Weingarten Realty Investors

Consistently executing our proven strategy

Annual Report 1999

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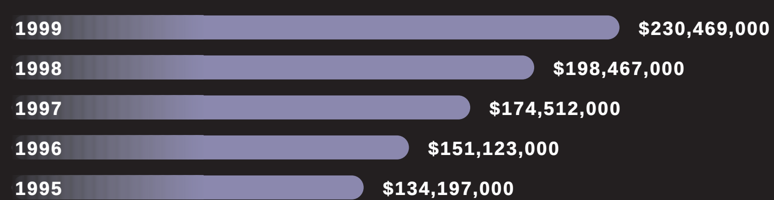
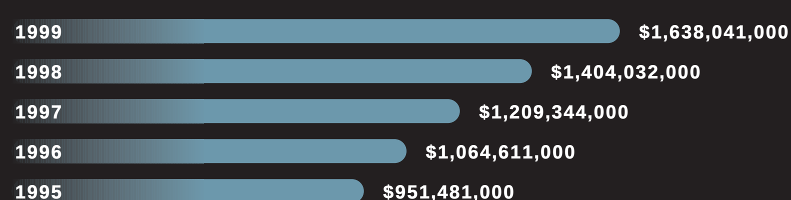
Funds from Operations Per Share (diluted)

Dividends per Common Share

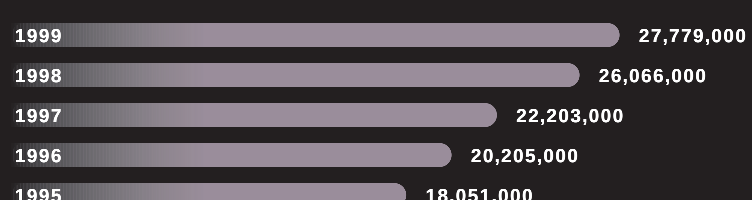
Total Revenues



Total Assets Before Depreciation



Building Area of Portfolio (in square feet)



Financial Highlights

In thousands, except per share amounts

	1999	1998	1997
Revenues	$ 230,469	$ 198,467	$ 174,512
Funds from Operations:			
Net Income Available to Common Shareholders	$ 76,537	$ 54,484	$ 54,966
Depreciation and Amortization	49,256	41,580	37,544
Gain on Sales of Property	(20,596)	(885)	(3,327)
Extraordinary Charge (Early Retirement of Debt)	190	1,392	
Funds from Operations	$ 105,387	$ 96,571	$ 89,183
Property (at cost)	$1,514,139	$1,294,632	$1,118,758
Weighted Average Number of Common Shares Outstanding—Diluted	26,890	26,869	26,771
Per Common Share:			
Funds from Operations—Diluted	$ 3.93	$ 3.60	$ 3.33
Net Income—Diluted	$ 2.85	$ 2.03	$ 2.05
Cash Dividends	$ 2.84	$ 2.68	$ 2.56

About the Company

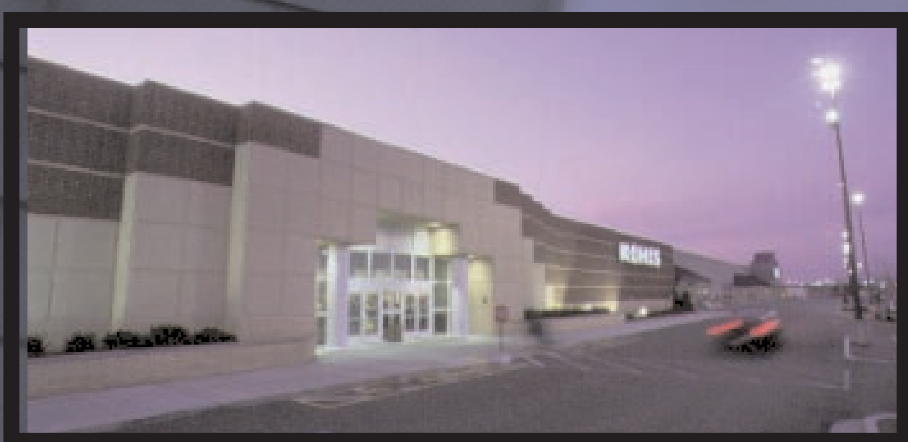
Weingarten Realty Investors is an equity-based real estate investment trust. Headquartered in Houston, WRI focuses primarily on the development, acquisition and long-term ownership of anchored neighborhood and community shopping centers and, to a lesser degree, industrial properties. At the close of 1999, our portfolio contained 239 income-producing properties totaling 27.8 million square feet in fourteen states.

Founded in 1948, we restructured to a REIT and listed on the New York Stock Exchange in 1985. Our performance as a public company has been among the best in our industry. This is a product of over 50 years of real estate experience (in both growth and recessionary cycles) combined with a seasoned management team focused on specific segments of real estate. In addition to developing and acquiring properties, we add value to them through consistent, high-quality operations that incorporate renovation, retailer recycling and ongoing asset management. We conduct business with a commitment—as a company and as individuals—to integrity, fairness and professionalism.

Our objective is to maximize long-term returns to our shareholders and provide opportunities for our employees and tenants while remaining committed to the communities in which we operate. And that, in fact, has been our basic goal throughout our history. Our common shares are traded on the New York Stock Exchange under the symbol "WRI."

Acquisitions & New Development

Adhering to disciplined growth



Lincoln Place Centre

Fairview Heights, Illinois

A suburb of St. Louis

Fondren Southwest Shopping Center

Houston, Texas

Beltway 8 Business Park

Houston, Texas

		Building Area (In Square Feet)	Land Area (In Square Feet)
Acquisitions in 1999	**Shopping Centers**		
	Champions Village Shopping Center, Houston, Texas	408,000	1,391,000
	Target Building, Houston, Texas	98,000	348,000
	Almeda Road Shopping Center, Houston, Texas	17,000	37,000
	Bell Plaza, Amarillo, Texas	144,000	682,000
	DeVargas Center, Santa Fe, New Mexico	189,000	610,000
	Ballwin Plaza, Ballwin (St. Louis), Missouri	203,000	653,000
	Pembroke Commons, Pembroke Pines (Ft. Lauderdale), Florida	316,000	1,394,000
	Total	1,375,000	5,115,000
	Industrial		
	East Sahara Office/Service Center, Las Vegas, Nevada	66,000	162,000
	Sherman Plaza Business Park, Richardson (Dallas), Texas	100,000	312,000
	Southpoint Service Center, Austin, Texas	54,000	234,000
	Walnut Creek Office Park, Austin, Texas	34,000	122,000
	Wells Branch Corporate Center, Austin, Texas	60,000	183,000
	Claywood Industrial Park, Houston, Texas	330,000	1,761,000
	Jupiter Service Center, Plano (Dallas), Texas	78,000	234,000
	Manana Office/Service Center, Dallas, Texas	223,000	473,000
	Midway Business Center, Carrollton (Dallas), Texas	142,000	309,000
	Newkirk Service Center, Dallas, Texas	106,000	223,000
	Northeast Crossing Office/Service Center, Dallas, Texas	79,000	199,000
	Northwest Crossing Office/Service Center, Dallas, Texas	127,000	290,000
	Total	1,399,000	4,502,000
	Total Acquisitions	2,774,000	9,617,000
New Development in 1999	**Shopping Centers**		
	Watauga Towne Center, Watauga (Dallas), Texas	20,000	120,000
	Lincoln Place Centre, Fairview Heights (St. Louis), Illinois	86,000	435,000
	Palmilla Shopping Center, Avondale (Phoenix), Arizona	6,000	31,000
	McDermott Commons, Allen (Dallas), Texas	12,000	72,000
	Murphy Crossing, Murphy (Dallas), Texas	8,000	71,000
	Gold Creek Center, Elizabeth (Denver), Colorado	6,000	35,000
	Total	138,000	764,000
	Industrial		
	Beltway 8 Business Park, Houston, Texas	53,000	166,000
	Multi-Family Residential		
	River Pointe Apartments, Conroe (Houston), Texas	236,000	595,000
	Total New Development	427,000	1,525,000

Shareholders' Letter

This was a year of significant accomplishments for Weingarten Realty Investors. Acquisitions, new developments and the performance of our existing portfolio have all contributed to the outstanding operating results for 1999. Highlights include:

Funds from operations on a diluted per share basis increased 9.2% to $3.93 from $3.60 in 1998

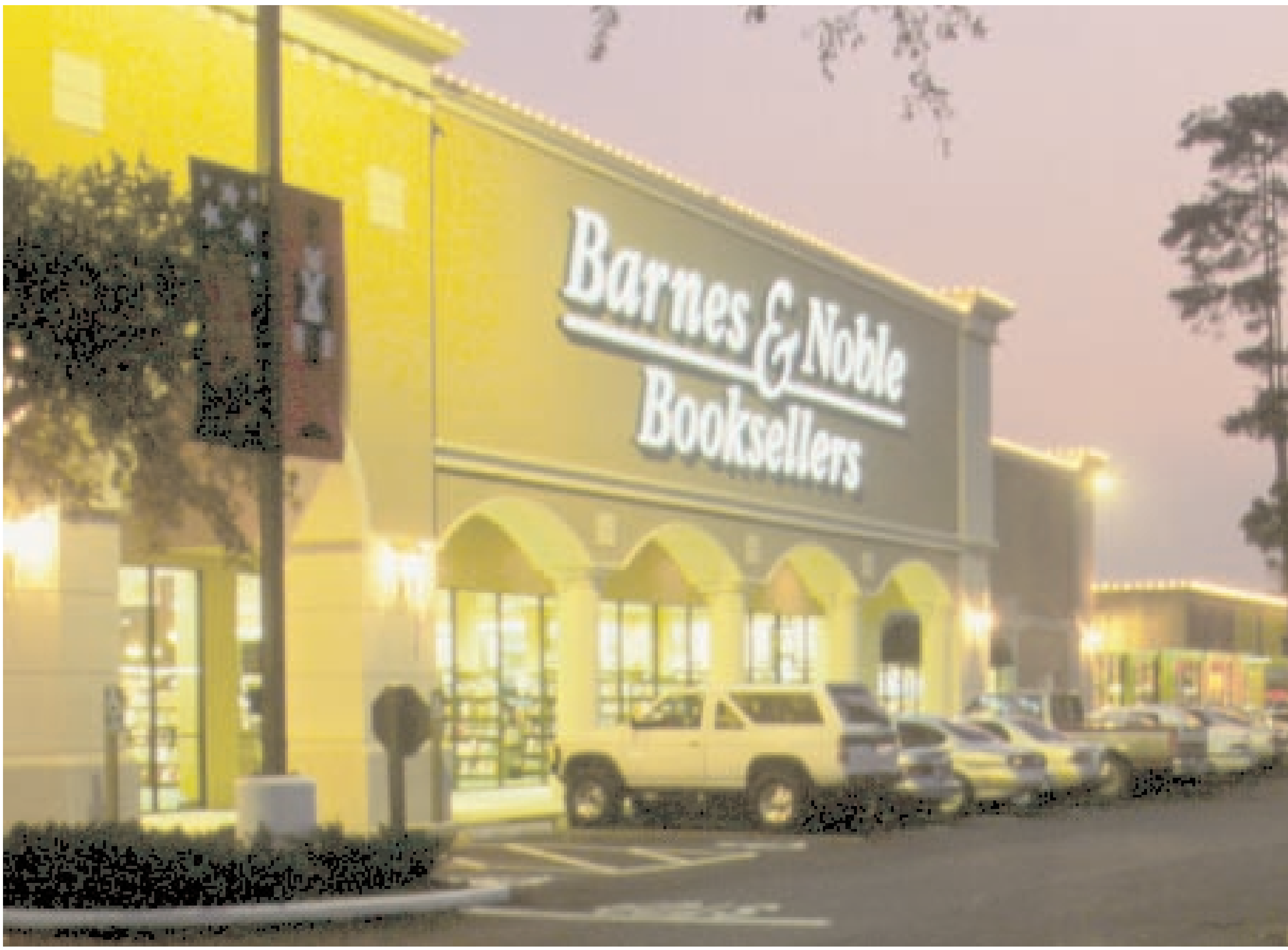
Net income increased 59.2% to $96.1 million from $60.4 million in 1998 due primarily to the sale of certain properties that resulted in a gain of $20.6 million

Rental revenues increased 15.7% to $225.2 million from $194.6 million in 1998

Rental rates on new leases and renewals increased 9.5% on a same-space basis

Perpetual preferred shares totaling $115 million with a coupon of 7.0% were issued

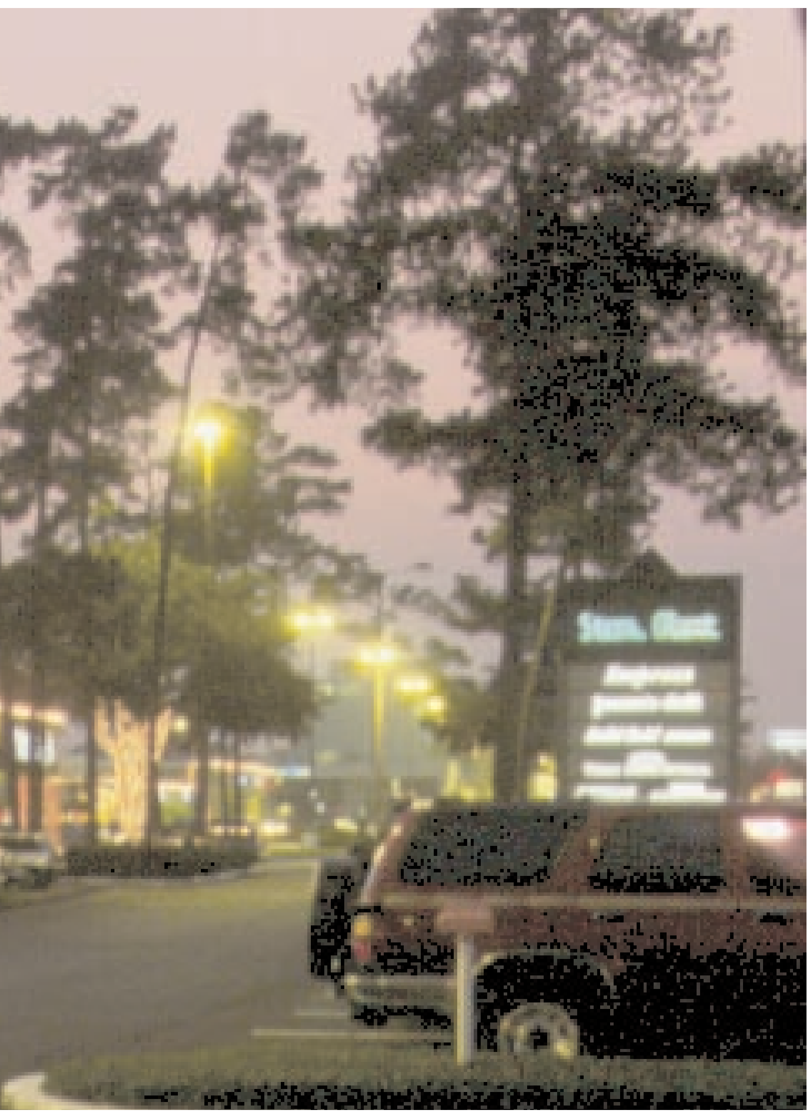
Total capital invested in acquisitions and new developments exceeded $193 million



Each year brings new challenges and opportunities for our industry and our company, and 1999 was no exception. Even though prices and competition for our product type remained strong, we nevertheless succeeded in closing a record number of acquisitions this year, primarily in markets that are strategically important to the company. Activity in the new development area has been steadily increasing and our expertise in this area will continue to pay significant dividends going forward. The performance of our portfolio continues to improve, as exemplified by increases in rental rates and operating income. We have remained focused on maintaining a strong balance sheet, which has benefited us greatly at a time when an overall depression in REIT share prices has caused many of our peers to experience shortages of capital. In general, our adherence to the disciplined business practices that have been the trademark of our company for many years has again proven to be the correct strategy for our company and its shareholders.

Champions Village Shopping Center

Houston, Texas



Acquisitions and New Development

Overall, it was another outstanding year for our acquisition program with purchases of five shopping centers and twelve industrial facilities. Additionally, we purchased a 98,000 square foot building adjacent to one of our existing shopping centers and our joint venture partner's interest in a New Mexico shopping center. Total acquisitions in 1999 represented an investment of over $150 million. As stated earlier, competition and prices for our product type remained high. Nevertheless, our comprehensive, detailed approach to underwriting all of our acquisitions ensures that each asset we purchase will produce the risk-adjusted returns necessary to generate an appropriate spread over our long-term cost of capital. Additionally, we remain focused on specific property types: the supermarket-anchored community shopping centers and industrial facilities located in markets where we can intensely manage our assets.

From a geographic perspective, we made great strides in continuing to build critical mass in cities where we already owned other properties. In Houston, we purchased the Champions Village Shopping Center. This 408,000 square foot shopping center is anchored by a Randall's Flagship supermarket, Barnes and Noble, Stein Mart and Walgreens and is located in one of the more affluent and densely-populated areas of the city. Also in Houston, we purchased the Claywood Industrial Park. This 330,000 square foot building was vacant when purchased. After completing certain capital improvements, we were able to lease the entire facility to one user. Included with the building purchase was 20 acres of undeveloped land on which we plan to develop additional facilities. We also added properties in St. Louis and Las Vegas, as well as Dallas, Austin and Amarillo, Texas, each a market where we will benefit from the additional holdings from a management perspective. Lastly, we made our initial entry into Florida, a market that we feel is strategically important to the company, with the purchase of a 316,000 square foot shopping center in the greater Ft. Lauderdale area, anchored by a Publix supermarket, Marshall's and Office Depot.

In the new development arena, our activity has materially increased. During the year, we brought on-line about 190,000 square feet of retail and industrial space in Houston, Dallas, St. Louis, Phoenix and Denver, all strategic markets for the company. We also completed construction on a 260-unit luxury apartment complex where we utilized previously undeveloped land we owned. This property is currently 97% leased.

During the year, we also began construction on several other new centers. Currently under development is a 134,000 square foot shopping center in Denver anchored by a 66,000 square foot King Soopers supermarket (a Kroger Company store). This center will be owned in a joint venture with our Denver-based development partner. We also began construction on 35,000 square feet of retail space adjacent to a 73,000 square foot corporately-owned Albertson's Supermarket in Lafayette, Louisiana, and a 216,000 square foot shopping center anchored by a 123,000 square foot corporately-owned Target in Phoenix. Additionally, the second of three buildings at an industrial facility in Houston is close to being completed and leased. These projects are expected to come on-line in the latter part of 2000. Our investment in these four projects and the completed projects described earlier will total approximately $77 million upon completion and will add over 900,000 square feet to the portfolio. We also have a number of other projects very close to being contractually committed; however, it would be difficult at this time to project which ones will actually proceed.

Discipline, entrepreneurial spirit, hands-on management, innovation, willingness to change;

Existing Portfolio

Achieving our goal of increasing funds from operations by 8% to 10% each year could not possibly be accomplished without the generation of incremental income from our existing portfolio. We achieve this by maximizing revenues and controlling property expenses with a "hands-on" management team. We maximize revenues by retaining retailers, renewing leases at higher rental rates and filling vacancies. The key to accomplishing these objectives is maintaining excellent relationships with retailers and offering a superior product, i.e. great merchants, an appealing shopping environment, strong customer traffic, and a willingness to make additional capital investments in our portfolio when the related returns make sense. We were very successful in 1999 in all of these areas. Rental rate increases on a same-space basis averaged 9.5% on the 4.8 million square feet of new leases or renewals that were completed during the year. Of particular importance was the number of large spaces that were filled during 1999. Of the 894 new leases or renewals completed during the year, there were 20 new leases of over 20,000 square feet. Merchants included in this group were Hastings Entertainment, Ross Dress for Less, Minyard Food Stores, Goodies Department Store, Kmart and Old Navy.

The occupancy of our portfolio was 91.3% at December 31, 1999. This decrease since the third quarter is primarily the result of the loss of certain large tenants in the latter part of the year. Among the larger losses were Builders Square, which occupied a 105,000 square foot space at our Moore Plaza Shopping Center in Corpus Christi, Texas, a 91,500 square foot Kmart in Houston, a

63,000 square foot Service Merchandise in Lake Charles, Louisiana and a 60,000 square foot Pay & Save in Lubbock, Texas. We are very positive about the opportunities which these vacancies present, as we are in negotiations with several quality retailers who would occupy these spaces at higher rents than those we were previously obtaining.

Another positive development in 1999 was the purchase of Randall's Food Markets, one of our largest retailers, by Safeway, Inc. We are extremely pleased with this transaction, as we now have a very strong regional operator with an even better credit profile. Even with this combination, our customer base remains highly diversified with the two largest companies in our portfolio, Kroger and Safeway, representing 3.9% and 3.7% of our revenues, respectively, and all others under 2%.

With respect to e-commerce, most industry observers believe that a "bricks and clicks" format, i.e. internet-based sales integrated with a physical storefront, will be the most effective, and, accordingly, store-based retail will always be an integral part of the total retail environment. We also continue to believe that the supermarket-anchored shopping center will be much less vulnerable than other product types due to the nature of merchandise—small-ticket, low-margin, necessity-type goods and services—sold at our centers. Just as important, we are actively working on internet applications that will help us lease and manage our properties and serve our retailers.

The Balance Sheet

As access to capital has become more limited in this capital-intensive industry, we look back upon our highly conservative approach to managing our balance sheet with great satisfaction. While many of our fine peers are literally shut out of the traditional capital markets, we continue to enjoy multiple options for financing our capital spending. In January, we completed a $115 million offering of 7.0% perpetual preferred shares. Similar to the $90 million we issued in October of 1998, these preferred shares are redeemable only upon the death of the holder, at which point we have

these attributes embody our core values and will drive our future success.

the option of redeeming them in either common shares or cash. We have now sold a total of $280 million of perpetual preferred shares since early 1998 at an average interest rate of 7.16%. In July of this year, we also issued $20 million of ten-year, 7.35% medium term notes.

At year-end, our exposure to floating-rate debt, net of floating-rate receivables and interest rate swaps, was only $49 million of our total debt of $594 million.

Subsequent to year-end, the company finalized a new $100 million revolving line of credit with a major bank. This one-year facility is renewable at our option for an additional two-year period. With the recent rise in interest rates and the threat of further increases in the near term, this facility provides the company with greater flexibility in timing the execution of its next capital market transaction. In addition to the $100 million line of credit, we currently have $80 million available under our $200 million syndicated revolver. We also filed a new $400 million shelf registration statement in August of 1999.

Galveston Place Center

Galveston, Texas

Also contributing to the availability of capital was our sale of certain industrial properties to a joint venture in which we retained 20% ownership, with the remainder being owned by American National Insurance Company. Additionally, American National purchased 131 acres of undeveloped land in Railwood Industrial Park from us and WRI Holdings, Inc., an affiliated company. These transactions provided the company with $21 million of cash and a six-month $33 million note receivable from American National. We retained the leasing and management of the developed properties, as well as the right to co-develop the land. Also, we contracted to lease and manage an additional 1.4 million square feet of Houston industrial properties owned by American National.

Additionally, we generated nearly $30 million of cash flow from operations after the payment of all common and preferred dividends that was available for reinvestment in the portfolio.

Outlook

It should come as no great surprise to anyone who has followed our company that our plans for 2000 are not unlike those of prior years. Our target is to increase funds from operations by 8% to 10% over the prior year by making accretive acquisitions, completing selective new developments and continuing to grow the cash flow from our existing portfolio of properties. Probably of greatest importance in this capital markets environment, we will continue to finance the company in a very conservative manner and carefully manage our balance sheet. Like many of our peers, we will examine other sources of capital including joint ventures and asset sales. Bottom line, we will continue to do the things that have worked for us over the years to increase cash flow and retain our fiscally conservative profile.

Our sincere thanks goes out to the many associates of the company who made this performance possible, to the Board of Trustees for their valuable counsel and support and to our valued shareholders, who continue to loyally support our company.

Stanford Alexander	Martin Debrovner	Andrew M. Alexander
Stanford Alexander,	Martin Debrovner,	Andrew M. Alexander,
Chairman/Chief Executive Officer	*Vice Chairman*	*President*

Renovation &
Remerchandising

Maximizing the value of our assets

Southgate Shopping Center
Lake Charles, Louisiana


Before


After

Telephone Road Center

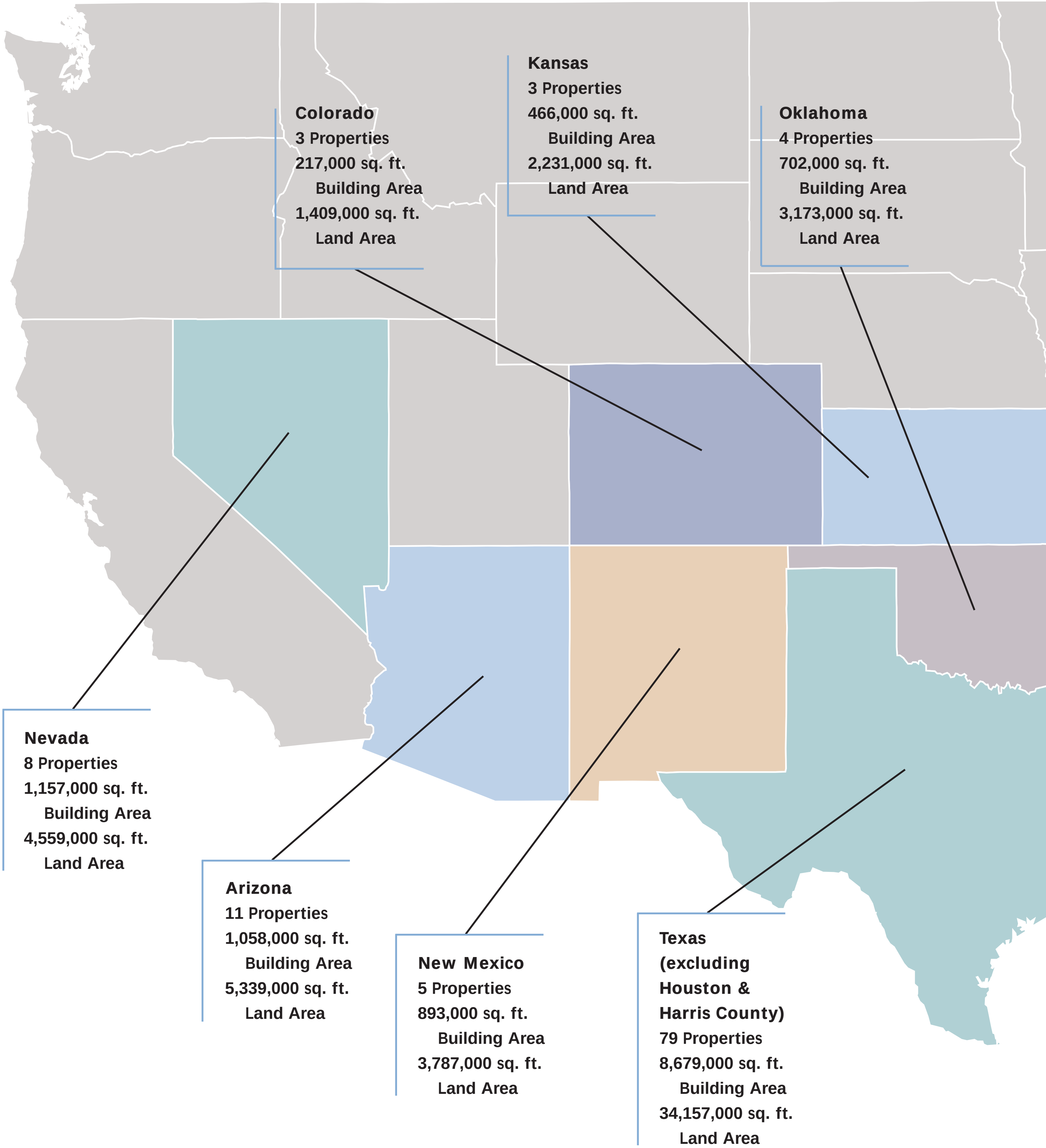
Houston, Texas

Renovation and Remerchandising in 1999

WRI is constantly renovating and remerchandising its shopping center portfolio. Renovations are generally associated with the replacement or expansion of anchor merchants and often include changing the fascia and tenant signage, installing intensified lighting and additional landscaping, and replacing or resurfacing the parking lot. We often increase the leasable area of the center by expanding existing structures or adding new, free-standing buildings. The projects completed during 1999 include:

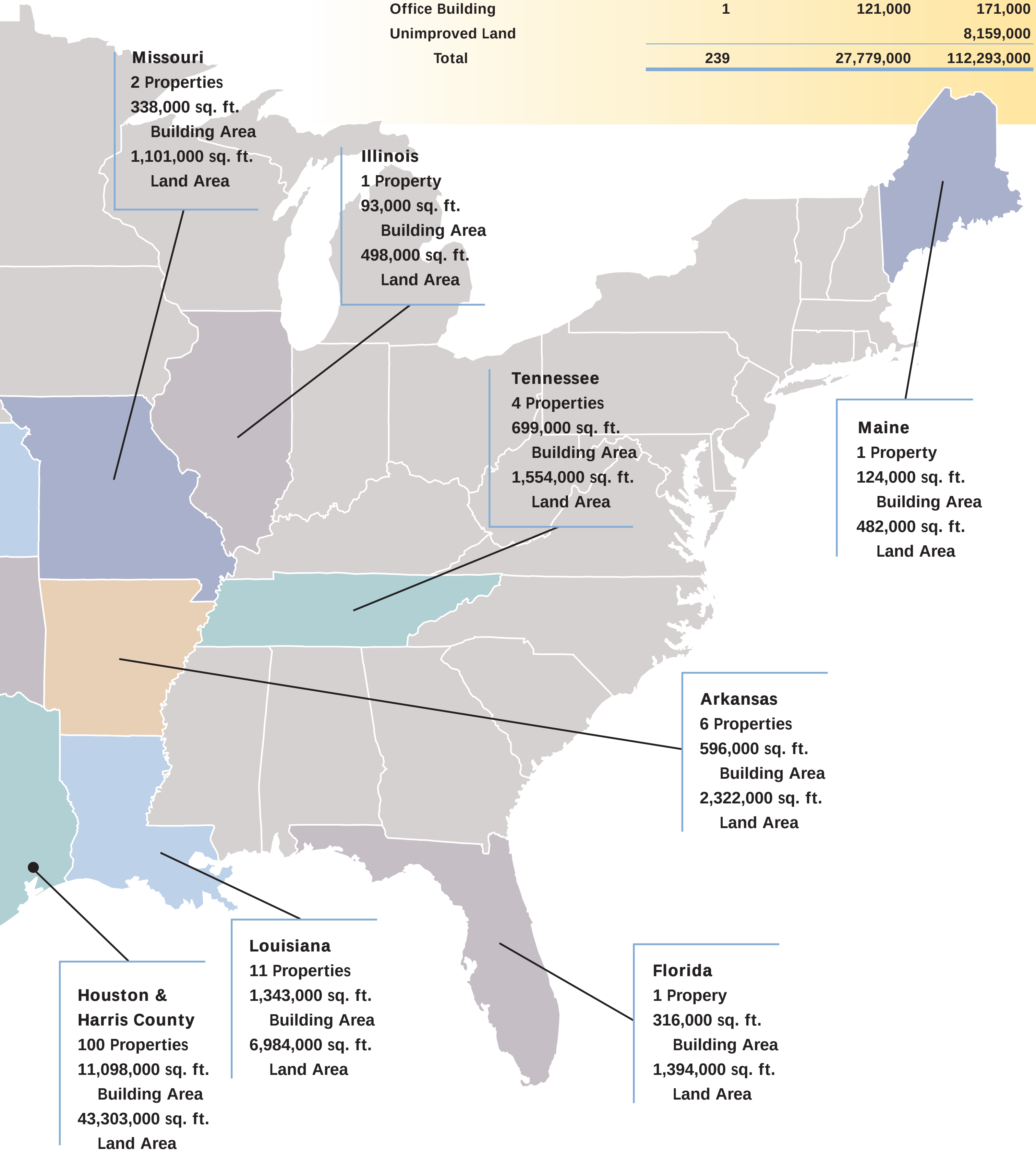
Southgate Shopping Center	Lake Charles, Louisiana
Galveston Place Center	Galveston, Texas
Telephone Road Center	Houston, Texas
River Oaks Shopping Center	Houston, Texas
Oak Forest Shopping Center	Houston, Texas
45 York Plaza	Houston, Texas
University Plaza	Flagstaff, Arizona
Southgate Shopping Center	Houston, Texas
Wyoming Mall	Albuquerque, New Mexico

Portfolio Overview



Portfolio by Classification

	Number of Improved Properties	Building Area (In Square Feet)	Land Area (In Square Feet)
Shopping Centers	187	21,150,000	87,114,000
Industrial	50	6,272,000	16,254,000
Multi-Family Residential	1	236,000	595,000
Office Building	1	121,000	171,000
Unimproved Land			8,159,000
Total	239	27,779,000	112,293,000



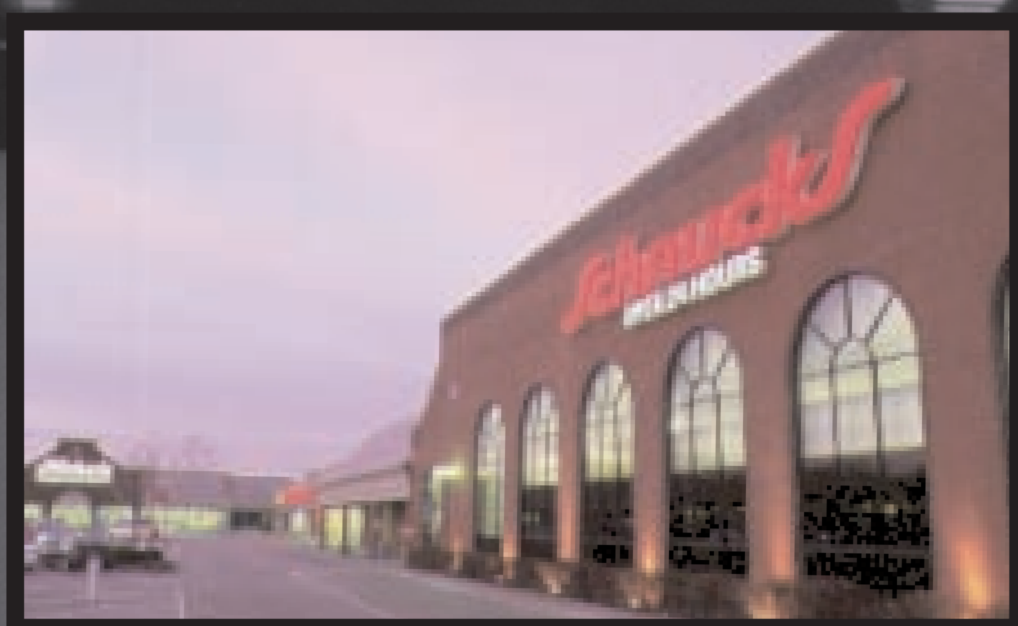
Capital Management

Maintaining a strong balance sheet

Ballwin Plaza

Ballwin, Missouri

A suburb of St. Louis



Capital Transactions in 1999

Completed a $115 million offering of 7.0% perpetual preferred shares bringing the total preferred shares issued since 1998 to $280 million.

Issued $20 million of ten-year, 7.35% medium term notes.

Filed a new $400 million shelf registration statement.

Received $21 million of cash and a $33 million six-month note receivable from the sale of certain industrial properties and unimproved land.

Generated nearly $30 million of cash flow from operations after the payment of all common and preferred dividends.

Finalized a new $100 million revolving credit agreement with a major bank subsequent to year-end.

Watauga Towne Center

Watauga, Texas

A suburb of Dallas

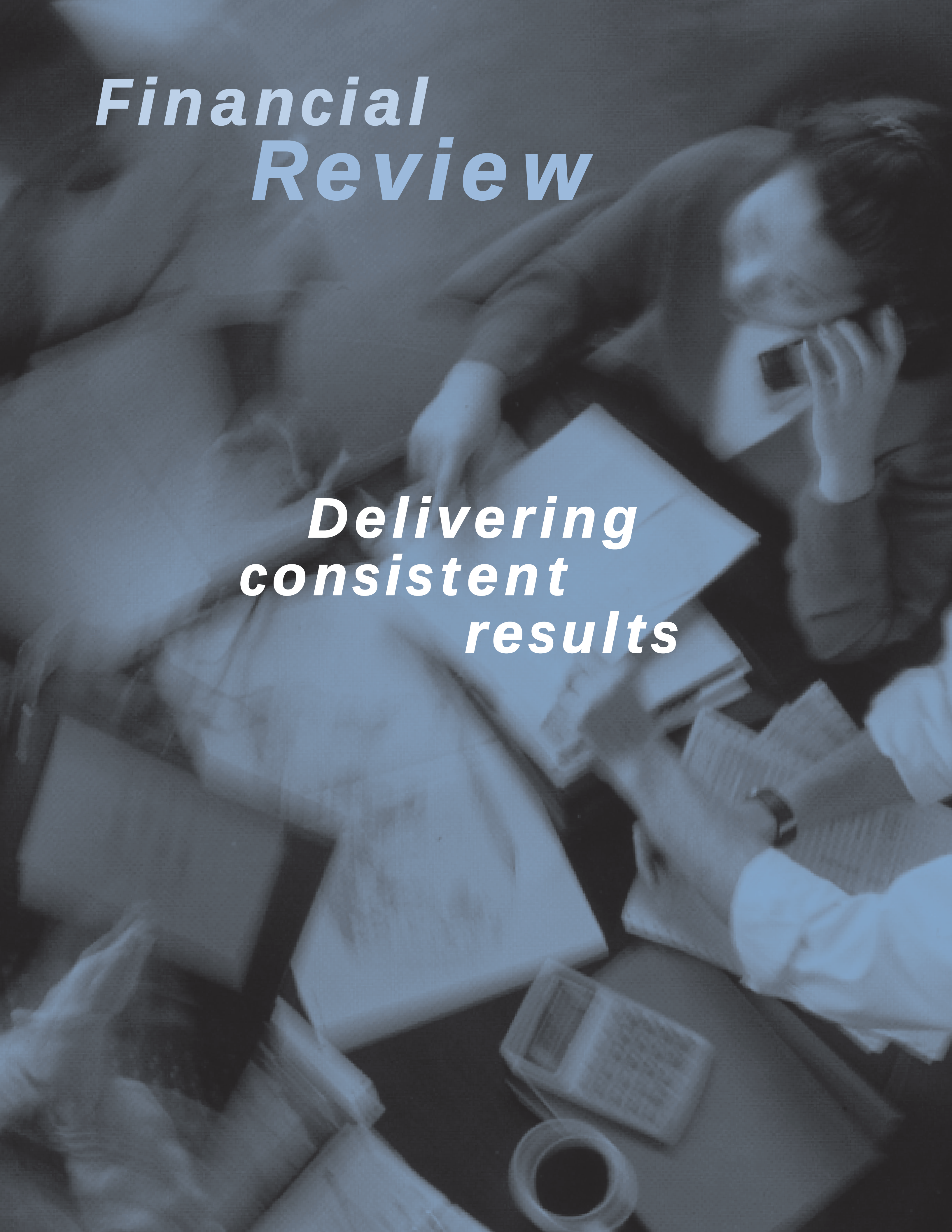
Railwood Industrial Park

Houston, Texas


Publix

Financial Review

Delivering consistent results



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.

Weingarten Realty Investors owned or operated under long-term leases 187 shopping centers, 50 industrial properties, one multi-family residential project and one office building at December 31, 1999. Of our 239 developed properties, 179 are located in Texas (including 100 in Houston and Harris County). Our remaining properties are located in Louisiana (11), Arizona (11), Nevada (8), Arkansas (6), New Mexico (5), Oklahoma (4), Tennessee (4), Kansas (3), Colorado (3), Missouri (2), Illinois (1), Florida (1) and Maine (1). WRI has nearly 4,200 leases and 3,300 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 contingent rentals for payment of taxes, insurance and maintenance 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 achieve growth. Cash flow from operating activities as reported in the Statements of Consolidated Cash Flows increased to $118.5 million for 1999 from $97.5 million for 1998 and $89.9 million for 1997.

Common and preferred dividends increased to $95.4 million in 1999, compared to $77.3 million in 1998 and $68.2 million in 1997. WRI satisfied its REIT requirement of distributing at least 95% of ordinary taxable income for each of the three years ended December 31, 1999, and, accordingly, federal income taxes were not required to be paid in these years. Our dividend payout ratio on common equity for 1999, 1998 and 1997 approximated 71.9%, 74.4% and 76.4%, respectively, based on funds from operations for the applicable year.

WRI invested $150.5 million in acquisitions in 1999, adding 2.8 million square feet to its portfolio of properties. Regarding the retail portfolio, we purchased three anchored shopping centers in Texas, a supermarket-anchored retail center in Florida and a building adjacent to one of our shopping centers in Houston, Texas. We also purchased our joint venture partner's 77% interest in a shopping center in Santa Fe, New Mexico and executed a lease on a retail center in Ballwin, Missouri, a suburb of St. Louis. These transactions increased our retail portfolio by 1.4 million square feet of building area and represent an investment of $107.3 million.

WRI currently owns a total of 50 industrial projects. During 1999, we purchased twelve properties, including seven facilities in the Dallas/Fort Worth metroplex and our first industrial project in Las Vegas, Nevada. We also acquired three buildings in Austin, Texas, and one facility in Houston, Texas.

These projects added 1.4 million square feet to the industrial portfolio and represent an investment of $43.2 million. In December 1999, we sold seven industrial properties totaling 2.0 million square feet to a joint venture in which we retained 20% ownership, with the remainder owned by American National Insurance Company. Additionally, American National purchased 131 acres of undeveloped land in our Railwood Industrial Park. WRI retained the right to co-develop this land with American National. WRI owned 28.5 acres of this land and WRI Holdings, Inc., an affiliated entity, owned 102.6 acres. The proceeds of $8.1 million received by WRI Holdings were remitted to WRI in payment of mortgage bonds and notes. Including the payment received from WRI Holdings, these transactions provided WRI with $21 million of cash and a six-month $33 million note receivable from American National. We have retained the leasing and management of the properties and also contracted to lease and manage an additional 1.4 million square feet of Houston industrial properties owned by American National.

With respect to new development, construction was completed on retail and industrial space totaling .2 million square feet. An additional .2 million square feet was added with the completion of a 260-unit luxury apartment complex within a multi-use master-planned project WRI developed in a suburb north of Houston. WRI currently has several other facilities under development, including seven retail centers, an industrial office/service center and three additional retail centers in joint ventures with our Denver-based development partner. The projects under construction or completed in 1999 represent an estimated investment by WRI of approximately $77 million and will add .9 million square feet to our portfolio.

Additionally, WRI has an ongoing program for maintaining and renovating its existing portfolio of properties. Capitalized expenditures for acquisitions, new development and additions to the existing portfolio were, in millions, $224.3, $176.5 and $152.6 during 1999, 1998 and 1997, respectively. All of the acquisitions and new development during 1999 were either initially financed under WRI's revolving credit facility, funded with excess cash balances or funded with excess cash flow from our existing portfolio of properties.

In January 1999, we issued $115 million of 7.0% Series C cumulative redeemable preferred shares with a liquidation preference of $50 per share and no stated maturity. We can elect to redeem these shares anytime after March 15, 2004. The Series C preferred shares are redeemable by the holder only upon their death and are also redeemable in either cash or common shares at WRI's option. There are limitations on the number of shares per shareholder and in the aggregate that may be redeemed per year. The proceeds of this offering were used to pay down all amounts outstanding under our revolving credit facilities and retire $82 million of variable-rate, unsecured medium term notes, resulting in an extraordinary loss of $.2 million. Any redemption of preferred shares initiated by WRI must be funded with proceeds from an offering of additional common or preferred shares.

In July 1999, WRI issued $20 million of ten-year 7.35% fixed-rate, unsecured medium term notes. Including the effect of a loss of $1.2 million on the sale of Treasury locks, which were designated as a hedge against future issuance of fixed-rate notes, the effective interest rate is 8.0%.

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.

WRI has a $200 million unsecured revolving credit facility which expires in November of 2000. WRI has an annual option to request a one-year extension of the commitment. Upon expiration, we have an option to convert amounts outstanding under the facility to a term loan payable over a two-year period. Additionally, WRI has an unsecured and uncommitted overnight credit facility totaling $20 million to be used for cash management purposes. WRI will maintain adequate funds available under the $200 million revolving credit facility at all times to cover the outstanding balance under the $20 million facility. WRI has three interest rate swap contracts with an aggregate notional amount of $40 million which fix interest rates on variable-rate debt at 8.1% and expire through 2004.

Subsequent to year-end, WRI finalized an additional $100 million revolving credit agreement with a major bank. This one-year facility became effective on March 1, 2000 and is renewable at our option for an additional two-year period. We also filed a new $400 million shelf registration statement in August of this year, all of which was available at year-end.

Total debt outstanding increased to $594.2 million at December 31, 1999 from $516.4 million at December 31, 1998, primarily to fund acquisitions and new development. WRI will continue to closely monitor both the debt and equity markets and carefully consider its available alternatives, including both public and private placements.

Market Risk

WRI uses fixed and floating-rate debt to finance its capital requirements. These transactions expose WRI to market risk related to changes in interest rates. Derivative financial instruments are used to manage a portion of this risk. We do not engage in the trading of derivative financial instruments in the normal course of business. During 1998, we entered into and settled three forward Treasury lock agreements with a total notional amount of $85 million as a hedge against potential changes in interest rates of prospective issuances of fixed-rate debt. Amounts paid or received upon settlement of these contracts are deferred and amortized as an adjustment to interest expense over the life of the fixed-rate debt. At December 31, 1999, WRI had fixed-rate debt of $499.9 million and variable-rate debt of $94.3 million, after adjusting for the effect of interest rate swaps. We also had variable-rate notes receivable totalling $44.8 million at year-end. In the event that interest rates were to increase 100 basis points, the fair value of fixed-rate debt would decrease by $21.8 million and net income, funds from operations and future cash flows would decrease $.5 million based upon the variable-rate debt and notes receivable outstanding at December 31, 1999.

Funds from Operations

Industry analysts generally consider funds from operations to be an appropriate measure of the performance of an equity REIT since such measure does not recognize depreciation and amortization of real estate assets as operating expenses. Management believes that reductions for these charges are not meaningful in evaluating income-producing real estate, which historically has not depreciated. The National Association of Real Estate Investment Trusts defines funds from operations as net income plus depreciation and amortization of real estate assets, less gains and losses on sales of properties. Funds from operations does not represent cash flows from operations as defined by generally accepted accounting principles and should not be considered as an alternative to net income as an indicator of WRI's operating performance or to cash flows as a measure of liquidity.

Funds from operations increased to $105.4 million in 1999, as compared to $96.6 million in 1998 and $89.2 million in 1997. These increases relate primarily to the impact of WRI's acquisitions, new developments and activity at its existing properties. For further information on changes between years, see "Results of Operations" below.

Results of Operations

Rental revenues increased 15.7%, or $30.6 million, from $194.6 million in 1998 to $225.2 million in 1999 and by 15.1%, or $25.6 million, from $169.0 million in 1997. Of these increases, property acquisitions and new development contributed $24.8 million in 1999 and $18.4 million in 1998. The remaining portion of these increases is due to activity at our existing properties. Occupancy of our shopping centers, industrial properties and total portfolio decreased to 91% at December 31, 1999 from 93% at the end of 1998. This is primarily the result of the loss of certain large tenants in the latter half of the year. Among the larger losses were Builders Square, which occupied a 105,000 square foot space in Corpus Christi, Texas, a 91,500 square foot Kmart in Houston, Texas, a 63,000 square foot Service Merchandise in Lake Charles, Louisiana and a 60,000 square foot Pay & Save in Lubbock, Texas. In 1999, we completed 894 renewals or new leases comprising 4.8 million square feet at an average rental rate increase of 9.5%. Net of the amortized portion of capital costs for tenant improvements, the increase averaged 5.9%. Occupancy of our total portfolio increased to 93% at December 31, 1998 from 92% at the end of 1997. In 1998, we completed 830 renewals or new leases comprising 3.4 million square feet at an average rental rate increase of 5.8%. Net of the amortized portion of capital costs for tenant improvements, the increase averaged 3.2%.

Interest income totaled $3.1 million in 1999, $2.1 million in 1998 and $2.5 million in 1997. The increase in income in 1999 is due to the funding of loans to our joint venture partners. The decrease from 1997 to 1998 was due to the sale of $12.2 million of marketable debt securities during the first quarter of 1998.

Equity in earnings of real estate joint ventures and partnerships totaled $.2 million in 1999, $.3 million in 1998 and $1.0 million in 1997. The decrease in 1999 and 1998 is due to the purchase at December 31, 1997 of our joint venture partner's 85% interest in four shopping centers and the purchase of our joint venture partner's 77% interest in a shopping center in July 1999.

Direct costs and expenses of operating our properties (i.e., operating and ad valorem tax expenses) increased to $64.4 million in 1999 from $54.8 million in 1998 and $49.2 million in 1997. 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 29% in 1999, 28% in 1998 and 29% in 1997. Depreciation and amortization have increased to $49.6 million in 1999 from $41.9 million in 1998 and $38.0 million in 1997, also as a result of the properties acquired and developed during these periods. General and administrative expense has increased to $7.5 million in 1999 from $7.1 million in 1998 and $5.6 million in 1997. The increase in 1998 results primarily from the adoption of a new Emerging Issues Task Force consensus decision which required that internal costs of identifying and acquiring operating property incurred subsequent to March 19, 1998 be expensed. WRI realized an increase in expense of $1.1 million in 1998 due to the adoption of this standard. The remainder of the increase in 1998 and the majority of the increase in 1999 are due to normal compensation increases as well as slight increases in staffing.

Gross interest costs, before capitalization of interest to development projects, increased from $35.0 million in 1998 to $35.9 million in 1999. This increase in interest cost was due mainly to an increase in the average debt outstanding from $492.2 million for 1998 to $501.6 million for 1999. The weighted-average interest rate increased from 7.11% in 1998 to 7.15% in 1999. Interest expense, net of amounts capitalized, decreased $.5 million from 1998. The amount of interest capitalized increased to $2.7 million in 1999 from $1.4 million in 1998 due to an increase in the amount of development activity during the year. Comparing 1998 to 1997, gross interest costs increased from $30.8 million in 1997 to $35.0 million in 1998. This was due to an increase in the average debt outstanding from $422.9 million in 1997 to $492.2 million in 1998. The weighted-average interest rate decreased between the two periods from 7.27% in 1997 to 7.11% in 1998. Interest expense, net of amounts capitalized, increased $3.6 million from 1997. The amount of interest capitalized increased by $.6 million in 1998 due to an increase in the amount of development activity during the year. Included in interest expense during 1997 was $.7 million related to repurchase agreements collateralized by our investment in marketable debt securities which were sold during the first quarter of 1998.

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 to American National Insurance Company.

Effects of Inflation

The rate of inflation was relatively unchanged in 1999. 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

In June 1998, Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" was issued. This statement requires that an entity recognize all derivatives as either assets or liabilities and measure the instruments at fair value. The accounting for changes in fair value of a derivative depends upon its intended use. WRI will adopt the provisions of this statement in the first quarter of fiscal year 2001. WRI is still evaluating the effects of adopting this statement, however, we do not expect the impact to be material to our operating results or our financial position.

In December 1999, the SEC Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements" was issued. This bulletin requires that revenue based on a percentage of tenants' sales be recognized only after the tenant exceeds their sales breakpoint. Implementation of this bulletin is expected to reduce revenue by $.6 million in 2000.

Year 2000

Based on a review of our mission critical and non-mission critical software and hardware, we concluded that our company's systems were Year 2000 compliant. No significant problems related to the Year 2000 were experienced or are expected in the future. Our major tenants, financial institutions and utility companies represented to us that they also were Year 2000 compliant. While we have not been affected by any Year 2000 issues experienced by these third parties, we have no guarantee that these third-party systems will continue to operate as represented.

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, 1999 and 1998, and the related statements of consolidated income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 1999. 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 generally accepted auditing standards. 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, 1999 and 1998, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 1999 in conformity with generally accepted accounting principles.

Deloitte & Touche LLP

Houston, Texas
February 22, 2000

Statements of Consolidated Income

In thousands, except per share amounts

Years Ended December 31,	1999	1998	1997
Revenues:			
Rentals	$ 225,244	$ 194,624	$ 169,041
Interest:			
Affiliates	2,403	1,578	1,434
Securities and Other	721	511	1,053
Equity in earnings of real estate joint ventures and partnerships	213	342	1,003
Other	1,888	1,412	1,981
Total	230,469	198,467	174,512
Expenses:			
Depreciation and amortization	49,612	41,946	37,976
Operating	36,112	30,413	27,131
Interest	33,186	33,654	30,009
Ad valorem taxes	28,323	24,436	22,110
General and administrative	7,512	7,146	5,647
Total	154,745	137,595	122,873
Income Before Gain on Sales of Property and Extraordinary Charge	75,724	60,872	51,639
Gain on Sales of Property	20,596	885	3,327
Income Before Extraordinary Charge	96,320	61,757	54,966
Extraordinary Charge (early retirement of debt)	(190)	(1,392)	
Net Income	$ 96,130	$ 60,365	$ 54,966
Net Income Available to Common Shareholders	$ 76,537	$ 54,484	$ 54,966
Net Income Per Common Share–Basic:			
Income Before Extraordinary Charge	$ 2.88	$ 2.09	$ 2.06
Extraordinary Charge	(.01)	(.05)	
Net Income	$ 2.87	$ 2.04	$ 2.06
Net Income Per Common Share–Diluted:			
Income Before Extraordinary Charge	$ 2.86	$ 2.08	$ 2.05
Extraordinary Charge	(.01)	(.05)	
Net Income	$ 2.85	$ 2.03	$ 2.05

See Notes to Consolidated Financial Statements.

Consolidated Balance Sheets

In thousands, except per share amounts

December 31,	1999	1998
Assets		
Property	$1,514,139	$1,294,632
Accumulated Depreciation	(328,645)	(296,989)
Property—net	1,185,494	997,643
Investment in Real Estate Joint Ventures and Partnerships	2,006	2,741
Total	1,187,500	1,000,384
Mortgage Bonds and Notes Receivable from:		
Real Estate Joint Ventures and Partnerships	52,824	23,388
Affiliate (net of deferred gain of $3,050 in 1999 and $4,487 in 1998)	3,907	13,444
Marketable Debt Securities		14,951
Unamortized Debt and Lease Costs	29,986	25,612
Accrued Rent and Accounts Receivable (net of allowance for doubtful accounts of $908 in 1999 and $888 in 1998)	16,874	15,197
Cash and Cash Equivalents	5,842	1,672
Other	12,463	12,395
Total	$1,309,396	$1,107,043
Liabilities and Shareholders' Equity		
Debt	$ 594,185	$ 516,366
Accounts Payable and Accrued Expenses	57,518	49,269
Other	11,791	8,229
Total	663,494	573,864
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 outstanding; liquidation preference $25 per share	108	108
7.0% Series C cumulative redeemable preferred shares of beneficial interest; 2,300 shares issued and 2,297 shares outstanding; liquidation preference $50 per share	69	
Common Shares of Beneficial Interest—par value, $.03 per share; shares authorized: 150,000; shares issued and outstanding: 26,695 in 1999 and 26,673 in 1998	801	800
Capital Surplus	753,030	641,180
Accumulated Dividends in Excess of Net Income	(108,193)	(108,926)
Deferred Compensation Obligation	(3)	(73)
Shareholders' Equity	645,902	533,179
Total	$1,309,396	$1,107,043

See Notes to Consolidated Financial Statements.

Statements of Consolidated Cash Flows

In thousands

Years Ended December 31,	1999	1998	1997
Cash Flows from Operating Activities:			
Net income	$ 96,130	$ 60,365	$ 54,966
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	49,612	41,946	37,976
Equity in earnings of real estate joint ventures and partnerships	(213)	(342)	(1,003)
Gain on sales of property	(20,596)	(885)	(3,327)
Extraordinary charge (early retirement of debt)	190	1,392	
Changes in accrued rent and accounts receivable	(1,532)	(621)	(2,462)
Changes in other assets	(12,616)	(12,662)	(6,105)
Changes in accounts payable and accrued expenses	6,924	7,614	9,113
Other, net	577	657	744
Net cash provided by operating activities	118,476	97,464	89,902
Cash Flows from Investing Activities:			
Investment in properties	(198,741)	(172,470)	(136,632)
Mortgage bonds and notes receivable:			
Advances	(8,187)	(12,598)	(1,501)
Collections	9,719	3,745	2,090
Proceeds from sales and disposition of property	15,010	1,109	11,741
Purchase of marketable debt securities		(14,951)	
Proceeds from sales of marketable debt securities	15,000	12,229	
Real estate joint ventures and partnerships:			
Investments	(1,643)	(453)	(59)
Distributions	216	345	808
Other, net	(4)	241	2,517
Net cash used in investing activities	(168,630)	(182,803)	(121,036)
Cash Flows from Financing Activities:			
Proceeds from issuance of:			
Debt	124,100	136,575	104,526
Common shares of beneficial interest	546	301	1,325
Preferred shares of beneficial interest	111,263	159,552	
Principal payments of debt	(85,532)	(134,443)	(3,644)
Common and preferred dividends paid	(95,397)	(77,347)	(68,200)
Other, net	(656)	(381)	(288)
Net cash provided by financing activities	54,324	84,257	33,719
Net increase (decrease) in cash and cash equivalents	4,170	(1,082)	2,585
Cash and cash equivalents at January 1	1,672	2,754	169
Cash and cash equivalents at December 31	$ 5,842	$ 1,672	$ 2,754

See Notes to Consolidated Financial Statements.

Statements of Consolidated Shareholders' Equity

In thousands

Years Ended December 31, 1999, 1998 and 1997	Preferred Shares of Beneficial Interest	Common Shares of Beneficial Interest	Capital Surplus	Accumulated Dividends in Excess of Net Income	Deferred Compensation Obligation
Balance, January 1, 1997		$797	$478,911	$ (78,710)	
Net income				54,966	
Shares exchanged for property		1	275		
Shares issued under benefit plans		2	1,733		
Dividends declared—common shares				(68,200)	
Other			211		
Balance, December 31, 1997		800	481,130	(91,944)	
Net income				60,365	
Issuance of Series A preferred shares	$ 90		72,422		
Issuance of Series B preferred shares	108		86,932		
Shares issued under benefit plans			696		
Dividends declared—common shares				(71,466)	
Dividends declared—preferred shares				(5,881)	
Adjustment for cumulative effect of adopting accounting for deferred compensation plan:					
Common shares held in plan					$(3,531)
Deferred compensation obligation					3,458
Balance, December 31, 1998	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)

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 74% of WRI's properties are located in Texas, with the remainder located primarily throughout the southwestern part of the United States. WRI's major tenants include supermarkets, drugstores and other retailers 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, its subsidiaries and its interest in joint ventures and partnerships over which WRI exercises control. All significant intercompany balances and transactions have been eliminated. Investments in less than 50%-owned joint ventures and partnerships where WRI does not exercise control are accounted for using the equity method.

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 is estimated and accrued ratably over the year. Beginning January 1, 2000, such revenue will be recognized only after the tenant exceeds their sales breakpoint, in accordance with the SEC Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements." Implementation of this bulletin is expected to reduce revenue by $.6 million in 2000.

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 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.

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.

WRI had also capitalized the direct internal costs of identifying and acquiring operating property. In March 1998, the Emerging Issues Task Force of the Financial Accounting Standards Board reached a consensus decision on Issue No. 97-11, "Accounting for Internal Costs Relating to Real Estate Property Acquisitions." This consensus requires that internal costs of identifying and acquiring operating property incurred subsequent to March 19, 1998 be expensed. Such amounts capitalized totaled $.2 million and $1.1 million in 1998 and 1997, respectively.

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.

Marketable Debt Securities

WRI's investment in marketable securities is classified as "available for sale." The securities are carried at market with any unrealized gains or losses included as a component of shareholders' equity.

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):

	1999	1998	1997
Numerator:			
Net income available to common shareholders–basic	$ 76,537	$ 54,484	$ 54,966
Income attributable to operating partnership units	141	37	
Net income available to common shareholders–diluted	$ 76,678	$ 54,521	$ 54,966
Denominator:			
Weighted average shares outstanding–basic	26,690	26,667	26,638
Effect of dilutive securities:			
Share options and awards	58	132	132
Operating partnership units	142	70	1
Weighted average shares outstanding–diluted	26,890	26,869	26,771

Options to purchase 550,200, 13,200 and 800 common shares in 1999, 1998 and 1997, 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 1997 valued at $.2 million in connection with purchases of property. We assumed debt and/or capital lease obligations totaling $39.1 million, $6.7 million and $17.3 million in connection with purchases of property during 1999, 1998 and 1997, respectively. We issued limited partnership interests in exchange for property valued at $4.0 million and $1.7 million in 1998 and 1997, respectively. In connection with the sale of improved properties in 1999, we received notes receivable totaling $33.1 million.

Comprehensive Income

WRI adopted Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" in 1998. Net income differs from comprehensive income by less than $50,000 in each year presented.

Reclassifications

Certain reclassifications of prior years' amounts have been made to conform with the current year presentation, including the classification of "accumulated dividends in excess of net income" as a separate caption on the Consolidated Balance Sheets.

Note 2. Debt

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

December 31,	1999	1998
Fixed-rate debt payable to 2015 at 6.0% to 10.5%	$ 423,906	$ 404,061
Variable-rate unsecured notes payable		82,000
Unsecured notes payable under revolving credit agreements	114,000	10,250
Obligations under capital leases	48,467	12,467
Industrial revenue bonds payable to 2015 at 5.6% to 6.4%	6,141	6,262
Other	1,671	1,326
Total	$ 594,185	$ 516,366

WRI has an unsecured $200 million revolving credit agreement with a syndicate of banks. The agreement expires in November 2000, but WRI has an annual option to request a one-year extension of the agreement. All members of the bank syndicate must agree to the requested extension or the agreement expires on the scheduled date, at which time WRI has the option to convert all amounts outstanding under the credit agreement to a term loan payable over a two-year period. 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. We will maintain adequate funds available under our revolving credit facilities at all times to cover the outstanding balance under the $20 million facility. WRI also has letters of credit totaling $16.0 million outstanding under the $200 million revolving credit facility at December 31, 1999. The revolving credit agreements are subject to normal banking terms and conditions and do not adversely restrict our operations or liquidity. Subsequent to year-end, we finalized an additional $100 million revolving credit agreement with a bank which became effective March 1, 2000. This one-year facility is renewable at our option for an additional two-year period.

At December 31, 1999, the variable interest rate for notes payable under the $20 million revolving credit agreement was 5.3%. During 1999, the maximum balance and weighted average balance outstanding under both credit facilities were $114.0 million and $53.2 million, respectively, at an average interest rate of 6.0%. WRI made cash payments for interest on debt, net of amounts capitalized, of $32.3 million in 1999, $32.6 million in 1998 and $27.4 million in 1997.

Various leases and properties and current and future rentals from those leases and properties collateralize certain debt. At December 31, 1999 and 1998, the carrying value of such property aggregated $174 million and $177 million, respectively.

WRI has three interest rate swap contracts with an aggregate notional amount of $40 million. Such contracts, which expire through 2004, have been outstanding since their purchase in 1992. We intend to hold such contracts through their expiration date and to use them as a means of managing interest rate risk by fixing the interest rate on a portion of our variable-rate debt. The interest rate swaps have an effective interest rate of 8.1%. The difference between the interest received and paid on the interest rate swaps is recognized as interest expense as incurred. The interest rate swaps increased interest expense and decreased net income by $1.0 million in 1999 and $.9 million in both 1998 and 1997. The interest rate swaps increased the average interest rate for our debt by .2% for 1999, 1998 and 1997. WRI could be exposed to credit losses in the event of non-performance by the counterparty; however, the likelihood of such non-performance is remote.

In February 1999, WRI retired $82 million of variable-rate, unsecured medium term notes resulting in an extraordinary charge to earnings of $.2 million. In July 1999, we issued $20 million of ten-year 7.35% fixed-rate, unsecured medium term notes. Including the effect of a loss of $1.2 million on the sale of Treasury locks which were designated as a hedge against future issuance of fixed-rate notes, the effective interest rate is 8.0%.

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

December 31,	1999	1998
As to interest rate (including the effects of interest rate swaps):		
Fixed-rate debt	$ 499,919	$ 444,060
Variable-rate debt	94,266	72,306
Total	$ 594,185	$ 516,366
As to collateralization:		
Unsecured debt	$ 482,671	$ 440,433
Secured debt	111,514	75,933
Total	$ 594,185	$ 516,366

Scheduled principal payments on our debt (excluding $114.0 million potentially due under our revolving credit agreements and $36 million of capital leases) are due during the following years (in thousands):

2000	$ 32,480
2001	30,152
2002	33,636
2003	27,709
2004	51,921
2005 through 2009	237,769
2010 through 2014	29,345
Thereafter	936

In the event our $200 million revolving credit agreement expires in November 2000 and we elect to convert amounts outstanding under the revolver at that time to a term loan, such amounts would be payable as follows; 50% in 2001 and 50% in 2002.

Various debt agreements contain restrictive covenants, the most restrictive of which requires WRI to produce annual consolidated distributable cash flow, as defined by the agreements, of not less than 250% of interest payments, to limit total debt to no more than 60% of total assets (as defined) and to maintain uncollateralized assets equal to at least 150% of unsecured debt. Management believes that WRI is in compliance with all restrictive covenants.

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 shelf registration was totally available at December 31, 1999.

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.

Note 3. 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.

The proceeds of these offerings were used to pay down amounts outstanding under WRI's revolving credit facilities, to fund acquisition and new development activity, to retire $35 million of 9.11% secured notes payable and to retire $82 million of variable-rate, medium term notes due in 2000. Any redemption of preferred shares initiated by WRI must be funded with proceeds from an offering of additional common or preferred shares.

Note 4. Property

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

December 31,	1999	1998
Land	$ 279,871	$ 236,221
Land held for development	24,509	30,156
Land under development	12,139	13,024
Buildings and improvements	1,189,687	1,009,166
Construction in-progress	7,933	6,065
Total	$1,514,139	$1,294,632

The following carrying charges were capitalized (in thousands):

December 31,	1999	1998	1997
Interest	$ 2,722	$ 1,375	$ 812
Ad valorem taxes	333	50	33
Total	$ 3,055	$ 1,425	$ 845

During 1999, WRI purchased five shopping centers and twelve industrial facilities. Additionally, we purchased a building adjacent to a WRI-owned shopping center and purchased our joint venture partner's 77% interest in a shopping center. These transactions added 2.8 million square feet to our portfolio and represent an investment of $150.5 million. We also completed new development totaling $35.4 million, which added .4 million square feet to the portfolio.

In December 1999, WRI sold 28.5 acres of undeveloped land and an 80% interest in 2.0 million square feet of industrial properties for $46.4 million, resulting in a gain of $20.6 million.

Note 5. Marketable Debt Securities

WRI's investment in marketable debt securities at December 31, 1998 consisted of short-term commercial paper that matured January 4, 1999. The proceeds were used to pay down amounts outstanding under our $20 million credit facility.

Note 6. Related Party Transactions

WRI has mortgage bonds and notes receivable from WRI Holdings, Inc. of $3.9 million and $13.4 million, net of deferred gain of $3.0 million and $4.5 million at December 31, 1999 and 1998, respectively. WRI and WRI Holdings share certain directors and are under common management. Unimproved land and an investment in a joint venture which owns and manages 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 1999 and does not anticipate receiving such payments in the near term. Interest income recognized for financial reporting purposes was $.1 million in 1997.

In the second quarter of 1998, WRI purchased 13.7 acres of undeveloped land from WRI Holdings to be used for the development of a luxury apartment complex in Conroe, Texas. The purchase price was $2.2 million and was based upon an independent third party appraisal. WRI Holdings used the proceeds to pay down amounts outstanding under mortgage bonds and notes payable to WRI.

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.

Management of WRI believes that the fair market value of the security collateralizing debt from WRI Holdings approximates the net investment in such debt and that there would not be a charge to operations if WRI were to foreclose on the debt. If foreclosure were required, the net investment in such debt would become WRI's basis of the repossessed assets. WRI's management believes that the net investment in the mortgage bonds and notes receivable from WRI Holdings is not impaired.

WRI's unrecorded receivable for interest on the mortgage bonds and notes receivable was $20.9 million and $31.1 million at December 31, 1999 and 1998, respectively. Interest income not recognized by WRI for financial reporting purposes aggregated, in millions, $4.2, $4.8 and $4.0 for 1999, 1998 and 1997, 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 8% to 10.5% at December 31, 1999, 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: $2.3 in 1999; $1.5 in 1998 and $1.4 in 1997.

Chase Bank of Texas, National Association is a significant participant in and the agent for the banks that provide WRI's $200 million revolving credit agreement and is a counterparty in three interest rate swap agreements with WRI. An executive officer of Chase serves on the WRI Board of Trustees.

Note 7. 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 95% 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, pension expense and installment gains on sales of property. As a result of these differences, the book value of our net assets exceeds the tax basis by $23.3 million at December 31, 1999.

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

	1999	1998	1997
Ordinary income	84.2 %	97.0 %	95.9 %
Return of capital (generally non-taxable)	4.0	2.1	2.9
Capital gain distributions	11.8	.9	1.2
Total	100.0 %	100.0 %	100.0 %

Note 8. 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, 1999, in millions, is: $172.4 in 2000; $151.5 in 2001; $127.6 in 2002; $107.9 in 2003; $90.5 in 2004 and $627.5 thereafter. The future minimum rental amounts do not include estimates for contingent rentals. Such contingent rentals, in millions, aggregated $44.4 in 1999, $40.9 in 1998, and $36.8 in 1997.

Note 9. Commitments and Contingencies

WRI leases land and one shopping center from the owners and then subleases these properties to other parties. Future minimum rental payments under these operating leases, in millions, are: $1.8 in 2000; $1.7 in 2001; $1.7 in 2002; $1.6 in 2003; $1.4 in 2004 and $11.7 thereafter. Future minimum rental payments on these leases have not been reduced by future minimum sublease rentals aggregating $22.1 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: $4.9 in 1999, $2.6 in 1998 and $2.0 in 1997. Sublease rental revenue (excluding amounts for improvements constructed by WRI on the leased land) from these leased properties was as follows, in millions: $2.9 in 1999 and 1998 and $2.4 in 1997.

Property under capital leases, consisting of five shopping centers, aggregated $41.1 and $12.3 million, respectively, at December 31, 1999 and 1998 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 $89.6 million, with annual payments due, in millions, of $3.2 in each of 2000 through 2002; $18.3 in 2003; $1.9 in 2004; and $59.8 thereafter. The amount of these total payments representing interest is $41.1 million. Accordingly, the present value of the net minimum lease payments is $48.5 million at December 31, 1999.

In 1998 and 1997, WRI formed limited partnerships to acquire certain property. WRI controls 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 after the second anniversary of the agreement for the original consideration of $4.0 million and $1.7 million in 1998 and 1997, respectively, payable in cash or WRI common shares at the option of WRI. Subsequent to year-end, one limited partner put its interest in a partnership to WRI. We expect to issue common shares or remit cash to the limited partner in early 2000.

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 10. 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, 1999. 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 $499.9 million and $444.1 million have fair values of approximately $485.6 million and $443.9 million at December 31, 1999 and 1998, respectively. The fair value of WRI's variable-rate debt approximates its carrying values of $94.3 million and $72.3 million at year-end 1999 and 1998, respectively.

The fair value of the interest rate swap agreements is based on the estimated amounts WRI would receive or pay to terminate the contracts. If WRI had terminated these agreements at December 31, 1999 and 1998, WRI would have paid $1.1 million and $3.8 million at each year-end, respectively.

The fair value of the mortgage bonds and notes receivable from WRI Holdings was not determined because it is not practicable to reasonably assess the credit adjustment that would be applied in the marketplace for such bonds and notes receivable.

Note 11. 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 1999, WRI granted 16,000 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. The restricted shares generally vest over a ten-year period, with potential acceleration of vesting due to appreciation in the market value of our common shares. The share options generally vest over a three-year period beginning one year after the date of grant. 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: $.3 in 1999, 1998 and 1997.

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: $75.9, $53.8 and $54.3 in 1999, 1998 and 1997, respectively. Proforma net income per common share - basic would have been $2.84, $2.02 and $2.04 in 1999, 1998 and 1997, 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 1999, 1998 and 1997, respectively: dividend yield of 7.3%, 6.5% and 6.0%; expected volatility of 18.1%, 18.1% and 18.0%; expected lives of 6.9, 6.9 and 6.9 and risk-free interest rates of 6.6%, 4.8% and 6.5%.

Following is a summary of the option activity for the three years ended December 31, 1999:

	Shares Under Option	Weighted Average Exercise Price
Outstanding, January 1, 1997	687,735	$ 35.40
Granted	558,600	40.25
Canceled	(9,400)	37.60
Exercised	(61,910)	32.00
Outstanding, December 31, 1997	1,175,025	37.85
Granted	14,900	42.99
Canceled	(7,802)	40.14
Exercised	(29,344)	34.01
Outstanding, December 31, 1998	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

The number of share options exercisable at December 31, 1999, 1998 and 1997 was 728,000, 432,000 and 296,000, respectively. Options exercisable at year-end 1999 had a weighted average exercise price of $37.74. The weighted average fair value of share options granted during 1999, 1998 and 1997 was $4.25, $4.05 and $5.35, respectively. Share options outstanding at December 31, 1999 had exercise prices ranging from $25.00 to $45.81 and a weighted average remaining contractual life of 5.7 years. Approximately 89% of the options outstanding at year-end 1999 have exercise prices between $37.00 and $40.25 and a weighted average contractual life of 6.0 years. There were 1,011,000 common shares available for the future grant of options or awards at December 31, 1999.

Note 12. Employee Benefit Plans

WRI has a Savings and Investment Plan to which eligible employees may elect to contribute from 1% to 12% of their salaries. 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 $.3 million in 1999 and 1998 and $.2 million in 1997.

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. During 1999, a total of 8,028 shares were purchased by employees at an average price of $33.01.

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. Reconciliations of the benefit obligation, plan assets at fair value and the funded status of the plan are as follows (in thousands):

	1999	1998
Benefit obligation at beginning of year	$ 10,485	$ 9,318
Service cost	533	457
Interest cost	729	663
Actuarial (gain) loss	(841)	245
Benefit payments	(203)	(198)
Benefit obligation at end of year	$ 10,703	$ 10,485
Fair value of plan assets at beginning of year	$ 10,676	$ 10,348
Actual return on plan assets	1,584	526
Benefit payments	(203)	(198)
Fair value of plan assets at end of year	$ 12,057	$ 10,676
Plan assets at fair value less benefit obligation	$ 1,354	$ 191
Unrecognized prior service cost		8
Unrecognized gain	(3,096)	(1,681)
Pension liability	$ (1,742)	$ (1,482)

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

	1999	1998	1997
Service cost	$ 533	$ 457	$ 430
Interest cost	729	663	587
Expected return on plan assets	(950)	(923)	(703)
Amortization of transition asset			(54)
Prior service cost	8	47	47
Recognized gains	(59)	(124)	(44)
Total	$ 261	$ 120	$ 263

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

	1999	1998	1997
Weighted average discount rate	7.5%	6.7%	7.0%
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%

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: $.3 in 1999, 1998 and 1997.

Note 13. 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, Louisiana, Arizona, Nevada, Arkansas, New Mexico, Oklahoma, Tennessee, Kansas, Colorado, Missouri, Illinois, Florida and Maine. The customer base includes supermarkets, 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 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
1999:				
Revenues	$ 197,084	$ 28,331	$ 5,054	$ 230,469
Net operating income	140,191	20,127	5,716	166,034
Total assets	1,025,090	173,502	110,804	1,309,396
Capital expenditures	189,445	56,461	12,777	258,683
1998:				
Revenues	$ 176,269	$ 18,574	$ 3,624	$ 198,467
Net operating income	125,949	13,342	4,327	143,618
Total assets	898,805	133,379	74,859	1,107,043
Capital expenditures	118,746	54,790	6,051	179,587
1997:				
Revenues	$ 154,979	$ 14,912	$ 4,621	$ 174,512
Net operating income	109,776	10,855	4,640	125,271
Total assets	816,852	88,091	41,850	946,793
Capital expenditures	138,365	16,908	2,985	158,258

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

	1999	1998	1997
Total segment net operating income	$ 166,034	$ 143,618	$ 125,271
Less:			
Depreciation and amortization	49,612	41,946	37,976
Interest	33,186	33,654	30,009
General and administrative	7,512	7,146	5,647
Gain on sales of property	(20,596)	(885)	(3,327)
Income before extraordinary charge	$ 96,320	$ 61,757	$ 54,966

Equity in earnings of real estate joint ventures and partnerships as shown on the Statements of Consolidated Income and the corresponding investment balances are included in net operating income of the shopping center segment.

Note 14. Pro Forma Financial Information (Unaudited)

During the year ended December 31, 1999, WRI acquired five retail centers, a building adjacent to a WRI-owned shopping center, a joint venture partner's 77% interest in a retail center and twelve industrial projects for a total of $150.5 million. The pro forma financial information for the years ended December 31, 1999 and 1998 is based on the historical statements of WRI after giving effect to the acquisitions as if such acquisitions took place on January 1, 1999 and 1998, 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,	1999	1998
Pro forma revenues	$ 241,091	$ 219,827
Pro forma net income available to common shareholders	$ 78,544	$ 57,977
Pro forma net income per common share–basic	$ 2.94	$ 2.17
Pro forma net income per common share–diluted	$ 2.93	$ 2.16

Note 15. Quarterly Financial Data (Unaudited)

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

	First	Second	Third	Fourth
1999:				
Revenues	$54,764	$56,312	$58,387	$61,006
Net income available to common shareholders	13,524	14,174	14,562	34,277 (1)
Net income per common share–basic	0.51	0.53	0.55	1.28 (1)
Net income per common share–diluted	0.50	0.53	0.54	1.28 (1)
1998:				
Revenue	$46,962	$48,808	$49,955	$52,742
Net income available to common shareholders	12,329	13,682	14,304	14,169
Net income per common share–basic	0.46	0.51	0.54	0.53
Net income per common share–diluted	0.46	0.51	0.53	0.53

(1) *Increase is primarily the result of a gain on the sale of property during the quarter.*

Note 16. Price Range of Common Shares (Unaudited)

The high and low sale prices per share of WRI's common shares, as reported on the New York Stock Exchange composite tape, and dividends per common share paid for the fiscal quarters indicated were as follows:

	High	Low	Dividends
1999:			
Fourth	$39 3/8	$37	$0.71
Third	42 7/16	37 1/4	0.71
Second	43 7/16	38 1/4	0.71
First	45 5/8	38 3/8	0.71
1998:			
Fourth	$46 7/8	$39 3/4	$0.67
Third	43	35 15/16	0.67
Second	44 15/16	40 5/8	0.67
First	45 5/8	43 7/8	0.67

Selected Financial Data

In thousands, except per share amounts

Years Ended December 31,	1999	1998	1997	1996	1995
Revenues (primarily real estate rentals)	$ 230,469	$ 198,467	$ 174,512	$151,123	$134,197
Expenses:					
Depreciation and amortization	49,612	41,946	37,976	33,769	30,060
Interest	33,186	33,654	30,009	21,975	16,707
Other	71,947	61,995	54,888	47,004	42,614
Total	154,745	137,595	122,873	102,748	89,381
Income before gain (loss) on sales of property and securities and extraordinary charge	75,724	60,872	51,639	48,375	44,816
Gain (loss) on sales of property and securities	20,596	885	3,327	5,563	(14)
Income before extraordinary charge	96,320	61,757	54,966	53,938	44,802
Extraordinary charge (early retirement of debt)	(190)	(1,392)			
Net income	$ 96,130	$ 60,365	$ 54,966	$ 53,938	$ 44,802
Net income available to common shareholders	$ 76,537	$ 54,484	$ 54,966	$ 53,938	$ 44,802
Cash flows from operations	$ 118,476	$ 97,464	$ 89,902	$ 76,299	$ 72,498
Per share data–basic:					
Income before extraordinary charge	$ 2.88	$ 2.09	$ 2.06	$ 2.03	$ 1.69
Net income	$ 2.87	$ 2.04	$ 2.06	$ 2.03	$ 1.69
Weighted average number of shares	26,690	26,667	26,638	26,555	26,464
Per share data–diluted:					
Income before extraordinary charge	$ 2.86	$ 2.08	$ 2.05	$ 2.03	$ 1.69
Net income	$ 2.85	$ 2.03	$ 2.05	$ 2.03	$ 1.69
Weighted average number of shares	26,890	26,869	26,771	26,598	26,493
Cash dividends per common share	$ 2.84	$ 2.68	$ 2.56	$ 2.48	$ 2.40
Property (at cost)	$1,514,139	$1,294,632	$1,118,758	$970,418	$849,894
Total assets	$1,309,396	$1,107,043	$ 946,793	$831,097	$734,824
Debt	$ 594,185	$ 516,366	$ 507,366	$389,225	$289,339
Other data:					
Funds from operations(1)					
Net income available to common shareholders	$ 76,537	$ 54,484	$ 54,966	$ 53,938	$ 44,802
Depreciation and amortization	49,256	41,580	37,544	33,414	29,813
(Gain) loss on sales of property and securities	(20,596)	(885)	(3,327)	(5,563)	14
Extraordinary charge (early retirement of debt)	190	1,392			
Total	$ 105,387	$ 96,571	$ 89,183	$ 81,789	$ 74,629

(1) *Funds from operations does not represent cash flows from operations as defined by generally accepted accounting principles and should not be considered as an alternative to net income as an indicator of WRI's operating performance or to cash flows as a measure of liquidity.*

Trust Managers, Officers & Departments

Trust Managers

Stanford Alexander, *Chairman/Chief Executive Officer, Weingarten Realty Investors*
Andrew M. Alexander, *President, Weingarten Realty Investors*
Robert J. Cruikshank, *Private Investor*
Martin Debrovner, *Vice Chairman, Weingarten Realty Investors*
Melvin A. Dow, *Chairman/Chief Executive Officer, Dow, Cogburn & Friedman, P.C.*
Stephen A. Lasher, *President, The GulfStar Group, Inc.*
Joseph W. Robertson, Jr., *Executive Vice President/Chief Financial Officer, Weingarten Realty Investors*
Douglas W. Schnitzer, *Chairman/Chief Executive Officer, Senterra Real Estate Group, L.L.C.*
Marc J. Shapiro, *Vice Chairman, Chase Manhattan Bank*
Jack T. Trotter, *Private Investor*

Officers

Stanford Alexander, *Chairman/Chief Executive Officer*
Martin Debrovner, *Vice Chairman*
Andrew M. Alexander, *President*
Joseph W. Robertson, Jr., *Executive Vice President/Chief Financial Officer*
Johnny L. Hendrix, *Senior Vice President/Director of Leasing*
Stephen C. Richter, *Senior Vice President/Financial Administration and Treasurer*
Jeffrey A. Tucker, *Senior Vice President/General Counsel*
Steven R. Weingarten, *Senior Vice President/Director of Leasing*
Patricia A. Bender, *Vice President/Leasing*
M. Candace DuFour, *Vice President/Acquisitions and Secretary*
Curtis Furgason, *Vice President/Property Management*
Brent Mann, *Vice President/Leasing*
John J. Marcisz, *Vice President/Construction*
Joe D. Shafer, *Vice President/Controller*

Departments

Victoria J. Brown, *Director/Land Sales and Acquisitions*
Brenda Corn, *Director/Human Resources*
David Daleiden, *Director/Market Research*
Gary Greenberg, *Director/Special Projects*
Rick Hollingsworth, *Director/Industrial Properties*
Freddye Kelly, *Director/Corporate Communications*
Gene Lax, *Director/Information Technology*
Robert Smith, *Director/New Development*

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Counsel
Dow, Cogburn & Friedman, P.C., Houston, Texas
Locke Liddell & Sapp, L.L.P., 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
Urban Land Institute

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:

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 transcripts, quarterly earnings reports, 10-Ks, 10-Qs and other investor information.

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

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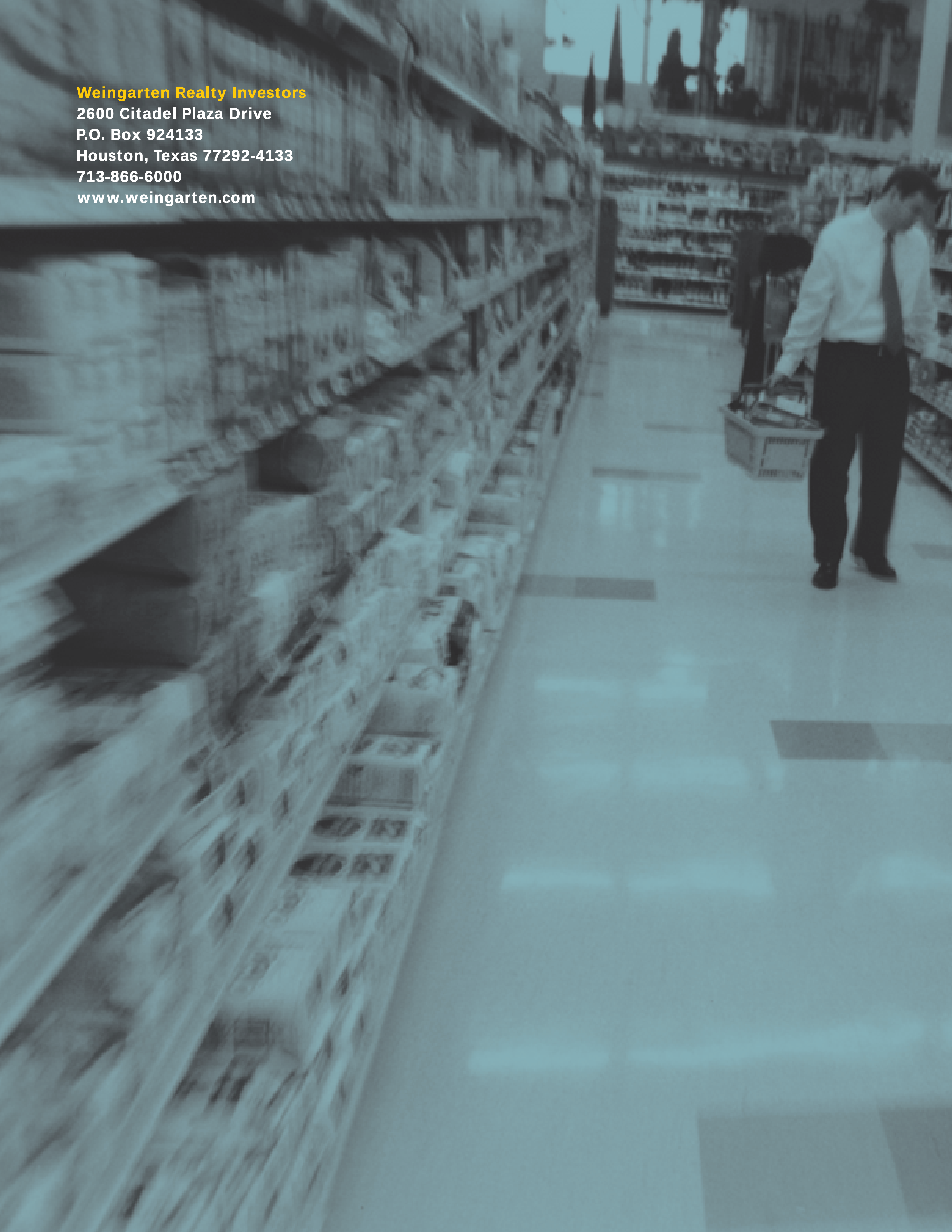
Houston, TX 77008
713-866-6000 (telephone)
800-298-9974 (telephone)
713-866-6049 (fax)

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:
The Chase Manhattan Bank
P.O. Box 750
Pittsburgh, PA 15230
888-887-2966

Direct Deposit
WRI offers shareholders direct deposit for dividend checks. Interested shareholders should contact ChaseMellon Shareholder Services at 800-550-4689.

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 Corporate Communications or can be obtained from our web site.



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