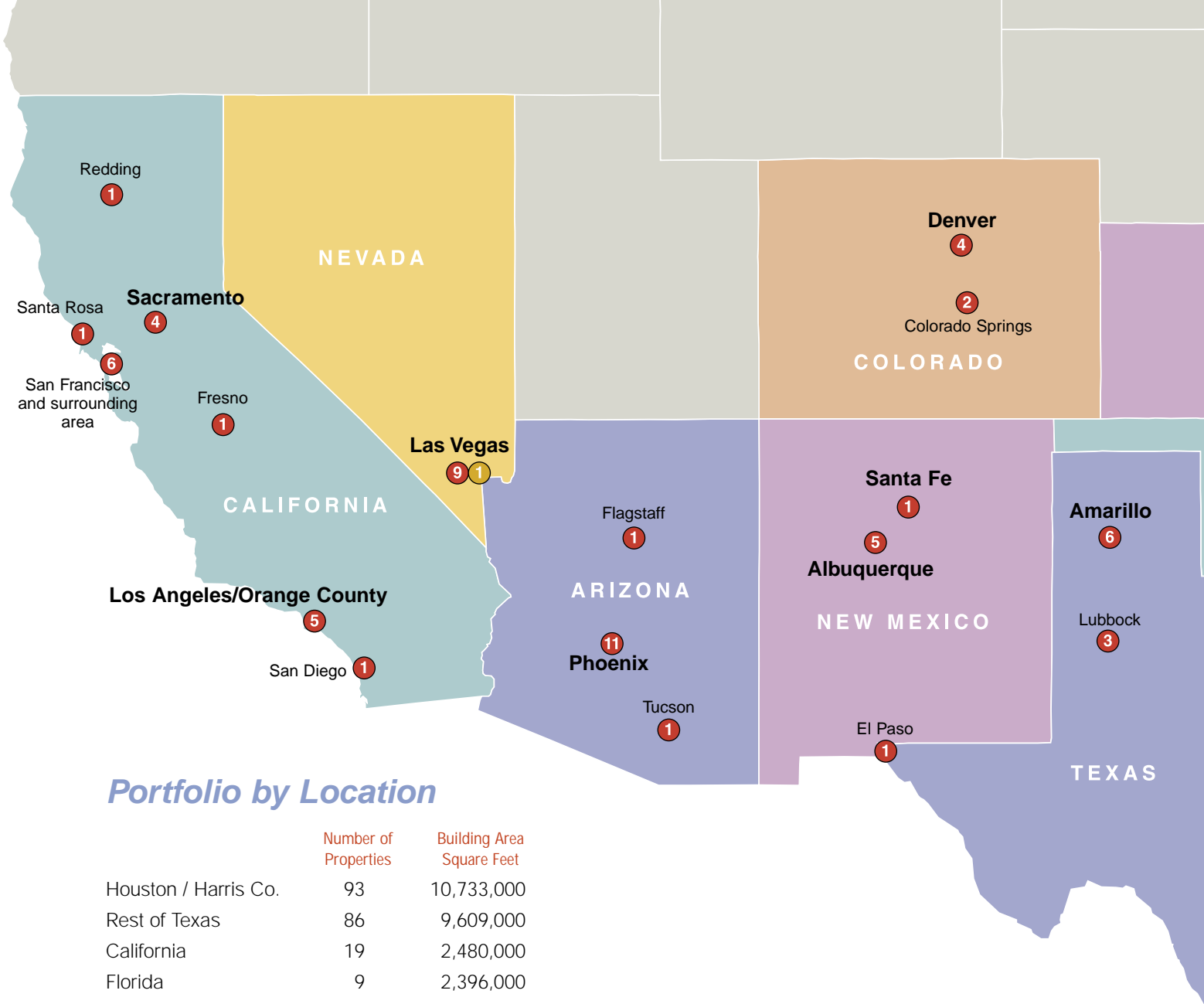


► **Corum South
League City, Texas**

In 2001, we completed the renovation of the 127,000 square foot Corum South Shopping Center in League City, Texas. We upgraded the facia, parking lot and landscaping to match the newly expanded and renovated 61,000 square foot Kroger Signature Store.



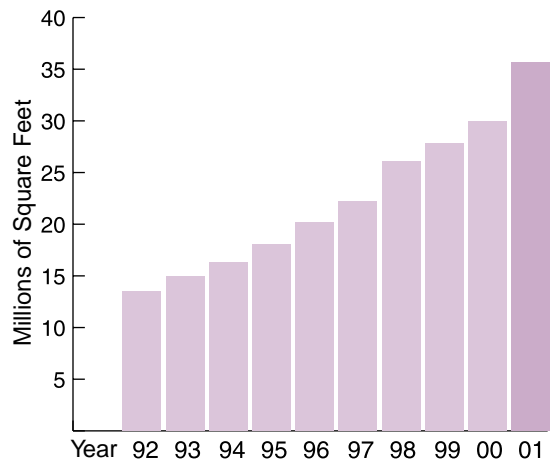


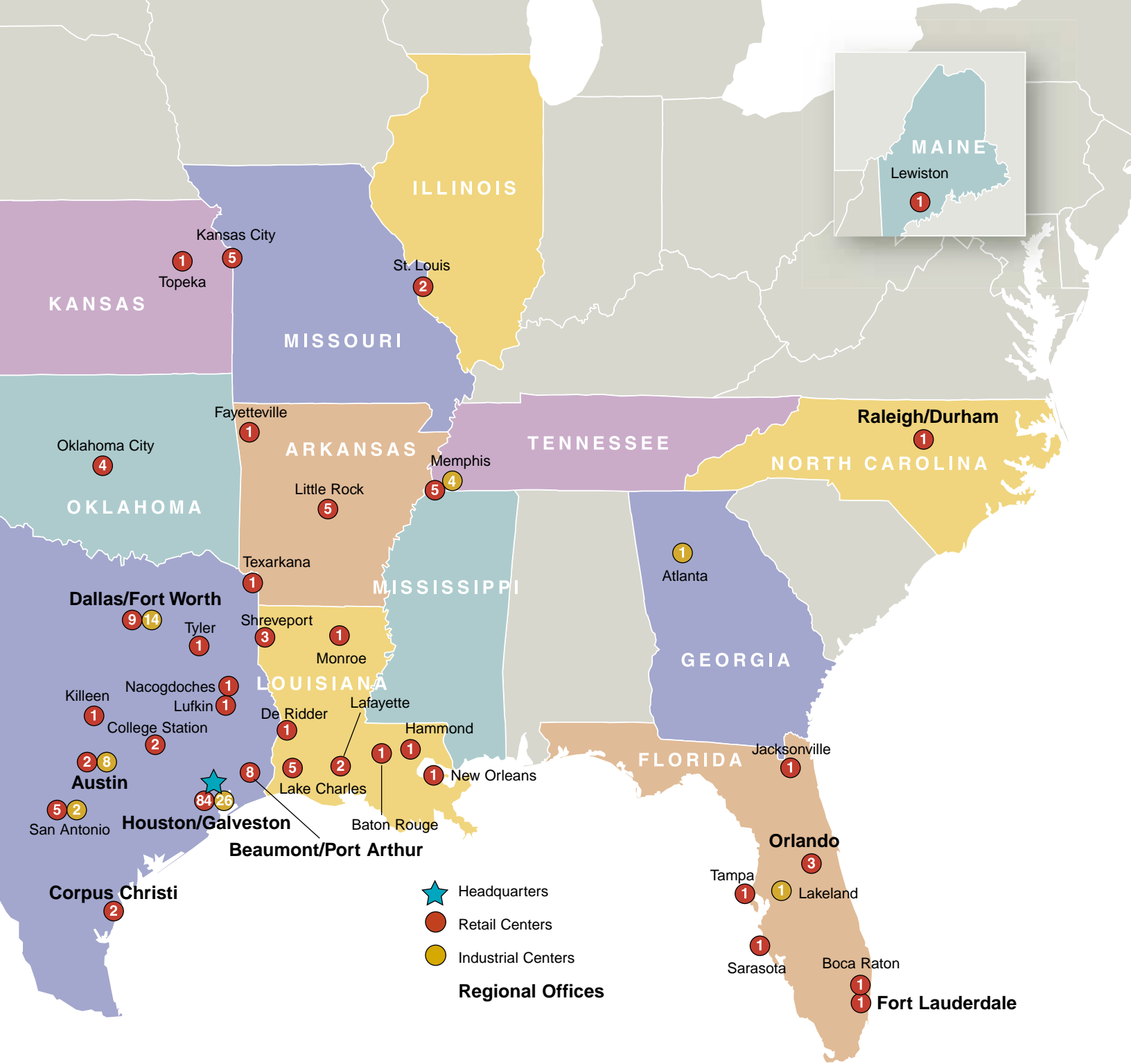


Portfolio by Location

	Number of Properties	Building Area Square Feet
Houston / Harris Co.	93	10,733,000
Rest of Texas	86	9,609,000
California	19	2,480,000
Florida	9	2,396,000
Nevada	10	1,676,000
Tennessee	8	1,606,000
Louisiana	15	1,558,000
Arizona	13	1,190,000
New Mexico	6	952,000
Kansas	5	784,000
Oklahoma	4	702,000
Arkansas	6	597,000
Georgia	1	363,000
Missouri	2	338,000
Colorado	6	291,000
Maine	1	124,000
Mississippi	1	117,000
Illinois	1	103,000
North Carolina	1	80,000
Total	287	35,699,000

Building Area Ten Year Performance





Portfolio by Classification

	Building Area	Land Area	
	(Thousands of Square Feet)		
Shopping Centers	228	27,003	112,833
Industrial	57	8,302	22,091
Office Building	1	121	171
Multi-family Residential	1	273	595
Unimproved Land			13,645
Total	287	35,699	149,335

Community

Weingarten Realty has long believed that it has a corporate responsibility to give back to the communities which it serves.

Areas of focus have historically been abused children, homelessness, mental health and education, as well as being one of the highest per capita donors to the United Way in the City of Houston. We also encourage associates at all levels to get involved in charities of their choice, donating their time, money and energy toward making the communities we live in better places.

In 2001, the Company also elected to continue its' commitment to support our associates by sending their children to college. Under our "We're Saying 'Yes' to our Children's Future" program, scholarships are awarded annually to employees' children based on both need and academic achievements. This year we awarded twelve scholarships under this program.

► **Mental Health Association of Greater Houston**

Joan and Stanford Alexander, Chairman of Weingarten, shown here receiving the prestigious 2001 Ima Hogg award at the Treasures of Texas Gala for their active involvement and continued support in improving the awareness of Mental Health issues.





◀ The House of Tiny Treasures, SEARCH

Pictured here, Drew Alexander, President/Chief Executive Officer of Weingarten, reads to children at the House of Tiny Treasures. Opened in the spring of 1992, the house was originally provided by the Company and serves as the first ever day care for homeless children in the city of Houston.

▶ Children's Education Programs

As discussed above, Weingarten has a long history of sponsoring worthy community activities and charities, not the least of which is in the area of educational programs for children.



Officers

1 Andrew M. (Drew) Alexander

President/Chief
Executive Officer



2 Stanford Alexander

Chairman

3 Martin Debrovner

Vice Chairman



4 Johnny L. Hendrix

Senior Vice President/
Director of Leasing

5 Stephen C. Richter

Senior Vice President/
Chief Financial Officer

6 Jeffrey A. Tucker

Senior Vice President/General Counsel

7 Steven R. Weingarten

Senior Vice President/Leasing

8 Patricia A. Bender

Vice President/Leasing

9 M. Candace DuFour

Vice President/
Acquisitions and Secretary

10 Gary Greenberg

Vice President/Capital Markets

11 Daniel J. Holland

Vice President/
Regional Director of Acquisitions

12 Alan R. Kofoed

Vice President/Construction

13 Brent Mann

Vice President/Leasing

14 Greg Murphy

Vice President/Industrial Properties

15 Lois Robinson

Vice President/Property Management

16 Joe D. Shafer

Vice President/Controller

17 Robert Smith

Vice President/New Development

18 Brian Wechsler

Vice President/Leasing



Financials

for the year ended December 31, 2001

Management's Discussion & Analysis of Financial Condition & Results of Operations

The following discussion should be read in conjunction with the consolidated financial statements and notes thereto and the comparative summary of selected financial data appearing elsewhere in this report. Historical results and trends which might appear should not be taken as indicative of future operations. The results of operations and financial condition of the company, as reflected in the accompanying statements and related footnotes, is subject to managements' evaluation and interpretation of business conditions, retailer performance, changing capital market conditions and other factors which could affect the ongoing viability of the company's tenancy. Management believes the most critical accounting policies in this regard are the estimation of an allowance for doubtful receivables (more specifically the allowance for straight-line receivables) and the determination of reserves for self-insured general liability insurance. Both of these issues require management to make judgments that are subjective in nature, however, management is able to consider and assess a significant amount of historical data and current market data in arriving at reasonable estimates.

Weingarten Realty Investors owned or operated under long-term leases, either directly or through its interest in joint ventures, 228 shopping centers, 57 industrial properties, one multi-family residential project and one office building at December 31, 2001. Of our 287 developed properties, 179 are located in Texas (including 93 in Houston and Harris County). Our remaining properties are located in California (19), Louisiana (15), Arizona (13), Nevada (10), Florida (9), Tennessee (8), Arkansas (6), New Mexico (6), Colorado (6), Kansas (5), Oklahoma (4), Missouri (2), Illinois (1), North Carolina (1), Georgia (1), Mississippi (1) and Maine (1). WRI has nearly 5,200 leases and 4,100 different tenants. Leases for our properties range from less than a year for smaller spaces to over 25 years for larger tenants; leases generally include minimum lease payments and reimbursements of property operating expenses and for an amount based on a percentage of the tenants' sales. The majority of our anchor tenants are supermarkets, drugstores, value-oriented apparel and discount stores and other retailers, which generally sell basic necessity-type items.

Capital Resources and Liquidity

WRI anticipates that cash flows from operating activities will continue to provide adequate capital for all dividend payments in accordance with REIT requirements. Cash on hand, internally-generated cash flow, borrowings under our existing credit facilities, issuance of unsecured debt and the use of project financing, as well as other debt and equity alternatives, will provide the necessary capital to maintain and operate our properties, refinance debt maturities and achieve planned growth. Cash flow from operating activities as reported in the Statements of Consolidated Cash Flows increased to \$146.7 million in 2001 from \$119.0 million in 2000 and \$113.4 million for 1999.

During 2001, WRI invested \$518.6 million through the acquisition of operating properties. We acquired 30 shopping centers, adding 4.6 million square feet to our portfolio and representing an investment of \$479.3 million. The acquisition of four industrial properties added 1.5 million square feet to our industrial portfolio and represented an investment of \$39.3 million.

In 2001, WRI acquired land at seven separate locations for the development of retail shopping centers. Two of these acquisitions were made in joint ventures with our development partner in Denver. These joint ventures are included in the consolidated financial statements of WRI as we exercise financial and operating control. We also had 13 projects which were under development at the beginning of 2001. We invested \$76.9 million in these projects during 2001. At the beginning of 2002, we have 20 retail developments underway which, upon completion, will represent an investment of approximately \$223 million and will add 1.8 million square feet to the portfolio. These projects will come on-line beginning in early 2002 through mid 2003. We expect to invest approximately \$89 million in these properties during 2002 and 2003.

Capitalized expenditures for acquisitions, new development and additions to the existing portfolio were, in millions, \$632.2, \$240.0 and \$213.2 during 2001, 2000 and 1999, respectively. All of the acquisitions and new development during 2001 were either initially financed under WRI's revolving credit facilities or funded with excess cash flow from our existing portfolio of properties. WRI's share of capitalized expenditures for unconsolidated joint ventures or partnerships, including the purchase of properties by newly-formed joint ventures or partnerships, were, in millions: \$.7, \$20.2 and \$11.1 during 2001, 2000 and 1999.

Common and preferred dividends increased to \$123.0 million in 2001, compared to \$100.4 million in 2000 and \$95.4 million in 1999. WRI satisfied its REIT requirement of distributing at least 90% (95% in 2000 and 1999) of ordinary taxable income for the year ended December 31, 2001. Our dividend payout ratio on common equity for 2001, 2000 and 1999 approximated 70.4%, 70.5% and 71.9%, respectively, based on funds from operations for the applicable year.

In January 2001, WRI sold 4.5 million common shares of beneficial interest in a secondary public offering. In February, the underwriters exercised their over-allotment option and purchased an additional 200,000 shares. Net proceeds to WRI totaled \$188.1 million based on a price of \$42.19 per share. In May 2001, we issued 690,000 common shares of beneficial interest in a secondary public offering. Net proceeds totaled \$27.9 million based on a price of \$42.85 per share. In November 2001, we issued 1.8 million common shares of beneficial interest. Net proceeds totaled \$86.0 million based on a price of \$50.20 per share. Proceeds from these offerings were used to pay down amounts outstanding under our \$350 million revolving credit facility.

In February 2002, we issued 198,098 common shares of beneficial interest. Net proceeds to WRI totaled \$9.5 million based on a price of \$50.48 per share and will be used to pay down amounts outstanding under our \$350 million revolving credit facility.

In February 2002, a three-for-two stock split was declared for shareholders of record on April 1, 2002, payable April 15, 2002.

WRI has a \$350 million unsecured revolving credit facility with a syndicate of banks. This facility will mature in November of 2003 and contains a one-year extension, at our sole option. The facility bears interest at a rate of LIBOR plus 50 basis points. Additionally, the facility includes a competitive bid option that allows WRI to hold auctions at lower pricing for short-term funds for up to \$175 million. WRI also has an unsecured and uncommitted overnight credit facility totaling \$20 million to be used for cash management purposes. WRI has two interest rate swap contracts with an aggregate notional amount of \$20 million which expire in June 2004 and fix interest rates on a like amount of the \$350 million revolver at 7.7%. We have determined these swap agreements are highly effective in offsetting future variable interest cash flows of the revolving credit debt and, accordingly, they have been designated as cash flow hedges. An additional interest rate swap contract with a notional amount of \$20 million expired in May of 2001.

On July 5, 2001, we entered into a \$50 million unsecured term loan with two banks that also participate in our \$350 million revolving credit facility. The terms of the \$50 million loan, including pricing, are substantially identical to those of our \$350 million revolving credit facility, and it matures on the same date.

On July 12, 2001, we sold \$200 million of unsecured notes with a coupon of 7%. Net proceeds from the offering totaled \$198.3 million and were used to pay down amounts outstanding under our \$350 revolving credit facility. Concurrent with the sale of the 7% notes, we settled our \$188.7 million forward-starting interest rate swap contracts, resulting in a gain of \$1.6 million. These swap contracts, which we entered into on June 25, 2001, had been designated as a cash flow hedge of forecasted interest payments for fixed-rate notes to be issued in future periods, and accordingly, the gain is being amortized over the life of the 7% notes.

In July 2000, the Company issued a two-year \$25 million variable-rate, unsecured medium term note that bears interest at 50 basis points over LIBOR and a three-year \$25 million variable-rate note that bears interest at 60 basis points over LIBOR. At the time of issuance, the interest rates were 7.23% and 7.33%, respectively. During November and December of 2000, we entered into interest rate swap agreements which fixed the interest rates on these notes.

On July 26, 2001, the Company entered into eleven interest rate swaps with an aggregate notional amount of \$107.5 million that convert fixed interest payments at rates from 6.35% to 7.35% to variable interest payments. These interest rate swaps have been designated as fair value hedges. We have determined that these contracts will be highly effective in limiting our risk of changes in the fair value of the fixed-rate notes attributable to changes in variable interest rates.

Subsequent to year end, we completed two medium term note transactions totaling \$65 million which included a twelve-year \$35 million note bearing interest at 6.7% and a twelve-year \$30 million note bearing interest at 6.5%.

Total debt outstanding increased to \$1.1 billion at December 31, 2001 from \$792.4 million at December 31, 2000, primarily to fund acquisitions and new development. Total debt at December 31, 2001 includes \$780.5 million on which interest rates are fixed, including the net effect of our \$177.5 million of interest rate swaps, and \$290.3 million which bears interest at variable rates. Additionally, debt totaling \$272.3 million is secured by operating properties while the remaining \$798.5 million is unsecured.

In conjunction with acquisitions completed during 2001, we assumed \$165.0 million of non-recourse debt secured by the related properties. The weighted average interest rate on this debt is 8.22%, and the average remaining life is 7.8 years. Additionally, non-recourse debt secured by retail properties held by joint ventures in which we participate was issued during 2001, our share of which totaled \$5.4 million. The weighted average interest rate on our share of this debt is 7.3%.

We have a \$400 million shelf registration statement on file under which \$18.0 million was available after the sale of \$65 million medium term notes in early 2002. In March 2001, we filed a \$500 million shelf registration statement, of which \$398.9 million is currently available.

WRI will continue to closely monitor both the debt and equity markets and carefully consider its available alternatives, including both public and private placements.

Numerous retailer bankruptcies across the country have been announced. WRI has four Service Merchandise and seven Kmart stores. The communication and timing of store closings varies by retailer, however, we believe the effect of these bankruptcies and other known retailer failures will reduce our net operating income in 2002 by approximately \$1.7 million. With the significant diversification of WRI's tenant base, we would not expect further retailer bankruptcies to have a significant effect on the liquidity of our company.

Results of Operations

Rental revenues increased 27.0%, or \$65.8 million, from \$243.6 million in 2000 to \$309.5 million in 2001 and by 10.5%, or \$23.1 million, from \$220.6 million in 1999. Of these increases, property acquisitions and new development contributed \$61.1 million in 2001 and \$21.5 million in 2000. The remaining portion of these increases is due to activity at our existing properties. Occupancy of our shopping centers decreased to 92.8% at December 31, 2001 from 93.4% at the end of 2000. Occupancy of our industrial portfolio decreased from 91.2% at the end of 2000 to 90.1% at December 31, 2001, and occupancy of the total portfolio decreased from 93.0% to 92.2% at year-end. In 2001, we completed 966 renewals or new leases comprising 4.9 million square feet at an average rental rate increase of 10.4%. Net of the amortized portion of capital costs for tenant improvements, the increase averaged 7.8%. Occupancy of our total portfolio increased from 91.3% at the end

of 1999 to 93.0% at the end of 2000. In 2000, we completed 1,008 renewals or new leases comprising 4.9 million square feet at an average rental rate increase of 10.0%. Net of the amortized portion of capital costs for tenant improvements, the increase averaged 6.4%.

Interest income totaled \$1.2 million in 2001, \$3.5 million in 2000 and \$1.8 million in 1999. The increase in interest income from 1999 to 2000 was due to the funding of interim loans to our unconsolidated joint ventures, pending the completion of permanent financing with third parties. Interest income decreased in 2001 as a significant amount of permanent financing was finalized during 2000.

Direct costs and expenses of operating our properties (i.e., operating and ad valorem tax expenses) increased to \$87.4 million in 2001 from \$69.1 million in 2000 and \$62.3 million in 1999. These increases are primarily due to property acquired and developed during these periods. Overall, direct operating costs and expenses as a percentage of rental revenues were 28% in 2001, 2000 and 1999. Bad debt expense increased from \$.2 million in 1999 and \$.9 million in 2000 to \$2.6 million in 2001 due to tenant bankruptcies in 2000 and 2001, primarily Kmart, Service Merchandise, Weiners and Stage Stores. As a result of these bankruptcies, the allowance for doubtful accounts increased from \$1.9 million in 2000 to \$2.9 million in 2001.

Depreciation and amortization have increased to \$68.3 million in 2001 from \$54.6 million in 2000 and \$48.7 million in 1999, also as a result of the properties acquired and developed during these periods. General and administrative expense has increased to \$9.6 million in 2001 from \$8.2 million in 2000 and \$7.5 million in 1999. These increases are due to normal compensation increases as well as increases in staffing necessitated by the growth in the portfolio.

Gross interest costs, before capitalization of interest to development projects, increased from \$47.4 million in 2000 to \$64.2 million in 2001. This increase in interest cost was due mainly to an increase in the average debt outstanding from \$652.9 million for 2000 to \$927.6 million for 2001. The weighted-average interest rate decreased from 7.23% in 2000 to 6.89% in 2001. Interest expense, net of amounts capitalized, increased \$11.3 million from 2000. The amount of interest capitalized increased to \$9.7 million in 2001 from \$4.2 million in 2000 due to an increase in the amount of development activity during the year. Comparing 2000 to 1999, gross interest costs increased from \$35.8 million in 1999 to \$47.4 million in 2000. This was due to an increase in the average debt outstanding from \$499.7 million in 1999 to \$652.9 million in 2000. The weighted-average interest rate increased between the two periods from 7.14% in 1999 to 7.23% in 2000. Interest expense, net of amounts capitalized, increased \$10.4 million from 1999. The amount of interest capitalized increased to \$4.2 million in 2000 from \$3.0 million in 1999 due to an increase in the amount of development activity during the year.

The gain on sale of \$8.3 million in 2001 was due primarily to the sale of nine properties. The gain on sale of \$20.6 million in 1999 was due primarily to the sale of 28.5 acres of undeveloped land and an 80% interest in certain industrial properties.

Funds from Operations

The Board of Governors of the National Association of Real Estate Investment Trusts defines funds from operations as net income (loss) computed in accordance with generally accepted accounting principles, excluding gains or losses from sales of property, plus real estate related depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. In addition, NAREIT recommends that extraordinary items not be considered in arriving at FFO. We calculate FFO in a manner consistent with the NAREIT definition. Most industry analysts and equity REITs, including WRI, believe FFO is an alternative measure of performance relative to other REITs. There can be no assurance that FFO presented by WRI is comparable to similarly titled measures of other REITs. FFO should not be considered as an alternative to net income or other measurements under GAAP as an indicator of our operating performance or to cash flows from operating, investing, or financing activities as a measure of liquidity. FFO does not reflect working capital changes, cash expenditures for capital improvements, or principal payments on indebtedness.

Funds from operations is calculated as follows (in thousands):

	2001	2000	1999
Net income available to common shareholders	\$ 88,839	\$ 58,961	\$ 76,537
Depreciation and amortization	65,940	53,624	48,099
Depreciation and amortization of unconsolidated joint ventures	1,863	1,720	1,157
Gain on sales of property	(8,368)	(382)	(20,594)
Gain on sales of property of unconsolidated joint ventures	(1,427)		(2)
Extraordinary charge - early retirement of debt			190
Funds from operations	146,847	113,923	105,387
Funds from operations attributable to operating partnership units	180	305	318
Funds from operations assuming conversion of OP units	\$ 147,027	\$ 114,228	\$ 105,705
Weighted average shares outstanding - basic	32,069	26,775	26,690
Effect of dilutive securities:			
Share options and awards	126	52	58
Operating partnership units	51	104	142
Weighted average shares outstanding - diluted	32,246	26,931	26,890

Effects of Inflation

The rate of inflation was relatively unchanged in 2001. WRI has structured its leases, however, in such a way as to remain largely unaffected should significant inflation occur. Most of the leases contain percentage rent provisions whereby WRI receives rentals based on the tenants' gross sales. Many leases provide for increasing minimum rentals during the terms of the leases through escalation provisions. In addition, many of WRI's leases are for terms of less than ten years, which allows WRI to adjust rental rates to changing market conditions when the leases expire. Most of WRI's leases require the tenants to pay their proportionate share of operating expenses and ad valorem taxes. As a result of these lease provisions, increases due to inflation, as well as ad valorem tax rate increases, generally do not have a significant adverse effect upon WRI's operating results.

New Accounting Pronouncements

On January 1, 2001, WRI adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended. SFAS No. 133 establishes accounting and reporting standards for derivative instruments. Specifically, SFAS No. 133 requires an entity to recognize all derivatives as either assets or liabilities in the statement of financial position and to measure those instruments at fair value. Additionally, the fair value adjustments will affect either shareholders' equity or net income depending on whether the derivative instruments qualify as a hedge for accounting purposes and, if so, the nature of the hedging activity.

WRI hedges the future cash flows of debt transactions principally through interest rate swaps with major financial institutions. WRI has four interest rate swap contracts with an aggregate notional amount of \$70 million that convert variable interest payments to fixed interest payments at rates from 6.80% to 7.87%. These swaps have been designated and qualify as cash flow hedges. We have determined these swap agreements are highly effective in offsetting future variable interest cash flows of the related debt instruments. As of January 1, 2001, the adoption of the new standard resulted in a cumulative transition adjustment of \$1.9 million to accumulated other comprehensive loss, a component of shareholders' equity, and a corresponding liability of the same amount. For the year ended December 31, 2001, the decrease in fair market value of our interest rate swaps was \$2.6 million and was recorded in accumulated other comprehensive loss and other liabilities.

On June 25, 2001, WRI entered into two forward-starting interest rate swap contracts with a notional amount of \$188.7 million. These contracts were designated as a cash flow hedge of forecasted interest payments for \$200 million of unsecured notes with a coupon of 7% that were sold on July 12, 2001. Concurrent with the sale of the 7% notes, we settled our \$188.7 million forward-starting interest rate swap contracts, resulting in a gain of \$1.6 million recorded in accumulated other comprehensive income. This \$1.6 million gain is being amortized to earnings over the life of the 7% notes.

On July 26, 2001, the Company entered into eleven interest rate swap contracts with an aggregate notional amount of \$107.5 million that convert fixed interest payments at rates from 6.35% to 7.35% to variable interest payments. These interest rate swaps have been designated as fair value hedges. We have determined that these contracts will be highly effective in limiting our risk of changes in the fair value of the fixed-rate notes attributable to changes in variable interest rates. For the year ended December 31, 2001, the increase in fair market value of the eleven interest rate swaps was \$1.0 million and was recorded in other assets and fixed-rate debt.

Within the next twelve months, the Company expects to reclassify to earnings as interest expense approximately \$2.6 million of the current balance held in accumulated other comprehensive loss. With respect to fair value hedges, both changes in fair market value of the derivative hedging instrument and changes in the fair value of the hedged item will be recorded in earnings each reporting period. These amounts should completely offset with no impact to earnings, except for the portion of the hedge that proves to be ineffective, if any.

In July 2000, the Emerging Issues Task Force of the Financial Accounting Standards Board reached a consensus on EITF Issue No. 00-1, "Investor Balance Sheet and Income Statement Display under the Equity Method for Investments in Certain Partnerships and Other Ventures." This consensus requires that the proportionate share method of presenting balance sheet and income statement information for partnerships and other ventures in which entities have joint interest and control be discontinued, except in limited circumstances. WRI was required to conform to the guidance provided in this Issue effective December 31, 2000. Accordingly, the consolidated financial statements for all periods prior to December 31, 2000 presented in this Form 10-K have been restated to conform to the revised presentation.

In June 2001, FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations", which is effective for fiscal years beginning after June 15, 2002. SFAS No. 143 addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. The adoption of SFAS No. 143 will not have a material impact on our financial position, results of operations, or cash flows.

In August 2001, FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets", which is effective for fiscal years beginning after December 15, 2001. SFAS No. 144 addresses accounting and reporting for the impairment or disposal of a segment of a business. The adoption of SFAS No. 144 will not have a material impact on our financial position, results of operations, or cash flows.

Forward-Looking Statements

This Annual Report includes certain forward-looking statements reflecting WRI's expectations in the near term that involve a number of risks and uncertainties; however, many factors may materially affect the actual results, including demand for our properties, changes in rental and occupancy rates, changes in property operating costs, interest rate fluctuations, and changes in local and general economic conditions. Accordingly, there is no assurance that WRI's expectations will be realized.

Independent Auditors' Report

To the Board of Trust Managers and Shareholders of Weingarten Realty Investors:

We have audited the accompanying consolidated balance sheets of Weingarten Realty Investors (the "Company") as of December 31, 2001 and 2000, and the related statements of consolidated income and comprehensive income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Weingarten Realty Investors at December 31, 2001 and 2000, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2001 in conformity with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

Houston, Texas

March 1, 2002

Statements of Consolidated Income and Comprehensive Income

In thousands, except per share amounts

Years Ended December 31,	2001	2000	1999
Revenues:			
Rentals	\$ 309,457	\$ 243,633	\$ 220,552
Interest income	1,167	3,538	1,776
Other	4,268	3,063	1,767
Total	314,892	250,234	224,095
Expenses:			
Depreciation and amortization	68,316	54,597	48,668
Interest	54,473	43,190	32,792
Operating	48,459	37,689	34,480
Ad valorem taxes	38,943	31,439	27,781
General and administrative	9,570	8,213	7,513
Total	219,761	175,128	151,234
Income Before Equity in Earnings of Joint Ventures, Minority Interest in Income of Partnerships, Gain on Sales of Property and Extraordinary Charge	95,131	75,106	72,861
Equity in Earnings of Joint Ventures	5,547	4,143	3,654
Minority Interest in Income of Partnerships	(475)	(630)	(789)
Gain on Sales of Property	8,339	382	20,594
Income Before Extraordinary Charge	108,542	79,001	96,320
Extraordinary Charge (early retirement of debt)			(190)
Net Income	\$ 108,542	\$ 79,001	\$ 96,130
Net Income Available to Common Shareholders	\$ 88,839	\$ 58,961	\$ 76,537
Net Income Per Common Share - Basic:			
Income Before Extraordinary Charge	\$ 2.77	\$ 2.20	\$ 2.88
Extraordinary Charge			(.01)
Net Income	\$ 2.77	\$ 2.20	\$ 2.87
Net Income Per Common Share - Diluted:			
Income Before Extraordinary Charge	\$ 2.76	\$ 2.19	\$ 2.86
Extraordinary Charge			(.01)
Net Income	\$ 2.76	\$ 2.19	\$ 2.85
Net Income	\$ 108,542	\$ 79,001	\$ 96,130
Other Comprehensive Loss:			
Cumulative effect of change in accounting principle (SFAS 133) on other comprehensive loss	(1,877)		
Unrealized derivative loss on interest rate swaps	(2,579)		
Unrealized derivative gain on forward-starting interest rate swaps	1,520		
Other Comprehensive Loss	(2,936)		
Comprehensive Income	\$ 105,606	\$ 79,001	\$ 96,130

See Notes to Consolidated Financial Statements.

Consolidated Balance Sheets

In thousands, except per share amounts

December 31,	2001	2000
Assets		
Property	\$ 2,352,393	\$ 1,728,414
Accumulated Depreciation	(402,958)	(362,267)
Property - net	1,949,435	1,366,147
Investment in Real Estate Joint Ventures	25,742	26,848
Total	1,975,177	1,392,995
Notes Receivable from Real Estate Joint Ventures and Partnerships	6,068	15,772
Unamortized Debt and Lease Costs	42,755	36,970
Accrued Rent and Accounts Receivable (net of allowance for doubtful accounts of \$2,926 in 2001 and \$1,884 in 2000)	32,382	24,145
Cash and Cash Equivalents	12,434	7,321
Other	26,931	21,274
Total	\$ 2,095,747	\$ 1,498,477
Liabilities and Shareholders' Equity		
Debt	\$ 1,070,835	\$ 792,353
Accounts Payable and Accrued Expenses	80,412	63,742
Other	19,542	8,146
Total	1,170,789	864,241
Minority Interest	3,886	4,369
Commitments and Contingencies		
Shareholders' Equity:		
Preferred Shares of Beneficial Interest - par value, \$.03 per share; shares authorized: 10,000		
7.44% Series A cumulative redeemable preferred shares of beneficial interest; 3,000 shares issued and outstanding; liquidation preference \$25 per share		
	90	90
7.125% Series B cumulative redeemable preferred shares of beneficial interest; 3,600 shares issued and 3,526 and 3,552 shares outstanding in 2001 and 2000; liquidation preference \$25 per share		
	106	107
7.0% Series C cumulative redeemable preferred shares of beneficial interest; 2,300 shares issued and 2,256 and 2,266 shares outstanding in 2001 and 2000; liquidation preference \$50 per share		
	67	68
Common Shares of Beneficial Interest - par value, \$.03 per share; shares authorized: 150,000; shares issued and outstanding: 34,347 in 2001 and 26,921 in 2000		
	1,029	807
Capital Surplus	1,066,757	758,363
Accumulated Dividends in Excess of Net Income	(144,041)	(129,568)
Accumulated Other Comprehensive Loss	(2,936)	
Shareholders' Equity	921,072	629,867
Total	\$ 2,095,747	\$ 1,498,477

See Notes to Consolidated Financial Statements.

Statements of Consolidated Cash Flows

In thousands

Years Ended December 31,	2001	2000	1999
Cash Flows from Operating Activities:			
Net income	\$ 108,542	\$ 79,001	\$ 96,130
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	68,316	54,597	48,668
Equity in earnings of joint ventures	(5,547)	(4,143)	(3,654)
Minority interest in income of partnerships	475	630	789
Gain on sales of property	(8,339)	(382)	(20,594)
Extraordinary charge (early retirement of debt)			190
Changes in accrued rent and accounts receivable	(12,680)	(5,071)	(4,265)
Changes in other assets	(22,869)	(15,667)	(13,076)
Changes in accounts payable and accrued expenses	17,307	5,505	6,823
Other, net	1,454	4,573	2,340
Net cash provided by operating activities	146,659	119,043	113,351
Cash Flows from Investing Activities:			
Investment in properties	(471,174)	(228,068)	(185,667)
Notes receivable:			
Advances	(2,895)	(37,818)	(20,602)
Collections	7,943	74,420	9,964
Proceeds from sales and disposition of property	23,146	3,368	15,010
Proceeds from sales of marketable debt securities			15,000
Real estate joint ventures and partnerships:			
Investments	(1,011)	(12,475)	(3,368)
Distributions	4,774	3,241	4,057
Other, net		(514)	(4)
Net cash used in investing activities	(439,217)	(197,846)	(165,610)
Cash Flows from Financing Activities:			
Proceeds from issuance of:			
Debt	442,650	211,804	125,898
Common shares of beneficial interest	307,722	1,398	546
Preferred shares of beneficial interest			111,263
Principal payments of debt	(329,824)	(28,161)	(85,532)
Common and preferred dividends paid	(123,015)	(100,376)	(95,397)
Other, net	138	(3,144)	(628)
Net cash provided by financing activities	297,671	81,521	56,150
Net increase in cash and cash equivalents	5,113	2,718	3,891
Cash and cash equivalents at January 1	7,321	4,603	712
Cash and cash equivalents at December 31	\$ 12,434	\$ 7,321	\$ 4,603

See Notes to Consolidated Financial Statements.

Statements of Consolidated Shareholders' Equity

In thousands

Years Ended December 31, 2001, 2000 and 1999	Preferred Shares of Beneficial Interest	Common Shares of Beneficial Interest	Capital Surplus	Accumulated Dividends in Excess of Net Income	Deferred Compensation Obligation	Accumulated Other Comprehensive Loss
Balance, January 1, 1999	\$198	\$ 800	\$ 641,180	\$(108,926)	\$ (73)	
Net income				96,130		
Issuance of Series C preferred shares	69		111,119			
Shares issued under benefit plans		1	883			
Dividends declared – common shares				(75,804)		
Dividends declared – preferred shares				(19,593)		
Redemption of Series C preferred shares			(152)			
Deferred compensation obligation					70	
Balance, December 31, 1999	267	801	753,030	(108,193)	(3)	
Net income				79,001		
Shares issued under benefit plans		2	1,783			
Shares issued in exchange for interest in limited partnerships		2	3,554			
Dividends declared – common shares				(80,336)		
Dividends declared – preferred shares				(20,040)		
Redemption of Series B preferred shares	(1)	1	(2)			
Redemption of Series C preferred shares	(1)	1	(2)			
Deferred compensation obligation					3	
Balance, December 31, 2000	265	807	758,363	(129,568)		
Net income				108,542		
Issuance of common stock		216	301,824			
Shares issued under benefit plans		4	6,571			
Dividends declared – common shares				(103,312)		
Dividends declared – preferred shares				(19,703)		
Redemption of Series B preferred shares	(1)	1				
Redemption of Series C preferred shares	(1)	1	(1)			
Other Comprehensive Loss						\$(2,936)
Balance, December 31, 2001	\$263	\$1,029	\$1,066,757	\$(144,041)	\$ –	\$(2,936)

See Notes to Consolidated Financial Statements.

Notes to Consolidated Financial Statements

Note 1. Summary of Significant Accounting Policies

Business

Weingarten Realty Investors, a Texas real estate investment trust, is engaged in the acquisition, development and management of real estate, primarily anchored neighborhood and community shopping centers and, to a lesser extent, industrial properties. Over 60% of the square footage of WRI's portfolio is in Texas, with the remainder located primarily in the southern half of the United States. WRI's major tenants include supermarkets, discount retailers, drugstores and other merchants who generally sell basic, necessity-type commodities. WRI currently operates and intends to operate in the future as a real estate investment trust.

Basis of Presentation

The consolidated financial statements include the accounts of WRI and its subsidiaries, as well as 100% of the accounts of joint ventures and partnerships over which WRI exercises financial and operating control and the related amounts of minority interests. All significant intercompany balances and transactions have been eliminated. Investments in joint ventures and partnerships where WRI has the ability to exercise significant influence but does not exercise financial and operating control are accounted for using the equity method. In July 2000, the Emerging Issues Task Force of the Financial Accounting Standards Board reached a consensus on EITF Issue No. 00-1, "Investor Balance Sheet and Income Statement Display under the Equity Method for Investments in Certain Partnerships and Other Ventures." This consensus requires that the proportionate share method of presenting balance sheet and income statement information for partnerships and other ventures in which entities have joint interest and control be discontinued, except in limited circumstances. WRI was required to conform with the guidance provided in this Issue effective December 31, 2000.

Revenue Recognition

Rental revenue is generally recognized on a straight-line basis over the life of the lease. Revenue from tenant reimbursements of taxes, maintenance expenses and insurance is recognized in the period the related expense is recorded.

Revenue based on a percentage of tenants' sales was estimated and accrued ratably over the year in 1999. Beginning January 1, 2000, such revenue was recognized only after the tenant exceeded their sales breakpoint, in accordance with the SEC Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements." Implementation of this bulletin reduced revenue by an estimated \$.6 million in 2000 and had no effect on 2001.

Property

Real estate assets are stated at cost less accumulated depreciation, which, in the opinion of management, is not in excess of the individual property's estimated undiscounted future cash flows, including estimated proceeds from disposition. Depreciation is computed using the straight-line method, generally over estimated useful lives of 18-50 years for buildings and 10-20 years for parking lot surfacing and equipment. Major replacements where the betterment extends the useful life of the asset are capitalized and the replaced asset and corresponding accumulated depreciation are removed from the accounts. All other maintenance and repair items are charged to expense as incurred.

WRI's properties are reviewed for impairment if events or changes in circumstances indicate that the carrying amount of the property may not be recoverable. In such an event, a comparison is made of the current and projected operating cash flows of each such property into the foreseeable future on an undiscounted basis to the carrying amount of such property. Such carrying amount would be adjusted, if necessary, to estimated fair value to reflect an impairment in the value of the asset.

Capitalization

Carrying charges, principally interest and ad valorem taxes, on land under development and buildings under construction are capitalized as part of land under development and buildings and improvements.

Deferred Charges

Debt and lease costs are amortized primarily on a straight-line basis over the terms of the debt and over the lives of leases, respectively.

Use of Estimates

The preparation of financial statements requires management to make use of estimates and assumptions that affect amounts reported in the financial statements as well as certain disclosures. Actual results could differ from those estimates.

Per Share Data

Net income per common share - basic is computed using net income available to common shareholders and the weighted average shares outstanding. Net income per common share - diluted includes the effect of potentially dilutive securities for the periods indicated, as follows (in thousands):

	2001	2000	1999
Numerator:			
Net income available to common shareholders - basic	\$ 88,839	\$ 58,961	\$ 76,537
Income attributable to operating partnership units	83	131	141
Net income available to common shareholders - diluted	\$ 88,922	\$ 59,092	\$ 76,678
Denominator:			
Weighted average shares outstanding - basic	32,069	26,775	26,690
Effect of dilutive securities:			
Share options and awards	126	52	58
Operating partnership units	51	104	142
Weighted average shares outstanding - diluted	32,246	26,931	26,890

Options to purchase, in millions: .3, .9 and .6 common shares in 2001, 2000 and 1999, respectively, were not included in the calculation of net income per common share - diluted as the exercise prices were greater than the average market price for the year.

Statements of Cash Flows

WRI considers all highly liquid investments with original maturities of three months or less as cash equivalents. WRI issued .1 million common shares of beneficial interest in 2000 valued at \$3.6 million in exchange for interests in limited partnerships which had been formed to acquire operating properties.

We assumed debt and/or capital lease obligations totaling \$165.0 million, \$30.7 million and \$39.1 million in connection with purchases of property during 2001, 2000 and 1999, respectively. In connection with the sale of improved properties in 1999, we received notes receivable totaling \$41.4 million.

Reclassifications

Certain reclassifications of prior years' amounts have been made to conform with the current year presentation.

Note 2. Newly Adopted Accounting Pronouncements

On January 1, 2001, WRI adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended. SFAS No. 133 establishes accounting and reporting standards for derivative instruments. Specifically, SFAS No. 133 requires an entity to recognize all derivatives as either assets or liabilities in the statement of financial position and to measure those instruments at fair value. Additionally, the fair value adjustments will affect either shareholders' equity or net income depending on whether the derivative instrument qualifies as a hedge for accounting purposes and, if so, the nature of the hedging activity.

WRI hedges the future cash flows of debt transactions principally through interest rate swaps with major financial institutions. WRI has four interest rate swap contracts with an aggregate notional amount of \$70 million, which are designated as cash flow hedges, and eleven interest rate swap contracts with an aggregate notional amount of \$107.5 million, which are designated as fair value hedges. As of January 1, 2001, the adoption of the new standard resulted in a cumulative transition adjustment of \$1.9 million to accumulated other comprehensive loss, a component of shareholders' equity, and a corresponding liability of the same amount for our interest rate swaps designated as cash flow hedges. For the year ended December 31, 2001, the decrease in fair market value of these interest rate swaps was \$2.6 million and was recorded in accumulated other comprehensive loss and other liabilities. For the year ended December 31, 2001, the increase in fair market value of the interest rate swaps designated as fair value hedges was \$1.0 million and was recorded in other assets and fixed-rate debt.

Within the next twelve months, the Company expects to reclassify to earnings as interest expense approximately \$2.6 million of the current balance held in accumulated other comprehensive loss. With respect to fair value hedges, both changes in fair market value of the derivative hedging instrument and changes in the fair value of the hedged item will be recorded in earnings each reporting period. These amounts should completely offset with no impact to earnings, except for the portion of the hedge that proves to be ineffective, if any.

In June 2001, FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations", which is effective for fiscal years beginning after June 15, 2002. SFAS No. 143 addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. The adoption of SFAS No. 143 will not have a material impact on our financial position, results of operations, or cash flows.

In August 2001, FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets", which is effective for fiscal years beginning after December 15, 2001. SFAS No. 144 addresses accounting and reporting for the impairment or disposal of a segment of a business. The adoption of SFAS No. 144 will not have a material impact on our financial position, results of operations, or cash flows.

Note 3. Debt

WRI's debt consists of the following (in thousands):

December 31,	2001	2000
Fixed-rate debt payable to 2015 at 6.0% to 8.75%	\$ 796,900	\$472,271
Variable-rate unsecured notes payable	100,000	50,000
Unsecured notes payable under revolving credit agreements	134,500	230,100
Obligations under capital leases	33,554	33,467
Industrial revenue bonds payable to 2015 at 1.8% to 3.6%	5,868	6,010
Other	13	505
Total	\$1,070,835	\$792,353

In November 2000, WRI entered into an unsecured \$350 million revolving credit agreement with a syndicate of banks. The agreement expires in November 2003, but we can request a one-year extension of the agreement, solely at our option. We also have an agreement for an unsecured and uncommitted overnight credit facility totaling \$20 million with a bank to be used for cash management purposes. WRI also has letters of credit totaling \$39.6 million outstanding under the \$350 million revolving credit facility at December 31, 2001. The revolving credit agreements are subject to normal banking terms and conditions and do not adversely restrict our operations or liquidity.

On July 5, 2001, we entered into a \$50 million unsecured term loan with two banks that also participate in our \$350 million revolving credit facility. The terms of the \$50 million loan, including pricing, are substantially identical to those of our \$350 million revolving credit facility, and it also matures on the same date.

At December 31, 2001, the variable interest rate for notes payable under the \$20 million revolving credit agreement was 2.04%. During 2001, the maximum balance and weighted average balance outstanding under both revolving credit facilities were \$302.9 million and \$149.5 million, respectively, at an average interest rate of 5.16%. WRI made cash payments for interest on debt, net of amounts capitalized, of \$42.9 million in 2001, \$40.8 million in 2000 and \$31.9 million in 1999.

Various leases and properties and current and future rentals from those leases and properties collateralize certain debt. At December 31, 2001 and 2000, the carrying value of such property aggregated \$491.3 million and \$221.6 million, respectively.

On June 25, 2001, WRI entered into two forward-starting interest rate swap contracts with a notional amount of \$188.7 million. These contracts were designated as a cash flow hedge of forecasted interest payments for \$200 million of unsecured notes with a coupon of 7% that were sold on July 12, 2001. Concurrent with the sale of the 7% notes, we settled our \$188.7 million forward-starting interest rate swap contracts, resulting in a gain of \$1.6 million recorded in accumulated other comprehensive income. This \$1.6 million gain is being amortized to earnings over the life of the 7% notes.

On July 26, 2001, the Company entered into eleven interest rate swaps with an aggregate notional amount of \$107.5 million that convert fixed interest payments at rates from 6.35% to 7.35% to variable

interest payments. These interest rate swaps have been designated as fair value hedges. We have determined that these contracts will be highly effective in limiting our risk of changes in the fair value of the fixed-rate notes attributable to changes in variable interest rates.

WRI has two interest rate swap contracts with an aggregate notional amount of \$20 million that serve as a hedge against changes in interest rates on a like amount of our \$350 million variable-rate revolving credit facility. Such contracts, which expire in 2004, have been outstanding since their purchase in 1992 and fix the interest rate at 7.7%. We also entered into two additional interest rate swaps for a notional amount of \$25 million each which serve as hedges against changes in interest rates on two separate \$25 million variable-rate medium term notes which mature in 2002 and 2003. These swaps fix the interest rates on the medium term notes at 7.0% and 6.8% for the two-year and three-year notes, respectively.

The interest rate swaps increased interest expense and decreased net income by \$.8 million in 2001, \$.5 million in 2000 and \$1.0 million in 1999. The interest rate swaps increased the average rate for our debt by .1% for 2001 and 2000 and .2% for 1999. WRI could be exposed to credit losses in the event of non-performance by the counter-party; however, the likelihood of such non-performance is remote.

In January 2000, WRI issued \$10.5 million of ten-year 8.25% fixed-rate, unsecured medium term notes. In connection with this debt issuance, we entered into a ten-year interest rate swap agreement with a notional amount of \$10.5 million to swap 8.25% fixed-rate interest for floating-rate interest. On January 4, 2001, we terminated this swap with the counter-party, resulting in the receipt of \$.9 million. As the swap was accounted for as a hedge of the medium term note, the gain is being amortized over the remaining life of the note, which lowers the effective interest rate on the note to 7.4%.

In July 2000, the Company issued a two-year \$25 million variable-rate, unsecured medium term note that bears interest at 50 basis points over LIBOR and a three-year \$25 million variable-rate note that bears interest at 60 basis points over LIBOR. At the time of issuance, the interest rates were 7.23% and 7.33%, respectively. During November and December of 2000, we entered into interest rate swap agreements which fix the interest rates on these notes.

In December 2000, we completed three fixed-rate medium term note transactions totaling \$36 million which included a twelve-year \$11 million note bearing interest at 7.5%, a ten-year \$10 million note bearing interest at 7.4% and a ten-year \$15 million note bearing interest at 7.5%.

In conjunction with acquisitions completed during 2001, we assumed \$165.0 million of non-recourse debt secured by the related properties. The weighted average interest rate on this debt is 8.22%, and the average remaining life is 7.8 years. Additionally, ten-year non-recourse debt secured by retail properties held by joint ventures in which we participate was issued during 2001, our share of which totaled \$5.4 million. The weighted average interest rate on this debt is 7.3%.

In the third quarter of 1999, WRI filed a \$400 million shelf registration statement with the SEC, which allows for the issuance of debt or equity securities or warrants. The unused portion of the shelf registration was \$83.0 million at December 31, 2001 and \$18.0 million following the issuance of \$65 million medium term notes in early 2002.

In March 2001, we filed a \$500 million shelf registration statement, of which \$398.9 million is currently available.

WRI's debt can be summarized as follows (in thousands):

December 31,	2001	2000
As to interest rate (including the effects of interest rate swaps):		
Fixed-rate debt	\$ 780,500	\$ 572,783
Variable-rate debt	290,335	219,570
Total	\$1,070,835	\$ 792,353
As to collateralization:		
Unsecured debt	\$ 798,524	\$ 669,106
Secured debt	272,311	123,247
Total	\$1,070,835	\$ 792,353

Subsequent to year end, we completed two medium term note transactions totaling \$65 million which included a twelve-year \$35 million note bearing interest at 6.7% and a twelve-year \$30 million note bearing interest at 6.5%.

Scheduled principal payments on our debt (excluding \$134.5 million due under our revolving credit agreements, \$50.0 million term loan, \$21 million of capital leases and \$1.0 million market value of rate swaps) are due during the following years (in thousands):

2002	\$ 58,781
2003	53,925
2004	55,755
2005	66,057
2006	53,603
2007	59,984
2008	162,231
2009	56,068
2010	39,771
2011	231,683
Thereafter	26,365

Various debt agreements contain restrictive covenants, the most restrictive of which requires WRI to maintain a pool of qualifying assets, as defined, of not less than 185% of unsecured debt. Other restrictions include minimum interest and fixed charge coverage ratios, minimum unencumbered interest coverage ratios, minimum net worth requirements and both secured and unsecured debt to total asset value measures. Management believes that WRI is in compliance with all restrictive covenants.

Note 4. Preferred Shares

In February 1998, WRI issued \$75 million of 7.44% Series A cumulative redeemable preferred shares with a liquidation preference of \$25 per share. The shares are callable at WRI's option any time after March 31, 2003 and have no stated maturity. In October 1998, WRI issued \$90 million of 7.125% Series B cumulative redeemable preferred shares with a liquidation preference of \$25 per share and no stated maturity. WRI can elect to redeem the shares anytime after October 20, 2003. The Series B shares are

redeemable by the holder only upon their death and are also redeemable in either cash or common shares at our option. There are limitations on the number of shares per shareholder and in the aggregate that may be redeemed per year. In January 1999, WRI issued \$115 million of 7.0% Series C cumulative redeemable preferred shares with a liquidation preference of \$50 per share and no stated maturity. WRI can elect to redeem these shares anytime after March 15, 2004. The redemption rights of the shareholders and the related restrictions are effectively the same as for the Series B preferred shares.

Note 5. Common Shares

On January 29, 2001, we issued 4.5 million common shares of beneficial interest. In February 2001, the underwriters exercised their over-allotment option and purchased an additional 200,000 shares. Net proceeds to WRI totaled \$188.1 million based on a price of \$42.19 per share. In May 2001, we issued 690,000 common shares of beneficial interest. Net proceeds of \$27.9 million were based on a price of \$42.85 per share. In November 2001, we issued 1.8 million common shares of beneficial interest. Net proceeds of \$86.0 million were based on a price of \$50.20 per share. Proceeds from these offerings were used to pay down amounts outstanding under our \$350 million revolving credit facility.

In February 2002, we issued 198,098 common shares of beneficial interest. Net proceeds to WRI totaled \$9.5 million based on a price of \$50.48 per share and will be used to pay down amounts outstanding under our \$350 million revolving credit facility.

In February 2002, a three-for-two stock split was declared for shareholders of record on April 1, 2002, payable April 15, 2002.

Note 6. Property

WRI's property consists of the following (in thousands):

December 31,	2001	2000
Land	\$ 439,332	\$ 329,082
Land held for development	24,131	23,924
Land under development	56,414	38,181
Buildings and improvements	1,750,059	1,303,595
Construction in-progress	82,457	33,632
Total	\$2,352,393	\$1,728,414

The following carrying charges were capitalized (in thousands):

December 31,	2001	2000	1999
Interest	\$ 9,698	\$ 4,204	\$ 3,037
Ad valorem taxes	383	333	326
Total	\$10,081	\$4,537	\$3,363

During 2001, WRI acquired 30 shopping centers and four industrial properties. These transactions added

6.1 million square feet to our portfolio and represent an investment of \$518.6 million. In 2001, WRI acquired land at seven separate locations for the development of retail shopping centers. During 2001, we invested \$76.9 million in new developments.

Note 7. Investments in Real Estate Joint Ventures

WRI owns interests in 15 joint ventures or limited partnerships where we do not exercise financial and operating control. These partnerships are accounted for under the equity method since WRI exercises significant influence. Our interests in these joint ventures and limited partnerships range from 20% to 75% and, with the exception of one partnership which owns seven industrial properties, each venture owns a single real estate asset. Combined condensed financial information of these ventures is summarized as follows (in thousands):

Combined Balance Sheets

December 31,	2001	2000
Property	\$171,344	\$176,247
Accumulated depreciation	(24,941)	(21,755)
Property - net	146,403	154,492
Other assets	11,373	10,800
Total	\$157,776	\$165,292
Debt	\$ 76,635	\$ 77,274
Amounts payable to WRI	9,270	16,622
Other liabilities	4,705	5,359
Accumulated equity	67,166	66,037
Total	\$157,776	\$165,292

Combined Statements of Income

Years Ended December 31,	2001	2000	1999
Revenues	\$ 25,548	\$ 21,301	\$ 10,960
Expenses:			
Interest	7,082	6,427	1,538
Depreciation and amortization	4,519	3,924	1,991
Operating	3,578	3,208	1,943
Ad valorem taxes	3,294	2,731	1,280
General and administrative	46	18	16
Total	18,519	16,308	6,768
Gain on sales of property	2,854		5
Net income	\$ 9,883	\$ 4,993	\$ 4,197

Our investment in real estate joint ventures, as reported on the balance sheets, differs from our proportion-

ate share of the joint ventures' underlying net assets due to basis differentials which arose upon the transfer of assets from WRI to the joint ventures. This basis differential which totaled \$5.0 million and \$5.1 million at December 31, 2001 and 2000, respectively, is depreciated over the useful lives of the related assets.

Fees earned by WRI for the management of these joint ventures totaled, in millions, \$.5 in 2001, \$.4 in 2000 and \$.1 in 1999.

In December 1999, WRI sold seven industrial properties totaling 2.0 million square feet to a limited partnership in which we retained 20% ownership. WRI serves as general partner. WRI loaned \$41.4 million to the partnership until August of 2000, at which time the loan was replaced with a ten-year non-recourse third party mortgage with an interest rate of 8.1%.

Two shopping centers were acquired in June and one in August of 2000 in joint ventures with an institutional investor. WRI loaned these three partnerships an aggregate of \$32.0 million which was replaced with ten-year non-recourse third party mortgages with a weighted average interest rate of 7.8%.

In August of 2001, WRI sold its interests in two joint ventures which owned mini-storage warehouses resulting in a gain of \$2.9 million.

Note 8. Related Party Transactions

WRI has mortgage bonds and notes receivable from WRI Holdings, Inc. of \$4.0 million and \$3.8 million, net of deferred gain of \$3.0 million at December 31, 2001 and 2000, respectively. WRI and WRI Holdings share certain directors and are under common management. Unimproved land and an investment in a joint venture which owns a motor hotel collateralize these receivables. The bonds and notes bear interest at rates of 16% and prime plus 1%, respectively. However, due to WRI Holdings' poor financial condition, WRI has limited the recognition of interest income for financial statement purposes to the amount of cash payments received. WRI did not receive any interest payments in 2001 or 2000 and does not anticipate receiving such payments in the near term. No interest income has been recognized for financial reporting purposes in the last three years.

In December 1999, undeveloped land from WRI Holdings of 102.6 acres was sold and the net proceeds of \$8.1 million were used to pay down amounts outstanding under mortgage bonds and notes payable to WRI.

WRI's unrecorded receivable for interest on the mortgage bonds and notes receivable was \$26.2 million and \$23.6 million at December 31, 2001 and 2000, respectively. Interest income not recognized by WRI for financial reporting purposes aggregated, in millions, \$2.5, \$2.7 and \$4.2 for 2001, 2000 and 1999, respectively. WRI does not anticipate recovery of the unrecorded receivable in the future.

WRI owns interests in several joint ventures and partnerships. Notes receivable from these entities bear interest at 4.25% to 10% at December 31, 2001, are due at various dates through 2028 and are generally secured by real estate assets. WRI recognized interest income on these notes as follows, in millions: \$.6 in 2001; \$3.1 in 2000 and \$1.0 in 1999.

JPMorgan Chase Bank is a significant participant in and the agent for the banks that provide WRI's \$350 million revolving credit agreement and is a counter-party in 13 interest rate swap agreements with WRI. An executive officer of J.P. Morgan Chase & Co. serves on the WRI Board of Trustees.

Note 9. Federal Income Tax Considerations

Federal income taxes are not provided because WRI believes it qualifies as a REIT under the provisions of the Internal Revenue Code. Shareholders of WRI include their proportionate taxable income in their individual tax returns. As a REIT, we must distribute at least 90% (95% in 2000 and 1999) of our ordinary taxable income to our shareholders and meet certain income source and investment restriction requirements.

Taxable income differs from net income for financial reporting purposes principally because of differences in the timing of recognition of interest, ad valorem taxes, depreciation, rental revenue and pension expense. As a result of these differences, the tax basis of our net assets exceeds the book value by \$1.4 million at December 31, 2001.

For federal income tax purposes, the cash dividends distributed to common shareholders are characterized as follows:

	2001	2000	1999
Ordinary income	92.2 %	87.1 %	84.2 %
Return of capital (generally non-taxable)	6.2	12.7	4.0
Capital gain distributions	1.6	.2	11.8
Total	100.0 %	100.0 %	100.0 %

Note 10. Leasing Operations

WRI's lease terms range from less than one year for smaller tenant spaces to over twenty-five years for larger tenant spaces. In addition to minimum lease payments, most of the leases provide for contingent rentals (payments for taxes, maintenance and insurance by lessees and for an amount based on a percentage of the tenants' sales). Future minimum rental income from non-cancelable tenant leases at December 31, 2001, in millions, is: \$248.9 in 2002; \$220.9 in 2003; \$190.0 in 2004; \$158.1 in 2005; \$125.1 in 2006 and \$644.8 thereafter. The future minimum rental amounts do not include estimates for contingent rentals. Such contingent rentals, in millions, aggregated \$64.0 in 2001, \$50.3 in 2000 and \$44.5 in 1999.

Note 11. Commitments and Contingencies

WRI leases land from the owners and then subleases these properties to other parties. Future minimum rental payments under these operating leases, in millions, are: \$1.5 in 2002; \$1.4 in 2003; \$1.2 in 2004; \$1.0 in 2005, \$1.0 in 2006; and \$19.1 thereafter. Future minimum rental payments on these leases have not been reduced by future minimum sublease rentals aggregating \$21.4 million through 2036 that are due under various non-cancelable subleases. Rental expense (including insignificant amounts for contingent rentals) for operating leases aggregated, in millions: \$2.8 in 2001, \$2.5 in 2000 and \$3.8 in 1999. Sublease rental revenue (excluding amounts for improvements constructed by WRI on the leased land) from these leased properties was as follows, in millions: \$3.0 in 2001, \$3.1 in 2000 and \$2.9 in 1999.

Property under capital leases, consisting of four shopping centers, aggregated \$29.1 million at December 31, 2001 and 2000, respectively, and is included in buildings and improvements. Amortization

of property under capital leases is included in depreciation and amortization expense. Future minimum lease payments under these capital leases total \$65.4 million, with annual payments due, in millions, of \$1.8 in 2002; \$1.9 in each of 2003, 2004 and 2005; \$2.0 in 2006 and \$55.9 thereafter. The amount of these total payments representing interest is \$31.8 million. Accordingly, the present value of the net minimum lease payments is \$33.6 million at December 31, 2001.

In 1998 and 1997, WRI formed limited partnerships to acquire certain property. WRI exercises operating and financial control of the partnerships and consolidates their operations in the accompanying consolidated financial statements. The partnership agreements allow for the outside limited partners to put their interests to the partnership for the original consideration of \$5.7 million payable in cash or WRI common shares at the option of WRI. In 2000, WRI issued .1 million common shares of beneficial interest valued at \$3.6 million in exchange for certain of these limited partnership interests.

WRI is involved in various matters of litigation arising in the normal course of business. While WRI is unable to predict with certainty the amounts involved, WRI's management and counsel are of the opinion that, when such litigation is resolved, WRI's resulting liability, if any, will not have a material effect on WRI's consolidated financial statements.

Note 12. Fair Value of Financial Instruments

The fair value of WRI's financial instruments was determined using available market information and appropriate valuation methodologies as of December 31, 2001. Unless otherwise described below, all other financial instruments are carried at amounts which approximate their fair values.

Based on rates currently available to WRI for debt with similar terms and average maturities, fixed-rate debt with carrying values of \$780.5 million and \$572.8 million have fair values of approximately \$816.9 million and \$575.9 million at December 31, 2001 and 2000, respectively. The fair value of WRI's variable-rate debt approximates its carrying values of \$290.3 million and \$219.6 million at year-end 2001 and 2000, respectively.

Note 13. Share Options and Awards

WRI had an incentive share option plan, which provided for the issuance of options and share awards up to a maximum of 700,000 common shares that expired in December 1997. Options granted under this plan become exercisable in equal increments over a three-year period. WRI has an additional share option plan, which grants 100 share options to every employee of WRI, excluding officers, upon completion of each five-year interval of service. This plan, which expires in 2002, provides options for a maximum of 100,000 common shares. Options granted under this plan are exercisable immediately. For both of these share option plans, options are granted to employees of WRI at an exercise price equal to the quoted fair market value of the common shares on the date the options are granted and expire upon termination of employment or ten years from the date of grant.

In 2001, WRI granted .3 million share options under a compensatory incentive share plan. This plan, which expires in 2002, provides for the issuance of up to 1,750,000 shares, either in the form of restricted shares or share options. Prior to 2000, the restricted shares generally vested over a ten-year period, with potential acceleration of vesting due to appreciation in the market value of our common shares. Beginning in

2000, the vesting period is five years. The share options granted to non-officers vest over a three-year period beginning one year after the date of grant and over a seven-year period beginning two years after the date of grant for officers. Share options were granted at the quoted fair market value on the date of grant. Restricted shares are issued at no cost to the employee, and as such we recognized compensation expense relating to restricted shares as follows, in millions: \$.8 in 2001 and \$.3 in 2000 and 1999.

In April 2001, the Company adopted the 2001 Long Term Incentive Plan for the issuance of options and share awards up to a maximum of one million common shares. The plan expires in April 2011.

WRI does not recognize compensation cost for share options when the option exercise price equals or exceeds the quoted fair market value on the date of the grant. Had we determined compensation cost for our share option and award plans based on the fair value of the options granted at the grant dates, our proforma net income available to common shareholders would have been as follows, in millions: \$88.3, \$58.7 and \$75.9 in 2001, 2000 and 1999, respectively. Proforma net income per common share - basic would have been \$2.75, \$2.19 and \$2.84 in 2001, 2000 and 1999, respectively.

The fair value of each option grant was estimated on the date of grant using the Black-Scholes option-pricing method with the following weighted-average assumptions in 2001, 2000 and 1999, respectively: dividend yield of 6.6%, 6.9% and 7.3%; expected volatility of 15.3%, 15.4% and 18.1%; expected lives of 7.4, 7.4 and 6.9 and risk-free interest rates of 5.1%, 5.1% and 6.6%.

Following is a summary of the option activity for the three years ended December 31, 2001:

	Shares Under Option	Weighted Average Exercise Price
Outstanding, January 1, 1999	1,152,779	\$ 37.99
Granted	17,900	41.29
Canceled	(14,800)	40.23
Exercised	(39,089)	32.95
Outstanding, December 31, 1999	1,116,790	38.19
Granted	371,801	42.17
Canceled	(27,800)	42.17
Exercised	(45,000)	34.40
Outstanding, December 31, 2000	1,415,791	39.28
Granted	351,640	46.59
Canceled	(110,900)	37.79
Exercised	(286,434)	36.76
Outstanding, December 31, 2001	1,370,097	\$ 41.80

The number of share options exercisable at December 31, 2001, 2000 and 1999 was, in millions: .7, .9 and .7, respectively. Options exercisable at year-end 2001 had a weighted average exercise price of \$38.94. The weighted average fair value per share of options granted during 2001, 2000 and 1999 was \$3.64, \$2.92 and \$4.25, respectively. Share options outstanding at December 31, 2001 had exercise prices ranging from \$25.00 to \$49.04 and a weighted average remaining contractual life of 6.6 years. Approximately 98% of the options outstanding at year-end 2001 have exercise prices between \$37.00 and \$49.04 and a weighted average contractual life of 6.6 years. There were 1.4 million common shares available for the future grant of options or awards at December 31, 2001.

Note 14. Employee Benefit Plans

WRI has a Savings and Investment Plan to which eligible employees may elect to contribute from 1% of their salaries to the maximum amount established annually by the Internal Revenue Service. Employee contributions are matched by WRI at the rate of \$.50 per \$1.00 for the first 6% of the employee's salary. The employees vest in the employer contributions ratably over a six-year period. Compensation expense related to the plan was \$.4 million in 2001 and \$.3 million in 2000 and 1999.

Effective April 1, 1999, WRI adopted an Employee Share Purchase Plan under which 250,000 WRI common shares have been authorized. These shares, as well as common shares purchased by WRI on the open market, are made available for sale to employees at a discount of 15%. Shares purchased by the employee under the plan are restricted from being sold for two years from the date of purchase or until termination of employment with WRI. A total of 10,574 and 9,759 shares were purchased by employees at an average price of \$38.76 and \$37.73 during 2001 and 2000, respectively.

WRI has a defined benefit pension plan covering substantially all of its employees. The benefits are based on years of service and the employee's compensation during the last five years of service. Our funding policy is to make annual contributions as required by applicable regulations; however, we have not been required to make contributions for any of the past three years. Reconciliation of the benefit obligation, plan assets at fair value and the funded status of the plan are as follows (in thousands):

	2001	2000
Benefit obligation at beginning of year	\$ 11,129	\$ 10,703
Service cost	556	539
Interest cost	825	746
Actuarial gain	(19)	(640)
Benefit payments	(294)	(219)
Benefit obligation at end of year	\$ 12,197	\$ 11,129
Fair value of plan assets at beginning of year	\$ 12,243	\$ 12,057
Actual return on plan assets	(1,095)	405
Benefit payments	(322)	(219)
Fair value of plan assets at end of year	\$ 10,826	\$ 12,243
Plan assets at fair value less benefit obligation	\$ (1,371)	\$ 1,114
Unrecognized gain	(432)	(2,785)
Pension liability	\$ (1,803)	\$ (1,671)

The components of net periodic pension cost are as follows (in thousands):

	2001	2000	1999
Service cost	\$ 556	\$ 539	\$ 533
Interest cost	825	746	729
Expected return on plan assets	(1,092)	(1,075)	(950)
Prior service cost			8
Recognized gains	(158)	(281)	(59)
Total	\$ 131	\$ (71)	\$ 261

Assumptions used to develop periodic expense and the actuarial present value of the benefit obligations were:

	2001	2000	1999
Weighted average discount rate	7.5%	7.5%	7.5%
Expected long-term rate of return on plan assets	9.0%	9.0%	9.0%
Rate of increase in compensation levels	5.0%	5.0%	5.0%

In December of 2001, WRI informed the participants that their accrual of benefits under this plan would cease effective December 31, 2001, but would be replaced by another plan. We do not anticipate any gain or loss relating to this change.

WRI also has a non-qualified supplemental retirement plan for officers of WRI, which provides for benefits in excess of the statutory limits of its defined benefit pension plan. The obligation is funded in a grantor trust with our common shares. We recognized expense as follows, in millions: \$.4 in 2001 and \$.3 in 2000 and 1999.

Note 15. Segment Information

The operating segments presented are the segments of WRI for which separate financial information is available, and operating performance is evaluated regularly by senior management in deciding how to allocate resources and in assessing performance. WRI evaluates the performance of its operating segments based on net operating income that is defined as total revenues less operating expenses and ad valorem taxes. Management does not consider the effect of gains or losses from the sale of property in evaluating ongoing operating performance.

The shopping center segment is engaged in the acquisition, development and management of real estate, primarily anchored neighborhood and community shopping centers located in Texas, California, Louisiana, Arizona, Nevada, Arkansas, New Mexico, Oklahoma, Tennessee, Kansas, Colorado, Missouri, Illinois, Florida, North Carolina, Mississippi and Maine. The customer base includes supermarkets, discount retailers, drugstores and other retailers who generally sell basic necessity-type commodities. The industrial segment is engaged in the acquisition, development and management of bulk warehouses and office/service centers. Its properties are located in Texas, Nevada, Georgia, Florida and Tennessee, and the customer base is diverse. Included in "Other" are corporate-related items, insignificant operations and costs that are not allocated to the reportable segments.

Information concerning WRI's reportable segments is as follows (in thousands):

	Shopping Center	Industrial	Other	Total
2001:				
Revenues	\$ 277,647	\$ 32,148	\$ 5,097	\$ 314,892
Net operating income	200,372	22,256	4,862	227,490
Equity in earnings of joint ventures	3,696	1,909	(58)	5,547
Investment in real estate joint ventures	25,094		648	25,742
Total assets	1,775,131	222,005	98,611	2,095,747
Capital expenditures	615,144	44,083	3,306	662,533

2000:

Revenues	\$ 215,780	\$ 27,500	\$ 6,954	\$ 250,234
Net operating income	155,003	18,826	7,277	181,106
Equity in earnings of joint ventures	3,410	907	(174)	4,143
Investment in real estate joint ventures	25,802		1,046	26,848
Total assets	1,229,340	185,938	83,199	1,498,477
Capital expenditures	237,071	22,532	594	260,197

1999:

Revenues	\$ 193,163	\$ 27,556	\$ 3,376	\$ 224,095
Net operating income	137,315	19,653	4,866	161,834
Equity in earnings of joint ventures	3,277	398	(21)	3,654
Investment in real estate joint ventures	17,197		481	17,678
Total assets	1,048,408	159,464	104,874	1,312,746
Capital expenditures	184,323	49,469	11,095	244,887

Net operating income reconciles to income before extraordinary charge as shown on the Statements of Consolidated Income and Comprehensive Income as follows (in thousands):

	2001	2000	1999
Total segment net operating income	\$227,490	\$181,106	\$161,834
Less:			
Depreciation and amortization	68,316	54,597	48,668
Interest	54,473	43,190	32,792
General and administrative	9,570	8,213	7,513
Minority interest in partnerships	475	630	789
Equity in earnings of joint ventures	(5,547)	(4,143)	(3,654)
Gain on sales of property	(8,339)	(382)	(20,594)
Income before extraordinary charge	\$108,542	\$ 79,001	\$ 96,320

Note 16. Bankruptcy Remote Properties

On April 2, 2001, we purchased 19 supermarket-anchored shopping centers, aggregating 2.5 million square feet, in California. The purchase price for the properties was \$277.5 million, including the assumption of approximately \$132 million in debt secured by all 19 properties.

These 19 properties, having a net book value of approximately \$275.1 million at December 31, 2001 (collectively the "Bankruptcy Remote Properties", and each a "Bankruptcy Remote Property"), are wholly owned by various "Bankruptcy Remote Entities". Each Bankruptcy Remote Entity is an indirect subsidiary of the Company. The assets of each Bankruptcy Remote Entity, including the respective Bankruptcy Remote Property or Properties owned by each, are owned by that Bankruptcy Remote Entity alone and are not available to satisfy claims that any creditor may have against the Company, its affiliates, or any other person or entity. No Bankruptcy Remote Entity has agreed to pay or make its assets available to pay creditors of the Company, any of its affiliates, or any other person or entity. Neither the Company nor any of its affiliates has agreed to pay or make its assets available to pay creditors of any Bankruptcy Remote Entity (other than any agreement by a Bankruptcy Remote Entity to pay its own creditors). No affiliate of any Bankruptcy Remote Entity has agreed to pay or make its assets available to pay creditors of any Bankruptcy Remote Entity.

The accounts of the Bankruptcy Remote Entities are included in WRI's consolidated financial statements, as WRI owns, indirectly, 100% of each of the entities. Additionally, WRI, through its wholly owned subsidiaries, makes all day-to-day operating and financial decisions with respect to these properties, subject to approval by the loan servicing agent for the certain significant transactions. WRI has the right to prepay the loan, subject to prepayment penalties, at any time, which would eliminate all encumbrances and restrictions.

Note 17. Pro Forma Financial Information (Unaudited)

During the year ended December 31, 2001, WRI acquired 30 retail centers and four industrial projects totaling \$518.6 million. The pro forma financial information for the years ended December 31, 2001 and 2000 is based on the historical statements of WRI after giving effect to the acquisitions as if such acquisitions took place on January 1, 2001 and 2000, respectively.

The pro forma financial information shown below is presented for informational purposes only and may not be indicative of results that would have actually occurred if the acquisitions had been in effect at the dates indicated, nor does it purport to be indicative of the results that may be achieved in the future (in thousands, except per share amounts).

December 31,	2001	2000
Pro forma revenues	\$341,471	\$319,709
Pro forma net income available to common shareholders	\$ 92,931	\$ 61,883
Pro forma net income per common share - basic	\$ 2.90	\$ 2.31
Pro forma net income per common share - diluted	\$ 2.89	\$ 2.31

Note 18. Quarterly Financial Data (Unaudited)

Summarized quarterly financial data is as follows (in thousands, except per share amounts):

	First	Second	Third	Fourth
2001:				
Revenues	\$ 67,625	\$ 78,979	\$ 82,460	\$ 85,828
Net income available to common shareholders	20,392	20,971	22,379	25,097 ⁽¹⁾
Net income per common share - basic	0.68	0.65	0.69	0.75 ⁽¹⁾
Net income per common share - diluted	0.68	0.65	0.69	0.74 ⁽¹⁾
2000:				
Revenues	\$ 59,302	\$ 61,566	\$ 63,676	\$ 65,690
Net income available to common shareholders	14,441	14,968	14,852	14,700
Net income per common share - basic	0.54	0.56	0.55	0.55
Net income per common share - diluted	0.54	0.56	0.55	0.54

⁽¹⁾ Increase is primarily the result of gains on the sale of property during the quarter.

Selected Financial Data

In thousands, except per share amounts

Years Ended December 31,	2001	2000	1999	1998	1997
Revenues (primarily real estate rentals)	\$ 314,892	\$ 250,234	\$ 224,095	\$ 192,339	\$ 167,856
Expenses:					
Depreciation and amortization	68,316	54,597	48,668	41,051	36,995
Interest	54,473	43,190	32,792	33,338	29,695
Other	96,972	77,341	69,774	60,384	53,254
Total	219,761	175,128	151,234	134,773	119,944
Income from operations	95,131	75,106	72,861	57,566	47,912
Equity in earnings of joint ventures	5,547	4,143	3,654	4,469	4,249
Minority interest in income of partnerships	(475)	(630)	(789)	(606)	(522)
Gain on sales of property and securities	8,339	382	20,594	328	3,327
Extraordinary charge			(190)	(1,392)	
Net income	\$ 108,542	\$ 79,001	\$ 96,130	\$ 60,365	\$ 54,966
Net income available to common shareholders	\$ 88,839	\$ 58,961	\$ 76,537	\$ 54,484	\$ 54,966
Cash flows from operations	\$ 146,659	\$ 119,043	\$ 113,351	\$ 93,054	\$ 85,846
Per share data - basic:					
Income before extraordinary charge	\$ 2.77	\$ 2.20	\$ 2.88	\$ 2.09	\$ 2.06
Net income	\$ 2.77	\$ 2.20	\$ 2.87	\$ 2.04	\$ 2.06
Weighted average number of shares	32,069	26,775	26,690	26,667	26,638
Per share data - diluted:					
Income before extraordinary charge	\$ 2.76	\$ 2.19	\$ 2.86	\$ 2.08	\$ 2.05
Net income	\$ 2.76	\$ 2.19	\$ 2.85	\$ 2.03	\$ 2.05
Weighted average number of shares	32,246	26,931	26,890	26,869	26,771
Cash dividends per common share	\$ 3.16	\$ 3.00	\$ 2.84	\$ 2.68	\$ 2.56
Property (at cost)	\$2,352,393	\$1,728,414	\$1,486,224	\$1,278,466	\$1,092,869
Total assets	\$2,095,747	\$1,498,477	\$1,312,746	\$1,107,077	\$ 943,486
Debt	\$1,070,835	\$ 792,353	\$ 592,978	\$ 513,361	\$ 503,287
Other data:					
Funds from operations ⁽¹⁾					
Net income available to common shareholders	\$ 88,839	\$ 58,961	\$ 76,537	\$ 54,484	\$ 54,966
Depreciation and amortization	67,803	55,344	49,256	41,580	37,544
Gain on sales of property and securities	(9,795)	(382)	(20,596)	(885)	(3,327)
Extraordinary charge			190	1,392	
Total	\$ 146,847	\$ 113,923	\$ 105,387	\$ 96,571	\$ 89,183

⁽¹⁾ The Board of Governors of the National Association of Real Estate Investment Trusts defines funds from operations as net income (loss) computed in accordance with generally accepted accounting principles, excluding gains or losses from sales of property, plus real estate related depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. In addition, NAREIT recommends that extraordinary items not be considered in arriving at FFO. We calculate FFO in a manner consistent with the NAREIT definition. Most industry analysts and equity REITs, including WRI, believe FFO is an alternative measure of performance relative to other REITs. There can be no assurance that FFO presented by WRI is comparable to similarly titled measures of other REITs. FFO should not be considered as an alternative to net income or other measurements under GAAP as an indicator of our operating performance or to cash flows from operating, investing, or financing activities as a measure of liquidity. FFO does not reflect working capital changes, cash expenditures for capital improvements, or principal payments on indebtedness.

Trust Managers, Officers & Directors

Trust Managers

Stanford Alexander, *Chairman, Weingarten Realty Investors*
Andrew M. Alexander, *President/Chief Executive Officer, Weingarten Realty Investors*
James W. Crownover, *Former Director, McKinsey & Company*
Robert J. Cruikshank, *Private Investor*
Martin Debrovner, *Vice Chairman, Weingarten Realty Investors*
Melvin A. Dow, *Shareholder, Winstead, Sechrest & Minick P.C.*
Stephen A. Lasher, *President, The GulfStar Group, Inc.*
Douglas W. Schnitzer, *Chairman/Chief Executive Officer, Senterra Real Estate Group, L.L.C.*
Marc J. Shapiro, *Vice Chairman, J.P. Morgan Chase & Co.*

Officers and Directors

Andrew M. Alexander, *President/Chief Executive Officer*
Stanford Alexander, *Chairman*
Martin Debrovner, *Vice Chairman*
Johnny L. Hendrix, *Senior Vice President/Director of Leasing*
Stephen C. Richter, *Senior Vice President/Chief Financial Officer*
Jeffrey A. Tucker, *Senior Vice President/General Counsel*
Steven R. Weingarten, *Senior Vice President/Leasing*
Patricia A. Bender, *Vice President/Leasing*
M. Candace DuFour, *Vice President/Acquisitions and Secretary*
Gary Greenberg, *Vice President/Capital Markets*
Daniel J. Holland, *Vice President/Regional Director of Acquisitions*
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Brent Mann, *Vice President/Leasing*
Greg Murphy, *Vice President/Industrial Properties*
Lois Robinson, *Vice President/Property Management*
Joe D. Shafer, *Vice President/Controller*
Robert Smith, *Vice President/New Development*
Brian Wechsler, *Vice President/Leasing*
Brenda Corn, *Director/Human Resources*
David Daleiden, *Director/Market Research*
Linda K. Kubena, *Treasurer*
Lee Pearson, *Director/Information Technology*
Tracy L. Pursell, *Director/Investor Relations*

Shareholder Information & Services

Transfer Agent

Mellon Investor Services, LLC
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Ridgefield Park, NJ 07660
800-550-4689
TDD for Hearing Impaired: 800-231-5469
Foreign Shareholders: 201-329-8660
TDD Foreign Shareholders: 201-329-8354
Web Site Address: www.mellon-investor.com

Auditors

Deloitte & Touche LLP, Houston, Texas

Counsel

Winstead Sechrest & Minick P.C., Houston, Texas
Locke Liddell & Sapp LLP, Dallas, Texas

Stock Listings:

New York Stock Exchange
Common shares—WRI
Series A Preferred Shares—WRIPrA
Series C Preferred Shares—WRIPrC

Memberships

National Association of Real Estate Investment
Trusts
International Council of Shopping Centers
National Association of Industrial and Office
Properties

Annual Meeting

Shareholders are cordially invited to attend the Annual Shareholders' Meeting to be held on Monday, April 29, 2002 at 8:30 a.m. at Weingarten Realty Investors' corporate offices, 2600 Citadel Plaza Drive, Houston, Texas.

Form 10-K

A copy of the Annual Report on Form 10-K filed with the Securities and Exchange Commission is available to security holders, without charge, upon written request to the Director of Investor Relations or can be obtained from our website.

Inquiries

Shareholders are encouraged to contact the company with questions or requests for information. In an effort to handle all inquiries quickly and efficiently, WRI offers the following services:

Regular Phone/Mail

Weingarten Realty Investors
2600 Citadel Plaza Drive, Suite 300
Houston, TX 77008
P.O. Box 924133
Houston, TX 77292-4133
713-866-6000, toll-free 800-298-9974 (voice)
713-866-6049 (fax)

E-Mail

You may communicate with WRI's Investor Relations Department via electronic mail at:
ir@weingarten.com

Internet

WRI can be found on The World Wide Web at:
www.weingarten.com

Our web site includes the latest press releases, most recent conference call playback, quarterly earnings reports, supplemental financial information, SEC filings and other investor information.

Direct Stock Purchase

The program offers a convenient way to buy WRI common shares of beneficial interest. Other amenities include dividend reinvestment and custodial services for stock certificates. For a complete informational package contact:
Mellon Investor Services LLC
P.O. Box 3338
South Hackensack, NJ 07606-1938
888-887-2966

Direct Deposit

WRI offers shareholders direct deposit for dividend checks. Interested shareholders should contact Mellon Investor Services at 800-550-4689.

Weingarten Realty Investors

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