Hauser Richard J
Form 4
August 10, 2009

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL
OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
Hauser Richard J

(Last) (First) (Middle)

50 S. 6TH STREET, SUITE 1480

(Street)

MINNEAPOLIS, MN 55402

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
KONA GRILL INC [KONA]

3. Date of Earliest Transaction (Month/Day/Year)
08/07/2009

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	08/07/2009		P		7,500	A	$ 3.78 (1)	7,500	I	By Trust (2)
Common Stock								78,145	D	
Common Stock								383,407	I	By Spouse
Common Stock								200,000	I	By Kona MN, LLC (3)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Hauser Richard J 50 S. 6TH STREET, SUITE 1480 MINNEAPOLIS, MN 55402	X			

Signatures

/s/ Mark S. Robinow, as attorney-in-fact	08/10/2009
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) The purchase price reflects the weighted average purchase price of shares purchased between the range of $3.76 per share and $3.78 per share. Full information regarding the number of shares purchased at each separate price will be provided upon request by the SEC staff, the issuer, or any security holder of the issuer.

(2) Shares held by the Children's Educational Trust, for the benefit of the reporting person's children.

(3) The reported securities are held by Kona MN, LLC, of which the reporting person and the reporting person's spouse are control persons.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. STYLE="margin-top:0px;margin-bottom:-6px">

Funds From Operations (FFO), as defined by the National Association of Real Estate Investment Trusts (NAREIT), generally means net income, computed in accordance with GAAP excluding extraordinary items (as defined by GAAP) and gains (or losses) from sales of property, plus depreciation and amortization on real estate assets, and after adjustments for unconsolidated partnerships, joint ventures and subsidiaries. We believe that FFO is helpful to investors as a measure of the performance of an equity REIT. However, our calculation of FFO, while consistent with NAREIT s definition, may not be comparable to similarly titled measures presented by other REITs. Adjusted Funds From Operations (AFFO) is defined as FFO adjusted to exclude the effects of straight-line rent adjustments, deferred loan cost amortization and other non-cash and/or unusual items. Neither FFO nor AFFO represent cash generated from operating activities in accordance with GAAP and should not be considered as alternatives to net income as an indication of our performance or to cash flows as a measure of liquidity or ability to make distributions. The following table reflects the calculation of FFO and AFFO for the three and nine months ended September 30, 2002 and 2001, respectively:

	Three Months Ended (in thousands)		**Nine Months Ended (in thousands)**	
	September 30, 2002	**September 30, 2001**	**September 30, 2002**	**September 30, 2001**
FUNDS FROM OPERATIONS:				
Net income	$ 15,285	$ 6,109	$ 39,821	$ 14,423
Add:				
Depreciation	10,282	3,947	23,185	10,341
Amortization of deferred leasing costs	78	76	229	228
Depreciation and amortization unconsolidated partnerships	708	647	2,115	1,561
Funds from operations (FFO)	26,353	10,779	65,350	26,553
Adjustments:				
Loan cost amortization	162	237	587	529
Straight line rent	(2,146)	(708)	(5,312)	(1,930)
Straight line rent unconsolidated partnerships	(27)	(100)	(229)	(233)
Lease acquisitions fees paid unconsolidated partnerships				(8)
Adjusted funds from operations	$ 24,342	$ 10,208	$ 60,396	$ 24,911
BASIC AND DILUTED WEIGHTED AVERAGE SHARES	163,395	54,112	128,541	43,726

Inflation

The real estate market has not been affected significantly by inflation in the past three years due to the relatively low inflation rate. However, there are provisions in the majority of tenant leases that are intended to protect us from the impact of inflation. These provisions include reimbursement billings for common area maintenance charges, real estate tax and insurance reimbursements on a per square foot

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basis, or in some cases, annual reimbursement of operating expenses above a certain per square foot allowance.

Critical Accounting Policies

Our reported results of operations are impacted by management judgments related to application of accounting policies. A discussion of the accounting policies that management considers to be critical, in that they may require complex judgment in their application or require estimates about matters which are inherently uncertain, is included in Footnote 1 to the financial statements.

Subsequent Events

Effective October 31, 2002, Arthur Andersen LLP (Andersen) and Wells OP entered into a termination agreement with respect to the lease for the three-story office building containing 157,700 rentable square feet located in Sarasota, Florida formerly known as the Arthur Andersen Building. In consideration for releasing Andersen from its obligation to pay rent under the lease, Andersen paid Wells OP a termination fee of $979,760 and conveyed to Wells OP an approximately 1.3 acre tract of land adjacent to the property which was used for parking. On November 1, 2002, Wells OP entered into a net lease agreement with Vertex Tax Technology Enterprises, LLC (Vertex) for approximately 47,388 rentable square feet of the building. The current term of the lease is seven years, which commenced on November 1, 2002 and expires on October 31, 2009. The current annual base rent payable under the Vertex lease is $621,257.

In November 2002, Shoreview Associates LLC (Shoreview), the owner of an office building located in Ramsey County, Minnesota that Wells OP had contracted to purchase, filed a lawsuit against Wells OP in state court in Minnesota alleging that it was entitled to the $750,000 in earnest money that Wells OP had deposited under the contract. Wells OP has filed a counterclaim in the case asserting that it is entitled to the $750,000 earnest money deposit. Procedurally, Wells OP had the case transferred to U.S. District Court in Minnesota and Shoreview has moved to transfer the case back to the state court. The dispute currently remains in litigation.

On December 4, 2002, our board of directors declared dividends for the first quarter of 2003 in the amount of a 7.0% annualized percentage rate return on an investment of $10.00 per share to be paid in March 2003. Our first quarter dividends are calculated on a daily record basis of $0.001944 (0.1944 cents) per day per share on the outstanding shares of common stock payable to stockholders of record of such shares as shown on the books of the Wells REIT at the close of business on each day during the period, commencing on December 16, 2002, and continuing on each day thereafter through and including March 15, 2003.

Financial Statements

Audited Financial Statements

The statement of revenues over certain operating expenses of the Nestle Building for the year ended December 31, 2001, which is included in this supplement, has been audited by Ernst & Young LLP, independent auditors, as set forth in their report appearing elsewhere herein, and is included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

Unaudited Financial Statements

The amended and restated financial statements of the Wells REIT, as of September 30, 2002, and for the three and nine month periods ended September 30, 2002 and September 30, 2001, which are included in this supplement, have not been audited.

The statements of revenues over certain operating expenses of the Nestle Building for the nine months ended September 30, 2002, which are included in this supplement, have not been audited.

The pro forma balance sheet of the Wells REIT, as of September 30, 2002, the pro forma statement of income for the year ended December 31, 2001, and the pro forma statement of income for the nine months ended September 30, 2002, which are included in this supplement, have not been audited.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS

(in thousands, except per share amounts)

	September 30, 2002	December 31, 2001
ASSETS	(unaudited)	
REAL ESTATE, at cost:		
Land	$ 164,191	$ 86,247
Building and improvements, less accumulated depreciation of $48,000 in 2002 and $24,814 in 2001	1,171,793	472,383
Construction in progress	28,500	5,739
Total real estate	1,364,484	564,369
INVESTMENT IN JOINT VENTURES	75,388	77,410
CASH AND CASH EQUIVALENTS	143,912	75,586
INVESTMENT IN BONDS	54,500	22,000
STRAIGHT-LINE RENT RECEIVABLE	10,632	5,362
ACCOUNTS RECEIVABLE	1,387	641
NOTE RECEIVABLE	4,966	0
DEFERRED LEASE ACQUISITION COSTS, net	1,713	1,525
DEFERRED PROJECT COSTS	5,963	2,977
DUE FROM AFFILIATES	2,185	1,693
DEFERRED OFFERING COSTS	3,537	0
PREPAID EXPENSES AND OTHER ASSETS, net	2,597	718
Total assets	$ 1,671,264	$ 752,281
LIABILITIES AND SHAREHOLDERS EQUITY		
LIABILITIES:		
Notes payable	$ 35,829	$ 8,124
Obligations under capital leases	54,500	22,000
Accounts payable and accrued expenses	17,539	8,727
Dividends payable	10,209	1,059
Deferred rental income	7,894	662
Due to affiliates	4,380	2,166
Total liabilities	130,351	42,738
MINORITY INTEREST OF UNIT HOLDER IN OPERATING PARTNERSHIP	200	200
SHAREHOLDERS EQUITY:		
Common shares, $.01 par value; 750,000 shares authorized, 182,609 shares issued and 180,892 outstanding at September 30, 2002, and 350,000 shares authorized, 83,761 shares issued and 83,206 shares outstanding at December 31, 2001	1,826	838
Additional paid-in capital	1,621,376	738,236
Cumulative distributions in excess of earnings	(64,907)	(24,181)
Treasury stock, at cost, 1,717 shares at September 30, 2002 and	(17,167)	(5,550)

555 shares at December 31, 2001		
Other comprehensive loss	(415)	0
Total shareholders equity	1,540,713	709,343
Total liabilities and shareholders equity	$ 1,671,264	$ 752,281

See accompanying condensed notes to financial statements.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF INCOME

(unaudited and in thousands except per share amounts)

	Three Months Ended		Nine Months Ended	
	September 30, 2002	September 30, 2001	September 30 2002	September 30 2001
REVENUES:				
Rental income	$ 27,549	$ 11,317	$ 66,121	$ 31,028
Operating cost reimbursements*	3,677	1,331	12,854	4,470
Equity in income of joint ventures	1,259	1,102	3,738	2,622
Interest income*	2,427	89	5,075	281
Take out fee	1	0	135	138
	34,913	13,839	87,923	38,539
EXPENSES:				
Depreciation	10,282	3,947	23,185	10,341
Operating costs*	5,868	2,625	17,109	7,638
Management and leasing fees	1,445	632	3,348	1,750
Administrative costs	745	141	1,867	901
Interest expense*	1,126	148	2,006	2,957
Amortization of deferred financing costs	162	237	587	529
	19,628	7,730	48,102	24,116
NET INCOME	$ 15,285	$ 6,109	$ 39,821	$ 14,423
BASIC AND DILUTED EARNINGS PER SHARE	$ 0.09	$ 0.11	$ 0.31	$ 0.33
BASIC AND DILUTED WEIGHTED AVERAGE SHARES	163,395	54,112	128,541	43,726

See accompanying condensed notes to financial statements.

* These financial statement line items have been amended and restated as described in the accompanying Note 1(k).

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF SHAREHOLDERS EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2001

AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2002 (UNAUDITED)

(in thousands except per share amounts)

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Cumulative Distributions in Excess of Earnings	Retained Earnings	Treasury Stock Shares	Treasury Stock Amount	Other Comprehensive Income	Total Shareholders Equity
BALANCE, December 31, 2000	31,510	$ 315	$ 275,573	$ (9,134)	$ 0	(141)	$ (1,413)	$ 0	$ 265,341
Issuance of common stock	52,251	523	521,994	0	0	0	0	0	522,517
Treasury stock purchased	0	0	0	0	0	(414)	(4,137)	0	(4,137)
Net income	0	0	0	0	21,724	0	0	0	21,724
Dividends ($.76 per share)	0	0	0	(15,047)	(21,724)	0	0	0	(36,771)
Sales commissions and discounts	0	0	(49,246)	0	0	0	0	0	(49,246)
Other offering expenses	0	0	(10,085)	0	0	0	0	0	(10,085)
BALANCE, December 31, 2001	83,761	838	738,236	(24,181)	0	(555)	(5,550)	0	709,343
Issuance of common stock	**98,848**	**988**	**987,482**	**0**	**0**	**0**	**0**	**0**	**988,470**
Treasury stock purchased	**0**	**0**	**0**	**0**	**0**	**(1,162)**	**(11,617)**	**0**	**(11,617)**
Dividends ($.58 per share)	**0**	**0**	**0**	**(40,726)**	**(39,821)**	**0**	**0**	**0**	**(80,547)**
Sales commissions and discounts	**0**	**0**	**(94,097)**	**0**	**0**	**0**	**0**	**0**	**(94,097)**
Other offering expenses	**0**	**0**	**(10,245)**	**0**	**0**	**0**	**0**	**0**	**(10,245)**
Components of comprehensive income:									
Net income	**0**	**0**	**0**	**0**	**39,821**	**0**	**0**	**0**	**39,821**
Gain/(loss) on interest rate swap	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(415)**	**(415)**
Comprehensive income									**39,406**

BALANCE, September 30, 2002 (unaudited)	**182,609**	**$ 1,826**	**$ 1,621,376**	**$ (64,907)**	**$ 0**	**(1,717)**	**$ (17,167)**	**$ (415)**	**$ 1,540,713**

See accompanying condensed notes to financial statements.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited and in thousands)

	Nine Months Ended	
	September 30, 2002	September 30, 2001
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 39,821	$ 14,423
Adjustments to reconcile net income to net cash provided by operating activities:		
Equity in income of joint ventures	(3,738)	(2,622)
Depreciation	23,185	10,341
Amortization of deferred financing costs	587	529
Amortization of deferred leasing costs	229	228
Bad debt expense	113	0
Changes in assets and liabilities:		
Accounts receivable	(746)	(370)
Straight-line rent receivable	(5,382)	(1,949)
Due from affiliates	(35)	0
Deferred rental income	7,232	(381)
Accounts payable and accrued expenses	8,811	3,309
Prepaid expenses and other assets, net	(1,813)	3,211
Due to affiliates	(105)	(235)
Net cash provided by operating activities	68,159	26,484
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investments in real estate	(797,011)	(121,366)
Investment in joint ventures	0	(27,018)
Deferred project costs paid	(34,784)	(10,347)
Distributions received from joint ventures	5,301	3,027
Deferred lease acquisition costs paid	(400)	0
Net cash used in investing activities	(826,894)	(155,704)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from note payable	27,742	107,587
Repayment of note payable	(37)	(208,102)
Dividends paid	(71,397)	(23,502)
Issuance of common stock	988,470	297,775
Sales commissions paid	(94,097)	(28,086)
Offering costs paid	(10,937)	(7,481)
Treasury stock purchased	(11,617)	(2,137)
Deferred financing costs paid	(1,066)	0
Net cash provided by financing activities	827,061	136,054

NET INCREASE IN CASH AND CASH EQUIVALENTS	68,326	6,834
CASH AND CASH EQUIVALENTS, beginning of year	75,586	4,298
CASH AND CASH EQUIVALENTS, end of period	$ 143,912	$ 11,132
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING ACTIVITIES:		
Deferred project costs applied to real estate assets	$ 31,271	$ 1,127
Deferred project costs applied to joint ventures	$ 0	$ 9,295
Deferred project costs due to affiliate	$ 587	$ (498)
Interest rate swap	$ (415)	$ 0
Increase (decrease) in deferred offering cost accrual	$ 3,537	$ (1,291)
Assumption of obligations under capital lease	$ 32,500	$ 22,000
Investment in bonds	$ 32,500	$ 22,000

See accompanying condensed notes to financial statements.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

AND SUBSIDIARY

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2002

(UNAUDITED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) General

Wells Real Estate Investment Trust, Inc. (the Company) is a Maryland corporation formed on July 3, 1997, which qualifies as a real estate investment trust (REIT). Substantially all of the Company s business is conducted through Wells Operating Partnership, L.P. (Wells OP), a Delaware limited partnership organized for the purpose of acquiring, developing, owning, operating, improving, leasing, and otherwise managing income producing commercial properties for investment purposes on behalf of the Company. The Company is the sole general partner of Wells OP.

On January 30, 1998, the Company commenced its initial public offering of up to 16.5 million shares of common stock at $10 per share pursuant to a Registration Statement on Form S-11 filed under the Securities Act of 1933. The Company commenced active operations on June 5, 1998. The Company terminated its initial public offering on December 19, 1999 at which time gross proceeds of approximately $132.2 million had been received from the sale of approximately 13.2 million shares. The Company commenced its second public offering of shares of common stock on December 20, 1999, which was terminated on December 19, 2000 after receipt of gross proceeds of approximately $175.2 million from the sale of approximately 17.5 million shares. The Company commenced its third public offering of shares of common stock on December 20, 2000, which terminated on July 26, 2002 after receipt of gross proceeds of approximately $1.3 billion from the sale of approximately 128.3 million shares. As of September 30, 2002, the Company has received gross proceeds of approximately $235.7 million from the sale of approximately 23.6 million shares from its fourth public offering. Accordingly, as of September 30, 2002, the Company has received aggregate gross offering proceeds of approximately $1.8 billion from the sale of 182.6 million shares of its common stock to investors. After payment of $63.3 million in acquisition and advisory fees and acquisition expenses, payment of $202.9 million in selling commissions and organization and offering expenses, capital contributions to joint ventures and acquisitions expenditures by Wells OP of $1.4 billion for property acquisitions, and common stock redemptions of $17.2 million pursuant to the Company s share redemption program, the Company was holding net offering proceeds of $144.5 million available for investment in properties, as of September 30, 2002.

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(b) Properties

As of September 30, 2002, the Company owned interests in 67 properties listed in the table below through its ownership in Wells OP.

Property Name	Tenant	Property Location	% Owned	Purchase Price	Square Feet	Annual Rent
Daimler Chrysler Dallas	Daimler Chrysler Services North America LLC	Westlake, TX	100%	$ 25,100,000	130,290	$ 3,189,499
Allstate Indianapolis	Allstate Insurance Company	Indianapolis, IN	100%	$ 10,900,000	84,200	$ 1,246,164
	Holladay Property Services Midwest, Inc.				5,756	$ 74,832
Intuit Dallas	Lacerte Software Corporation	Plano, TX	100%	$ 26,500,000	166,238	$ 2,461,985
EDS Des Moines	EDS Information Services LLC	Des Moines, IA	100%	$ 26,500,000	405,000	$ 2,389,500
Federal Express Colorado Springs	Federal Express Corporation	Colorado Springs, CO	100%	$ 26,000,000	155,808	$ 2,248,309
KeyBank Parsippany	KeyBank U.S.A., N.A.	Parsippany, NJ	100%	$ 101,350,000	200,000	$ 3,800,000
	Gemini Technology Services				204,515	$ 5,726,420
IRS Long Island	IRS Collection	Holtsville, NY	100%	$ 50,975,000	128,000	$ 5,029,380(1)
	IRS Compliance				50,949	$ 1,663,200
	IRS Daycare Facility				12,100	$ 486,799
AmeriCredit Phoenix	AmeriCredit Financial Services, Inc.	Chandler, AZ	100%	$ 24,700,000(2)	153,494	$ 1,609,315(3)
Harcourt Austin	Harcourt, Inc.	Austin, TX	100%	$ 39,000,000	195,230	$ 3,353,040
Nokia Dallas	Nokia, Inc.	Irving, TX	100%	$ 119,550,000	228,678	$ 4,413,485
	Nokia, Inc.				223,470	$ 4,547,614
	Nokia, Inc.				152,086	$ 3,024,990
Kraft Atlanta	Kraft Foods North America, Inc.	Suwanee, GA	100%	$ 11,625,000	73,264	$ 1,263,804
	Perkin Elmer Instruments, LLC				13,955	$ 194,672
BMG Greenville	BMG Direct Marketing, Inc.	Duncan, SC	100%	$ 26,900,000	473,398	$ 1,394,156
	BMG Music				313,380	$ 763,600
Kerr-McGee	Kerr-McGee Oil & Gas Corporation	Houston, TX	100%	$ 15,760,000(2)	100,000	$ 1,655,000(3)
PacifiCare San Antonio	PacifiCare Health Systems, Inc.	San Antonio, TX	100%	$ 14,650,000	142,500	$ 1,471,700
ISS Atlanta	Internet Security Systems, Inc.	Atlanta, GA	100%	$ 40,500,000	238,600	$ 4,623,445
MFS Phoenix	Massachusetts Financial Services Company	Phoenix, AZ	100%	$ 25,800,000	148,605	$ 2,347,959
TRW Denver	TRW, Inc.	Aurora, CO	100%	$ 21,060,000	108,240	$ 2,870,709
Agilent Boston	Agilent Technologies, Inc.	Boxborough, MA	100%	$ 31,742,274	174,585	$ 3,578,993
Experian/TRW	Experian Information Solutions, Inc.	Allen, TX	100%	$ 35,150,000	292,700	$ 3,438,277
BellSouth Ft. Lauderdale	BellSouth Advertising and Publishing Corporation	Ft. Lauderdale, FL	100%	$ 6,850,000	47,400	$ 747,033
Agilent Atlanta	Agilent Technologies, Inc. Koninklijke Philips Electronics N.V.	Alpharetta, GA	100%	$ 15,100,000	66,811	$ 1,344,905
					34,396	$ 704,430
Travelers Express Denver	Travelers Express Company, Inc.	Lakewood, CO	100%	$ 10,395,845	68,165	$ 1,012,250
Dana Kalamazoo	Dana Corporation	Kalamazoo, MI	100%	$ 41,950,000(4)	147,004	$ 1,842,800
Dana Detroit	Dana Corporation	Farmington Hills, MI	100%	(see above)(4)	112,480	$ 2,330,600

Novartis Atlanta	Novartis Opthalmics, Inc.	Duluth, GA	100%	$ 15,000,000	100,087	$ 1,426,240
Transocean Houston	Transocean Deepwater Offshore Drilling, Inc.	Houston, TX	100%	$ 22,000,000	103,260	$ 2,110,035
	Newpark Drilling Fluids, Inc.				52,731	$ 1,153,227
Arthur Andersen (5)	Arthur Andersen LLP	Sarasota, FL	100%	$ 21,400,000	157,700	$ 1,988,454
Windy Point I	TCI Great Lakes, Inc. The Apollo Group, Inc. Global Knowledge Network Various other tenants	Schaumburg, IL	100%	$ 32,225,000(6)	129,157 28,322 22,028 8,884	$ 2,067,204 $ 477,226 $ 393,776 $ 160,000
Windy Point II	Zurich American Insurance	Schaumburg, IL	100%	$ 57,050,000(6)	300,034	$ 5,244,594
Convergys	Convergys Customer Management Group, Inc.	Tamarac, FL	100%	$ 13,255,000	100,000	$ 1,248,192
ADIC	Advanced Digital Information Corporation	Parker, CO	68.2%	$ 12,954,213	148,204	$ 1,222,683
Lucent	Lucent Technologies, Inc.	Cary, NC	100%	$ 17,650,000	120,000	$ 1,800,000
Ingram Micro	Ingram Micro, L.P.	Millington, TN	100%	$ 21,050,000	701,819	$ 2,035,275
Nissan	Nissan Motor Acceptance Corporation	Irving, TX	100%	$ 42,259,000(2)	268,290	$ 4,225,860(3)
IKON	IKON Office Solutions, Inc.	Houston, TX	100%	$ 20,650,000	157,790	$ 2,015,767
State Street	SSB Realty, LLC	Quincy, MA	100%	$ 49,563,000	234,668	$ 6,922,706
AmeriCredit	AmeriCredit Financial Services Corporation	Orange Park, FL	68.2%	$ 12,500,000	85,000	$ 1,336,200
Comdata	Comdata Network, Inc.	Brentwood, TN	55.0%	$ 24,950,000	201,237	$ 2,458,638

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Property Name	Tenant	Property Location	% Owned	Purchase Price	Square Feet	Annual Rent
AT&T Oklahoma	AT&T Corp.	Oklahoma City, OK	55.0%	$ 15,300,000	103,500	$ 1,242,000
	Jordan Associates, Inc.				25,000	$ 294,500
Metris Minnesota	Metris Direct, Inc.	Minnetonka, MN	100%	$ 52,800,000	300,633	$ 4,960,445
Stone & Webster	Stone & Webster, Inc.	Houston, TX	100%	$ 44,970,000	206,048	$ 4,533,056
	SYSCO Corporation				106,516	$ 2,130,320
Motorola Plainfield	Motorola, Inc.	S. Plainfield, NJ	100%	$ 33,648,156	236,710	$ 3,324,428
Quest	Quest Software, Inc.	Irvine, CA	15.8%	$ 7,193,000	65,006	$ 1,287,119
Delphi	Delphi Automotive Systems, LLC	Troy, MI	100%	$ 19,800,000	107,193	$ 1,955,524
Avnet	Avnet, Inc.	Tempe, AZ	100%	$ 13,250,000	132,070	$ 1,516,164
Siemens	Siemens Automotive Corp.	Troy, MI	56.8%	$ 14,265,000	77,054	$ 1,374,643
Motorola Tempe	Motorola, Inc.	Tempe, AZ	100%	$ 16,000,000	133,225	$ 2,054,329
ASML	ASM Lithography, Inc.	Tempe, AZ	100%	$ 17,355,000	95,133	$ 1,927,788
Dial	Dial Corporation	Scottsdale, AZ	100%	$ 14,250,000	129,689	$ 1,387,672
Metris Tulsa	Metris Direct, Inc.	Tulsa, OK	100%	$ 12,700,000	101,100	$ 1,187,925
Cinemark	Cinemark USA, Inc.	Plano, TX	100%	$ 21,800,000	65,521	$ 1,366,491
	The Coca-Cola Company				52,587	$ 1,354,184
Gartner	The Gartner Group, Inc.	Ft. Myers, FL	56.8%	$ 8,320,000	62,400	$ 830,656
Videojet Technologies Chicago	Videojet Technologies, Inc.	Wood Dale, IL	100%	$ 32,630,940	250,354	$ 3,376,746
Johnson Matthey	Johnson Matthey, Inc.	Wayne, PA	56.8%	$ 8,000,000	130,000	$ 854,748
Alstom Power Richmond (2)	Alstom Power, Inc.	Midlothian, VA	100%	$ 11,400,000	99,057	$ 1,244,501
Sprint	Sprint Communications Company, L.P.	Leawood, KS	56.8%	$ 9,500,000	68,900	$ 1,102,404
EYBL CarTex	EYBL CarTex, Inc.	Fountain Inn, SC	56.8%	$ 5,085,000	169,510	$ 550,908
Matsushita (2)	Matsushita Avionics Systems Corporation	Lake Forest, CA	100%	$ 18,431,206	144,906	$ 2,005,464
AT&T Pennsylvania	Pennsylvania Cellular Telephone Corp.	Harrisburg, PA	100%	$ 12,291,200	81,859	$ 1,442,116
PwC	PricewaterhouseCoopers, LLP	Tampa, FL	100%	$ 21,127,854	130,091	$ 2,093,382
Cort Furniture	Cort Furniture Rental Corporation	Fountain Valley, CA	44.0%	$ 6,400,000	52,000	$ 834,888
Fairchild	Fairchild Technologies U.S.A., Inc.	Fremont, CA	77.5%	$ 8,900,000	58,424	$ 920,144
Avaya	Avaya, Inc.	Oklahoma City, OK	3.7%	$ 5,504,276	57,186	$ 536,977
Iomega	Iomega Corporation	Ogden, UT	3.7%	$ 5,025,000	108,250	$ 659,868
Interlocken	ODS Technologies, L.P. and GAIAM, Inc.	Broomfield, CO	3.7%	$ 8,275,000	51,975	$ 1,070,515
Ohmeda	Ohmeda, Inc.	Louisville, CO	3.7%	$ 10,325,000	106,750	$ 1,004,520
Alstom Power Knoxville	Alstom Power, Inc.	Knoxville, TN	3.7%	$ 7,900,000	84,404	$ 1,106,520

(1) Includes only the leased portion of this property.

(2) Includes the actual costs incurred or estimated to be incurred by Wells OP to develop and construct the building in addition to the purchase price of the land.

(3) Annual rent for AmeriCredit Phoenix, Kerr McGee and Nissan Property does not take effect until construction of the building is completed and the tenant is occupying the building.

(4) Dana Kalamazoo and Dana Detroit were purchased for an aggregate purchase price of $41,950,000.

(5) Subsequent to September 30, 2002, this building has been vacated by the tenant. See Footnote 10 and Subsequent Events in the Management s Discussion and Analysis of Financial Condition and Results of Operations section of this supplement.

(6) Windy Point I and Windy Point II were purchased for an aggregate purchase price of $89,275,000.

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Wells OP owns interests in properties directly and through equity ownership in the following joint ventures:

Joint Venture	Joint Venture Partners	Properties Held by Joint Venture
Fund XIII-REIT Joint Venture	Wells Operating Partnership, L.P. Wells Real Estate Fund XIII, L.P.	AmeriCredit ADIC
Fund XII-REIT Joint Venture	Wells Operating Partnership, L.P. Wells Real Estate Fund XII, L.P.	Siemens AT&T Oklahoma Comdata
Fund XI-XII-REIT Joint Venture	Wells Operating Partnership, L.P. Wells Real Estate Fund XI, L.P. Wells Real Estate Fund XII, L.P.	EYBL CarTex Sprint Johnson Matthey Gartner
Fund IX-X-XI-REIT Joint Venture	Wells Operating Partnership, L.P. Wells Real Estate Fund IX, L.P. Wells Real Estate Fund X, L.P. Wells Real Estate Fund XI, L.P.	Alstom Power Knoxville Ohmeda Interlocken Avaya Iomega
Wells/Fremont Associates Joint Venture (the Fremont Joint Venture)	Wells Operating Partnership, L.P. Fund X-XI Joint Venture	Fairchild
Wells/Orange County Associates Joint Venture (the Orange County Joint Venture)	Wells Operating Partnership, L.P. Fund X-XI Joint Venture	Cort Furniture
Fund VIII-IX-REIT Joint Venture	Wells Operating Partnership, L.P. Fund VIII-IX Joint Venture	Quest

(c) Critical Accounting Policies

The Company s accounting policies have been established in accordance with accounting principles generally accepted in the United States (GAAP). The preparation of financial statements in conformity with GAAP requires management to use judgment in the application of accounting policies, including making estimates and assumptions. These judgments affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. If our judgment or interpretation of the facts and circumstances relating to various transactions had been different, it is possible that different accounting policies would have been applied; thus, resulting in a different presentation of our financial statements. Below is a discussion of the accounting policies that we consider to be critical in that they may require complex judgment in their application or require estimates about matters which are inherently uncertain.

Revenue Recognition

The Company recognizes rental income generated from all leases on real estate assets in which the Company has an ownership interest, either directly or through investments in joint ventures, on a straight-line basis over the terms of the respective leases. If a tenant was to encounter financial difficulties in future periods, the amount recorded as a receivable may not be realized.

Operating Cost Reimbursements

The Company generally bills tenants for operating cost reimbursements, either directly or through investments in joint ventures, on a monthly basis at amounts estimated largely based on actual prior period activity, the current year budget and the respective lease terms. Such billings are generally adjusted on an annual basis to reflect reimbursements owed to the landlord based on the actual costs incurred during the period and the respective lease terms. Financial difficulties encountered by tenants may result in receivables not being realized.

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Real Estate

Management continually monitors events and changes in circumstances indicating that the carrying amounts of the real estate assets in which the Company has an ownership interest, either directly or through investments in joint ventures, may not be recoverable. When such events or changes in circumstances are present, management assesses the potential impairment by comparing the fair market value of the asset, estimated at an amount equal to the future undiscounted operating cash flows expected to be generated from tenants over the life of the asset and from its eventual disposition, to the carrying value of the asset. In the event that the carrying amount exceeds the estimated fair market value, the Company would recognize an impairment loss in the amount required to adjust the carrying amount of the asset to its estimated fair market value. Neither the Company nor its joint ventures have recognized impairment losses on real estate assets to date.

Deferred Project Costs

The Company records acquisition and advisory fees and acquisition expenses payable to Wells Capital, Inc. (the Advisor) by capitalizing deferred project costs and reimbursing the Advisor in an amount equal to 3.5% of cumulative capital raised to date. As the Company invests its capital proceeds, deferred project costs are applied to real estate assets, either directly or through contributions to joint ventures, and depreciated over the useful lives of the respective real estate assets. Acquisition and advisory fees and acquisition expenses paid as of September 30, 2002, amounted to $63.3 million and represented approximately 3.5% of capital contributions received. These fees are allocated to specific properties as they are purchased or developed and are included in capitalized assets of the joint venture, or real estate assets. Deferred project costs at September 30, 2002 and December 31, 2001, represent fees paid, but not yet applied to properties.

Deferred Offering Costs

The Advisor expects to continue to fund 100% of the organization and offering costs and recognize related expenses, to the extent that such costs exceed 3% of cumulative capital raised, on behalf of the Company. Organization and offering costs include items such as legal and accounting fees, marketing and promotional costs, and printing costs, and specifically exclude sales costs and underwriting commissions. The Company records offering costs by accruing deferred offering costs, with an offsetting liability included in due to affiliates, at an amount equal to the lesser of 3% of cumulative capital raised to date or actual costs incurred from third-parties less reimbursements paid to the Advisor. As equity is raised, the Company reverses the deferred offering costs accrual and recognizes a charge to stockholders equity upon reimbursing the Advisor. As of September 30, 2002, the Advisor had paid organization and offering expenses on behalf of the Company in an aggregate amount of $34.2 million, of which the Advisor had been reimbursed $29.7 million, which did not exceed the 3% limitation. Deferred offering costs in the accompanying balance sheet represent costs incurred by the Advisor which will be reimbursed by the Company.

(d) Distribution Policy

The Company will make distributions each taxable year (not including a return of capital for federal income tax purposes) equal to at least 90% of its real estate investment trusts taxable income. The Company intends to make regular quarterly distributions to stockholders. Distributions will be made to those stockholders who are stockholders as of the record date selected by the Directors. The Company currently calculates quarterly dividends based on the daily record and dividend declaration dates; thus, stockholders are entitled to receive dividends immediately upon the purchase of shares.

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Dividends to be distributed to the stockholders are determined by the Board of Directors and are dependent on a number of factors related to the Company, including funds available for payment of dividends, financial condition, capital expenditure requirements and annual distribution requirements in order to maintain the Company s status as a REIT under the Code. Operating cash flows are expected to increase as additional properties are added to the Company s investment portfolio.

(e) Income Taxes

The Company has made an election under Section 856 (C) of the Internal Revenue Code of 1986, as amended (the Code), to be taxed as a Real Estate Investment Trust (REIT) under the Code beginning with its taxable year ended December 31, 1998. As a REIT for federal income tax purposes, the Company generally will not be subject to federal income tax on income that it distributes to its shareholders. If the Company fails to qualify as a REIT in any taxable year, it will then be subject to federal income tax on its taxable income at regular corporate rates and will not be permitted to qualify for treatment as a REIT for federal income tax purposes for four years following the year during which qualification is lost. Such an event could materially adversely affect the Company s net income and net cash available to distribute to shareholders. However, the Company believes that it is organized and operates in such a manner as to qualify for treatment as a REIT and intends to continue to operate in the foreseeable future in such a manner so that the Company will remain qualified as a REIT for federal income tax purposes.

(f) Employees

The Company has no direct employees. The employees of the Advisor and Wells Management Company, Inc. (Wells Management), an affiliate of the Company and the Advisor, perform a full range of real estate services including leasing and property management, accounting, asset management and investor relations for the Company. The Company has reimbursed the Advisor and Wells Management for allocated salaries, wages and other payroll related costs totaling $1.1 million and $0.4 million for the nine months ended September 30, 2002 and 2001, respectively, and $0.5 million and $0.1 million for the three months ended September 30, 2002 and 2001, respectively.

(g) Insurance

Wells Management Company, Inc., an affiliate of the Company and the Advisor, carries comprehensive liability and extended coverage with respect to all the properties owned directly or indirectly by the Company. In the opinion of management, the properties are adequately insured.

(h) Competition

The Company will experience competition for tenants from owners and managers of competing projects, which may include its affiliates. As a result, the Company may be required to provide free rent, reduced charges for tenant improvements and other inducements, all of which may have an adverse impact on results of operations. At the time the Company elects to dispose of its properties, the Company will also be in competition with sellers of similar properties to locate suitable purchasers for its properties.

(i) Statement of Cash Flows

For the purpose of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Cash equivalents include cash and short-term investments.

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(j) Basis of Presentation

Substantially all of the Company s business is conducted through Wells OP. On December 31, 1997, Wells OP issued 20,000 limited partner units to the Advisor in exchange for a capital contribution of $200,000. The Company is the sole general partner in Wells OP; consequently, the accompanying consolidated balance sheet of the Company includes the amounts of the Company and Wells OP. The Advisor, a limited partner, is not currently receiving distributions from its investment in Wells OP.

The consolidated financial statements of the Company have been prepared in accordance with instructions to Form 10-Q and do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. These quarterly statements have not been examined by independent accountants, but in the opinion of management of the Company, the statements for the unaudited interim periods presented include all adjustments, which are of a normal and recurring nature, necessary to present a fair presentation of the results for such periods. Results for interim periods are not necessarily indicative of full year results. For further information, refer to the financial statements and footnotes included in the Company s Form 10-K for the year ended December 31, 2001.

(k) Reclassifications and Change in Presentation

The Company has historically reported property operating costs net of reimbursements from tenants as an expense in its Consolidated Statements of Income. These costs include property taxes, property insurance, utilities, repairs and maintenance, management fees and other expenses related to the ownership and operation of the Company s properties that are required to be reimbursed by the properties tenants in accordance with the terms of their leases. In response to a FASB Emerging Issues Task Force release issued in November 2001, the Company will now present the reimbursements received from tenants as revenue and the gross property operating costs as expenses commencing in the first quarter of 2002. Consequently, the accompanying Consolidated Statements of Income for the three and nine months ended September 30, 2002 have been amended and restated to reflect the effects of this revised presentation. In addition, the comparative financial information for prior periods has been reclassified to conform to the presentation in the 2002 financial statements.

Since this presentation does not impact the amount of reimbursements received or property operating costs incurred and requires equal adjustments to revenues and expenses, the adoption of this guidance will have no impact on the financial position, net income, earnings per share or cash flows of the Company.

2. INVESTMENT IN JOINT VENTURES

(a) Basis of Presentation

As of September 30, 2002, the Company owned interests in 17 properties in joint ventures with related entities through its ownership in Wells OP, which owns interests in seven such joint ventures. The Company does not have control over the operations of these joint ventures; however, it does exercise significant influence. Accordingly, investment in joint ventures is recorded using the equity method.

(b) Summary of Operations

The following information summarizes the results of operations of the unconsolidated joint ventures in which the Company, through Wells OP, had ownership interests as of September 30, 2002 and 2001, respectively. There were no additional investments in joint ventures made by the Company during the three and nine months ended September 30, 2002.

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	Total Revenues		Net Income		Wells OP s Share of Net Income	
	Three Months Ended (in thousands)		Three Months Ended (in thousands)		Three Months Ended (in thousands)	
	September 30, 2002	September 30, 2001	September 30, 2002	September 30, 2001	September 30, 2002	September 30, 2001
Fund IX-X-XI-REIT Joint Venture	$ 1,346	$ 1,458	$ 574	$ 670	$ 21	$ 25
Cort Joint Venture	209	213	135	149	59	65
Fremont Joint Venture	226	227	142	142	110	110
Fund XI-XII-REIT Joint Venture	855	856	484	520	275	295
Fund XII-REIT Joint Venture	1,481	1,525	727	815	400	448
Fund VIII-IX-REIT Joint Venture	310	314	153	156	24	24
Fund XIII-REIT Joint Venture	707	306	408	155	370	135
	$ 5,134	$ 4,899	$ 2,623	$ 2,607	$ 1,259	$ 1,102

	Total Revenues		Net Income		Wells OP s Share of Net Income	
	Nine Months Ended (in thousands)		Nine Months Ended (in thousands)		Nine Months Ended (in thousands)	
	September 30, 2002	September 30, 2001	September 30, 2002	September 30, 2001	September 30, 2002	September 30, 2001
Fund IX-X-XI-REIT Joint Venture	$ 4,170	$ 4,472	$ 1,747	$ 2,043	$ 65	$ 76
Cort Joint Venture	631	611	405	415	177	181
Fremont Joint Venture	679	677	419	421	325	326
Fund XI-XII-REIT Joint Venture	2,601	2,571	1,526	1,534	866	871
Fund XII-REIT Joint Venture	4,643	3,729	2,385	1,848	1,311	967
Fund VIII-IX-REIT Joint Venture	945	902	461	416	73	66
Fund XIII-REIT Joint Venture	2,115	306	1,215	155	921	135
	$ 15,784	$ 13,268	$ 8,158	$ 6,832	$ 3,738	$ 2,622

Total revenues for the three and nine months ended September 30, 2002 presented above have been amended and restated to include operating cost reimbursements from tenants as revenue, consistent with the presentation described in Note 1(k).

3. INVESTMENTS IN REAL ESTATE

As of September 30, 2002, the Company, through its ownership in Wells OP, owns 50 properties directly. The following describes acquisitions made directly by Wells OP during the three months ended September 30, 2002.

The ISS Atlanta Buildings

On July 1, 2002, Wells OP purchased two five-story buildings containing a total of 238,600 rentable square feet located in Atlanta, Georgia for a purchase price of $40.5 million, excluding closing costs. The ISS Atlanta Buildings were acquired by assigning to Wells OP an existing ground lease with

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the Development Authority of Fulton County (Development Authority). Fee simple title to the land upon which the ISS Atlanta Buildings are located is held by the Development Authority, which issued Development Authority of Fulton County Taxable Revenue Bonds (Bonds) totaling $32.5 million in connection with the construction of these buildings. The Bonds, which entitle Wells OP to certain real property tax abatement benefits, were also assigned to Wells OP at the closing. Fee title interest to the land will be transferred to Wells OP upon payment of the outstanding balance on the Bonds, either by prepayment by Wells OP or at the expiration of the ground lease on December 1, 2015.

The entire rentable area of the ISS Atlanta Buildings is leased to Internet Security Systems, Inc., a Georgia corporation (ISS). The ISS Atlanta lease is a net lease that commenced in November 2000 and expires in May 2013. The current annual base rent payable under the ISS Atlanta lease is approximately $4.6 million. ISS, at its option, has the right to extend the initial term of its lease for three additional five-year periods at 95% of the then-current market rental rate.

The PacifiCare San Antonio Building

On July 12, 2002, Wells OP purchased the PacifiCare San Antonio Building, a two-story office building containing 142,500 rentable square feet located in San Antonio, Texas for a purchase price of $14.7 million, excluding closing costs. The PacifiCare San Antonio Building is 100% leased to PacifiCare Health Systems, Inc. (PacifiCare). The PacifiCare lease is a net lease that commenced in November 2000 and expires in November 2010. The current annual base rent payable under the PacifiCare lease is approximately $1.5 million. PacifiCare, at its option, has the right to extend the initial term of its lease for three additional five-year periods. Monthly base rent for the first renewal term will be approximately $0.2 million and monthly base rent for the second and third renewal terms will be the then-current market rental rate.

The Kerr-McGee Property

On July 29, 2002, Wells OP purchased the Kerr-McGee Property, a 4.2-acre tract of land located in Houston, Harris County, Texas for a purchase price of approximately $1.7, excluding closing costs. Wells OP has entered into agreements to construct a four-story office building containing approximately 100,000 rentable square feet (the Kerr-McGee Project) on the Kerr-McGee Property. It is currently anticipated that the aggregate of all costs and expenses to be incurred by Wells OP with respect to the acquisition of the Kerr-McGee Property and the planning, design, development, construction and completion of the Kerr McGee Project will total approximately $15.8 million.

The entire 100,000 rentable square feet of the Kerr-McGee Project will be leased to Kerr-McGee Oil & Gas Corporation (Kerr-McGee), a wholly owned subsidiary of Kerr-McGee Corporation. The initial term of the Kerr-McGee lease will extend 11 years and 1 month beyond the rent commencement date. Construction on the building is scheduled to be completed by July 2003. The rent commencement date will occur no later than July 1, 2003. Kerr-McGee has the right to extend the initial term of this lease for one additional period of twenty years or the option to extend the initial term for any combination of additional periods of ten years or five years for a total additional period of not more than twenty years. The base rental rate will be 95% of the existing market rate. The initial annual base rent payable under the Kerr-McGee lease will be calculated as 10.5% of project costs.

Wells OP obtained a construction loan in the amount of $13.7 million from Bank of America, to fund the construction of a building on the Kerr-McGee Property. The loan requires monthly payments of interest only and matures on January 29, 2004. The interest rate on the loan as of August 6, 2002 was 3.80%. The Bank of America loan is secured by a first priority mortgage on the Kerr-McGee Property.

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The BMG Greenville Buildings

On July 31, 2002, Wells OP purchased the BMG Greenville Buildings, two one-story office buildings containing 786,778 rentable square feet located in Duncan, Spartanburg County, South Carolina for a purchase price of $26.9 million, excluding closing costs. The BMG Greenville Buildings are leased to BMG Direct Marketing, Inc. (BMG Marketing) and BMG Music (BMG Music).

The BMG Marketing lease is a net lease that covers approximately 473,398 square feet that commenced in March 1988 and expires in March 2011. The current annual base rent payable under the BMG Marketing lease is approximately $1.4 million. BMG Marketing, at its option, has the right to extend the initial term of its lease for two consecutive ten-year periods at 95% of the then-current market rental rate.

The BMG Music lease is a net lease that covers approximately 313,380 rentable square feet that commenced in December 1987 and expires in March 2011. The current annual base rent payable under the BMG Music lease is approximately $0.8 million. BMG Music, at its option, has the right to extend the initial term of its lease for two consecutive ten-year periods at 95% of the then-current market rental rate.

The Kraft Atlanta Building

On August 1, 2002, Wells OP purchased the Kraft Atlanta Building, a one-story office building containing 87,219 rentable square feet located in Suwanee, Forsyth County, Georgia for a purchase price of approximately $11.6 million, excluding closing costs. The Kraft Atlanta Building is leased to Kraft Foods North America, Inc. (Kraft) and PerkinElmer Instruments, LLC (PerkinElmer).

The Kraft lease is a net lease that covers approximately 73,264 square feet that commenced in February 2002 and expires in January 2012. The current annual base rent payable under the Kraft lease is approximately $1.3 million. Kraft, at its option, has the right to extend the initial term of its lease for two additional five-year periods at the then-current market rental rate. In addition, Kraft may terminate the lease (1) at the end of the third year by paying a $7.0 million termination fee, or (2) at the end of the seventh lease year by paying an approximately $1.8 million termination fee.

The PerkinElmer lease is a net lease that covers approximately 13,955 rentable square feet that commenced in December 2001 and expires in November 2016. The current annual base rent payable under the PerkinElmer lease is approximately $0.2 million. PerkinElmer, at its option, has the right to extend the initial term of its lease for two additional five-year periods at the then-current market rental rate. In addition, PerkinElmer may terminate the lease at the end of the tenth lease year by paying a $0.3 million termination fee.

The Nokia Dallas Buildings

On August 15, 2002, Wells OP purchased the Nokia Dallas Buildings, three adjacent office buildings containing an aggregate of 604,234 rentable square feet located in Irving, Texas for an aggregate purchase price of approximately $119.6 million, excluding closing costs. The Nokia Dallas Buildings are all leased entirely to Nokia, Inc (Nokia) under three long-term net leases for periods of 10 years, with approximately seven to eight years remaining on such leases.

The Nokia I Building is a nine-story building containing 228,678 rentable square feet. The Nokia I Building lease fully commenced in July 1999 and expires in July 2009. The current annual base rent payable under the Nokia I Building lease is approximately $4.4 million. The Nokia II Building is a seven-story building containing 223,470 rentable square feet. The Nokia II Building lease commenced in December 2000 and expires in December 2010. The current annual base rent payable under the Nokia II Building lease is approximately $4.5 million. The Nokia III Building is a six-story building containing

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152,086 rentable square feet. The Nokia III Building lease commenced in June 1999 and expires in July 2009. The current annual base rent payable under the Nokia III Building lease is approximately $3.0 million.

The Harcourt Austin Building

On August 15, 2002, Wells OP purchased the Harcourt Austin Building, a seven-story office building containing 195,230 rentable square feet located in Austin, Texas for a purchase price of $39.0 million, excluding closing costs. The Harcourt Austin Building is leased entirely to Harcourt, Inc. (Harcourt), a wholly owned subsidiary of Harcourt General, Inc., the guarantor of the Harcourt lease. The Harcourt lease commenced in July 2001 and expires in June 2016. The current annual base rent payable under the Harcourt lease is approximately $3.4 million.

The AmeriCredit Phoenix Property

On September 12, 2002, Wells OP purchased the AmeriCredit Phoenix Property, a 14.74-acre tract of land located in Chandler, Maricopa County, Arizona for a purchase price of approximately $2.6 million, excluding closing costs. Wells OP has entered into agreements to construct a three-story office building containing approximately 153,494 rentable square feet (the AmeriCredit Phoenix Project) on the AmeriCredit Phoenix Property. It is currently anticipated that the aggregate of all costs and expenses to be incurred by Wells OP with respect to the acquisition of the AmeriCredit Phoenix Project and the planning, design, development, construction and completion of the AmeriCredit Phoenix Project will total approximately $24.7 million.

The entire 153,494 rentable square feet of the AmeriCredit Phoenix Project will be leased to AmeriCredit Financial Services, Inc. (AmeriCredit), a wholly owned subsidiary of AmeriCredit Corporation. The initial term of the AmeriCredit lease will extend 10 years and 4 month beyond the rent commencement date. Construction on the building is scheduled to be completed by August 2003. AmeriCredit has the right to extend the initial term of this lease for two additional periods of five years at 95% of the then-market rate. As an inducement for Wells OP to enter into the AmeriCredit Phoenix lease, AmeriCredit has prepaid to Wells OP the first three years of base rent at a discounted amount equal to approximately $4.8 million.

The IRS Long Island Buildings

On September 16, 2002, Wells REIT-Holtsville, NY, LLC (REIT-Holtsville), a Georgia limited liability company wholly-owned by Wells OP purchased the IRS Long Island Buildings, a two-story office building and a one-story daycare facility containing an aggregate 259,700 rentable square feet located in Holtsville, New York for a purchase price of approximately $51.0 million, excluding closing costs. Approximately 191,050 of the aggregate rentable square feet of the IRS Long Island Buildings (74%) is currently leased to the United States of America through the U.S. General Services Administration (U.S.A.) for occupancy by the IRS under three separate lease agreements for the processing & collection division of the IRS (IRS Collection), the compliance division of the IRS (IRS Compliance), and the IRS Daycare Facility. REIT-Holtsville is negotiating for the remaining 26% of the IRS Long Island Buildings to be leased by the U.S.A. on behalf of the IRS or to another suitable tenant. If REIT-Holtsville should lease this space to the U.S.A. or another suitable tenant within 18 months, REIT-Holtsville would owe the seller an additional amount of up to $14.5 million as additional purchase price for the IRS Long Island Buildings pursuant to the terms of an earnout agreement entered into between REIT-Holtsville and the seller at the closing.

The IRS Collection lease, which encompasses 128,000 rentable square feet of the IRS Office Building, commenced in August 2000 and expires in August 2005. The current annual base rent payable under the IRS Collection lease is approximately $5.0 million. The annual base rent payable under the

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IRS Collection lease for the remaining two years of the initial lease term will be approximately $2.8 million. The U.S.A., at its option, has the right to extend the initial term of its lease for two additional five-year periods at annual rental rates of approximately $4.2 million and $5.0 million, respectively.

The IRS Compliance lease, which encompasses 50,949 rentable square feet of the IRS Office Building, commenced in December 2001 and expires in December 2011. The annual base rent payable under the IRS Compliance lease for the initial term of the lease is approximately $1.7 million. The U.S.A., at its option, has the right to extend the initial term of its lease for one additional ten-year period at an annual rental rate of approximately $2.2 million.

The IRS Daycare Facility lease, which encompasses the entire 12,100 rentable square feet of the IRS Daycare Facility, commenced in October 1999 and expires in September 2004. The annual base rent payable under the IRS Daycare Facility lease for the initial term of the lease is approximately $0.5 million. The U.S.A., at its option, has the right to extend the initial term of its lease for two additional five-year periods at an annual rental rate of approximately $0.4 million.

The KeyBank Parsippany Building

On September 27, 2002, Wells OP purchased the KeyBank Parsippany Building, a four-story office building containing 404,515 rentable square feet located in Parsippany, New Jersey for a purchase price of approximately $101.4 million, excluding closing costs. The KeyBank Parsippany Building is leased to Key Bank U.S.A., N.A. (KeyBank) and Gemini Technology Services (Gemini).

The KeyBank lease covers 200,000 rentable square feet (49%) under a net lease that commenced in March 2001 and expires in February 2016. The current annual base rent payable under the KeyBank lease is $3.8 million. KeyBank, at its option, has the right to extend the initial term of its lease for three additional five-year periods at the then-current market rental rate.

The Gemini lease covers 204,515 rentable square feet (51%) under a gross lease that commenced in December 2000 and expires in December 2013. The current annual base rent payable under the Gemini lease is approximately $5.7 million. Gemini, at its option, has the right to extend the initial term of its lease for three additional five-year periods at a rate equal to the greater of (1) the annual rent during the final year of the initial lease term, or (2) 95% of the then-current market rental rate.

The Federal Express Colorado Springs Building

On September 27, 2002, Wells OP purchased the Federal Express Colorado Springs Building, a three-story office building containing 155,808 rentable square feet located in Colorado Springs, Colorado for a purchase price of $26.0 million, excluding closing costs. The Federal Express Colorado Springs Building is leased entirely to Federal Express Corporation (Federal Express). The Federal Express lease commenced in July 2001 and expires in October 2016. The current annual base rent payable under the Federal Express lease is approximately $2.2 million. Federal Express, at its option, has the right to extend the initial term of its lease for four additional five-year periods at 90% of the then-current market rental rate. In addition, Federal Express has an expansion option under its lease pursuant to which Wells OP would be required to construct an additional office building.

The EDS Des Moines Building

On September 27, 2002, Wells OP purchased the EDS Des Moines Building, a one-story office and distribution building containing 115,000 rentable square feet of office space and 290,000 rentable square feet of warehouse space located in Des Moines, Iowa for a purchase price of $26.5 million, excluding closing costs. The EDS Des Moines Building is leased entirely to EDS Information Services

L.L.C. (EDS), a wholly-owned subsidiary of Electronic Data Systems Corporation (EDS Corp.). EDS Corp. is the guarantor of the EDS lease. The EDS lease commenced in May 2002 and expires in April 2012. The current annual base rent payable under the EDS lease is approximately $2.4 million. EDS, at its option, has the right to extend the initial term of its lease for two additional five-year periods at the then-current market rental rate. In addition, EDS has an expansion option under its lease for up to an additional 100,000 rentable square feet.

The Intuit Dallas Building

On September 27, 2002, Wells OP purchased the Intuit Dallas Building, a two-story office building with a three-story wing containing 166,238 rentable square feet located in Plano, Texas for a purchase price of $26.5 million, excluding closing costs. The Intuit Dallas Building is leased entirely to Lacerte Software Corporation (Lacerte), a wholly-owned subsidiary of Intuit, Inc. (Intuit). Intuit is the guarantor of the Lacerte lease. The Lacerte lease commenced in July 2001 and expires in June 2011. The current annual base rent payable under the Lacerte lease is approximately $2.5 million. Lacerte, at its option, has the right to extend the initial term of its lease for two additional five-year periods at rental rates of $17.92 per square foot and $19.71 per square foot, respectively. In addition, Lacerte has an expansion option through November 2004 pursuant to which Wells OP would be required to purchase an additional 19 acre tract of land and to construct up to an approximately 600,000 rentable square foot building thereon.

The Allstate Indianapolis Building

On September 27, 2002, Wells OP purchased the Allstate Indianapolis Building, a one-story office building containing 89,956 rentable square feet located in Indianapolis, Indiana for a purchase price of $10.9 million, excluding closing costs. The Allstate Indianapolis Building is leased to Allstate Insurance Company (Allstate) and Holladay Property Services Midwest, Inc. (Holladay).

The Allstate lease, which covers 84,200 rentable square feet (94%), commenced in March 2002 and expires in August 2012. The current annual base rent payable under the Allstate lease is approximately $1.2 million. Allstate at its option has the right to (1) terminate the initial term of the Allstate lease at the end of the fifth lease year (August 2007) upon payment of an approximately $0.4 million fee, or (2) reduce its area of occupancy to not less than 20,256 rentable square feet, by providing written notice on or before August 2006. Allstate, at its option, has the right to extend the initial term of its lease for two additional five-year periods at the then-current market rental rate. In addition, Allstate has a right of first refusal for the leasing of additional space in the Allstate Indianapolis Building.

Holladay is a property management company that manages the Allstate Indianapolis Building from the site. The Holladay lease, which covers 5,756 rentable square feet (6%), commenced in October 2001 and expires in September 2006. The current annual base rent payable under the Holladay lease is approximately $.07 million.

The Daimler Chrysler Dallas Building

On September 30, 2002, Wells OP purchased the Daimler Chrysler Dallas Building, a two-story office building containing 130,290 rentable square feet located in Westlake, Texas for a purchase price of $25.1 million, excluding closing costs. The Daimler Chrysler Dallas Building is leased entirely to Daimler Chrysler Services North America LLC (Daimler Chrysler NA). The Daimler Chrysler NA lease commenced in January 2002 and expires in December 2011. The current annual base rent payable under the Daimler Chrysler NA lease is approximately $3.2 million. Daimler Chrysler NA, at its option, has the right to extend the initial term of its lease for three additional five-year periods at 98% of the then-current market rental rate. In addition, Daimler Chrysler NA has an expansion option for up to an

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additional 70,000 rentable square feet and a right of first offer if Wells OP desires to sell the Daimler Chrysler Dallas Building during the term of the lease.

4. NOTE RECEIVABLE

In connection with the purchase of the TRW Denver Building on May 29, 2002, Wells OP acquired a note receivable from the building s sole tenant, TRW, Inc., in the amount of $5.2 million. The loan was made to fund above-standard tenant improvement costs to the building. The note receivable is structured to be fully amortized over the remaining lease term, which expires September 2007, at 11% interest with TRW making monthly loan payments of $.1 million. At September 30, 2002, the principal balance of this note receivable was $5.0 million.

5. NOTES PAYABLE

At September 30, 2002, Wells OP had the following debt:

Lender	Collateral	Type of Debt	Maturity Date	Balance Outstanding (in millions)
SouthTrust	The Alstom Power Richmond Building	$7.9 million line of credit, interest at 30 day LIBOR plus 175 basis points	December 10, 2002	$ 7.7
SouthTrust	The PwC Building	$12.8 million line of credit, interest at 30 day LIBOR plus 175 basis points	December 10, 2002	2.1
SouthTrust	The Avnet Building and the Motorola Tempe Building	$19.0 million line of credit, interest at 30 day LIBOR plus 175 basis points	December 10, 2002	0
SouthTrust	The Cinemark Building, the Dial Building and the ASML Building	$32.4 million line of credit, interest at 30 day LIBOR plus 175 basis points	December 10, 2002	0
Bank of America	The Nissan Property	$34.2 million construction loan, interest at LIBOR plus 200 basis points	July 30, 2003	13.3
Bank of America	The Kerr McGee Property	$13.7 million construction loan, interest at LIBOR plus 200 basis points	January 29, 2004	1.0
Bank of America	The Videojet Technologies Chicago Building, the AT&T Pennsylvania Building, the Matsushita Building, the Metris Tulsa Building, the Motorola Plainfield Building and the Delphi Building	$85 million line of credit, interest at 30 day LIBOR plus 180 basis points	May 11, 2004	0

Prudential	The BMG Buildings	$8.8 million note payable, interest at 8%, principal and interest payable monthly	December 15, 2003	8.8
Prudential	The BMG Buildings	$2.9 million note payable, interest at 8.5%, interest payable monthly, principal payable upon maturity	December 15, 2003	2.9
Total				**$ 35.8**

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6. INTEREST RATE SWAPS

Wells OP has entered into interest rate swap agreements with Bank of America in order to hedge its interest rate exposure on the Bank of America construction loans for the Nissan Property (the Nissan Loan) and the Kerr McGee Property (the Kerr McGee Loan). The interest rate swap agreements involve the exchange of amounts based on a fixed interest rate for amounts based on a variable interest rate over the life of the loan agreement without an exchange of the notional amount upon which the payments are based. The notional amount of both interest rate swaps is the balance outstanding on the construction loan on the payment date.

The interest rate swap for the Nissan Loan became effective January 15, 2002 and terminates on June 15, 2003. Wells OP, as the fixed rate payer, has an interest rate of 3.9%. Bank of America, the variable rate payer, pays at a rate equal to U.S. dollar LIBOR on the payment date. The result is an effective interest rate of 5.9% on the Nissan Loan.

The interest rate swap for the Kerr McGee Loan became effective September 15, 2002 and terminates on July 15, 2003. Wells OP as fixed rate payer has an interest rate of 2.27%. Bank of America, the variable rate payer, pays at a rate equal to U.S. dollar LIBOR on the payment date. The result is an effective interest rate of 4.27% on the Kerr McGee Loan.

During the nine months ended September 30, 2002, Wells OP made interest payments totaling approximately $45,221 under the terms of the interest rate swap agreements. At September 30, 2002, the estimated fair value of the interest rate swap for the Nissan Loan and the Kerr McGee Loan was $(384,855) and $(30,180), respectively. The interest rate swaps are accounted for by mark-to-market accounting on a monthly basis and are included in prepaid and other assets on the accompanying consolidated balance sheet.

On January 1, 2001, the Company adopted SFAS No. 133, as amended by SFAS No. 137 and No. 138 Accounting for Derivative Instruments and Hedging Activities. The effect of adopting the SFAS No. 133 did not have a material effect on the Company s consolidated financial statements.

7. INVESTMENT IN BONDS AND OBLIGATIONS UNDER CAPITAL LEASES

In connection with the purchase of a ground leasehold interest in the Ingram Micro Distribution Facility pursuant to a Bond Real Property Lease dated December 20, 1995 (the Bond Lease), Wells OP acquired an Industrial Development Revenue Note (the Bond) dated December 20, 1995 in the principal amount of $22 million. As part of the same transaction, Wells OP also acquired a Fee Construction Mortgage Deed of Trust Assignment of Rents and Leases (the Bond Deed of Trust), also dated December 20, 1995, which was executed by the Industrial Development Board in order to secure the Bond. Beginning in 2006, the holder of the Bond Lease has the option to purchase the land underlying the Ingram Micro Distribution Facility for $100 plus satisfaction of the indebtedness evidenced by the Bond. Because Wells OP is technically subject to the obligation to pay the $22 million indebtedness evidenced by the Bond, the obligation to pay the Bond is carried on the Company s books as a liability. However, since Wells OP is also the owner of the Bond, the Bond is also carried on the Company s books as an asset.

As part of the transaction to acquire a ground leasehold interest in the ISS Atlanta Buildings, Wells OP was assigned Development Authority of Fulton County Taxable Revenue Bonds totaling $32.5 million, which were originally issued in connection with the development of the ISS Atlanta Buildings (the Bonds). The Bonds entitle Wells OP to certain property tax abatement benefits. Upon payment of the outstanding balance on the Bonds, on or before the expiration of the ground lease on December 1, 2015, fee title interest to the underlying land will be transferred to

Wells OP. Because Wells OP is technically subject to the obligation to pay the $32.5 million indebtedness evidenced by the Bond, the

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obligation to pay the Bonds is carried on the Company s books as a liability. However, since Wells OP is also the owner of the Bonds, the Bonds are also carried on the Company s books as an asset.

8. DUE TO AFFILIATES

Due to affiliates consists of amounts due to the Advisor for acquisitions and advisory fees and acquisition expenses, deferred offering costs, and other operating expenses paid on behalf of the Company. Also included in due to affiliates is the amount due to the Fund VIII-IX Joint Venture related to the Matsushita lease guarantee, which is explained in greater detail in the financial statements and footnotes included in the Company s Form 10-K for the year ended December 31, 2001. Payments of $.6 million have been made as of September 30, 2002 toward funding the obligation under the Matsushita agreement.

9. COMMITMENTS AND CONTINGENCIES

Take Out Purchase and Escrow Agreement

An affiliate of the Advisor (Wells Exchange) has developed a program (the Wells Section 1031 Program) involving the acquisition by Wells Exchange of income-producing commercial properties and the formation of a series of single member limited liability companies for the purpose of facilitating the resale of co-tenancy interests in such real estate properties to be owned in co-tenancy arrangements with persons (1031 Participants) who are looking to invest the proceeds from a sale of real estate held for investment in another real estate investment for purposes of qualifying for like-kind exchange treatment under Section 1031 of the Code. Each of these properties will be financed by a combination of permanent first mortgage financing and interim loan financing obtained from institutional lenders.

Following the acquisition of each property, Wells Exchange will attempt to sell co-tenancy interests to 1031 Participants, the proceeds of which will be used to pay off the interim financing. In consideration for the payment of a take out fee to the Company, and following approval of the potential property acquisition by the Company s Board of Directors, it is anticipated that Wells OP will enter into a contractual relationship providing that, in the event that Wells Exchange is unable to sell all of the co-tenancy interests in that particular property to 1031 Participants, Wells OP will purchase, at Wells Exchange s cost, any co-tenancy interests remaining unsold at the end of the offering period. As a part of the initial transaction in the Wells Section 1031 Program, Wells OP entered into a take out purchase and escrow agreement dated April 16, 2001 providing, among other things, that Wells OP would be obligated to acquire, at Wells Exchange s cost, any unsold co-tenancy interests in the building known as the Ford Motor Credit Complex which remained unsold at the expiration of the offering of Wells Exchange, which was extended to April 15, 2002. Wells OP was compensated for its takeout commitment in the amount of $.1 million in each of 2001 and 2002 by payment of a take out fee to Wells OP in an amount equal to 1.25% of its maximum financial obligation under the Ford Motor Credit take out purchase and escrow agreement. On April 12, 2002, Wells Exchange paid off the interim financing on the Ford Motor Credit Complex. This pay off of the loan triggered the release of Wells OP from its prior obligations under the take out purchase and escrow agreement relating to such property.

Letters of Credit

At September 30, 2002, Wells OP had three letters of credit totaling $19.2 million outstanding from financial institutions, which were not recorded in the accompanying consolidated balance sheet. These letters of credit were required by three of the Company s tenants to ensure completion of the Company s contractual obligations. The Company s management does not anticipate a need to draw on these letters of credit.

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Properties under Contract

At September 30, 2002, the Company had three executed contracts for the acquisition of properties totaling $82.0 million. Escrows of $1.3 million have been paid out for these properties and are included in prepaid and other assets on the accompanying consolidated balance sheet.

10. SUBSEQUENT EVENTS

Issuance of Common Stock

From October 1, 2002 through October 25, 2002, the Company has raised approximately $91.5 million through the issuance of 9.1 million shares of common stock in the Company.

Termination Agreement

Effective October 31, 2002, Arthur Andersen LLP (Andersen) and Wells OP entered into a termination agreement with respect to the lease for the three-story office building containing 157,700 rentable square feet located in Sarasota, Florida known as the Arthur Andersen Building. In consideration for releasing Andersen from its obligation to pay rent under the lease, Andersen paid Wells OP a termination fee of $979,760 and conveyed to Wells OP an approximately 1.3 acre tract of land adjacent to the property which was used for parking.

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Report of Independent Auditors

Shareholders and Board of Directors

Wells Real Estate Investment Trust, Inc.

We have audited the accompanying statement of revenues over certain operating expenses of the Nestle Building for the year ended December 31, 2001. This statement is the responsibility of the Nestle Building s management. Our responsibility is to express an opinion on this statement based on our audit.

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

The accompanying statement of revenues over certain operating expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission, as described in Note 2, and is not intended to be a complete presentation of the Nestle Building s revenues and expenses.

In our opinion, the statement of revenues over certain operating expenses referred to above presents fairly, in all material respects, the revenues and certain operating expenses described in Note 2 of the Nestle Building for the year ended December 31, 2001 in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP

Atlanta, Georgia

January 21, 2003

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Nestle Building

Statements of Revenues Over Certain Operating Expenses

For the year ended December 31, 2001 and the nine months ended September 30, 2002

	2002	2001
	(Unaudited)	
Revenues:		
Base rent	$ 10,995,810	$ 14,660,259
Parking	617,318	848,917
Tenant reimbursements	698,210	853,872
Total revenues	12,311,338	16,363,048
Operating expenses	3,914,726	4,968,193
Revenues over certain operating expenses	$ 8,396,612	$ 11,394,855

See accompanying notes.

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Nestle Building

Notes to Statements of Revenues Over Certain Operating Expenses

For the year ended December 31, 2001 and the nine months ended September 30, 2002

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Description of Real Estate Property Acquired

On December 20, 2002, Wells REIT-Glendale, CA, LLC (the Company) acquired the Nestle Building from Douglas Emmett Joint Venture (Douglas Emmett). The Company, a Georgia limited liability company, was created on December 20, 2002. Wells Operating Partnership, L.P. (Wells OP) is the sole member of the Company. Wells OP is a Delaware limited partnership formed to acquire, own, lease, operate, and manage real properties on behalf of Wells Real Estate Investment Trust, Inc., a Maryland corporation. As the sole general partner of Wells OP, Wells Real Estate Investment Trust, Inc. possesses full legal control and authority over the operations of Wells OP.

The twenty-story building contains 505,115 square feet of net rentable area and is 100% leased to several tenants, including Nestle USA, Inc. (Nestle). Nestle occupies a total of 502,994 square feet, or 99.6%, under a lease (Nestle Lease) that commenced in August 1990 and expires in August 2010. The remaining square footage is leased to several retail tenants under lease agreements that expire over the next seven years. Douglas Emmett s interests in the Nestle Lease and other retail lease agreements were assigned to the Company upon acquisition of the Nestle Building. Under the Nestle Lease, the tenant is required to pay, as additional rent, its pro rata share of operating expenses over the base year operating allowance established in the first lease year. Operating expenses shall consist of all direct costs of operation and maintenance of the building including, but not limited to, real estate taxes, water and sewer charges, utilities, janitorial services, security and labor. Additionally, the Nestle Lease entitles Nestle to a specified number of parking spaces, and Nestle is required to pay monthly rental payments for the spaces which the Company records as parking revenues. The Company will be responsible for maintaining and repairing the Nestle Building s roof, foundation, common areas, electrical and mechanical systems.

Rental Revenues

Rental income is recognized on a straight-line basis over the terms of the leases.

2. BASIS OF ACCOUNTING

The accompanying statements of revenues over certain operating expenses are presented in conformity with accounting principles generally accepted in the United States and in accordance with the applicable rules and regulations of the Securities and Exchange Commission for real estate properties acquired. Accordingly, these statements exclude certain historical expenses that are not comparable to the proposed future operations of the property such as depreciation and interest. Therefore, these statements are not comparable to the statement of operations of the Nestle Building after its acquisition by the Company.

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Notes to Statements of Revenues Over Certain Operating Expenses

(Continued)

3. FUTURE MINIMUM RENTAL COMMITMENTS

Future minimum rental commitments for the years ended December 31 are as follows:

2002	$ 14,939,680
2003	14,950,502
2004	14,963,154
2005	15,508,547
2006	16,591,633
Thereafter	60,926,465
	$ 137,879,981

4. INTERIM UNAUDITED FINANCIAL INFORMATION

The statement of revenues over certain operating expenses for the nine months ended September 30, 2002 is unaudited, however, in the opinion of management, all adjustments (consisting solely of normal, recurring adjustments) necessary for the fair presentation of the statement for the interim period have been included. The results of the interim period are not necessarily indicative of the results to be obtained for a full fiscal year.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

SUMMARY OF UNAUDITED PRO FORMA FINANCIAL STATEMENTS

This pro forma information should be read in conjunction with the financial statements and notes of Wells Real Estate Investment Trust, Inc., a Maryland Corporation (the Wells REIT), included in its annual report on Form 10-K for the year ended December 31, 2001 and quarterly report on Form 10-Q/A for the period ended September 30, 2002. In addition, this pro forma information should be read in conjunction with the financial statements and notes of certain acquired properties included in various Form 8-Ks previously filed.

The following unaudited pro forma balance sheet as of September 30, 2002 has been prepared to give effect to the fourth quarter 2002 acquisitions of the NASA Buildings by Wells REIT-Independence Square, LLC, of which Wells REIT is the sole member, the Caterpillar Nashville Building, the Capital One Richmond Buildings (the Other Recent Acquisitions) by Wells Operating Partnership, L.P. (Wells OP), the Nestle Building by Wells REIT Glendale, CA, LLC, of which Wells OP is the sole member, and the John Wiley Indianapolis Building by Wells XIII-REIT Joint Venture (Wells XIII-REIT), a joint venture partnership between Wells Real Estate Fund XIII, L.P. and Wells OP, and the first quarter 2003 acquisition of the East Point Buildings (collectively, the Recent Acquisitions) by Wells OP as if the acquisitions occurred on September 30, 2002.

Wells OP is a Delaware limited partnership that was organized to own and operate properties on behalf of Wells REIT. As the sole general partner of Wells OP, Wells REIT possesses full legal control and authority over the operations of Wells OP. Accordingly, the accounts of Wells OP are consolidated with the accompanying pro forma financial statements of Wells REIT.

The following unaudited pro forma statement of income for the nine months ended September 30, 2002 has been prepared to give effect to the first, second and third quarter 2002 acquisitions of the Vertex Sarasota Building (formerly, the Arthur Andersen Building), the Transocean Houston Building, the Novartis Atlanta Building, the Dana Corporation Buildings, the Travelers Express Denver Buildings, the Agilent Atlanta Building, the BellSouth Ft. Lauderdale Building, the Experian/TRW Buildings, the Agilent Boston Building, the TRW Denver Building, the MFS Phoenix Building, the ISS Atlanta Buildings, the PacifiCare San Antonio Building, the BMG Greenville Buildings, the Kraft Atlanta Building, the Nokia Dallas Buildings, the Harcourt Austin Building, the IRS Long Island Buildings, the KeyBank Parsippany Building, the Allstate Indianapolis Building, the Federal Express Colorado Springs Building, the EDS Des Moines Building, the Intuit Dallas Building, the Daimler Chrysler Dallas Building (collectively, the 2002 Acquisitions) and the Recent Acquisitions as if the acquisitions occurred on January 1, 2001. The Kerr McGee Property and the AmeriCredit Phoenix Property had no operations during the nine months ended September 30, 2002.

The following unaudited pro forma statement of income for the year ended December 31, 2001 has been prepared to give effect to the 2001 acquisitions of the Comdata Building, the AmeriCredit Building, the State Street Bank Building, the IKON Buildings, the Ingram Micro Building, the Lucent Building, the ADIC Buildings, the Convergys Building, the Windy Point Buildings (collectively, the 2001 Acquisitions), the 2002 Acquisitions and the Recent Acquisitions as if the acquisitions occurred on January 1, 2001. The Nissan Property, the Travelers Express Denver Buildings, the Kerr McGee Property, the AmeriCredit Phoenix Property and the EDS Des Moines Building had no operations during 2001.

These unaudited pro forma financial statements are prepared for informational purposes only and are not necessarily indicative of future results or of actual results that would have been achieved had the acquisitions of the 2001 Acquisitions, 2002 Acquisitions and the Recent Acquisitions been consummated as of January 1, 2001. In addition, the pro forma balance sheet includes allocations of the purchase price for certain acquisitions based upon preliminary estimates of the fair value of the assets and liabilities acquired. Therefore, these allocations may be adjusted in the future upon finalization of these preliminary estimates.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

PRO FORMA BALANCE SHEET

SEPTEMBER 30, 2002

(Unaudited)

ASSETS

		Pro Forma Adjustments				
		Recent Acquisitions				
	Wells Real Estate Investment Trust, Inc. (i)		John Wiley Indianapolis	Nestle	East Point	Pro Forma Total
REAL ESTATE ASSETS, at cost:						
Land	$ 164,190,412	$ 87,755,000 (c)	$ 0	$ 23,200,000(c)	$ 2,163,000(c)	$ 280,284,706
		1,888,098(d)		404,941(e)	88,553(e)	
		594,702(e)				
Buildings, less accumulated depreciation of $47,999,655	1,171,793,037	351,806,121 (c)	0	134,446,731(c)	19,916,138(c)	1,689,539,532
		8,415,460(e)		2,346,678(e)	815,367(e)	
Construction in progress	28,500,195	0	0	0	0	28,500,195
Total real estate assets	1,364,483,644	450,459,381	0	160,398,350	22,983,058	1,998,324,433
CASH AND CASH EQUIVALENTS	143,911,852	(266,478,531)(c)	(8,928,915)(f)	(67,646,731)(c)	(22,079,138)(c)	144,624,892
		379,115,394(a)				
		(13,269,039)(b)				
INVESTMENT IN JOINT VENTURES	75,388,348	0	9,294,465(g)	0	0	84,682,813
INVESTMENT IN BONDS	54,500,000	0	0	0	0	54,500,000
ACCOUNTS RECEIVABLE	12,018,601	0	0	0	0	12,018,601
DEFERRED LEASE ACQUISITION COSTS, NET	1,712,541	0	0	0	0	1,712,541
DEFERRED PROJECT COSTS	5,963,370	(1,895,611)(d)	(365,550)(h)	(2,751,619)(e)	(903,920)(e)	4,313,060
		(9,002,649)(e)				
		13,269,039(b)				

DEFERRED OFFERING COSTS	3,537,361	0	0	0	0	3,537,361
DUE FROM AFFILIATES	2,185,436	0	0	0	0	2,185,436
NOTE RECEIVABLE	4,965,838	0	0	0	0	4,965,838
PREPAID EXPENSES AND OTHER ASSETS, NET	2,597,110	37,764(c)	0	0	0	2,634,874
Total assets	$ 1,671,264,101	$ 552,235,748	$ 0	$ 90,000,000	$ 0	$ 2,313,499,849

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LIABILITIES AND SHAREHOLDERS EQUITY

	Wells Real Estate Investment Trust, Inc. (i)	Pro Forma Adjustments — Recent Acquisitions: Other	John Wiley Indianapolis	Nestle	East Point	Pro Forma Total
LIABILITIES:						
Accounts payable and accrued expenses	$ 17,538,820	$ 881,644(c)	$ 0	$ 0	$ 0	$ 18,420,464
Notes payable	35,829,293	172,238,710(c)	0	90,000,000(c)	0	298,068,003
Obligations under capital lease	54,500,000	0	0	0	0	54,500,000
Dividends payable	10,209,306	0	0	0	0	10,209,306
Due to affiliates	4,379,745	0	0	0	0	4,379,745
Deferred rental income	7,893,930	0	0	0	0	7,893,930
Total liabilities	130,351,094	173,120,354	0	90,000,000	0	393,471,448
COMMITMENTS AND CONTINGENCIES						
MINORITY INTEREST OF UNIT HOLDER IN OPERATING PARTNERSHIP	200,000	0	0	0	0	200,000
SHAREHOLDERS EQUITY:						
Common shares, $.01 par value; 750,000,000 shares authorized, 182,608,517 shares issued and 180,891,792 outstanding at September 30, 2002	1,826,086	379,115(a)	0	0	0	2,205,201
Additional paid-in capital	1,621,376,451	378,736,279(a)	0	0	0	2,000,112,730
Cumulative distributions in excess of earnings	(64,907,241)	0	0	0	0	(64,907,241)
Treasury stock, at cost, 1,716,725 shares	(17,167,254)	0	0	0	0	(17,167,254)
Other comprehensive loss	(415,035)	0	0	0	0	(415,035)
Total shareholders equity	1,540,713,007	379,115,394	0	0	0	1,919,828,401
Total liabilities and shareholders equity	$ 1,671,264,101	$ 552,235,748	$ 0	$ 90,000,000	$ 0	$ 2,313,499,849

(a) Reflects capital raised through issuance of additional shares subsequent to September 30, 2002 through East Point acquisition date.

(b) Reflects deferred project costs capitalized as a result of additional capital raised described in note (a) above.

(c) Reflects Wells Real Estate Investment Trust, Inc. s purchase price for the land, building and liabilities assumed.

(d) Reflects deferred project costs applied to the land and building at approximately 4.07% of the cash paid for purchase.

(e) Reflects deferred project costs applied to the land and building at approximately 4.094% of the cash paid for purchase.

(f) Reflects Wells Real Estate Investment Trust, Inc. s proportionate share of the cost to acquire the John Wiley Indianapolis Building.

(g) Reflects Wells Real Estate Investment Trust, Inc. s contribution to the Wells XIII-REIT Joint Venture, which decreased its interest in the joint venture from 68.29% to 61.28%.

(h) Reflects deferred project costs contributed to the Wells Fund XIII-REIT Joint Venture at approximately 4.094% of purchase price.

(i) Historical financial information derived from quarterly report on Form 10-Q.

The accompanying notes are an integral part of this statement.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

PRO FORMA STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2001

(Unaudited)

		Pro Forma Adjustments						
				Recent Acquisitions				
	Wells Real Estate Investment Trust, Inc. (h)	2001 Acquisitions	2002 Acquisitions	Other	John Wiley Indianapolis	Nestle	East Point	Pro Forma Total
REVENUES:								
Rental income	$ 44,204,279	$ 11,349,076(a)	$ 54,615,521(a)	$ 45,317,526(a)	$ 0	$ 16,657,346(a)	$ 1,059,426(a)	$ 173,203,174
Equity in income of joint ventures	3,720,959	1,111,850(b)	0	0	638,552(b)	0	0	5,471,361
Interest income	1,246,064	0	0	0	0	0	0	1,246,064
Take out fee	137,500	0	0	0	0	0	0	137,500
	49,308,802	12,460,926	54,615,521	45,317,526	638,552	16,657,346	1,059,426	180,058,099
EXPENSES:								
Depreciation	15,344,801	5,772,761(c)	22,487,278(c)	14,408,864(c)	0	5,471,736(c)	829,260(c)	64,314,700
Interest	3,411,210	0	0	9,452,460(f)	0	4,399,200(g)	0	17,262,870
Operating costs, net of reimbursements	4,128,883	2,854,275(d)	3,668,343(d)	9,628,878(d)	0	4,114,321(d)	926,011(d)	25,320,711
Management and leasing fees	2,507,188	510,708(e)	2,250,455(e)	482,139(e)	0	711,379(e)	47,674(e)	6,509,543
General and administrative	973,785	0	0	0	0	0	0	973,785
Amortization of deferred financing costs	770,192	0	0	0	0	0	0	770,192
Legal and accounting	448,776	0	0	0	0	0	0	448,776
	27,584,835	9,137,744	28,406,076	33,972,341	0	14,696,636	1,802,945	115,600,577
NET INCOME	$ 21,723,967	$ 3,323,182	$ 26,209,445	$ 11,345,185	$ 638,552	$ 1,960,710	$ (743,519)	$ 64,457,522
EARNINGS PER SHARE, basic and diluted	$ 0.43							$ 0.21
WEIGHTED AVERAGE SHARES, basic and diluted	50,520,853							303,171,546

(a) Rental income is recognized on a straight-line basis.

(b) Reflects Wells Real Estate Investment Trust, Inc. s equity in income of Wells XII-REIT Joint Venture related to the acquisition of the Comdata Building and equity in income of Wells XIII-REIT Joint Venture related to the acquisition of the AmeriCredit Building, the ADIC Buildings and the John Wiley Indianapolis Building.

(c) Depreciation expense on the buildings is recognized using the straight-line method and a 25-year life.

(d) Consists of operating expenses, net of reimbursements.

(e) Management and leasing fees are calculated at 4.5% of rental income.

(f) Represents interest expense on lines of credit used to acquire assets, which bear interest at approximately 5.488% for the year ended December 31, 2001.

(g) Represents interest expense on mortgage assumed as part of the Nestle Building acquisition, which bears interest at approximately 4.888% for the year ended December 31, 2001.

(h) Historical financial information derived from annual report on Form 10-K.

The accompanying notes are an integral part of this statement.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

PRO FORMA STATEMENT OF INCOME

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2002

(Unaudited)

		Pro Forma Adjustments					
			Recent Acquisitions				
	Wells Real Estate Investment Trust, Inc. (i)	2002 Acquisitions	Other	John Wiley Indianapolis	Nestle	East Point	Pro Forma Total
REVENUES:							
Rental income	$ 66,120,992	$ 42,103,180(a)	$ 33,939,001(a)	$ 0	$ 12,473,951(a)	$ 1,112,123(a)	$ 155,749,247
Operating cost reimbursements	12,853,717	5,976,734(h)	3,062,835(h)	0	698,210(h)	47,499(h)	22,638,995
Equity in income of joint ventures	3,738,046	0	0	487,970(f)	0	0	4,226,016
Interest income	5,075,165	0	0	0	0	0	5,075,165
Take out fee	134,666	0	0	0	0	0	134,666
	87,922,586	48,079,914	37,001,836	487,970	13,172,161	1,159,622	187,824,089
EXPENSES:							
Depreciation	23,185,201	15,039,449(b)	10,806,647(b)	0	4,103,802(b)	621,945(b)	53,757,044
Operating costs	17,108,599	10,179,532	10,532,575(c)	0	3,914,726(c)	742,490(c)	42,477,922
Interest	2,006,458	0	5,310,551(e)	0	2,369,925(g)	0	9,686,934
Management and leasing fees	3,348,210	1,697,775(d)	361,605(d)	0	533,548(d)	50,046(d)	5,991,184
General and administrative	1,866,042	0	0	0	0	0	1,866,042
Amortization of deferred financing costs	586,715	0	0	0	0	0	586,715
	48,101,225	26,916,756	27,011,378	0	10,922,001	1,414,481	114,365,841
NET INCOME	$ 39,821,361	$ 21,163,158	$ 9,990,458	$ 487,970	$ 2,250,160	$ (254,859)	$ 73,458,248
EARNINGS PER SHARE, basic and diluted	$ 0.31						$ 0.24
WEIGHTED AVERAGE SHARES, basic and diluted	128,541,432						303,171,546

(a) Rental income is recognized on a straight-line basis.

(b) Depreciation expense on the buildings is recognized using the straight-line method and a 25-year life.

(c) Consists of operating expenses.

(d) Management and leasing fees are calculated at 4.5% of rental income.

(e) Represents interest expense on lines of credits used to acquire assets, which bear interest at approximately 4.111% for the nine months ended September 30, 2002.

(f) Reflects Wells Real Estate Investment Trust, Inc. s equity in income of the Wells Fund XIII-REIT Joint Venture related to the John Wiley Indianapolis Building. The pro forma adjustment results from rental revenues less operating expenses, management fees and depreciation.

(g) Represents interest expense on mortgage assumed as part of the Nestle Building acquisition, which bears interest at approximately 3.511% for the nine months ended September 30, 2002.

(h) Consists of operating costs reimbursements.

(i) Historical financial information derived from quarterly report on Form 10-Q/A.

The accompanying notes are an integral part of this statement.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

SUPPLEMENT NO. 6 DATED APRIL 14, 2003 TO THE PROSPECTUS

DATED JULY 26, 2002

This document supplements, and should be read in conjunction with, the prospectus of Wells Real Estate Investment Trust, Inc. dated July 26, 2002, as supplemented and amended by Supplement No. 1 dated August 14, 2002, Supplement No. 2 dated August 29, 2002, Supplement No. 3 dated October 25, 2002, Supplement No. 4 dated December 10, 2002, and Supplement No. 5 dated January 15, 2003. When we refer to the prospectus in this supplement, we are also referring to any and all supplements to the prospectus. Unless otherwise defined in this supplement, capitalized terms used in this supplement shall have the same meanings as set forth in the prospectus.

The purpose of this supplement is to describe the following:

(1) Status of the offering of shares in Wells Real Estate Investment Trust, Inc. (Wells REIT);

(2) The declaration of dividends for the second quarter of 2003;

(3) Revisions to the ERISA Considerations Annual Valuation section of the prospectus;

(4) Revisions to the Description of Real Estate Investments section of the prospectus to describe the acquisition of a 25-story office building in Detroit, Michigan (150 West Jefferson Detroit Building);

(5) Revisions to the Management s Discussion and Analysis of Financial Condition and Results of Operations section of the prospectus;

(6) Updated audited financial statements of the Wells REIT;

(7) Updated unaudited prior performance tables; and

(8) Unaudited pro forma financial statements of the Wells REIT reflecting the acquisition of the 150 West Jefferson Detroit Building.

Status of the Offering

We commenced our initial public offering of common stock on January 30, 1998. Our initial public offering was terminated on December 19, 1999. We received approximately $132,181,919 in gross offering proceeds from the sale of 13,218,192 shares in our initial public offering. We commenced our second offering of common stock on December 20, 1999. Our second public offering was terminated on December 19, 2000. We received approximately $175,229,193 in gross offering proceeds from the sale of 17,522,919 shares in our second public offering. We commenced our third public offering of common stock on December 20, 2000. Our third public offering was terminated on July 26, 2002. We received approximately $1,282,976,865 in gross offering proceeds from the sale of 128,297,687 shares in our third public offering.

Pursuant to the prospectus, we commenced our fourth public offering of common stock on July 26, 2002. As of March 31, 2003, we had received additional gross proceeds of approximately $1.0 billion from the sale of approximately 101.4 million shares in our fourth public offering. Accordingly, as of March 31, 2003, we had received aggregate gross offering proceeds of approximately $2.6 billion from the sale of approximately 260.5 million shares in all of our public offerings. After payment of approximately $90.0 million in acquisition and advisory fees and acquisition expenses, payment of $291.4 million in selling commissions and organization and offering expenses, and common stock redemptions of approximately $33.9 million pursuant to our share redemption program, as of March 31, 2003, we had raised aggregate net offering proceeds available for investment in properties of

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approximately $2.2 billion, out of which approximately $2.1 billion had been invested in real estate properties, and approximately $108.6 million remained available for investment in real estate properties.

Dividends

On March 12, 2003, our board of directors declared dividends for the second quarter of 2003 in the amount of a 7.0% annualized percentage rate return on an investment of $10.00 per share to be paid in June 2003. Our second quarter dividends are calculated on a daily record basis of $0.001922 (0.1922 cents) per day per share on the outstanding shares of common stock payable to stockholders of record of such shares as shown on the books of the Wells REIT at the close of business on each day during the period, commencing on March 16, 2003, and continuing on each day thereafter through and including June 15, 2003.

ERISA Considerations Annual Valuation

The information contained on page 136 in the ERISA Considerations Annual Valuation section of the prospectus is revised as of the date of this supplement by the deletion of that section in its entirety and the insertion of the following paragraphs in lieu thereof:

Annual Valuation

A fiduciary of an employee benefit plan subject to ERISA is required to determine annually the fair market value of each asset of the plan as of the end of the plan s fiscal year and to file a report reflecting that value with the Department of Labor. When the fair market value of any particular asset is not available, the fiduciary is required to make a good faith determination of that asset s fair market value assuming an orderly liquidation at the time the determination is made. In addition, a trustee or custodian of an IRA must provide an IRA participant with a statement of the value of the IRA each year. In discharging its obligation to value assets of a plan, a fiduciary subject to ERISA must act consistently with the relevant provisions of the plan and the general fiduciary standards of ERISA.

Unless and until our shares are listed on a national securities exchange or are included for quotation on NASDAQ, it is not expected that a public market for the shares will develop. To date, neither the Internal Revenue Service nor the Department of Labor has promulgated regulations specifying how a plan fiduciary should determine the fair market value of common stock in a corporation in circumstances where the fair market value of the shares is not determined in the marketplace.

We have included in the past and intend to continue to include in the future estimated share values in our annual reports on Form 10-K each year. Currently, we have estimated the value of the shares to be $10 per share, which represents the price per share at which we are currently offering our shares to the public. However, please note that there is no public trading market for the shares at this time, and it is unlikely that you would be able to receive $10 per share if such a market did exist and you sold your shares. In addition, we have not performed an evaluation of our properties and, therefore, this valuation is not based upon the value of our properties, nor does it represent the amount you would receive if our properties were sold and the proceeds distributed to you in a liquidation of the Wells REIT. Such amount would most likely be less than $10 per share as a result of the fact that, at the time we purchase our properties, the amount of funds available for investment in properties is reduced by the approximately 15% to 16% of offering proceeds we raise which is used to pay selling commissions and dealer manager fees, organization and offering expenses and acquisition and advisory fees and expenses.

We previously indicated that we would implement a process by the end of year 2003 to produce estimated valuations of our shares based upon estimating the fair market values of our properties at the end of each year. When we initially determined to implement such a process by the end of 2003, we did not expect we would be continuing to raise substantial new funds through the public offering of our

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shares in 2003. As noted herein, after the costs associated with raising funds and acquiring properties are taken into account, only approximately 84% to 85% of offering proceeds are available for investment in properties. As a result, so long as we are still in the process of raising significant new funds and acquiring new properties with those funds, it would be expected that, in the absence of other factors affecting property values, our aggregate net asset value would be significantly less than the proceeds of our offerings and may not be the best indicator of the value of shares purchased as a long term income producing investment. Instead, we believe that, during periods in which significant amounts of shares are still being offered and sold to investors, the price paid by such investors may better reflect the estimated value of the shares. Accordingly, as long as we continue to publicly offer our shares, we expect to continue to use the current offering price of our shares as estimated per share value reported in our annual reports on Form 10-K.

Beginning three full fiscal years after we have ceased to sell significant amounts of shares, we will reevaluate the best method to value our shares. Currently, we intend, at that time, to have our advisor begin preparing estimated valuations utilizing the methodology described below and intend to continue to provide reports to plan fiduciaries and IRA trustees and custodians who identify themselves to us and request this information using these valuations. The methodology to be utilized for determining such estimated share values will be for our advisor to estimate the amount a stockholder would receive if our properties were sold at their estimated fair market values at the end of the fiscal year and the proceeds from such sales (without reductions for selling expenses and other costs) were distributed to the stockholders in liquidation. While, in connection with the advisor s estimated valuations, the advisor will be obtaining a third party opinion that its estimates of value are reasonable, due to the expense involved in obtaining annual appraisals for all of our properties, we do not anticipate that actual appraisals will be obtained. These estimated values for our shares will also be reported in our annual reports on Form 10-K.

You should be cautioned that such valuations will be estimates only and will be based upon a number of assumptions that may not be accurate or complete. As set forth above, we do not anticipate obtaining appraisals for our properties and, accordingly, the advisor s estimates should not be viewed as an accurate reflection of the fair market value of our properties, nor will they represent the amount of net proceeds that would result from an immediate sale of our properties. In addition, property values are subject to change and can always decline in the future. For these reasons, our estimated valuations should not be utilized for any purpose other than to assist plan fiduciaries in fulfilling their valuation and annual reporting responsibilities. Further, we cannot assure you:

- that the estimated values our advisor prepares could or will actually be realized by us or by our stockholders upon liquidation (in part because estimated values do not necessarily indicate the price at which assets could be sold and because no attempt will be made to estimate the expenses of selling any of our assets);

- that you would be able to realize estimated net asset values if you were to attempt to sell your shares; or

- that the estimated values, or the method used to establish such values, would comply with the ERISA or IRA requirements described above.

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Description of Properties

As of March 31, 2003, we had purchased interests in 74 real estate properties located in 23 states. Below is a description of our recent real property acquisition.

150 West Jefferson Detroit Building

On March 31, 2003, Wells Operating Partnership, L.P. (Wells OP), a Delaware limited partnership formed to acquire, own, lease and operate real properties on behalf of the Wells REIT, purchased a 25-story office building containing approximately 505,417 rentable square feet located at 150 West Jefferson Avenue, downtown Detroit, Michigan (150 West Jefferson Detroit Building) for a purchase price of $93,750,000, from 150 West Jefferson Partners LLC (Seller). Seller is not in any way affiliated with the Wells REIT, Wells OP or Wells Capital, Inc., our advisor.

The 150 West Jefferson Detroit Building was built in 1989 and is located on a 1.527-acre tract of land at 150 West Jefferson Avenue in downtown Detroit, Michigan. The 150 West Jefferson Detroit Building is leased to 17 different tenants. Miller, Canfield, Paddock & Stone (Miller Canfield), Butzel Long PC (Butzel Long) and MCN Energy Group, Inc., formerly known as MCN Corporation (MCN) lease, in the aggregate, approximately 311,285 rentable square feet (61.6%) of the 150 West Jefferson Detroit Building. The other 14 tenants lease approximately 190,863 rentable square feet (37.8%) of the 150 West Jefferson Detroit Building for an aggregate annual base rent payable of approximately $3,900,000. Approximately 3,269 rentable square feet (0.6%) of the 150 West Jefferson Detroit Building is vacant.

Approximately 129,902 rentable square feet of the 150 West Jefferson Detroit Building (25.7%) is leased to Miller Canfield, a law firm with eight offices in the state of Michigan, as well as offices in New York, Florida, Washington, D.C., Canada, and Poland. Miller Canfield, which engages in a variety of practice areas such as litigation, employment, real estate, business and bankruptcy, has approximately 350 attorneys.

The Miller Canfield lease commenced in June 1989 and expires in June 2009, except for the lease of the 14^{th} and 20^{th} floors, which expires in June 2004. The current annual base rent payable under the Miller Canfield lease is $2,335,994. In addition, Miller Canfield leases storage space in the 150 West Jefferson Detroit Building at an annual rate of $38,619. Miller Canfield has the right, at its option, to extend the initial term of its lease for three additional five-year periods at rental rates specified in the Miller Canfield lease, except that Miller Canfield has the right to extend the lease of the 14^{th} and 20^{th} floors for four additional five-year periods. Miller Canfield also has a right of first refusal to lease any additional available space in the 150 West Jefferson Detroit Building. Under the Miller Canfield lease, Miller Canfield is generally responsible for its pro rata share of operating and maintenance costs, including real estate taxes. Wells OP, as the landlord, is also responsible for maintaining and repairing the structural portions and mechanical systems of the 150 West Jefferson Detroit Building.

Approximately 101,147 rentable square feet of the 150 West Jefferson Detroit Building (20.0%) is leased to Butzel Long, a Michigan-based law firm with five offices in Michigan and two offices in Florida. Butzel Long has approximately 200 attorneys and provides services in a wide variety of legal practice areas. Butzel Long serves clients from numerous business sectors, including automotive, manufacturing, banking and financial services, retail and wholesale distribution, insurance, professional services, health care, advertising, media, publishing, technology and computers, marine, transportation, construction, utilities and real estate.

The Butzel Long lease commenced in February 1990 and expires in July 2013. The current annual base rent payable under the Butzel Long lease is $1,770,073. In addition, Butzel Long leases storage space in the 150 West Jefferson Detroit Building at an annual rate of $71,857. Butzel

Long has the right, at its option, to extend the initial term of its lease for two additional five-year periods at 95%

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of the then-current market rental rate. Butzel Long also has a right of first refusal to lease any additional available space accessible by the low rise bank of elevators in the 150 West Jefferson Detroit Building. Under the Butzel Long lease, Butzel Long is responsible for its pro rata share of operating and maintenance costs. Wells OP, as the landlord, is also responsible for maintaining and repairing the structural portions and mechanical systems of the 150 West Jefferson Detroit Building.

Approximately 80,236 rentable square feet of the 150 West Jefferson-Detroit Building (15.9%) is leased to MCN, a wholly-owned subsidiary of DTE Energy Company (DTE), as a result of the acquisition by DTE of all of MCN s stock in May 2001. DTE is a Michigan corporation with corporate headquarters in Detroit, Michigan, and is a leader in the gas and energy service industry. DTE provides approximately 2.1 million customers with electric service and approximately 1.2 million customers with gas service in Michigan. DTE s three main operating units include energy resources, energy distribution, and gas. MCN, through its primary subsidiary, Michigan Consolidated Gas Company, specializes in the natural gas distribution industry.

The MCN lease commenced in February 1994 and expires in January 2006. The current annual base rent payable under the MCN lease is $1,816,027. MCN has the right, at its option, to extend the initial term of its lease for two additional five-year periods at rental rates specified in the MCN lease. Under the MCN lease, MCN is required to pay for its share of real estate taxes and operating expenses relating to its lease of space on the 10th floor of the 150 West Jefferson Detroit Building. Wells OP, as the landlord, is also responsible for maintaining and repairing the structural portions and mechanical systems of the 150 West Jefferson Detroit Building.

Wells Management will manage the 150 West Jefferson Detroit Building on behalf of Wells OP and will be paid management and leasing fees in the amount of 4.5% of the gross revenues from the 150 West Jefferson Detroit Building, subject to certain limitations.

Management s Discussion and Analysis of Financial Condition and Results of Operations

The information contained on page 101 in the Management s Discussion and Analysis of Financial Condition and Results of Operations section of the prospectus is revised as of the date of this supplement by the deletion of that entire section and the insertion of the information below. The following discussion and analysis should also be read in conjunction with our accompanying financial statements and notes thereto.

Forward Looking Statements

This supplement contains forward-looking statements, within the meaning of Section 27A of the Securities Act of 1933 and 21E of the Securities Exchange Act of 1934, including discussion and analysis of our financial condition, anticipated capital expenditures required to complete certain projects, amounts of anticipated cash distributions to stockholders in the future and certain other matters. Readers of this supplement should be aware that there are various factors that could cause actual results to differ materially from any forward-looking statements made in this supplement, which include changes in general economic conditions, changes in real estate conditions, construction costs which may exceed estimates, construction delays, increases in interest rates, lease-up risks, inability to obtain new tenants upon the expiration of existing leases, inability to invest in properties on a timely basis or in properties that will provide targeted rates of return and the potential need to fund tenant improvements or other capital expenditures out of operating cash flow. (See generally Risk Factors.)

REIT Qualification

We have made an election under Section 856 (c) of the Internal Revenue Code of 1986 (Internal Revenue Code) to be taxed as a REIT under the Internal Revenue Code beginning with our taxable year ended December 31, 1998. As a REIT for federal income tax purposes, we generally will not be subject to federal income tax on income that we distribute to our stockholders. If we fail to qualify as a REIT in

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any taxable year, we will be subject to federal income tax on our taxable income at regular corporate rates and will not be permitted to qualify for treatment as a REIT for federal income tax purposes for four years following the year in which our qualification is lost. Such an event could materially adversely affect our financial position and results of operations. However, management believes that we are organized and operate in a manner which will enable us to qualify for treatment as a REIT for federal income tax purposes during this fiscal year. In addition, management intends to continue to operate the Wells REIT so as to remain qualified as a REIT for federal income tax purposes.

Liquidity and Capital Resources

General

During the fiscal year ended December 31, 2002, we received aggregate gross offering proceeds of $1,340.3 million from the sale of 134.0 million shares of our common stock. After payment of $46.4 million in acquisition and advisory fees and acquisition expenses, payment of $127.3 million in selling commissions, and payment of $20.5 million in organization and offering expenses, and common stock redemptions of $15.4 million pursuant to our share redemption program, we raised net offering proceeds available for investment in properties of $1,130.7 million during the year ended December 31, 2002.

During the fiscal year ended December 31, 2001, we received aggregate gross offering proceeds of $522.5 million from the sale of 52.3 million shares of our common stock. After payment of $18.1 million in acquisition and advisory fees and acquisition expenses, payment of $58.4 million in selling commissions and organization and offering expenses, and common stock redemptions of $4.1 million pursuant to our share redemption program, we raised net offering proceeds available for investment in properties of $441.8 million during the year ended December 31, 2001.

As of December 31, 2002, we had received aggregate gross offering proceeds from all of our offerings of approximately $2,177.9 million from the sale of 217.8 million shares of our common stock to approximately 58,000 investors. After our payment of $75.5 million in acquisition and advisory fees and acquisition expenses, payment of $206.4 million in selling commissions, payment of $40.0 million in organization and offering expenses, capital contributions to joint ventures and property acquisitions expenditures of $1,808.5 million, and common stock redemptions of $20.9 million pursuant to our share redemption program, we were holding net offering proceeds of $26.6 million available for investment in properties, as of December 31, 2002.

The net decrease in cash and cash equivalents of approximately $30.1 million during the year ended December 31, 2002 is primarily the result of the higher level of investment in real estate as compared to the level of fund raising and borrowing during the period. The increase in cash and cash equivalents of $71.3 million during 2001 is primarily the result of higher levels of fund raising and borrowings as compared to the levels of investment in real estate during those periods.

As of December 31, 2002, we owned interests in 72 real estate properties either directly or through interests in joint ventures. These properties are currently generating operating cash flow sufficient to cover our operating expenses and pay dividends to shareholders. We pay dividends on a quarterly basis. Dividends will be paid to investors who are stockholders as of the record dates selected by our board of directors. We currently calculate quarterly dividends based on the daily record and dividend declaration dates; thus, stockholders are entitled to receive dividends immediately upon the purchase of shares. Dividends declared during 2002 and 2001 totaled $0.76 per share in each year. Dividends declared for the fourth quarter of 2002 and the first and second quarters of 2003 were at an annualized rate of $0.70 per share.

Due primarily to the pace of our property acquisitions from late 2001 through 2002, as explained in more detail in the following paragraphs, dividends paid during 2002 in the aggregate amount of

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approximately $105.0 million exceeded Funds From Operations for the year by approximately $3.2 million. Dividends paid during 2002 also exceeded taxable income of $80.5 million and, accordingly, the company exceeded the minimum distribution requirement to be taxed as a REIT for federal income tax purposes.

We continue to acquire properties that meet our standards and quality both in terms of the real estate and the creditworthiness of the tenants. Creditworthy tenants of the type we target are becoming more and more highly valued in the marketplace and, accordingly, there is increased competition in acquiring properties with these creditworthy tenants. As a result, the purchase prices for such properties have increased with corresponding reductions in cap rates and returns on investment. In addition, changes in market conditions have caused our advisor to add to its internal procedures for ensuring the creditworthiness of our tenants before any commitment to buy a property is made. We continue to remain steadfast in our commitment to invest in quality properties that will produce quality income for our stockholders. Accordingly, because of the additional time it now takes in the acquisition process for our advisor to assess tenant credit plus our commitment to adhere to purchasing properties with tenants that meet our investment criteria we have been required to lower the dividend yield to our stockholders.

As a result of the factors described in the preceding paragraph, our board of directors declared dividends for the fourth quarter of 2002 and the first and second quarters of 2003 in an amount equal to a 7.0% annualized percentage rate return on an investment of $10 per share.

Dividends to be distributed to our stockholders are determined by our board of directors and are dependent on a number of factors related to the Wells REIT, including funds available for payment of dividends, financial condition, amounts paid for properties, the timing of property acquisitions, capital expenditure requirements and annual distribution requirements in order to maintain our status as a REIT under the Internal Revenue Code.

Cash Flows From Operating Activities

Our net cash provided by operating activities was $104.6 million, $42.3 million, and $7.3 million for the years ended December 31, 2002, 2001, and 2000, respectively. The increase in net cash provided by operating activities was due primarily to the additional net income generated by 32, 11, and 12 properties acquired during the years ended December 31, 2002, 2001, and 2000, respectively. We do not recognize in operations the full annual effect from the properties during the year of acquisition, as the operations of the properties are only included in operations from the date of acquisition. Operating cash flows are expected to increase as we acquire additional properties in future periods and as we obtain the benefit of a full year of operations for properties acquired during the year ended December 31, 2002.

Cash Flows Used In Investing Activities

Comparison of 2002 vs 2001

Our net cash used in investing activities was $1,362.5 million for the year ended December 31, 2002 compared to $274.6 million for the year ended December 31, 2001. The increase in net cash used in investing activities was due primarily to investments in properties, directly and through contributions to joint ventures, and the payment of related deferred project costs. Investments and related deferred project costs totaled $1,369.5 million and $278.8 million for the years ended December 31, 2002 and 2001, respectively. The increase in investments during the year ended December 31, 2002 was due to our ability to increase investor proceeds and identify property investments meeting our objectives. The investment in real estate assets and joint venture cash outflows were partially offset by distributions from joint ventures of $7.4 million and $4.2

million for the years ended December 31, 2002 and 2001, respectively. The increase in distributions from joint ventures is due to the additional investments in joint

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ventures during the year ended December 31, 2001 in which we recognized a full year s benefit during the year ended December 31, 2002.

Comparison of 2001 vs 2000

Our net cash used in investing activities was $274.6 million and $249.3 million for the years ended December 31, 2001 and 2000, respectively. The increase in net cash used in investing activities was due primarily to investments in properties directly or through contributions to joint ventures, and the payment of related deferred project costs. Investments and related deferred project costs totaled $278.8 million and $252.8 million for the years ended December 31, 2001 and 2000, respectively. Investments in real estate assets and joint venture cash outflows were partially offset by distributions from joint ventures of $4.2 million and $3.5 million for the years ended December 31, 2001 and 2000, respectively.

Cash flows used in investment in real estate assets and joint ventures in future periods will be dependent upon the availability of funds either through capital contributions raised from the sale of stock or debt facilities and the availability of real estate assets or joint venture investments that meet our investment objectives.

The cash flows provided by joint ventures are expected to increase in 2003, when we recognize a full year of benefit for the 2002 joint venture investments. Increases to cash flows provided by joint venture distributions will be dependent upon whether we invest in additional properties through joint ventures in the future as expected cash flows from existing joint ventures are expected to provide nominal increases based on scheduled rent increases.

Cash Flows From Financing Activities

Comparison of 2002 vs 2001

Our net cash provided by financing activities was $1,227.8 million and $303.5 million for the years ended December 31, 2002 and 2001, respectively. The increase in net cash provided by financing activities was due primarily to the raising of additional capital of $1,340.3 million during the year ended December 31, 2002 compared to $522.5 million during the year ended December 31, 2001. The amounts raised were partially offset by the payment of commissions and offering costs totaling $140.5 million and $58.6 million for the years ended December 31, 2002 and 2001, respectively and redemptions of our stock of $15.4 million and $4.1 million for the years ended December 31, 2002, and 2001, respectively.

Additionally, we obtained funds from financing arrangements totaling $212.9 million and $110.2 million and made debt repayments of $62.8 million and $229.8 million for the years ended December 31, 2002 and 2001, respectively. As a result of our increased operations and activities during the years ended December 31, 2002 and 2001, we paid dividends of $105.0 million and $36.7 million, respectively.

Comparison of 2001 vs 2000

Our net cash provided by financing activities was $303.5 million and $243.4 million for the years ended December 31, 2001 and 2000, respectively. The increase in net cash provided by financing activities was due primarily to the raising of additional capital of $522.5 million during the year ended December 31, 2001 compared to $180.4 million for the year ended December 31, 2000. The amounts raised were partially offset by the payment of commissions and offering costs totaling $58.6 million and $22.4 million for the years ended December 31, 2001 and 2000, respectively, and redemptions of our stock of $4.1 million and $1.4 million for the years ended December 31, 2001 and 2000, respectively.

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Additionally, we obtained funds from financing arrangements totaling $110.2 million and $187.6 million and made debt repayments of $229.8 million and $83.9 million for the years ended December 31, 2001 and 2000, respectively. As a result of our increased operations and activities during the years ended December 31, 2001 and 2000, we paid dividends of $36.7 million and $17.0 million, respectively.

The amounts of cash provided by and used in financing activities in the future will be dependent upon our ability to raise additional funds from investors and from the ability to secure debt facilities for the acquisition of real estate assets in future periods, and may not be comparable to the amounts of cash provided in past periods.

Results of Operations

As of December 31, 2002, our 72 real estate properties were 98.3% leased. Our results of operations have changed significantly for the years ended December 31, 2002, 2001, and 2000, generally as a result of the 32, 11, and 12 property acquisitions during the years ended December 31, 2002, 2001, and 2000, respectively. We expect that rental income, equity income of joint ventures, tenant reimbursements, operating expenses, management and leasing fees, and net income will each increase in future periods as a result of owning real estate assets acquired in 2002 for a full year and as a result of future acquisitions of real estate assets. Due to the average remaining terms of the long-term leases currently in place at our properties, management does not anticipate significant changes in near-term rental revenues from properties currently owned.

Comparison of 2002 vs 2001

Rental income was $107.5 million and $44.2 million for the years ended December 31, 2002 and 2001, respectively. Tenant reimbursements were $19.0 million and $6.8 million for the years ended December 31, 2002 and 2001, respectively. Tenant reimbursements were equivalent to 70% and 63% of the property operating costs for these respective years. The variance in the costs is dependent upon the terms of the lease agreements for the real estate assets in each year.

Equity in income of joint ventures was $4.7 million and $3.7 million for the years ended December 31, 2002 and 2001, respectively. The increase is primarily a result of recognizing a full year of operations in 2002 for the investments in joint ventures made during 2001. Equity in income of joint ventures is expected to increase in future periods as additional investments in joint ventures are made; however, returns from existing joint venture investments are not expected to change materially from the historical results.

Lease termination income was $1.4 million for the year ended December 31, 2002 compared to $0 for the year ended December 31, 2001. The 2002 activity relates to a single lease termination at the Vertex-Sarasota Building (formerly the Andersen Building), in which, in consideration for releasing Arthur Andersen from its obligations to pay rent under the lease, Arthur Andersen paid Wells OP a termination fee of approximately $1.0 million and conveyed to Wells OP an adjacent parcel of land which we valued at $0.4 million.

Interest and other income was $7.0 million and $1.5 million for the years ended December 31, 2002 and 2001, respectively. Of this amount $2.8 million and $0.5 million was attributable to interest on the bonds related to the Ingram Micro and ISS Buildings, which is offset by the related interest expense associated with the bonds. We invest any funds received from stockholders in short-term investments until the funds are invested in real estate asset investments. At certain times during the years ended December 31, 2002 and 2001, we held a significant amount of cash on hand resulting in the relatively high interest income. The level of interest income is dependent upon our ability to find suitable real estate asset investments on a pace consistent with investor proceeds, therefore interest income amounts

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for the years ended December 31, 2002 and 2001, may or may not be indicative of interest income for future periods.

Depreciation expense was $38.8 million and $15.3 million for the years ended December 31, 2002 and 2001, representing 36% and 35%, of rental income for the respective year. The change between periods is generally due to a change in applicable cost of the real estate assets compared to the straight-line revenues generated by the real estate assets. Operating costs were $26.9 million and $10.9 million for the years ended December 31, 2002 and 2001, representing 21% of the sum of the rental income and tenant reimbursements revenue amounts for each year. Management and leasing fees were $5.2 million, and $2.5 million for the years ended December 31, 2002, and 2001, respectively.

General and administrative costs were $3.2 million and $1.2 million for the years ended December 31, 2002 and 2001, respectively, and legal and accounting expenses were $1.0 million and $0.4 million, for the years ended December 31, 2002 and 2001, respectively. The increase in the expenses are attributable to our increased size over the years, but represent 3% of total revenues for each year ended December 31, 2002 and 2001. In the future, such costs as a percentage of total revenues are expected to be materially consistent with the historical periods, but may change as we continue to grow.

Interest expense and amortization of deferred financing costs was $4.6 million and $4.2 million for the years ended December 31, 2002 and 2001, respectively. Of this amount $2.8 million and $0.5 million was attributable to interest on the bonds related to the Ingram Micro and ISS Buildings for the years ended December 31, 2002 and 2001, respectively, which is offset by the related interest income associated with the bonds as noted above. Interest expense is dependent upon the amount of borrowings outstanding during the period as well as the interest rate. Interest expense payable to third parties (excluding the interest on the bonds) for the year ended December 31, 2002 decreased as compared to the year ended December 31, 2001 due to lower average amounts of borrowings outstanding during the periods as well as lower interest rates.

Comparison of 2001 vs 2000

Rental income revenues were $44.2 million and $20.5 million for the years ended December 31, 2001 and 2000, respectively. Tenant reimbursements were $6.8 million and $2.3 million for the years ended December 31, 2001 and 2000, respectively. Tenant reimbursements were equivalent to 63% and 71% of the property operating costs for the respective years. The variance in the cost is dependent upon the terms of the lease agreements for the real estate assets in each year.

Equity in income of joint ventures was $3.7 million and $2.3 million for the years ended December 31, 2001 and 2000, respectively. The increase is due to the investments in joint ventures during 2001 and recognizing a full year of operations for investments in joint ventures during 2000.

Interest and other income was $1.5 million and $0.6 million for the years ended December 31, 2001 and 2000, respectively. Of this amount $0.5 million and $0 during the years ended December 31, 2001 and 2000, respectively was attributable to interest on the bonds related to the Ingram Micro Building, which is offset by the related interest expense associated with the bonds. We invest any funds received from our stockholders in short-term investments until the funds are placed in real estate asset investments. At certain times during the years ended December 31, 2001 and 2000, we held varying amounts of cash on hand resulting in the increases in interest income between years.

Depreciation expense was $15.3 million and $7.7 million for the years ended December 31, 2001 and 2000, representing 35% and 38% of rental income for the respective year. The change between years is generally due to a change in applicable cost of the real estate assets compared to the straight-line revenues generated by the real estate assets. Operating costs were $10.9 million and $3.2 million for the

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years ended December 31, 2001 and 2000, respectively, representing 21% and 14%, respectively, of the sum of the rental income and tenant reimbursements revenue amounts. Management and leasing fees were $2.5 million and $1.3 million for the years ended December 31, 2001 and 2000, respectively.

General and administrative costs were $1.2 million and $0.4 million for the years ended December 31, 2001 and 2000, respectively, and legal and accounting expenses were $0.4 million and $0.2 million for the years ended December 31, 2001 and 2000, respectively. The increase in the expenses are attributable to our increased size, but represent 3% of total revenues for each year ended December 31, 2001 and 2000.

Interest expense and amortization of deferred financing costs was $4.2 million for each of the years ended December 31, 2001 and 2000. Of this amount $0.5 million and $0.0 million was attributable to interest on the bonds related to the Ingram Micro Building for the years ended December 31, 2001 and 2000, respectively, which is offset by the related interest income associated with the bonds as noted above. Interest expense is dependent upon the amount of borrowings outstanding during the period as well as the interest rate. Interest expense payable to third parties (excluding the interest on the bonds) for the years ended December 31, 2001 compared to the year ended December 31, 2000 decreased due to a lower average amount of borrowings outstanding during the year as well as lower interest rates.

Subsequent Events

Sale of shares of our common stock

From January 1, 2003 through March 31, 2003, we had raised approximately $426.8 million through the issuance of 42.7 million shares of our common stock.

Redemptions of our common stock

From January 1, 2003 through March 31, 2003, we redeemed approximately 1.3 million shares of our common stock at an aggregate cost of approximately $12.9 million pursuant to its share redemption program. Our current share redemption plan will allow for redemptions totaling $40 million for the year ending December 31, 2003.

Property Acquisitions

On January 9, 2003, Wells OP purchased two three-story office buildings containing approximately 187,735 aggregate rentable square feet located in Mayfield Heights, Ohio, (the East Point Buildings) for a purchase price of $22.0 million, excluding closing costs and acquisition and advisory fees paid to the Advisor. The East Point Buildings, which were built in 2000, are located at 6085 Parkland Boulevard (East Point I) and 6095 Parkland Boulevard (East Point II) in Mayfield Heights, Cuyahoga County, Ohio. The entire 102,484 rentable square feet of East Point I is leased to Progressive Casualty Insurance Company. East Point II contains approximately 85,251 rentable square feet, of which 70,585 rentable square feet (83%) is currently leased to Austin, Danaher Power Solutions LLC and Moreland Management Co. Approximately 14,666 rentable square feet (17%) of East Point II is vacant.

In connection with the acquisition of the East Point Buildings, we entered into an earn-out agreement, whereby we are required to pay the seller for each new lease fully executed after the date of acquisition of the property but on or before March 31, 2004, or on or before July 31, 2004 if the tenant thereunder is a leasing prospect as defined by the agreement. Payments shall be in the amounts of the anticipated first year s annual rent less operating expenses with the sum divided by 0.105 and the result reduced by tenant improvement costs related to the space.

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On March 31, 2003, Wells OP purchased a 25-story office building containing approximately 505,417 rentable square feet located in Detroit, Michigan, (the 150 West Jefferson Detroit Building) for a purchase price of $93.75 million, excluding closing costs and acquisition and advisory fees paid to the Advisor. The 150 West Jefferson Detroit Building, which was built in 1989, is located at 150 West Jefferson Avenue in Detroit, Michigan. Miller, Canfield, Paddock & Stone, Butzel Long PC and MCN Energy Group, Inc., formerly known as MCN Corporation aggregately lease approximately 311,285 rentable square feet of the 150 West Jefferson Detroit Building (61.6%). Approximately 190,863 rentable square feet (37.8%) is leased to an additional 14 tenants. Approximatley 3,269 rentable square feet (0.6%) of the 150 West Jefferson Detroit Building is vacant.

Dividend Declaration

On March 12, 2003, our board of directors declared dividends for the second quarter of 2003 in the amount of a 7.0% annualized percentage return on an investment of $10 per share, payable our shareholders on a daily record basis.

Commitments and Contingencies

Take Out Purchase and Escrow Agreement

We entered into a take out purchase and escrow agreement with an affiliate of our advisor whereby we earn a fee in return for agreeing to purchase any unsold co-tenancy interests related to the Section 1031 exchange program established by an affiliate of our advisor. See Note 8 to our consolidated financial statements included in this supplement for discussion of this potential obligation.

Letters of Credit

We have three unused letters of credit as required by other parties to ensure completion of the our obligations under certain contracts. See Note 8 to our consolidated financial statements included in this supplement for further discussion of the letters of credit.

Property Under Contract

We entered into an agreement to purchase a third building at the ISS Atlanta Buildings development upon completion of construction for $10 million. See Note 8 to our consolidated financial statements included in this supplement for further discussion of the property under contract and related obligations.

Properties Under Construction

We entered into three agreements for the construction and development of certain properties. See Note 8 to our consolidated financial statements included in this supplement for a more detailed discussion of the properties under construction and the related obligation.

Commitments Under Existing Lease Agreements

We entered into lease agreements with tenants that may include provisions that, at the option of the tenants, may require us to incur certain capital costs. See Note 8 to our consolidated financial statements included in this supplement for further discussion of these potential obligations.

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Earn-out Agreements

We entered into a purchase agreement containing an earn-out clause that may result in us being obligated to pay $14.5 million to the seller of a property. See Note 8 to our consolidated financial statements included in this supplement for a more detailed discussion of this potential obligation.

Leasehold Property Obligations

We own certain properties that are subject to ground leases and require us to pay rent in future years. See Note 8 to our consolidated financial statements included in this supplement for further discussion of the lease terms and required payments.

Pending Litigation

We have certain pending litigation related to a dispute over the right to a $750,000 escrow money deposit for a property that was not acquired. See Note 8 to our consolidated financial statements included in this supplement for further discussion of the litigation.

Funds from Operations

Funds from Operations (FFO), as defined by the National Association of Real Estate Investment Trusts (NAREIT), generally means net income, computed in accordance with accounting principles generally accepted in the United States (GAAP) excluding extraordinary items (as defined by GAAP) and gains (or losses) from sales of property, plus depreciation and amortization on real estate assets, and after adjustments for unconsolidated partnerships, joint ventures and subsidiaries. Management believes that FFO is helpful to investors as a measure of the performance of an equity REIT. However, our calculation of FFO, while consistent with NAREIT s definition, may not be comparable to similarly titled measures presented by other REITs. FFO does not represent cash generated from operating activities in accordance with GAAP and should not be considered as an alternative to net income as an indication of our performance or to cash flows as a measure of liquidity or ability to make distributions.

The following table reflects the calculation of FFO for the three years ended December 31, 2002, 2001, and 2000, respectively:

	December 31, 2002	December 31, 2001	December 31, 2000
FUNDS FROM OPERATIONS:			
Net income	$ 59,854	$ 21,724	$ 8,553
Add:			
Depreciation of real assets	38,780	15,345	7,743

Amortization of deferred leasing costs	303	303	351
Depreciation and amortization unconsolidated partnerships	2,861	3,212	853
Funds from operations (FFO)	$ 101,798	$ 40,584	$ 17,500
WEIGHTED AVERAGE SHARES:			
BASIC AND DILUTED	145,633	51,082	21,616

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In order to recognize revenues on a straight line basis over the terms of the respective leases, we recognized straight line revenue of $7.6 million, $2.8 million, and $1.7 million during the years ended December 31, 2002, 2001, and 2000 respectively.

Inflation

The real estate market has not been affected significantly by inflation in the past three years due to the relatively low inflation rate. However, there are provisions in the majority of tenant leases, which would protect us from the impact of inflation. These provisions include reimbursement billings for operating expense pass-through charges, real estate tax and insurance reimbursements on a per square foot basis, or in some cases, annual reimbursement of operating expenses above a certain per square foot allowance. However, due to the long-term nature of the leases, the leases may not re-set frequently enough to cover inflation.

Application of Critical Accounting Policies

Our accounting policies have been established to conform with GAAP. The preparation of financial statements in conformity with GAAP requires management to use judgment in the application of accounting policies, including making estimates and assumptions. These judgments affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. If management s judgment or interpretation of the facts and circumstances relating to various transactions had been different, it is possible that different accounting policies would have been applied; thus, resulting in a different presentation of the financial statements. Additionally, other companies may utilize different estimates that may impact comparability of our results of operations to those of companies in similar businesses.

The critical accounting policies outlined below have been discussed with members of our audit committee. There have been no significant changes in the critical accounting policies, methodology, or assumptions in the current period.

Below is a discussion of the accounting policies that management considers to be critical in that they may require complex judgment in their application or require estimates about matters that are inherently uncertain. Additional discussion of accounting policies that management considers to be significant, including further discussion of the critical accounting policies described below, is presented in Note 2 to our consolidated financial statements included in this supplement.

Investment in Real Estate Assets

We are required to make subjective assessments as to the useful lives of our depreciable assets. We consider the period of future benefit of the asset to determine the appropriate useful lives. These assessments have a direct impact on net income. The estimated useful lives of our assets by class are as follows:

Building	25 years
Building improvements	10-25 years

Land improvements	20-25 years
Tenant Improvements	Lease term

In the event that management uses inappropriate useful lives or methods for depreciation, our net income would be misstated.

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Valuation of Real Estate Assets

We continually monitor events and changes in circumstances that could indicate that the carrying amounts of the real estate assets, both operating properties and properties under construction, in which we have an ownership interest, either directly or through investments in joint ventures, may not be recoverable. When indicators of potential impairment are present which indicate that the carrying amounts of real estate assets may not be recoverable, management assesses the recoverability of the real estate assets by determining whether the carrying value of the real estate assets will be recovered through the undiscounted future operating cash flows expected from the use of the asset and its eventual disposition. In the event that such expected undiscounted future cash flows do not exceed the carrying value, management adjusts the real estate assets to the fair value and recognizes an impairment loss. We have determined that there has been no impairment in the carrying value of real estate assets we held and any unconsolidated joint ventures at December 31, 2002 and 2001.

Projections of expected future cash flows requires management to estimate future market rental income amounts subsequent to the expiration of current lease agreements, property operating expenses, discount rates, the number of months it takes to re-lease the property, and the number of years the property is held for investment. The use of inappropriate assumptions in the future cash flow analysis would result in an incorrect assessment of the property s future cash flows and fair value, and could result in the overstatement of our carrying value of real estate assets and net income.

Intangible Lease Asset/Liability

As part of the acquisition of real estate assets, we determine whether an intangible asset or liability related to above or below market leases was acquired as part of the acquisition of the real estate. As a result of adopting the standards, amounts totaling $12.1 million have been recorded as intangible lease assets and $32.7 million have been recorded as intangible lease liabilities, relating to above and below market lease arrangements for properties acquired in 2002. The intangible assets and liabilities are recorded at their estimated fair market values at the date of acquisition, and are amortized over the remaining term of the respective lease to rental income.

The determination of the estimated fair values of the intangible lease asset or liability requires the use of significant assumptions with regard to the current market rental rates, rental growth rates, discount rates and other variables. If inappropriate estimates with regard to these variables are used, misclassification of assets or liabilities and incorrect calculation of depreciation amounts would occur, which would misstate our net income.

Related Party Transactions and Agreements

We have entered into agreements with our advisor and other affiliates, whereby we pay certain fees or reimbursements to our advisor or such affiliates for acquisition and advisory fees, organization and offering costs, sales commissions, dealer manager fees, property management and leasing fees, and reimbursement of operating costs. See Note 12 to our consolidated financial statements included in this supplement for a discussion of the various related party transactions, agreements, and fees.

Conflicts of Interest

Our advisor is also a general partner in and advisor to various Wells Real Estate Funds. As such, there are conflicts of interest in which the advisor, while serving in the capacity as general partner for Wells Real Estate Funds, may be in competition with us in connection with property acquisitions or for tenants in similar geographic markets.

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Financial Statements

Ernst & Young LLP

The consolidated financial statements of the Wells REIT, as of and for the year ended December 31, 2002, and Schedule III Real Estate Assets and Accumulated Depreciation as of December 31, 2002, included in this supplement and elsewhere in the registration statement, have been audited by Ernst & Young LLP, independent auditors, as set forth in their report appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

Arthur Andersen LLP

The consolidated financial statements of the Wells REIT, as of December 31, 2001 and 2000, and for each of the two years in the period ended December 31, 2001, and Schedule III Real Estate Investments and Accumulated Depreciation as of December 31, 2001, included in this supplement and elsewhere in the registration statement, were audited by Arthur Andersen LLP (Andersen), independent public accountants, as indicated in their report with respect thereto, and are included in this supplement in reliance upon the authority of said firm as experts in giving said report.

Andersen ceased operations during 2002 and, accordingly, has not reissued their report related to previously audited financial statements. Additionally, Andersen has not consented to the use of their report related to previously audited financial statements. Events arising out of the ceased operations of Andersen may adversely affect the ability of Andersen to satisfy any potential claims that may arise out of Andersen s audits of the financial statements contained in this supplement. In addition, our inability to obtain a consent from Andersen may also adversely affect your ability to pursue potential claims against Andersen.

Prior Performance Tables

The prior performance tables dated as of December 31, 2002, which are included in this supplement and elsewhere in the registration statement, have not been audited.

Unaudited Financial Statements

The pro forma balance sheet of the Wells REIT, as of December 31, 2002 and the pro forma statement of income for the year ended December 31, 2001, which are included in this supplement, have not been audited.

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REPORT OF INDEPENDENT AUDITORS

Board of Directors and Shareholders

Wells Real Estate Investment Trust, Inc.

We have audited the accompanying consolidated balance sheet of Wells Real Estate Investment Trust, Inc. and subsidiaries as of December 31, 2002 and the related consolidated statements of income, shareholders equity, and cash flows for the year then ended. Our audit also included financial statement Schedule III Real Estate Assets and Accumulated Depreciation as of December 31, 2002. These financial statements and schedule are the responsibility of the Company s management. Our responsibility is to express an opinion on these financial statements and schedule based on our audit. The financial statements and schedule of Wells Real Estate Investment Trust, Inc. and subsidiary as of December 31, 2001, and for the years ended December 31, 2001 and 2000 were audited by other auditors who have ceased operations, and whose report dated January 25, 2002 expressed an unqualified opinion on those financial statements and schedule before the restatement adjustments and disclosures described in Note 2.

We conducted our audit in accordance with auditing standards generally accepted in the United States. 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 audit provides a reasonable basis for our opinion.

In our opinion, the 2002 financial statements referred to above present fairly, in all material respects, the consolidated financial position of Wells Real Estate Investment Trust, Inc. and subsidiaries at December 31, 2002 and the consolidated results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States. Also, in our opinion, the related 2002 financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

As discussed above, the financial statements of Wells Real Estate Investment Trust, Inc. and subsidiary as of December 31, 2001 and for the years ended December 31, 2001 and 2000 were audited by other auditors who have ceased operations. As described in Note 2, these financial statements have been restated. We audited the adjustments described in Note 2 that were applied to restate the 2001 and 2000 financial statements. Our procedures included (a) agreeing the amounts in the restatement adjustments columns to the corresponding accounts maintained in the underlying records of the Company, and (b) testing the application of the adjustments to the historical amounts. In our opinion, such adjustments are appropriate and have been properly applied. Additionally, as described in Note 2, these financial statements have been revised to include disclosure of the number of weighted average shares outstanding for the years ended December 31, 2001 and 2000 on the consolidated statements of income. Our audit procedures with respect to this disclosure included recalculating the number of weighted average shares outstanding for the years ended December 31, 2001 and 2000 by dividing the net income amount previously reported on the consolidated statements of income in 2001 and 2000 by the earnings per share amount previously reported on the consolidated statements of income in 2001 and 2000. In our opinion, the disclosure of the number of weighted average shares outstanding on the consolidated statements of income for the years ended December 31, 2001 and 2000 is appropriate. However, we were not engaged to audit, review, or apply any procedures to the 2001 and 2000 financial statements of Wells Real Estate Investment Trust, Inc. and subsidiary other than with respect to such restatement adjustments and disclosures and, accordingly, we do not express an opinion or any other form of assurance on the 2001 and 2000 financial statements taken as a whole.

As discussed in Note 2, in 2002 the Company adopted Statement of Financial Accounting Standards No. 141, Business Combinations and No. 142, Goodwill and Other Intangible Assets .

/s/ Ernst & Young LLP

Atlanta, Georgia

January 24, 2003

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(The following is a copy of the audit report previously issued by Arthur Andersen LLP in connection with the consolidated financial statements of Wells Real Estate Investment Trust, Inc. (Wells REIT) included in the previous year s Form 10-K for the fiscal year ended December 31, 2001. This audit report has not been reissued by Arthur Andersen in connection with the filing of the Wells REIT Form 10-K for the fiscal year ended December 31, 2002.)

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Wells Real Estate Investment Trust, Inc.:

We have audited the accompanying consolidated balance sheets of **WELLS REAL ESTATE INVESTMENT TRUST, INC.** (a Maryland corporation) **AND SUBSIDIARY** as of December 31, 2001 and 2000 and the related consolidated statements of income, shareholders equity, and cash flows for each of the three years in the period ended December 31, 2001. These financial statements and the schedule referred to below are the responsibility of the Company s management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and schedule 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, the financial statements referred to above present fairly, in all material respects, the financial position of Wells Real Estate Investment Trust, Inc. and subsidiary as of December 31, 2001 and 2000 and the results of their operations and their 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.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. Schedule III Real Estate Investments and Accumulated Depreciation as of December 31, 2001 is presented for purposes of complying with the Securities and Exchange Commission s rules and is not part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, fairly states, in all material respects, the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

/s/ ARTHUR ANDERSEN LLP

Atlanta, Georgia

January 25, 2002

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2002 and 2001

(in thousands, except share amounts)

ASSETS

	2002	2001
REAL ESTATE ASSETS, at cost:		
Land	**$ 279,185**	$ 86,247
Buildings and improvements, less accumulated depreciation of $63,594 and $24,814 at December 31, 2002 and 2001, respectively	**1,683,036**	472,383
Construction in progress	**42,746**	5,739
Total real estate assets	**2,004,967**	564,369
INVESTMENTS IN JOINT VENTURES	**83,915**	77,410
CASH AND CASH EQUIVALENTS	**45,464**	75,586
RENT RECEIVABLE	**19,321**	6,003
DEFERRED PROJECT COSTS	**1,494**	2,977
DUE FROM AFFILIATES	**1,961**	1,693
PREPAID EXPENSES AND OTHER ASSETS, net	**4,407**	718
DEFERRED LEASE ACQUISITION COSTS, net	**1,638**	1,525
INTANGIBLE LEASE ASSET	**12,060**	
INVESTMENTS IN BONDS	**54,500**	22,000
Total assets	**$ 2,229,727**	$ 752,281

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LIABILITIES AND SHAREHOLDERS EQUITY

	2002	2001
LIABILITIES:		
Notes payable	**$ 248,195**	$ 8,124
Obligations under capital leases	**54,500**	22,000
Intangible lease liability	**32,697**	
Accounts payable and accrued expenses	**24,580**	8,727
Due to affiliate	**15,975**	2,166
Dividends payable	**6,046**	1,059
Deferred rental income	**11,584**	662
Total liabilities	**393,577**	42,738
COMMITMENTS AND CONTINGENCIES		
MINORITY INTEREST OF UNIT HOLDER IN OPERATING PARTNERSHIP	**200**	200
SHAREHOLDERS EQUITY:		
Common shares, $.01 par value; 750,000,000 shares authorized, 217,790,874 shares issued, and 215,699,717 shares outstanding at December 31, 2002 and 125,000,000 shares authorized, 83,761,469 shares issued and 83,206,429 shares outstanding at December 31, 2001	**2,178**	838
Additional paid-in capital	**1,929,381**	738,236
Cumulative distributions in excess of earnings	**(74,310)**	(24,181)
Treasury stock, at cost, 2,091,157 shares at December 31, 2002 and 555,040 shares at December 31, 2001	**(20,912)**	(5,550)
Other comprehensive loss	**(387)**	
Total shareholders equity	**1,835,950**	709,343
Total liabilities and shareholders equity	**$ 2,229,727**	$ 752,281

See accompanying notes.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2002, 2001, AND 2000

(in thousands, except per share amounts)

	2002	2001	2000
REVENUES:			
Rental income	**$ 107,526**	$ 44,204	$ 20,505
Tenant reimbursements	**18,992**	6,830	2,318
Equity in income of joint ventures	**4,700**	3,721	2,294
Lease termination income	**1,409**		
Interest and other income	**7,001**	1,521	574
	139,628	56,276	25,691
EXPENSES:			
Depreciation	**38,780**	15,345	7,743
Interest expense	**4,638**	4,181	4,200
Property operating costs	**26,949**	10,901	3,206
Management and leasing fees	**5,155**	2,507	1,310
General and administrative	**3,244**	1,169	439
Legal and accounting	**1,008**	449	240
	79,774	34,552	17,138
NET INCOME	**$ 59,854**	$ 21,724	$ 8,553
EARNINGS PER SHARE:			
Basic and diluted	**$ 0.41**	$ 0.43	$ 0.40
WEIGHTED AVERAGE SHARES OUTSTANDING:			
Basic and diluted	**145,633**	51,082	21,616

See accompanying notes.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF SHAREHOLDERS EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2002, 2001, AND 2000

(in thousands, except per share amounts)

	Common Stock		Additional	Cumulative Distributions		Treasury Stock		Other	Total
	Shares	Amount	Paid-In Capital	in Excess of Earnings	Retained Earnings	Shares	Amount	Comprehensive Income	Shareholders Equity
BALANCE, December 31, 1999	13,471	$ 135	$ 117,738	$ (1,857)	$		$	$	$ 116,016
Issuance of common stock	18,039	180	180,207						180,387
Treasury stock purchased						(141)	(1,413)		(1,413)
Dividends ($0.73 per share)				(7,276)	(8,553)				(15,829)
Sales commissions and dealer manager fees			(17,003)						(17,003)
Other offering costs			(5,369)						(5,369)
Net income					8,553				8,553
BALANCE, December 31, 2000	31,510	315	275,573	(9,133)		(141)	(1,413)		265,342
Issuance of common stock	52,251	523	521,994						522,517
Treasury stock purchased						(414)	(4,137)		(4,137)
Dividends ($0.76 per share)				(15,048)	(21,724)				(36,772)
Sales commissions and dealer manager fees			(49,246)						(49,246)
Other offering costs			(10,085)						(10,085)
Net income					21,724				21,724
BALANCE, December 31, 2001	83,761	838	738,236	(24,181)		(555)	(5,550)		709,343
Issuance of common stock	**134,030**	**1,340**	**1,338,953**						**1,340,293**
Treasury stock purchased						**(1,536)**	**(15,362)**		**(15,362)**
Dividends ($0.76 per share)				**(50,129)**	**(59,854)**				**(109,983)**
Sales commissions and dealer manager fees			**(127,332)**						**(127,332)**
Other offering costs			**(20,476)**						**(20,476)**
Components of comprehensive income:									
Net income					**59,854**				**59,854**
Loss on interest rate swap								**(387)**	**(387)**

Comprehensive income									**59,467**
BALANCE, December 31, 2002	**217,791**	**$ 2,178**	**$ 1,929,381**	**$ (74,310)**	**$**	**(2,091)**	**$ (20,912)**	**$ (387)**	**$ 1,835,950**

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2002, 2001, AND 2000

(in thousands)

	2002	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	**$ 59,854**	$ 21,724	$ 8,553
Adjustments to reconcile net income to net cash provided by operating activities:			
Equity in income of joint ventures	**(4,700)**	(3,721)	(2,294)
Depreciation	**38,780**	15,345	7,743
Amortization of deferred financing costs	**845**	770	233
Amortization of deferred lease acquisition costs	**303**	303	351
Land received in lease termination	**(430)**		
Write-off of deferred lease acquisition costs		62	
Changes in assets and liabilities:			
Rent receivable	**(13,318)**	(2,222)	(2,458)
Due from affiliates	**(185)**	11	(436)
Prepaid expenses and other assets, net	**(3,248)**	3,246	(6,827)
Accounts payable and accrued expenses	**15,853**	6,561	1,942
Deferred rental income	**10,922**	280	146
Due to affiliates	**(104)**	(10)	367
Total adjustments	**44,718**	20,625	(1,233)
Net cash provided by operating activities	**104,572**	42,349	7,320
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment in real estate assets	**(1,308,759)**	(227,934)	(231,518)
Contributions to joint ventures	**(8,910)**	(33,691)	(15,064)
Investment in intangible lease asset	**(12,060)**		
Deferred project costs paid	**(39,797)**	(17,220)	(6,264)
Deferred lease acquisition costs paid	**(400)**		
Distributions received from joint ventures	**7,388**	4,239	3,529
Net cash used in investing activities	**(1,362,538)**	(274,606)	(249,317)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from notes payable	**212,906**	110,243	187,633

Repayments of notes payable	**(62,835)**	(229,782)	(83,899)
Dividends paid to shareholders	**(104,996)**	(36,737)	(16,971)
Issuance of common stock	**1,340,293**	522,517	180,387
Treasury stock purchased	**(15,362)**	(4,137)	(1,413)
Sales commissions and dealer manager fees paid	**(127,332)**	(49,246)	(17,003)
Other offering costs paid	**(13,156)**	(9,313)	(5,369)
Deferred financing costs paid	**(1,674)**		
Net cash provided by financing activities	**1,227,844**	303,545	243,365
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**(30,122)**	71,288	1,368
CASH AND CASH EQUIVALENTS, beginning of year	**75,586**	4,298	2,930
CASH AND CASH EQUIVALENTS, end of year	**$ 45,464**	$ 75,586	$ 4,298

See accompanying notes.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2002, 2001 AND 2000

1. Organization

Wells Real Estate Investment Trust, Inc. (the Company) is a Maryland corporation that qualifies as a real estate investment trust (REIT). The Company was incorporated in 1997 and commenced operations on June 5, 1998.

The Company engages in the acquisition and ownership of commercial real estate properties, throughout the United States, including properties which are under construction, are newly constructed or have operating histories. At December 31, 2002, the Company has invested in commercial and industrial real estate assets, either directly or through joint ventures with real estate limited partnership programs sponsored by Wells Capital, Inc. (the Advisor) or its affiliates.

Substantially all of the Company s business is conducted through Wells Operating Partnership, L.P., (Wells OP), a Delaware limited partnership, and its subsidiaries. Wells OP was formed to acquire, develop, own, lease, and operate real properties on behalf of the Company, either directly, through wholly-owned subsidiaries, or through joint ventures. The Company is the sole general partner in Wells OP and possesses full legal control and authority over the operations of Wells OP. In addition, the Company owns Wells REIT-Independence Square, LLC (Wells REIT-Independence), a single member Georgia limited liability company. Wells REIT-Independence was formed for the purpose of acquiring two office buildings located in Washington, D.C. (the NASA Buildings). Wells OP, and its subsidiaries, and Wells REIT-Independence comprise the Company s subsidiaries.

The Company has initiated four offerings of the Company s stock as follows:

Offering #	Date Commenced	Termination Date	Gross Proceeds	Shares Issued
1	January 30, 1998	December 19, 1999	$ 132.2 million	13.2 million
2	December 20, 1999	December 19, 2000	$ 175.2 million	17.5 million
3	December 20, 2000	July 26, 2002	$ 1,283.0 million	128.3 million
4	July 26, 2002	Offering will terminate on or before July 25, 2004	$ 587.5 million (through December 31, 2002)	58.8 million (through December 31, 2002)

Total as of December 31, 2002	$ 2,177.9 million	217.8 million

After payment of $75.5 million in acquisition and advisory fees and acquisition expenses to the Advisor, payment of $206.4 million in selling commissions, payment of $40.0 million in organization and offering expenses to the Advisor, investment in real estate assets and joint ventures of $1,808.5 million, and common stock redemptions of $20.9 million pursuant to the Company s share redemption program, the Company was holding net offering proceeds of approximately $26.6 million available for investment in properties at December 31, 2002.

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The Company s stock is not listed on a national exchange. However, the Company s Articles of Incorporation currently require that, in the event that the Company s stock is not listed on a national exchange by January 30, 2008, the Company must begin liquidating its investments and distributing the resulting proceeds to the shareholders.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation and Basis of Presentation

The consolidated financial statements include the accounts of the Company, Wells OP and its subsidiaries, and Wells REIT-Independence. The financial statements of the Company s subsidiaries are prepared using accounting policies consistent with the Company. All significant inter-company balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Investments in Joint Ventures

The Company and its subsidiaries do not consolidate investments in ventures in which the Company or a subsidiary does not control the venture, including joint ventures requiring consent of both partners for all major decisions, regardless of whether the Company or a subsidiary owns a majority interest in the venture. These investments are accounted for using the equity method of accounting, whereby original investments are recorded at cost, and subsequently adjusted for contributions, distributions, and the investor s share of income or losses of the joint ventures. Allocations of income and loss and distributions by the joint ventures are made in accordance with the terms of the individual joint venture agreements. Generally, these items are allocated in proportion to the partners respective ownership interests, which approximates economic ownership. Generally, cash distributions are made from the joint ventures to the investor on a quarterly basis.

Real Estate Assets

Real estate assets are stated at cost, less accumulated depreciation. Amounts capitalized to real estate assets consist of the cost of acquisition or construction, and any tenant improvements or major improvements and betterments which extend the useful life of the related asset. All repairs and maintenance are expensed as incurred. Additionally, the Company capitalizes interest when development of a real estate asset is in progress. Approximately $0.8 million, $0.1 million, and $0.2 million of interest was capitalized for the years ended December 31, 2002, 2001, and 2000, respectively.

The estimated useful lives of the Company s real estate assets by class are as follows:

Building	25 years
Building improvements	10-25 years
Land improvements	20-25 years
Tenant Improvements	Lease term

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Management continually monitors events and changes in circumstances that could indicate that carrying amounts of real estate assets may not be recoverable. When indicators of potential impairment are present, management assesses the recoverability of the assets by determining whether the carrying value of the real estate assets will be recovered through the undiscounted future cash flows expected from the use and eventual disposition of the asset. In the event the expected undiscounted future cash flows do not exceed the carrying value, management adjusts the real estate assets to the fair value and recognizes an impairment loss. Management has determined that there has been no impairment in the carrying value of real estate assets held by the Company, its subsidiaries, and any unconsolidated joint ventures to date.

Effective January 1, 2002, the Company adopted the Statement of Financial Accounting Standards No. 144 *Accounting for the Impairment or Disposal of Long Lived Assets* (SFAS 144), which supersedes Statement of Financial Accounting Standards No. 121 *Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of* (SFAS 121) and Accounting Principles Board No. 30 *Reporting the Results of Operations Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual or Infrequently Occurring Events or Transactions,* with regard to impairment assessment and discontinued operations respectively. In the current year, adoption of this standard did not have a significant impact on the Company, as SFAS 144 did not significantly change the measurement criteria for impairment under SFAS 121 and no properties were disposed of in the current year resulting in discontinued operations.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Cash equivalents include cash and short-term investments. Short-term investments are stated at cost, which approximates fair value, and consists of investments in money market accounts. At December 31, 2002 and 2001, there are no restrictions on the use of the Company s cash.

Rent Receivable

Receivables are recognized and carried at original amount earned less a provision for any uncollectible amounts, which approximates fair value. An allowance for uncollectible amounts is made when collection of the full amount is no longer probable. Bad debt expense was $0.1 million, $0.0 million, and $0.0 million for the years ended December 31, 2002, 2001, and 2000, respectively.

Deferred Project Costs

The Company pays certain fees to the Advisor with regard to the acquisition of properties which are capitalized to the cost of the properties and depreciated on the same basis and over the respective useful life of the related asset. Deferred project costs represent costs incurred for properties to be acquired.

Prepaid Expenses and Other Assets, net

Prepaid expenses and other assets include deferred financing costs, prepaid property operating expenses, earnest money amounts, and purchase price escrows. Deferred financing costs are capitalized and amortized to interest expense on a straight-line basis over the terms of the related financing arrangement. Accumulated amortization of deferred financing costs totaled $1.2 million and $1.0 million at December 31, 2002 and 2001, respectively.

Deferred Lease Acquisition Costs

Costs incurred to procure operating leases are capitalized and amortized on a straight-line basis over the terms of the related lease. Accumulated amortization of deferred lease acquisition costs totaled $0.8 million and $0.5 million at December 31, 2002 and 2001, respectively. The related amortization expense for

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deferred lease acquisition costs was $0.3 million, $0.3 million and $0.4 million for the years ended December 31, 2002, 2001, and 2000, respectively, which is included in management and leasing fees in the consolidated statements of income.

Intangible Lease Asset/Liability

On January 1, 2002, the Company adopted Statement of Financial Accounting Standards No. 141 *Business Combinations,* and Statement of Financial Accounting Standards No. 142 *Goodwill and Intangibles*. These standards govern business combinations and asset acquisitions, and the accounting for acquired intangibles. As part of the acquisition of real estate assets, the Company determines whether an intangible asset or liability related to above or below market leases was acquired as part of the acquisition of the real estate. As a result of adopting the standards, amounts totaling $12.1 million have been recorded as intangible lease assets and $32.7 million have been recorded as intangible lease liabilities, relating to above and below market lease arrangements for properties acquired in 2002. The intangible assets and liabilities are recorded at their estimated fair market values at the date of acquisition, and are amortized over the remaining term of the respective lease to rental income. The weighted average amortization period for the intangible lease assets and liabilities was approximately 10 years and 9 years, respectively. These intangibles will be amortized as follows:

For the year ending December 31:	Intangible Lease Asset (000s)	Intangible Lease Liability (000s)
2003	$ 1,909	$ 4,144
2004	1,909	4,144
2005	1,807	4,144
2006	677	3,602
2007	677	2,842
Thereafter	5,081	13,821
	$ 12,060	$ 32,697

Investments in Bonds and Obligations Under Capital Leases

As a result of certain purchase transactions, the Company has acquired investments in bonds and certain obligations under capital leases. The Company records the bonds and obligations under capital leases at the amounts the Company expects to pay and receive. Because the Company is obligated to pay the indebtedness evidenced by the bonds, the Company has recorded these obligations as liabilities; however, since the Company is also the owner of the bonds, the bonds are carried on the Company s books as assets. The related offsetting interest amounts are recorded as interest income and interest expense in the period that the amounts accrue. See Note 5 for a more detailed discussion of the bonds and obligations under capital leases.

Notes Payable

All loans are measured at the stated principal amount, which approximates fair value. Interest is charged to interest expense as it accrues, except for interest qualifying for capitalization relating to properties under development.

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Dividends Payable and Distribution Policy

The Company will make distributions each taxable year (not including a return of capital for federal income tax purposes) equal to at least 90% of the Company s taxable income. The Company intends to make regular quarterly distributions to shareholders. Currently, dividends are declared in advance of the quarter to which they relate based on a daily rate for the upcoming quarter. Thus, shareholders are entitled to receive dividends immediately upon purchase of shares.

Dividends to be distributed to the shareholders are determined by the board of directors of the Company and are dependent upon a number of factors relating to the Company, including funds available for payment of dividends, financial condition, the timing of property acquisitions, capital expenditure requirements and annual distribution requirements in order to maintain the Company s status as a REIT under the Internal Revenue Code.

Offering and Related Costs

Offering costs are charged by the Advisor for costs incurred by the Advisor for raising capital for the Company. Such costs include legal and accounting fees, printing costs, sales, promotional, and other offering costs. Such costs, as well as sales commissions and dealer manager fees associated with the offering of shares, which are currently 7% and 2.5%, respectively, of gross offering proceeds, are accounted for as a reduction of equity.

Treasury Stock

The Company currently has a share redemption plan in place whereby the Company acquires shares from shareholders, subject to certain limitations. The Company accounts for these share repurchases using the treasury stock method.

Revenue Recognition

All leases on real estate assets held by the Company or its subsidiaries are classified as operating leases, and the related rental income is recognized on a straight-line basis over the terms of the respective leases. Tenant reimbursements are recognized as revenue in the period that the related operating cost is incurred and therefore contractually earned and billable pursuant to the terms of the underlying lease. Rents paid in advance, which do not qualify for revenue recognition, are deferred to future periods.

Revenues earned relating to lease termination agreements are recognized at the time the tenant loses the right to lease the space and when the Company has earned the right to receive such payments.

Stock-Based Compensation

The Company has adopted the disclosure provisions in Statement of Financial Accounting Standards No. 123 *Accounting and Disclosure for Stock-Based Compensation* (SFAS 123). As permitted by the provisions of SFAS 123, the Company applies Accounting Principles Board Opinion No. *25 Accounting for Stock Issued to Employees* (APB 25) and the related interpretations in accounting for its stock option grants to members of the board of directors, and accordingly, does not recognize compensation cost in the consolidated statements of income but instead provides pro forma disclosure in the notes to the consolidated financial statements. For the years ended December 31, 2002, 2001, and 2000, stock option grants did not have any impact on the consolidated statements of income as the fair value at the date of issue for each grant is estimated at $0.

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Earnings Per Share

Earnings per share are calculated based on the weighted average number of common shares outstanding during each period. The weighted average number of common shares outstanding is identical for basic and fully diluted earnings per share. Outstanding stock options and warrants have been excluded from the diluted earnings per share calculation as their impact would be anti-dilutive using the treasury stock method, as the exercise price of the options and warrants exceed the stock offering price.

Financial Instruments

The Company considers its cash, accounts receivable, accounts payable, bonds, obligations under capital leases, notes payable, and interest rate swaps to meet the definition of financial instruments. At December 31, 2002 and 2001, the carrying value of the Company s financial instruments approximated their fair value. Notes payable bear interest based on variable interest rates that periodically adjust to market or are fixed rate debt that is due within twelve months.

Interest Rate Swap Agreements

On January 1, 2001, the Company adopted Statement of Financial Accounting Standards No. 133 *Accounting for Derivative Instruments and Hedging Activities* (SFAS 133) as amended by Statement of Financial Accounting Standards No. 137 *Accounting for Derivative Instruments and Hedging Activities Deferral of the Effective Date of SFAS 133* and Statement of Financial Accounting Standards No. 138 *Accounting for Certain Derivative Instruments and Certain Hedging Activities.* SFAS 133 requires recording all derivative instruments as assets or liabilities, measured at fair value in the consolidated balance sheet. The effect of adopting SFAS 133 did not have a material effect on the Company s consolidated financial statements.

The Company has entered into certain interest rate swap agreements to minimize the Company s exposure to increases in interest rates on certain variable interest rate agreements. At the time of entering into the agreement and on an ongoing basis, the Company considers effectiveness of the interest rate swap at hedging the Company s exposure to interest rate fluctuations. The Company recognizes interest rate swap agreements at fair value at each balance sheet date. If the agreement is deemed to effectively hedge the risk, the corresponding change in value is recorded as an adjustment to other comprehensive income. In the event that the swap is not effective, the corresponding change in fair value of the swap is recorded in the consolidated statements of income. Currently, each interest rate swap agreement entered into by the Company has been deemed effective and therefore reflected as a component of other comprehensive income, with no impact on the consolidated statements of income. The fair value of the swap agreements are included in prepaid and other assets or accounts payable and accrued expenses in the consolidated balance sheets. Net receipts and payments are recognized as adjustments to interest expense.

Income Taxes

The Company has elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended (the Code), and has operated as such beginning with its taxable year ended December 31, 1998. To qualify as a REIT, the Company must meet certain organizational and operational requirements, including a requirement to currently distribute at least 90% (95% in 2000) of the REIT s ordinary taxable income to shareholders. As a REIT, the Company generally will not be subject to federal income tax on taxable income that it distributes to its shareholders. If the Company fails to qualify as a REIT in any taxable year, it will then be subject to federal income taxes on its taxable income at regular corporate rates and will not be permitted to qualify for treatment as a REIT for federal income tax purposes for four years following the year during which qualification is lost unless the Internal Revenue Service granted the Company relief under certain statutory provisions. Such an event could materially adversely affect the Company s net income and net cash

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available for distribution to shareholders. However, the Company believes that it is organized and operates in such a manner as to qualify for treatment as a REIT and intends to continue to operate in the foreseeable future in such a manner so that the Company will remain qualified as a REIT for federal income tax purposes. No provision for federal income taxes has been made in the accompanying consolidated financial statements, as the Company made distributions in excess of its taxable income in the years ended December 31, 2002, 2001, and 2000.

Restatement Adjustments and Disclosures

The Company and its joint ventures have historically reported property operating costs net of reimbursements from tenants as an expense in its consolidated statements of income. These costs include property taxes, property insurance, utilities, repairs and maintenance, management fees and other expenses related to the ownership and operation of the Company s properties that are required to be reimbursed by the properties tenants in accordance with the terms of their leases. In response to FASB Emerging Issues Task Force consensus reached in November 2001, the Company and its joint ventures will now present these reimbursements as revenue and the gross property operating costs as expenses. Consequently, the accompanying consolidated statements of income of the Company for the years ended December 31, 2001 and 2000 have been restated to reflect the effects of this revised presentation.

	2001			2000		
	As Previously Reported (000s)	Restatement Adjustments (000s)	As Restated (000s)	As Previously Reported (000s)	Restatement Adjustments (000s)	As Restated (000s)
Revenues:						
Rental income	$ 44,204	$	$ 44,204	$ 20,505	$	$ 20,505
Tenant reimbursements		**6,830**	6,830		**2,318**	2,318
Equity in income of joint ventures	3,721		3,721	2,294		2,294
Take out fee	138	**(138)**				
Interest and other income	1,246	**275**	1,521	574		574
	49,309	**6,967**	56,276	23,373	**2,318**	25,691
Expenses:						
Depreciation	15,345		15,345	7,743		7,743
Interest expense	3,411	**770**	4,181	3,967	**233**	4,200
Amortization of deferred financing costs	770	**(770)**		233	**(233)**	
Property operating costs	4,129	**6,772**	10,901	888	**2,318**	3,206
Management and leasing fees	2,507		2,507	1,310		1,310
General and administrative	974	**195**	1,169	439		439
Legal and accounting	449		449	240		240
	27,585	**6,967**	34,552	14,820	**2,318**	17,138
Net income	$ 21,724	$	$ 21,724	$8,553	$	$8,553

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In addition, the condensed combined statements of income disclosed in Note 4 have also been restated to reflect the effects of this revised presentation.

Since this presentation does not impact the amount of reimbursements received or property operating costs incurred and requires equal adjustments to revenues and expenses, the adoption of this guidance will have no impact on the financial position, net income, earnings per share or cash flows of the Company.

Furthermore, the statements of income for the years ended December 31, 2001 and 2000 have been revised to include disclosure of the weighted average shares outstanding for the years ended December 31, 2001 and 2000.

3. REAL ESTATE ASSETS

The Company owns 100% interests in the following properties as of December 31, 2002. Operating results of the properties are included in the financial statements of the Company from the date of acquisition.

Property Name	Tenant	Lease Expiration	Property Location	Date Acquired	Purchase Price	Square Feet	Annual Rent
Nestle	Nestle USA, Inc.	8/2010	Glendale, CA	12/2002	$ 157,000,000	505,115	$ 14,844,799
Los Angeles (1)	Various other tenants						$ 29,065
Capital One	Capital One Services, Inc	3/2010	Glen Allen, VA	11/2002	$ 28,509,000	225,220	$ 786,573
Richmond (2)	Capital One Services, Inc	5/2004					913,076
	Capital One Services, Inc.	2/2010					940,249
Caterpillar	Caterpillar Financial Services Corporation	2/2015	Nashville, TN	11/2002	$ 61,525,000	312,297	$ 7,384,111
Nashville	Thoughtworks, Inc	5/2005					$ 162,944
	Highwoods Properties, Inc	9/2005					$ 129,946
NASA	National Aeronautics and Space Administration	7/2012	Washington, D.C.	11/2002	$ 345,000,000	948,800	$ 21,534,124
	Office of the Comptroller of the Currency	5/2006					$ 12,159,948
Daimler	Daimler Chrysler Services North America LLC	12/2011	Westlake, TX	9/2002	$ 25,100,000	130,290	$ 2,389,517
Chrysler Dallas							
Allstate	Allstate Insurance Company	8/2012	Indianapolis, IN	9/2002	$ 10,900,000	84,200	$ 1,246,164
Indianapolis	Holladay Property Services Midwest, Inc.	9/2006				5,756	$ 74,832
Intuit Dallas	Lacerte Software Corporation	6/2011	Plano, TX	9/2002	$ 26,500,000	166,238	$ 2,461,985

EDS Des Moines	EDS Information Services LLC	4/2012	Des Moines, IA	9/2002	$	26,500,000	405,000	$	2,389,500

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Property Name	Tenant	Lease Expiration	Property Location	Date Acquired	Purchase Price	Square Feet	Annual Rent
Federal Express Colorado Springs	Federal Express Corporation	10/2016	Colorado Springs, CO	9/2002	$ 26,000,000	155,808	$ 2,248,309
KeyBank Parsippany	KeyBank U.S.A., N.A.	2/2016	Parsippany, NJ	9/2002	$ 101,350,000	200,000	$ 3,800,000
	Gemini Technology Services	12/2013				204,515	$ 5,726,420
IRS Long Island (3)	IRS Collection	8/2005	Holtsville, NY	9/2002	$ 50,975,000	128,000	$ 5,029,380
	IRS Compliance	12/2011				50,949	$ 1,663,200
	IRS Daycare Facility	9/2004				12,100	$ 486,799
AmeriCredit Phoenix (4) (5)	AmeriCredit Financial Services, Inc.	12/2013	Chandler, AZ	8/2002	$ 24,700,000	153,494	$ 1,609,315
Harcourt Austin	Harcourt, Inc.	6/2016	Austin, TX	8/2002	$ 39,000,000	195,230	$ 3,353,040
Nokia Dallas	Nokia, Inc.	7/2009	Irving, TX	8/2002	$ 119,550,000	228,678	$ 4,413,485
	Nokia, Inc.	12/2010				223,470	$ 4,547,614
	Nokia, Inc.	7/2009				152,086	$ 3,024,990
Kraft Atlanta	Kraft Foods North America, Inc.	1/2012	Suwanee, GA	8/2002	$ 11,625,000	73,264	$ 945,106
	Perkin Elmer Instruments, LLC	11/2016				13,955	$ 198,580
BMG Greenville (1)	BMG Direct Marketing, Inc.	12/2010	Duncan, SC	7/2002	$ 26,900,000	473,398	$ 1,394,156
	BMG Music	12/2009				313,380	$ 763,600
Kerr-McGee (1) (4) (5)	Kerr-McGee Oil & Gas Corporation	8/2014	Houston, TX	7/2002	$ 15,760,000	100,000	$ 1,655,000
PacifiCare San Antonio	PacifiCare Health Systems, Inc.	11/2010	San Antonio, TX	7/2002	$ 14,650,000	142,500	$ 1,471,700
ISS Atlanta (6)	Internet Security Systems, Inc.	5/2013	Atlanta, GA	7/2002	$ 40,500,000	238,600	$ 4,055,985
MFS Phoenix	Massachusetts Financial Services Company	7/2011	Phoenix, AZ	6/2002	$ 25,800,000	148,605	$ 2,347,959
TRW Denver	TRW, Inc.	9/2007	Aurora, CO	5/2002	$ 21,060,000	108,240	$ 2,871,069
Agilent Boston (7)	Agilent Technologies, Inc.	9/2011	Boxborough, MA	5/2002	$ 31,742,274	174,585	$ 3,578,993
Experian/TRW	Experian Information Solutions, Inc.	10/2010	Allen, TX	5/2002	$ 35,150,000	292,700	$ 3,701,918
BellSouth Ft. Lauderdale (8)	BellSouth Advertising and Publishing Corporation	7/2008	Ft. Lauderdale, FL	4/2002	$ 6,850,000	47,400	$ 765,519
Agilent Atlanta (1)	Agilent Technologies, Inc.	9/2011	Alpharetta, GA	4/2002	$ 15,100,000	66,811	$ 1,368,289
	Koninklijke Philips Electronics N.V.	9/2011				34,396	$ 704,430
Travelers Express Denver	Travelers Express Company, Inc.	3/2012	Lakewood, CO	4/2002	$ 10,395,845	68,165	$ 1,012,250
Dana Kalamazoo (9)	Dana Corporation	10/2021	Kalamazoo, MI	3/2002	$ 41,950,000	147,004	$ 1,842,800
Dana Detroit (9)	Dana Corporation	10/2021	Farmington Hills, MI	3/2002	$ 41,950,000	112,480	$ 2,330,600
Novartis Atlanta (1)	Novartis Opthalmics, Inc.	7/2011	Duluth, GA	3/2002	$ 15,000,000	100,087	$ 1,454,765

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Property Name	Tenant	Lease Expiration	Property Location	Date Acquired	Purchase Price	Square Feet	Annual Rent
Transocean Houston	Transocean Deepwater Offshore Drilling, Inc.	3/2011	Houston, TX	3/2002	$ 22,000,000	103,260	$ 2,103,285
	Newpark Drilling Fluids, Inc.	10/2009				52,731	$ 1,153,227
Vertex Sarasota (formerly, Arthur Andersen) (10)	Vertex Tax Technology	10/2009	Sarasota, FL	1/2002	$ 21,400,000	157,700	$ 621,257
Windy Point I (11)	TCI Great Lakes, Inc.	11/2009	Schaumburg, IL	12/2001	$ 32,225,000	129,157 28,322	$ 2,128,503
	The Apollo Group, Inc.	7/2009				22,028	$ 477,226
	Global Knowledge Network	4/2010				8,884	$ 393,776
	Various other tenants	Various					$ 141,010
Windy Point II (11)	Zurich American Insurance	8/2011	Schaumburg, IL	12/2001	$ 57,050,000	300,034	$ 5,244,594
Convergys	Convergys Customer Management Group, Inc.	9/2011	Tamarac, FL	12/2001	$ 13,255,000	100,000	$ 1,279,397
Lucent	Lucent Technologies, Inc.	9/2011	Cary, NC	9/2001	$ 17,650,000	120,000	$ 1,854,000
Ingram Micro (6)	Ingram Micro, L.P.	9/2011	Millington, TN	9/2001	$ 21,050,000	701,819	$ 2,035,275
Nissan (1) (4) (5)	Nissan Motor Acceptance Corporation	3/2013	Irving, TX	9/2001	$ 42,259,000	268,290	$ 4,225,860
IKON	IKON Office Solutions, Inc.	4/2010	Houston, TX	9/2001	$ 20,650,000	157,790	$ 2,015,767
State Street	SSB Realty, LLC	3/2011	Quincy, MA	7/2001	$ 49,563,000	234,668	$ 6,922,706
Metris Minnesota (1)	Metris Direct, Inc.	12/2011	Minnetonka, MN	12/2000	$ 52,800,000	300,633	$ 4,960,445
Stone & Webster	Stone & Webster, Inc. SYSCO Corporation	12/2010	Houston, TX	12/2000	$ 44,970,000	206,048	$ 4,533,056
		9/2008				106,516	$ 2,130,320
Motorola Plainfield (1)	Motorola, Inc.	10/2010	S. Plainfield, NJ	11/2000	$ 33,648,156	236,710	$ 3,324,428
Delphi (1)	Delphi Automotive Systems, LLC	4/2007	Troy, MI	6/2000	$ 19,800,000	107,193	$ 1,955,520
Avnet (1) (8)	Avnet, Inc.	4/2010	Tempe, AZ	6/2000	$ 13,250,000	132,070	$ 1,516,164
Motorola Tempe (8)	Motorola, Inc.	8/2005	Tempe, AZ	3/2000	$ 16,000,000	133,225	$ 2,054,329
ASML (1) (8)	ASM Lithography, Inc.	6/2013	Tempe, AZ	3/2000	$ 17,355,000	95,133	$ 1,927,788
Dial (1)	Dial Corporation	8/2008	Scottsdale, AZ	3/2000	$ 14,250,000	129,689	$ 1,387,672
Metris Tulsa	Metris Direct, Inc.	1/2010	Tulsa, OK	2/2000	$ 12,700,000	101,100	$ 1,187,925
Cinemark (1)	Cinemark USA, Inc.	12/2009	Plano, TX	12/1999	$ 21,800,000	65,521	$ 1,366,491
	The Coca-Cola Company	11/2006				52,587	$ 1,406,268

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Property Name	Tenant	Lease Expiration	Property Location	Date Acquired	Purchase Price	Square Feet	Annual Rent
Videojet Technologies Chicago (1)	Videojet Technologies, Inc.	11/2011	Wood Dale, IL	9/1999	$ 32,630,940	250,354	$ 3,376,743
Alstom Power Richmond (4) (1)	Alstom Power, Inc.	7/2007	Midlothian, VA	7/1999	$ 11,400,000	99,057	$ 1,244,501
Matsushita (4) (1)	Matsushita Avionics Systems Corporation	1/2007	Lake Forest, CA	3/1999	$ 18,431,206	144,906	$ 1,998,768
AT&T Pennsylvania (1)	Pennsylvania Cellular Telephone Corp.	11/2008	Harrisburg, PA	2/1999	$ 12,291,200	81,859	$ 1,468,529
Eisenhower Boulevard (formerly, PwC) (1)	IBM (formerly, PricewaterhouseCoopers, LLP)	12/2008	Tampa, FL	12/1998	$ 21,127,854	130,091	$ 2,093,382

(1) Property is security for a debt facility.
(2) The previous owner has provided a guarantee of the Capital One leases for a specified period subsequent to the acquisition of the buildings, whereby the previous owner agrees to pay any rental shortfall, but also has the right to repurchase one of the buildings under certain terms.
(3) Excludes space subject to earn-out agreement.
(4) Includes the actual costs incurred or estimate to be incurred by Company to develop and construct the building in addition to the purchase price of the land.
(5) The related lease agreement and annual rent for the Americredit Phoenix, Kerr McGee and Nissan Properties do not take effect until construction of the building is completed and the tenant is occupying the building.
(6) Property is subject to capital lease obligation.
(7) In connection with the acquisition of the property, the Company assumed the obligation as landlord to provide the tenant $3.4 million for tenant improvements, of which $1.1 million had not been incurred at December 31, 2002.
(8) Property is subject to operating ground lease obligation.
(9) Dana Kalamazoo and Dana Detroit were purchased for an aggregate purchase price of $41,950,000.
(10) At December 31, 2002, 111,000 square feet, or approximately 70%, of the property was vacant and unleased as a result of the Company negotiating a lease termination agreement with the former tenant whereby the Company received approximately $1.0 million in cash and a 1.3 acre tract of land adjacent to the property which is used for parking.
(11) Windy Point I and Windy Point II were purchased for an aggregate purchase price of $89,275,000.

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4. INVESTMENTS IN JOINT VENTURES

At December 31, 2002, the Company, through its ownership in Wells OP, owns interests in certain properties through joint ventures with affiliates as outlined below:

Joint Venture	Joint Venture Partners	Ownership Percentage	Properties Held by Joint Venture
Fund XIII-REIT Joint Venture	Wells OP	61%	AmeriCredit Building
	Wells Real Estate Fund XIII, L.P.		ADIC Buildings
			John Wiley Building
Fund XII-REIT Joint Venture	Wells OP	55%	Siemens Building
	Wells Real Estate Fund XII, L.P.		AT&T Oklahoma Buildings
			Comdata Building
Fund XI-XII-REIT Joint Venture	Wells OP	57%	EYBL CarTex Building
	Wells Real Estate Fund XI, L.P.		Sprint Building
	Wells Real Estate Fund XII, L.P.		Johnson Matthey Building
			Gartner Building
Fund IX-X-XI-REIT Joint Venture	Wells OP	4%	Alstom Power Knoxville Building
	Wells Real Estate Fund IX, L.P.		Ohmeda Building
	Wells Real Estate Fund X, L.P.		Interlocken Building
	Wells Real Estate Fund XI, L.P.		Avaya Building
			Iomega Building
Wells/Freemont Associates Joint Venture	Wells OP	78%	Fairchild Building
(the Freemont Joint Venture)	Fund X-XI Joint Venture		
Wells/Orange County Associates Joint Venture	Wells OP	44%	Cort Building
(the Orange County Joint Venture)	Fund X-XI Joint Venture		
Fund VIII-IX-REIT Joint Venture	Wells OP	16%	Quest Building
	Fund VIII-IX Joint Venture		

Details of the properties owned by the Company through Wells OP s joint venture investments are as follows.

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Property Name	Tenant	Lease Expiration	Property Location	Date Acquired	Purchase Price	Square Feet	Annual Rent
John Wiley Indianapolis (1)	John Wiley & Sons, Inc.	10/2009	Fishers, IN	12/2002	$ 17,450,000	141,047	$ 1,940,892
	United Student Aid Funds, Inc.	7/2005					$ 223,401
	Robert Half International, Inc.	4/2005					$ 55,500
ADIC (1)	Advanced Digital Information Corporation	10/2011	Parker, CO	12/2001	$ 12,954,213	148,204	$ 1,247,137
AmeriCredit (1)	AmeriCredit Financial Services Corporation	6/2011	Orange Park, FL	7/2001	$ 12,500,000	85,000	$ 1,336,200
Comdata (1)	Comdata Network, Inc.	5/2016	Brentwood, TN	5/2001	$ 24,950,000	201,237	$ 2,458,638
AT&T Oklahoma (1)	AT&T Corp.	8/2010	Oklahoma City, OK	12/2000	$ 15,300,000	103,500	$ 1,242,000
	Jordan Associates, Inc.	12/2008				25,000	$ 294,504
Quest (1)	Quest Software, Inc.	1/2004	Irvine, CA	7/2000	$ 7,193,000	65,006	$ 1,287,119
Siemens (1)	Siemens Automotive Corp.	8/2010	Troy, MI	5/2000	$ 14,265,000	77,054	$ 1,374,643
Gartner (1)	The Gartner Group, Inc.	1/2008	Ft. Myers, FL	9/1999	$ 8,320,000	62,400	$ 830,656
Johnson Matthey (1)	Johnson Matthey, Inc.	6/2007	Wayne, PA	8/1999	$ 8,000,000	130,000	$ 854,750
Sprint (1)	Sprint Communications Company, L.P.	5/2007	Leawood, KS	7/1999	$ 9,500,000	68,900	$ 1,102,400
EYBL CarTex (2)	EYBL CarTex, Inc.		Fountain Inn, SC	5/1999	$ 5,085,000	169,510	
Cort Furniture (1)	Cort Furniture Rental Corporation	10/2003	Fountain Valley, CA	7/1998	$ 6,400,000	52,000	$ 834,888
Fairchild (1)	Fairchild Technologies U.S.A., Inc.	11/2004	Fremont, CA	7/1998	$ 8,900,000	58,424	$ 945,564
Avaya (1)	Avaya, Inc.	1/2008	Oklahoma City, OK	6/1998	$ 5,504,276	57,186	$ 536,977
Iomega (1)	Iomega Corporation	4/2009	Ogden, UT	7/1998	$ 5,025,000	108,250	$ 539,958
Interlocken (3)	GAIAM, Inc.	5/2005	Broomfield, CO	3/1998	$ 8,275,000	51,975	$ 574,464
	ODS Technologies, L.P. Infocenter	9/2003					$ 205,835
		5/2005					$ 69,840
Ohmeda (1)	Ohmeda, Inc.	1/2005	Louisville, CO	2/1998	$ 10,325,000	106,750	$ 1,004,517
Alstom Power Knoxville (1)	Alstom Power, Inc.	11/2007	Knoxville, TN	3/1997	$ 7,900,000	84,404	$ 1,059,522

(1) Property is 100% leased as of December 31, 2002.
(2) The tenant vacated the space in November 2002 and filed for corporate dissolution in December 2002.
(3) Property is 75% leased as of December 31, 2002.

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The investment objectives of each joint venture in which Wells OP is a partner are consistent with those of the Company. Wells OP is acting as the initial administrative venturer, as defined in the respective joint venture agreements, of each of the joint ventures included above, and as such, is responsible for establishing policies and operating procedures with respect to the business and affairs of each of these joint ventures. However, approval of the other joint venturers is required for any major decision or any action that materially affects these joint ventures or their real property investments.

Wells OP s investment balance and percentage ownership in joint ventures at December 31, 2002 and 2001 are summarized as follows:

	2002		2001	
	Amount (000s)	Percent	Amount (000s)	Percent
Fund VIII, IX, and REIT Joint Venture	**$ 1,089**	**16%**	$ 1,189	16%
Fund IX, X, XI, and REIT Joint Venture	**1,246**	**4**	1,290	4
Wells/Orange County Associates	**2,641**	**44**	2,740	44
Wells/Fremont Associates	**6,340**	**78**	6,576	78
Fund XI, XII, and REIT Joint Venture	**16,361**	**57**	17,188	57
Fund XII and REIT Joint Venture	**29,343**	**55**	30,300	55
Fund XIII and REIT Joint Venture	**26,895**	**61**	18,127	68
	$ 83,915		$ 77,410	

The following is a reconciliation of Wells OP s investment in joint ventures for the years ended December 31, 2002 and 2001:

	2002 (000s)	2001 (000s)
Investment in joint ventures, beginning of year	**$ 77,410**	$ 44,236
Equity in income of joint ventures	**4,700**	3,721
Contributions to joint ventures	**9,275**	35,086
Distributions from joint ventures	**(7,470)**	(5,633)
Investment in joint ventures, end of year	**$ 83,915**	$ 77,410

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Condensed combined financial information for all joint ventures as of December 31, 2002 and 2001, and for the years ended December 31, 2002, 2001 and 2000 is as follows:

Condensed Combined Balance Sheets

	2002 (000s)	2001 (000s)
Assets:		
Real estate assets	**$ 178,637**	$ 166,507
Cash	**4,780**	4,827
Accounts receivable	**2,073**	2,139
Other assets	**556**	692
Total adjustments	**$ 186,046**	$ 174,165
Liabilities and partners equity		
Accounts payable and accrued expenses	**1,071**	1,152
Distributions payable	**3,777**	3,968
Total liabilities	**4,848**	5,120
Partners equity	**181,198**	169,045
Total liabilities and partners equity	**$ 186,046**	$ 174,165

Condensed Combined Statements of Income

	2002 (000s)	2001 (000s)	2000 (000s)
Revenues:			
Rental income	$ 19,167	$ 15,931	$ 10,895
Tenant reimbursements (1)	1,849	2,251(1)	1,768(1)
Other income	46	105	79
Total revenues	**21,062**	18,287	12,742
Expenses:			
Depreciation	6,470	5,516	3,489
Operating expenses (1)	2,898	2,399(1)	1,774(1)
Management and leasing fees	1,123	978	675
Total expenses	**10,491**	8,893	5,938
Net Income	**$ 10,571**	$ 9,394	$ 6,804

(1) Amounts have been restated to reflect tenant reimbursements of $2,251,000 in 2001, and $1,768,000 in 2000 as revenue and gross operating costs as expenses as described in the Restatement Adjustments and Disclosures section of Note 2.

The Company has historically presented the condensed balance sheets, statements of income, statements of partners capital, and statements of cash flows for each joint venture investment in the notes to the consolidated financial statements, although such disclosure is not required. In prior years, the joint venture investments had a more significant impact on the financial position and results of operations of the Company. However, with the continued acquisition of properties in the current year, the significance of the joint venture investments has been diluted. Management has determined that inclusion of the information presented in prior years is unnecessary due to the insignificance of the joint ventures as a percentage of total assets and net income.

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5. INVESTMENTS IN BONDS AND OBLIGATIONS UNDER CAPITAL LEASES

In connection with the purchase of a ground leasehold interest in the Ingram Micro Distribution Facility pursuant to a Bond Real Property Lease dated December 20, 1995 (the Ingram Bond Lease), Wells OP acquired an Industrial Development Revenue Note (the Ingram Bond) dated December 20, 1995 in the principal amount of $22 million. As part of the same transaction, Wells OP also acquired a Fee Construction Mortgage Deed of Trust Assignment of Rents and Leases (the Ingram Bond Deed of Trust), also dated December 20, 1995, which was executed by the Industrial Development Board in order to secure the Ingram Bond. The Ingram Bond Lease expires on December 31, 2026. Beginning in 2006, the Company has the option to purchase the land underlying the Ingram Micro Distribution Facility for $100 plus satisfaction of the indebtedness.

As part of the transaction to acquire a ground leasehold interest in the ISS Atlanta Buildings, Wells OP was assigned Development Authority of Fulton County Taxable Revenue Bonds totaling $32.5 million, which were originally issued in connection with the development of the ISS Atlanta Buildings (the ISS Bonds). The ISS Bonds entitle Wells OP to certain property tax abatement benefits. Upon payment of the outstanding balance on the ISS Bonds, on or before the expiration of the ground lease on December 1, 2015, fee title interest to the underlying land will be transferred to Wells OP.

The net carrying value of the ISS Atlanta Buildings and Ingram Micro Building is $62.4 million at December 31, 2002. Depreciation of the assets under capital leases is included with depreciation expense in the consolidated statements of income.

6. BORROWINGS

The Company has financed its investments, acquisitions, and developments through various lenders as described below. On December 31, 2002 and 2001, the Company had the following amounts outstanding:

Facility	2002 (000s)	2001 (000s)
$110 million Bank of America Line of Credit, accruing interest at LIBOR plus 175 basis points (3.31% at December 31, 2002), requiring interest payments monthly with principal due at maturity (May 11, 2004), collateralized by the Videojet Technologies Chicago Building, the AT&T Pennsylvania Building, the Matsushita Building, the Metris Minnesota Building, the Motorola Plainfield Building, and the Delphi Building	$ 58,000	$
$98.138 million SouthTrust Bank Line of Credit, accruing interest at LIBOR plus 175 basis points (3.31% at December 31, 2002), requiring interest payments monthly and principal due at maturity (June 10, 2003); collateralized by the Novartis Building, the Cinemark Building, the Dial Building, the ASML Building, the Alstom Power Richmond Building, the Avnet Building, the Agilent Atlanta Building, and the Eisenhower Boulevard Building (formerly the PWC Building)	61,399	7,655
$90 million note payable to Landesbank Schleswig-Hostein Gironzentrale, Kiel, accruing interest at LIBOR plus 115 basis points, currently locked at 2.53% through July 2, 2003 (2.53% at December 31, 2002), requiring interest payments monthly, with principal due at maturity (December 20, 2006), collateralized by the Nestle Building	90,000	

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Facility	2002 (000s)	2001 (000s)
$34.2 million construction loan payable to Bank of America, accruing interest LIBOR plus 200 basis points (3.57% at December 31, 2002), requiring interest payments monthly and principal due at maturity (July 30, 2003), collateralized by the Nissan Property (1)	**23,149**	469
$13.7 million construction loan payable to Bank of America, accruing interest at LIBOR plus 200 basis points (3.57% at December 31, 2002), requiring interest payments monthly, with principal due at maturity (January 29, 2004), collateralized by the Kerr-McGee Property (1)	**4,038**	
$8.8 million note payable to Prudential, accruing interest at 8%, requiring interest and principal payments monthly with any unamortized principal due at maturity (December 15, 2003), collateralized by the BMG Buildings	**8,709**	
$2.9 million note payable to Prudential, accruing interest at 8.5%, requiring interest payments monthly with principal due at maturity (December 15, 2003), collateralized by the BMG Buildings	**2,900**	
Total borrowings	**$ 248,195**	$ 8,124

(1) The Company has entered into an interest rate swap for this construction loan. Refer to Note 7 for details of the interest rate swap agreements.

The Company s weighted average interest rate at December 31, 2002 for the aforementioned borrowings was approximately 3.3%. Cash paid for interest, including amounts capitalized was $4.2 million for the year ended December 31, 2002.

The following table summarizes the scheduled aggregate principal repayments, for the five years subsequent to December 31, 2002:

For the year ending December 31:	Amount (000s)
2003	$ 96,157
2004	62,038
2005	
2006	90,000
2007	
Thereafter	
Total	$ 248,195

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The debt agreements contain requirements with regard to certain operating and financial covenants, including, but not limited to, maintaining insurance on the properties, distribution limits, and other financial ratios. For the year ended December 31, 2002, the Company was in violation of a debt covenant which limits the amount of the Company s dividend payments to the Company s funds from operations for the period. The lender provided a waiver for this violation for the year ended December 31, 2002. The Company s compliance with this covenant in periods subsequent to December 31, 2002 will be dependent upon the future operations and dividends of the Company. Management projects that distributions will not exceed funds from operations for the year ended December 31, 2003.

7. INTEREST RATE SWAP AGREEMENTS

The Company has entered into interest rate swap agreements with Bank of America in order to hedge its interest rate exposure on the Bank of America construction loans for the Nissan Property (the Nissan Loan) and the Kerr McGee Property (the Kerr McGee Loan). The interest rate swap agreements involve the exchange of amounts based on a fixed interest rate for amounts based on a variable interest rate over the life of the loan agreement without an exchange of the notional amount upon which the payments are based. The notional amount of both interest rate swaps is the balance outstanding on the construction loan on the payment date.

The interest rate swap for the Nissan Loan became effective January 15, 2002 and terminates on June 15, 2003. The Company, as the fixed rate payer, has an interest rate of 3.9%, plus 200 basis points. Bank of America, the variable rate payer, pays at a rate equal to U.S. dollar LIBOR on the payment date. The result is an effective interest rate of 5.9% on the Nissan Loan.

The interest rate swap for the Kerr McGee Loan became effective September 15, 2002 and terminates on July 15, 2003. The Company as the fixed rate payer has an interest rate of 2.27%, plus 200 basis points. Bank of America, the variable rate payer, pays at a rate equal to U.S. dollar LIBOR on the payment date. The result is an effective interest rate of 4.27% on the Kerr McGee Loan.

For the year ended December 31, 2002, the Company made interest payments totaling approximately $0.2 million under the terms of the interest rate swap agreements. At December 31, 2002, the combined estimated fair value of the interest rate swaps for the Nissan Loan and the Kerr McGee Loan was approximately $(0.4 million).

8. COMMITMENTS AND CONTINGENCIES

Take Out Purchase and Escrow Agreement

The Advisor and it s affiliates have developed a program (the Wells Section 1031 Program) involving the acquisition by a subsidiary of Wells Management Company (Wells Exchange) of income-producing commercial properties and the formation of a series of single member limited liability companies for the purpose of facilitating the resale of co-tenancy interests in such real estate properties to be owned in co-tenancy arrangements with persons (1031 Participants) who are seeking to invest the proceeds from a sale of real estate held for investment in another real estate investment for purposes of qualifying for like-kind exchange treatment under Section 1031 of the Code. The acquisition of each of the properties acquired by Wells Exchange will be financed by a combination of permanent first mortgage financing and interim loan financing obtained from institutional lenders.

Following the acquisition of each property, Wells Exchange will attempt to sell co-tenancy interests to 1031 Participants, the proceeds of which will be used to repay a prorata portion of the interim financing. In

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consideration for the payment of a take out fee to Wells OP, and following approval of the potential property acquisition by the Company s board of directors, it is anticipated that Wells OP will enter into a take out purchase and escrow agreement or similar contract providing that, in the event that Wells Exchange is unable to sell all of the co-tenancy interests in that particular property to 1031 Participants, Wells OP will purchase, at Wells Exchange s cost, any co-tenancy interests remaining unsold at the end of the offering period.

Ford Motor Credit Transaction

As a part of the initial transaction in the Wells Section 1031 Program, and in consideration for the payment of a take out fee in the amount of $0.1 million to the Company, Wells OP entered into a take out purchase and escrow agreement dated April 16, 2001. However, Wells OP was not required to satisfy any of the requirements under the agreement as all co-tenancy interests were sold prior to the extended deadline. The pay off of the loan on April 12, 2002 by Wells Exchange-Federal Drive-Colorado Springs, LLC triggered the release of Wells OP from its prior obligations under the take out agreement. The $0.1 million take out fee was recognized as income in 2001.

Meadow Brook Corporate Park Transaction

The second transaction in the Section 1031 Exchange Program involves the acquisition by Wells Exchange-Meadow Brook Park, Birmingham, LLC (Wells Exchange-Meadow Brook Park), a wholly owned subsidiary of Wells Management Company, and resale of co-tenancy interests in two single tenant office buildings each containing approximately 98,216 rentable square feet located in Birmingham, Alabama (Meadow Brook Corporate Park) currently under lease agreements with Allstate Insurance Company and Computer Sciences Corporation. Wells Exchange-Meadow Brook Park is currently engaged in the offer and sale of co-tenancy interests in the Meadow Brook Corporate Park to 1031 Participants.

In consideration for the payment of a take out fee in the amount of $0.2 million, which was recognized as income in the year ended December 31, 2002, Wells OP entered into a take out purchase and escrow Agreement relating to the Meadow Brook Corporate Park. Pursuant to the terms of the take out purchase and escrow agreement, Wells OP is obligated to acquire, at Wells Exchange-Meadow Brook Park s cost ($0.4 million in cash for each 2.9994% co-tenancy interest), any co-tenancy interests in the Meadow Brook Corporate Park that remain unsold on September 30, 2003.

The obligation of Wells OP under the Take Out Purchase and Escrow Agreement relating to Meadow Brook Corporate Park is secured by a line of credit with Bank of America, N.A. (BOA). If, for any reason, Wells OP fails to acquire any of the co-tenancy interests in the Meadow Brook Corporate Park which remain unsold as of September 30, 2003, or if there is otherwise an uncured default under the interim loan, BOA is authorized to draw down on Wells OP s line of credit in the amount necessary to pay the outstanding balance of the interim loan in full, in which event the appropriate amount of unsold co-tenancy interests in the Meadow Brook Corporate Park would be deeded to Wells OP. Wells OP s maximum economic exposure in the transaction is $14 million, in which event Wells OP would acquire the Meadow Brook Corporate Park for $14 million in cash plus assumption of the first mortgage financing in the amount of $13.9 million. If Wells Exchange-Meadow Brook Park successfully sells 100% of the co-tenancy interests to 1031 participants, Wells OP will not acquire any interest in the Meadow Brook Corporate Park. If some, but not all, of the co-tenancy interests are sold by Wells Exchange-Meadow Brook Park, Wells OP s exposure would be less, and it would end up owning an interest in the property in co-tenancy with 1031 Participants who had previously acquired co-tenancy interests in the Meadow Brook Corporate Park from Wells Exchange-Meadow Brook Park.

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Letters of Credit

At December 31, 2002, Wells OP had three unused letters of credit totaling approximately $19.7 million outstanding from financial institutions, consisting of letters of credit of approximately $14.5 million; $4.8 million; and $0.4 million with expiration dates of February 28, 2004; August 12, 2003; and February 2, 2004; respectively. These amounts are not recorded in the accompanying consolidated balance sheet as of December 31, 2002. These letters of credit were required by three unrelated parties to ensure completion of the Company s obligations under certain earn-out and construction agreements. Management does not anticipate a need to draw on these letters of credit.

Properties Under Contract

At December 31, 2002, the Company has a contract to acquire a third building at the Company s ISS Atlanta Buildings development upon completion of construction for a fixed purchase price of $10.0 million. The property is currently under construction, with an expected completion date in June 2003.

Commitments Under Existing Lease Agreements

Certain lease agreements include provisions that, at the option of the tenant, the Company may be obligated to expend certain amounts of capital to expand an existing property, construct on adjacent property, or provide other expenditures for the benefit of the tenant, which would then be leased to the tenant upon completion, in favor of additional rental revenue. No such options have been exercised by tenants.

Properties Under Construction

Wells OP has entered into an agreement with an independent third-party general contractor for the purpose of designing and constructing a three-story office building containing 268,290 rentable square feet on the Nissan Property. The construction agreement provides that Wells OP will pay the contractor a fee of $25.3 million for the design and construction of the building, plus $5.6 million for acquisition of the land. Construction commenced in January 2002 and the building was completed in February 2003. Construction was funded through a construction loan with Bank of America (see Note 6). As of December 31, 2002, approximately $25.7 million of costs had been incurred to construct the property, with minimal additional costs incurred subsequently to complete the building.

Wells OP has entered into an agreement with an independent third-party general contractor for the purpose of developing, designing, and constructing the Kerr-McGee Building. The building s completion is projected for July 2003. Construction is being funded through the construction loan with Bank of America (see Note 6). The total anticipated aggregate of all costs and expenses to be incurred by Wells OP with respect to the acquisition of the Kerr-McGee Property and the planning design, development, construction, and completion of the Kerr-McGee Building will total approximately $15.8 million, plus $2.1 million for acquisition of the land. At December 31, 2002, $5.4 million had been incurred.

Wells OP has entered into an agreement with an independent third-party general contractor for the purpose of designing and constructing the Americredit Phoenix Building. Construction commenced in September 2002 with budgeted costs of $24.7 million with scheduled completion in May 2003. The cost of the underlying land was $2.7 million. Construction is being funded through the use of investor proceeds. As of December 31, 2002, approximately $6.3 million of costs had been incurred to construct the property, with an additional $15.7 million of additional costs anticipated to compete the building.

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Earn-out Agreements

As part of the acquisition of the IRS Building, the Company entered into an agreement whereby the Company is obligated to pay the seller an additional $14.5 million if the Company or the seller locates a suitable tenant and leases the vacant space of the building within 18 months after the date of acquisition of the property, or March 2004. If the space is not leased within this time, the Company is released from any obligation to pay this additional purchase consideration. The 26% of the building that was unleased at the time of acquisition remains unleased at December 31, 2002.

Leasehold Property Obligations

The ASML, Motorola Tempe, Avnet, and Bellsouth Ft. Lauderdale Buildings are subject to certain ground leases with expiration dates of 2082, 2082, 2083, and 2049, respectively. Required payments, under the terms of the leases are as follows at December 31, 2002, in thousands:

	Amount (000s)
2003	$ 726
2004	726
2005	726
2006	726
2007	726
Thereafter	92,366
Total	$95,996

Ground rent expense for the years ended December 31, 2002, 2001, and 2000 was approximately $0.7 million, $0.7 million, and $0.5 million, respectively. The net book value of the related land improvements subject to operating leases is $50.3 million at December 31, 2002.

Pending Litigation

In the normal course of business, the Company and its subsidiaries may become subject to litigation or claims. In November 2002, Shoreview Associates LLC (Shoreview), the owner of an office building located in Ramsey County, Minnesota that Wells OP had contracted to purchase, filed a lawsuit against Wells OP in state court in Minnesota alleging that Shoreview was entitled to the $750,000 in earnest money that Wells OP had deposited under the contract. Wells OP has filed a counterclaim in the case asserting that it is entitled to the $750,000 earnest money deposit. Procedurally, Wells OP had the case transferred to U.S. District Court in Minnesota, and Shoreview has moved to transfer the case back to state court. The dispute currently remains in litigation. After consultation with legal counsel, management does not believe that a reserve for a loss contingency is necessary.

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9. SHAREHOLDERS EQUITY

General

Under the Company s Articles of Incorporation, the total number of shares of stock authorized for issuance is 1 billion, consisting of 750 million common shares, 100 million preferred shares, and 150 million shares-in-trust, each as defined by the Company s Articles of Incorporation as amended and restated on June 26, 2002.

The common shares shall have a par value of $0.01 per share and shall entitle the holders to one vote per share on all matters upon which shareholders, subject to the express terms of any series preferred shares, are entitled to vote pursuant to the Articles of Incorporation.

The Company is authorized to issue one or more series of preferred shares. Prior to the issuance of such shares, the board of directors shall fix the number of shares outstanding to be included in each series, and the designation, preferences, terms, rights, restrictions, limitations and qualifications and terms and conditions of redemption of the shares of each class or series. As of December 31, 2002, the Company has not issued any preferred shares.

In order to ensure that certain ownership restrictions are not violated and the Company s REIT status is not violated, the Articles of Incorporation of the Company authorize the Company to issue certain shares-in-trust and exchange these for such shares causing violation. Such shares shall be deemed transferred to and held in a trust established on behalf of the violator and administered by the trustee, as defined in the Articles of Incorporation. Such shares-in-trust shall be issued and outstanding stock of the Company and are entitled to the same rights and privileges as all other shares of the same class or series, except that the trust will receive all distributions on such shares, the trustee will be entitled to the vote associated with the shares-in-trust, and shares-in-trust are not transferable. Upon liquidation, such shares-in-trust shall be treated consistently with all other shares of the same class or series. As of December 31, 2002, the Company has not issued any shares-in-trust.

2000 Employee Stock Option Plan

On June 28, 2000, the shareholders approved the 2000 Employee Stock Option Plan of Wells Real Estate Investment Trust, Inc. (the Employee Option Plan), which provides for grants of non-qualified stock options to be made to selected employees of Wells Capital and Wells Management, subject to the discretion of the Compensation Committee and the limitations of the Employee Option Plan. A total of 750,000 shares have been authorized and reserved for issuance under the Employee Option Plan. At December 31, 2002, no stock options have been granted or exercised under the Employee Stock Option Plan; therefore, 750,000 shares are available for issue.

The exercise price for the employee options shall be the greater of (1) $11.00 per share, or (2) the Fair Market Value, as defined in the Employee Option Plan, of the shares on the date the option is granted. The Compensation Committee has the authority to set the term and vesting period of the stock option except that no option shall have a term greater than five years from the later of (1) the date the Company s shares are listed on a national securities exchange, or (2) the date the stock option is granted. In the event that the Compensation Committee determines that the potential benefits of the stock options may be inappropriately diluted or enlarged as a result of a certain corporate transaction or event, the Compensation Committee may adjust the number and kind of shares or the exercise price with respect to any option. Upon exercise, the employee agrees to remain in the employment of Wells Capital or Wells Management for a period of one year after the date of grant. No stock option may be exercised if such exercise would jeopardize the Company s status as a REIT under the Internal Revenue Code. No option may be sold, pledged, assigned or transferred by an employee in any manner other than by will or the laws of descent or distribution.

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Independent Director Stock Option Plan

On June 16, 1999, the shareholders approved the Wells Real Estate Investment Trust, Inc. Independent Director Stock Option Plan (the Independent Director Plan), which provides for grants of stock to be made to independent non-employee directors of the Company. A total of 100,000 shares have been authorized and reserved for issuance under the Independent Director Plan. At December 31, 2002, 41,000 options have been granted, with 59,000 available to be granted.

Options to purchase 2,500 shares of common stock at the greater of (1) $12 per share or (2) the Fair Market Value, as defined in the Independent Director Plan, are granted upon initially becoming an independent director of the Company, or at the date of the approval of the Independent Stock Option Plan for existing independent directors. Of these shares, 20% are exercisable immediately on the date of grant. An additional 20% of these shares become exercisable on each anniversary following the date of grant for a period of four years. Additionally, effective on the date of each annual meeting of shareholders of the Company, beginning in 2000, each independent director will be granted an option to purchase 1,000 additional shares of common stock. These options are 100% exercisable at the completion of two years of service after the date of grant. All options granted under the Independent Director Plan expire no later than the date immediately following the tenth anniversary of the date of grant and may expire sooner in the event of the disability or death of the independent director or if the independent director ceases to serve as a director. In the event that the potential benefits of the stock options may be inappropriately diluted or enlarged as a result of a certain corporate transaction or event, a corresponding adjustment to the consideration payable with respect to all stock options shall be made. No option may be sold, pledged, assigned or transferred by an independent director in any manner other than by will or the laws of descent or distribution.

A summary of the Company s stock option activity for the years ended December 31, 2002, 2001, and 2000 is as follows:

	Number	Exercise Price	Exercisable
Outstanding at December 31, 1999	17,500	$ 12	
Granted in 2000	7,000	12	
Outstanding at December 31, 2000	24,500	12	7,000
Granted in 2001	7,000	12	
Outstanding at December 31, 2001	31,500	12	10,500
Granted in 2002	9,500	12	
Outstanding at December 31, 2002	41,000	12	21,500

For SFAS 123 purposes, the fair value of each stock option for 2002, 2001, and 2000 has been estimated as of the date of the grant using the Black-Scholes minimum value method. The weighted average risk-free interest rates assumed for 2002, 2001 and 2000 were 4.57%, 5.05% and 6.45%, respectively. Projected future dividend yields of 7.0%, 7.8% and 7.3% were estimated for the options granted in 2002, 2001, and 2000, respectively. The expected life of an option was assumed to be six, six, and four years for 2002, 2001, and 2000, respectively. Based on these assumptions, the fair value of the options granted during the years ended December 31, 2002, 2001, and 2000 is $0. All options granted have an exercise price of $12 per share. The weighted average contractual remaining life for options that are exercisable at December 31, 2002 was approximately 8.7 years.

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Independent Director Warrant Plan

The Independent Director Warrant Plan (the Independent Director Warrant Plan), was approved by the shareholders on June 28, 2000, providing for the issuance of one warrant to purchase common stock for every 25 shares of common stock purchased by the independent director. A total of 500,000 warrants have been authorized and reserved for issuance under the Independent Director Warrant Plan. The exercise price of the warrants shall be $12 per share. No warrant may be sold, pledged, assigned or transferred by an independent director in any manner other than by the laws of descent or distribution. At December 31, 2002, approximately 5,000 warrants have been earned under the Independent Director Warrant Plan, but no warrants have been issued under the Independent Director Warrant Plan.

Dividend Reinvestment Plan

During 1999, the Company s board of directors authorized a dividend reinvestment plan (the DRP), through which common shareholders may elect to reinvest an amount equal to the dividends declared on their common shares into additional shares of the Company s common stock in lieu of receiving cash dividends. The shares may be purchased at a fixed price per share and participants in the DRP may purchase fractional shares so that 100% of the dividends will be used to acquire shares of the Company s stock. With respect to such shares, the Company will pay selling commissions of 7%, a dealer manager fee of 2.5%, organization and offering costs of up to 3% of the reinvestment, acquisition and advisory fees and expenses of 3.5% of the purchase price, which is consistent with the costs paid in connection with the current offering of shares of the Company s common stock. The board of directors, by majority vote, may amend or terminate the DRP for any reason upon 10 days notice to the participants of the DRP.

Share Redemption Program

As the Company s stock is currently not listed on a national exchange, there is no market for the Company s stock. As a result, there is risk that a shareholder may not be able to sell the Company s stock at a time or price acceptable to the shareholder. During 2000, the Company s board of directors authorized a common stock redemption plan for investors who held the shares for more than one year, subject to the limitation that aggregate shares redeemed under the plan could not exceed the lesser of (i) the amount reinvested in the Company s common shares through the DRP, less shares already redeemed, or (ii) 3% of the average common shares outstanding during the preceding year. The Company has no obligation to repurchase shares under its share redemption program. Shares redeemed under the share redemption program are purchased by the Company at the amount contributed by the shareholder, including any commissions paid at issuance. During 2002, 2001, and 2000, the Company repurchased 1.5 million; 0.4 million; and 0.1 million of its own common shares at an aggregate cost of $15.3 million; $4.1 million; and $1.4 million, respectively. These transactions were funded with cash on hand and did not exceed any of the foregoing limitations. At the time of such redemption, Wells Investment Securities, Inc. (WIS) has refunded to the Company the 2.5% commission earned upon the issuance of such shares. The board of directors, by majority vote, may amend or terminate the Company s share redemption program at any time.

Dealer Warrant Plan

Under the terms of each offering of the Company s stock, warrants to purchase shares of the Company s stock were delivered to WIS. Currently such warrants are issued in book form only and warrant certificates are not issued. For each warrant, the warrant-holder shall have the right to purchase one share from the Company at a price of $12 during the time period beginning one year from the effective date of the respective offering and ending on the date five years after the effective date. Warrants outstanding as of December 31, 2002 for the first, second, third, and fourth offerings to date are approximately 0.5 million, 0.7 million, 4.7 million, and 1.1 million, respectively. As of December 31, 2002, no warrants have been exercised under the plan.

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10. SUPPLEMENTAL DISCLOSURES OF NONCASH ACTIVITIES

Outlined below are significant non-cash transactions for the years ended December 31, 2002, 2001, and 2000:

	2002 (000s)	2001 (000s)	2000 (000s)
Deferred project costs applied to real estate assets	**$ 47,491**	$ 14,321	$ 5,114
Deferred project costs contributed to joint ventures	**$ 366**	$ 1,395	$ 628
Deferred project costs applied to lease acquisition costs	**$ 16**	$	$
Deferred project costs due to affiliate	**$ 7,708**	$ 1,114	$ 191
Deferred offering costs due to affiliate	**$**	$	$ 1,291
Reversal of deferred offering costs due to affiliate	**$**	$ 965	$
Other offering expenses due to affiliate	**$ 8,263**	$ 943	$
Assumption of obligation under capital lease and related bonds	**$ 32,500**	$ 22,000	$
Assumption of debt at property acquisition	**$ 90,000**	$	$

	2002 (000s)	2001 (000s)	2000 (000s)
Acquisition of intangible lease liability	**$ 32,697**	$	$
Dividends Payable	**$ 6,046**	$ 1,059	$ 1,025
Due from affiliates	**$ 1,774**	$ 1,693	$ 250
Write off fully amortized deferred financing costs	**$ 623**	$	$

11. INCOME TAX BASIS NET INCOME

The Company s income tax basis net income for the years ended December 31, 2002, 2001, and 2000 is calculated as follows:

2002	2001	2000

	(000s)	(000s)	(000s)
GAAP basis financial statement net income	**$ 59,854**	$ 21,724	$ 8,553
Increase (decrease) in net income resulting from:			
Depreciation expense for financial reporting purposes in excess of amounts for income tax purposes	**17,160**	7,347	3,511
Rental income accrued for income tax purposes in excess of (less than) amounts for financial reporting purposes	**3,578**	(2,735)	(1,822)
Expenses deductible when paid for income tax purposes, accrued for financial reporting purposes	**(71)**	26	38
Income tax basis net income, prior to dividends paid deduction	**$ 80,521**	$ 26,362	$ 10,280

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At December 31, 2002, the tax basis carrying value of the Company s total assets was approximately $2,237.2 million.

12. RELATED-PARTY TRANSACTIONS

Advisory Agreement

The Company has entered into an Advisory Agreement with the Advisor, which entitles the Advisor to specified fees upon the completion of certain services with regard to the offering of shares to the public and investment of funds in real estate projects. The current Advisory Agreement dated January 30, 2002 has been temporarily extended by the board of directors until May 19, 2003.

The Company pays a percentage of shareholder contributions to the Advisor for acquisition and advisory services and acquisition expenses. These payments, as stipulated in the Company s current offering prospectus, are limited to 3.5% of shareholder contributions, subject to certain overall operating expense limitations contained in the prospectus. Aggregate fees incurred through December 31, 2002 and 2001 were $75.5 million and $29.1 million, respectively, and approximated 3.5% of shareholder contributions received. As of December 31, 2002, $67.8 million had been paid to the Advisor through December 31, 2002, with $7.7 million payable to the Advisor.

Under the terms of the Advisory Agreement, the Company reimburses the Advisor for organization and offering costs not to exceed 3% of the offering proceeds raised. To the extent that organization and offering costs exceed 3% of gross offering proceeds, offering costs will be paid by the Advisor and not by the Company. As of December 31, 2002 the Advisor had paid fund to date organization and offering expenses on behalf of the Company in the aggregate amount of approximately $40.0 million, which did not exceed the 3% limitation. The Advisor had been reimbursed $31.7 million as of December 31, 2002.

Additionally, the Advisory Agreement provides that if the Advisor provides a substantial amount of the associated services, as determined by the Independent Directors, the Advisor shall earn a disposition fee in the event that properties are disposed of, in the amount of 50% of a competitive real estate commission or 3.0% of the sales price of the property. At December 31, 2002, no such fees had been paid to the Advisor as no properties had been disposed of to date. The disposition fee will be paid only if shareholders have received total dividends in an amount equal to the sum of their aggregate invested capital, plus an 8% return on invested capital.

The Advisory Agreement also provides that the Advisor shall earn an amount equal to 10% of the net sales proceeds remaining after shareholders have received dividends equal to the sum of the shareholders invested capital plus an 8% return of invested capital. The Advisor will not earn this fee in the event that the Company s shares are listed on a national stock exchange. As of December 31, 2002, no such fees have been paid.

If the Company s shares are listed on a national stock exchange at any future date, the Advisor shall be entitled to an incentive fee in an amount equal to 10.0% of the amount by which (1) the market value of the outstanding stock of the Company as defined in the Advisory Agreement, exceeds (2) the sum of 100% of invested capital and the total dividends required to be paid to the shareholders in order to pay the shareholders an 8.0% return on invested capital from inception through the date of listing. No such amounts have been incurred as of December 31, 2002. In the event the fee is paid to the Advisor following listing, no other performance fee will be paid to the Advisor.

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Administrative Services Reimbursement

The Company has no direct employees. The employees of the Advisor and Wells Management Company, Inc. (Wells Management), an affiliate of the Advisor, perform a full range of real estate services including leasing and property management, accounting, asset management and investor relations for the Company. The related expenses are allocated among the Company and the various Wells Real Estate Funds based on time spent on each entity by individual administrative personnel. The Company was allocated salaries, wages, and other payroll related costs by the Advisor and Wells Management totaling $2.0 million, $0.7 million, and $0.2 million for the years ended December 31, 2002, 2001, and 2000, respectively. These amounts are included in general and administrative expenses in the consolidated statements of income.

Property Management and Leasing Agreements

The Company entered into a property management and leasing agreement with Wells Management. In consideration for supervising the management and leasing of the Company s properties, the Company will pay management and leasing fees to Wells Management equal to the lesser of (a) 4.5% of the gross revenues generally paid over the life of the lease or (b) 0.6% of the net asset value of the properties (excluding vacant properties) owned by the Company. These management and leasing fees are calculated on an annual basis plus a separate competitive fee for the one-time initial lease-up of newly constructed properties generally paid in conjunction with the receipt of the first month s rent. Management and leasing fees incurred for services provided by Wells Management were $5.0 million, $2.5 million, and $1.1 million for the years ended December 31, 2002, 2001, and 2000, respectively.

Dealer Manager Agreement

The Company has entered into a dealer manager agreement, whereby, WIS, performs the dealer manager function for the Company. For these services, WIS earns fees of 7% of the gross proceeds from the sale of the shares of the Company, which is reallocated to participating broker-dealers. Additionally, WIS earns a dealer manager fee of 2.5% of the gross offering proceeds at the time the shares are sold, of which up to 1.5% may be reallowed to the broker-dealer. WIS has elected, although is not obligated, to reduce the dealer manager fee amount in each period by 2.5% of the gross redemptions under the Company s redemption plan. The amount of such reduction was $0.4 million, $0.1 million, and $0.0 million for the years ended
December 31, 2002, 2001, and 2000, respectively. During the years ended December 31, 2002, 2001, and 2000, the Company incurred commissions and dealer manager fees of $127.3 million, $49.2 million, and $17.0 million, respectively.

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Due From Affiliates

Due from affiliates included in the consolidated balance sheets at December 31, 2002 and 2001 represents the Company s share of the cash to be distributed from its joint venture investments for the fourth quarter of 2002 and 2001 and other amounts payable to the Company from other related parties:

	2002 (000s)	2001 (000s)
Fund VIII, IX, and REIT Joint Venture	**$ 48**	$ 47
Fund IX, X, XI, and REIT Joint Venture	**21**	36
Wells/Orange County Associates	**85**	84
Wells/Fremont Associates	**168**	164
Fund XI, XII, and REIT Joint Venture	**361**	430
Fund XII and REIT Joint Venture	**688**	681
Fund XIII and REEIT Joint Venture	**403**	251
Affiliates of the Advisor	**187**	
	$ 1,961	$ 1,693

Conflict of Interest

The Advisor also is a general partner in various Wells Real Estate Funds. As such, there are conflicts of interest where the Advisor, while serving in the capacity as general partner for Wells Real Estate Funds, may be in competition with the Company in connection with property acquisitions or for tenants in similar geographic markets.

13. OPERATING LEASES

Virtually all of the Company s real estate assets are leased to tenants under operating leases for which the terms and expirations vary. The leases frequently have provisions to extend the lease agreement, options for early termination after paying a specified penalty, and other terms and conditions as negotiated. The Company retains substantially all of the risks and benefits of ownership of the real estate assets leased to tenants. Amounts required as security deposits vary depending upon the terms of the respective leases and the creditworthiness of the tenant, but generally are not significant amounts. Therefore exposure to credit risk is limited to the extent that the receivables exceed this amount. Security deposits related to tenant leases are included in accounts payable and accrued expenses in the consolidated balance sheets.

The future minimum rental income from the Company s investment in real estate assets under non-cancelable operating leases, excluding properties under development, at December 31, 2002 is as follows:

Amount

	(000s)
Year ending December 31:	
2003	$ 195,677
2004	197,680
2005	197,852
2006	192,666
2007	183,494
Thereafter	759,559
	$ 1,726,928

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No individual tenant accounted for greater than 10% of the rental income for the year ended December 31, 2002. At December 31, 2002, approximately 12% of the future rental amounts are attributable to one tenant, the National Aeronautics and Space Administration.

14. QUARTERLY RESULTS (UNAUDITED)

Presented below is a summary of the unaudited quarterly financial information for the years ended December 31, 2002 and 2001, in thousands, except per share data:

	2002 Quarters Ended			
	March 31	**June 30**	**September 30**	**December 31**
Revenues	**$ 23,608**	**$ 29,402**	**$ 34,913**	**$ 51,705**
Net income	**$ 10,780**	**$ 13,756**	**$ 15,285**	**$ 20,033**
Basic and diluted earnings per share (a)	**$ 0.11**	**$ 0.11**	**$ 0.09**	**$ 0.10**
Dividends per share (a)	**$ 0.19**	**$ 0.19**	**$ 0.19**	**$ 0.18**

	2001 Quarters Ended			
	March 31	**June 30**	**September 30**	**December 31**
Revenues	$ 12,232	$ 12,468	$ 13,839	$ 17,737
Net income	$ 3,275	$ 5,039	$ 6,109	$ 7,301
Basic and diluted earnings per share (a)	$ 0.10	$ 0.12	$ 0.11	$ 0.10
Dividends per share (a)	$ 0.19	$ 0.19	$ 0.19	$ 0.19

(a) The totals of the four quarterly amounts for the years ended December 31, 2002, and 2001, do not equal the totals for the years then ended. This difference results from rounding differences between quarters.

15. ECONOMIC DEPENDENCY

The Company is dependent on the Advisor for certain services which are essential to the Company, including the sale of the Company s shares of common stock available for issue, asset acquisition and disposition decisions and other general administrative responsibilities. Additionally, the Company is dependent upon Wells Management to provide certain property management and leasing services. In the event that these companies were unable to provide the respective services to the Company, the Company would be required to obtain such services from other sources.

The Company is dependent upon the ability of its current tenants to pay their contractual rent amounts as they become due. The inability of a tenant to pay future rental amounts would have a negative impact on the Company. One tenant, the National Aeronautics and Space Administration, represents approximately 12% of the future rental income under non-cancelable leases at December 31, 2002. No other tenants exceed 10% of future rental income. Except for the tenant that has filed for corporate dissolution as discussed in Note 4, the Company is not aware of any reason that its current tenants would not be able to pay their contractual rental amounts as they become due.

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16. SUBSEQUENT EVENTS

Sale of Shares of Common Stock

From January 1, 2003 through January 24, 2003, the Company has raised approximately $84.6 million through the issuance of 8.5 million shares of common stock of the Company.

Redemptions of Common Stock

From January 1, 2003 through January 24, 2003, the Company has redeemed approximately 0.5 million shares of common stock of the Company at an aggregate cost of $4.8 million pursuant to its share redemption program. The Company s current plan allows for redemptions of approximately 4.0 million shares at an aggregate cost of $40.0 million for the year ending December 31, 2003. See Note 9 for a description of the limitations of the Company s share redemption plan.

Property Acquisitions

On January 9, 2003, Wells OP purchased two three-story office buildings containing approximately 187,735 aggregate rentable square feet located in Mayfield Heights, Ohio, for a purchase price of $22.0 million, excluding closing costs and acquisition and advisory fees paid to the Advisor. The entire 102,484 rentable square feet of East Point I is leased to Progressive Casualty Insurance Company. East Point II contains approximately 85,251 rentable square feet, of which 70,585 is currently leased to Austin, Danaher Power Solutions LLC and Moreland Management Co. Approximately 14,666 rentable square feet (17%) of East Point II is vacant.

In connection with the acquisition of the property, the Company entered into an earn-out agreement whereby the Company is required to pay the seller certain amounts for each new lease fully executed after the date of acquisition of the property but on or before March 31, 2004, or on or before July 31, 2004, if the tenant thereunder is a leasing prospect as defined by the agreement. Payments shall be the anticipated first year s annual rent less operating expenses with the sum divided by 0.105 and the result reduced by tenant improvement costs related to the space.

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WELLS REAL ESTATE INVESTMENT TRUST, INC. AND SUBSIDIARIES

(A MARYLAND CORPORATION)

SCHEDULE III REAL ESTATE ASSETS AND ACCUMULATED DEPRECIATION

DECEMBER 31, 2002

(dollars in thousands)

				Initial Cost		Cost	Gross Amount at Which Carried at December 31, 2002						
	Location	Ownership Percentage	Encumbrances	Land	Buildings and Improvements	Capitalized Subsequent to Acquisition	Land	Buildings and Improvements	Construction in Progress	Total	Accumulated Depreciation	Date of Construction	Date Acquire
	Tampa, FL	100	(a)	$ 1,460	$19,839	$ 826	$ 1,521	$20,604	$ 0	$22,125	$3,294	1998	12/31/
	Harrisburg, PA	100	(b)	662	11,836	676	690	12,484	0	13,174	1,905	1998	2/4/
Y	Wood Dale, IL	100	(b)	5,000	28,162	1,381	5,208	29,335	0	34,543	3,911	1991	9/10/
	Plano, TX	100	(a)	1,456	20,377	908	1,517	21,224	0	22,741	2,618	1999	12/21/
	Lake Forest, CA	100	(b)	4,577	0	13,965	4,768	13,774	0	18,542	3,072	1999	3/15/
R	Midlothian, VA	100	(a)	948	0	9,963	988	9,923	0	10,911	1,542	1999	7/22/
	Tulsa, OK	100	None	1,150	11,570	541	1,198	12,063	0	13,261	1,404	2000	2/11/
	Scottsdale, AZ	100	(a)	3,500	10,785	736	3,646	11,375	0	15,021	1,276	1997	3/29/
	Tempe, AZ	100	(a)	0	17,393	731	0	18,124	0	18,124	2,040	1995	3/29/
	Tempe, AZ	100	None	0	16,036	670	0	16,706	0	16,706	1,887	1998	3/29/
	Tempe, AZ	100	(a)	0	13,272	551	0	13,823	0	13,823	1,421	2000	6/12/0
	Troy, MI	100	(b)	2,160	16,776	1,811	2,250	18,497	0	20,747	2,117	2000	6/29/
'	South Plainfield, NJ	100	(b)	9,653	20,495	5,857	10,055	25,950	0	36,005	3,020	2000	11/1/
	Minnetonka, MN	100	(b)	7,700	45,152	2,211	8,021	47,042	0	55,063	3,882	2000	12/21/
	Houston, TX	100	None	7,100	37,915	1,889	7,396	39,508	0	46,904	3,260	1994	12/21/
	Quincy, MA	100	None	10,600	38,963	4,348	11,042	40,933	1,936	53,911	2,438	1990	7/30/20
	Houston, TX	100	None	2,735	17,915	990	2,847	18,793	0	21,640	1,002	2000	9/7/20
	Irving, TX	100	23,149	5,546	0	25,727	5,567	0	25,706	31,273	0	2002	9/19/20
D	Millington, TN	100	22,000	320	20,667	936	333	21,590	0	21,923	1,156	1997	9/26/20
	Cary, NC	100	None	7,000	10,650	1,110	7,276	11,484	0	18,760	612	2000	9/28/20
	Tamarac, FL	100	None	3,500	9,755	792	3,642	10,405	0	14,047	451	2001	12/21/20
	Schaumburg, IL	100	None	4,360	29,299	2,735	4,537	31,857	0	36,394	1,380	1999	12/31/20
I	Schaumburg, IL	100	None	3,600	52,016	3,156	3,746	55,026	0	58,772	2,384	2001	12/31/20

Sarasota, FL	100	None	1,700	19,866	1,291	2,203	20,654	0	22,857	821	1999	1/11/20
Houston, TX	100	None	845	21,186	887	879	22,039	0	22,918	735	1999	3/15/20
Duluth, GA	100	(a)	2,000	13,047	605	2,080	13,572	0	15,652	452	2001	3/28/20
Farmington Hills, MI	100	None	2,208	21,703	973	2,298	22,586	0	24,884	753	1999	3/29/20
Kalamazoo, MI	100	None	963	13,318	753	1,002	14,032	0	15,034	608	1999	3/29/0
Lakewood, CO	100	None	1,487	9,076	430	1,548	9,445	0	10,993	283	2002	4/10/20
Alpharetta, GA	100	(a)	1,500	13,652	616	1,561	14,207	0	15,768	426	2001	4/18/20

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iption	Location	Ownership Percentage	Encumbrances	Initial Cost: Land	Initial Cost: Buildings and Improvements	Cost Capitalized Subsequent to Acquisition	Gross Amount at Which Carried at December 31, 2002: Land	Gross Amount at Which Carried at December 31, 2002: Buildings and Improvements	Gross Amount at Which Carried at December 31, 2002: Construction in Progress	Gross Amount at Which Carried at December 31, 2002: Total	Accumulated Depreciation	Date of Construction	Date Acquired	Life whi Depreci is Comp
SOUTH FT. UDERDALE	Ft. Lauderdale, FL	100	None	$ 1,100	$ 5,792	$ 280	$ 1,145	$ 6,027	$ 0	$ 7,172	181	2001	4/18/2002	20 to 25
RIAN/ W DALLAS	Allen, TX	100	None	4,000	31,695	1,453	4,163	32,985	0	37,148	880	1982	5/1/2002	20 to 25
ENT TON	Boxborough, MA	100	None	3,500	31,751	1,296	3,642	29,498	3,407	36,547	787	2002	5/3/2002	20 to 25
DENVER	Aurora, CO	100	None	1,325	14,570	6,069	1,397	20,567	0	21,964	548	1997	5/29/2002	20 to 25
PHOENIX	Phoenix, AZ	100	None	2,500	23,381	1,054	2,602	24,333	0	26,935	568	2001	6/4/2002	20 to 25
TLANTA	Atlanta, GA	100	32,500	2,700	38,065	1,659	2,810	39,614	0	42,424	792	2001	7/1/2002	20 to 25
FICARE SAN TONIO	San Antonio, TX	100	None	2,450	12,240	598	2,550	12,738	0	15,288	255	2000	7/12/2002	20 to 25
R MCGEE USTON	Houston, TX	100	4,038	1,738	0	5,754	2,118	0	5,374	7,492	0	2003	7/29/2002	20 to 25
EENVILLE	Greenville, SC	100	11,609	1,600	25,601	1,087	1,665	26,623	0	28,288	522	1987	7/31/2002	20 to 25
FT ANTA	Suwanee, GA	100	None	2,700	8,976	475	2,810	9,341	0	12,151	156	2001	7/31/2002	20 to 25
A DALLAS	Irving, TX	100	None	9,100	110,831	4,892	9,470	115,353	0	124,823	1,923	1999	8/15/2002	20 to 25
COURT TIN	Austin, TX	100	None	5,860	33,143	1,587	6,098	34,492	0	40,590	575	2001	8/15/2002	20 to 25
RICREDIT OENIX	Chandler, AZ	100	None	2,632	0	6,362	2,671	0	6,323	8,994	0	2003	9/12/2002	20 to 25
ONG ND	Holtsville, NY	100	None	4,200	38,716	2,104	4,374	40,646	0	45,020	643	200	9/16/2002	20 to 25
BANK RSIPPANY	Parsippany, NJ	100	None	8,700	92,944	4,137	9,053	96,728	0	105,781	1,290	1985	9/27/2002	20 to 25
X LORADO RINGS	Colorado Springs, CO	100	None	2,100	23,988	1,061	2,185	24,964	0	27,149	333	2001	9/27/2002	20 to 25
DES MOINES	Des Moines, IA	100	None	850	25,727	1,082	885	26,774	0	27,659	357	2002	9/27/2002	20 to 25
IT DALLAS	Plano, TX	100	None	3,030	23,640	1,089	3,153	24,606	0	27,759	328	2001	9/27/2002	20 to 25
TATE DIANAPOLIS	Indianapolis, IN	100	None	1,275	9,680	443	1,327	10,071	0	11,398	134	2001	9/27/2002	20 to 25
ILER	Westlake, TX	100	None	2,585	22,588	1,010	2,689	23,494	0	26,183	313	2001	9/30/2002	20 to 25

RYSLER														
LLAS														
A	Washington, DC	100	None	80,000	299,188	11,909	82,881	308,216	0	391,097	1,850	1991	11/22/2002	20 to 25
ERPILLAR	Nashville, TN	100	None	4,900	58,923	1,124	5,101	59,846	0	64,947	380	2000	11/26/2002	20 to 25
SHVILLE														
TAL ONE	Glen Allen, VA	100	None	2,855	25,541	442	2,972	25,866	0	28,838	172	1999	11/26/2002	20 to 25
CHMOND														
LE	Glendale, CA	100	90,000	23,200	134,447	2,751	23,605	136,793	0	160,398	457	1990	12/20/2002	20 to 25
S ANGELES														
			$ 302,695	$ 268,630	$ 1,652,148	$ 147,783	$ 279,185	$ 1,746,630	$ 42,746	$ 2,068,561	$ 63,594			
% REIT														
perties														
OM POWER	Knoxville, TN	4%	None	$ 583	$ 744	$ 6,745	$ 608	$ 7,464	$ 0	$ 8,072	$ 2,250	1997	3/26/97	20 to 25
NOXVILLE														
YA	Oklahoma City, OK	4	None	1,003	4,386	242	1,051	4,580	0	5,631	840	1998	6/24/98	20 to 25
RLOCKEN	Broomfield, CO	4	None	1,570	6,734	748	1,650	7,369	33	9,052	1,388	1996	3/20/98	20 to 25
EGA	Ogden City, UT	4	None	597	4,675	876	642	5,506	0	6,148	963	1998	7/01/98	20 to 25
EDA	Louisville, CO	4	None	2,614	7,762	528	2,747	8,157	0	10,904	1,604	1998	2/13/98	20 to 25
CHILD	Fremont, CA	78	None	2,130	6,853	374	2,219	7,138	0	9,357	1,285	1998	7/21/98	20 to 25
T NITURE	Fountain Valley, CA	44	None	2,100	4,464	288	2,188	4,664	0	6,852	838	1988	7/31/98	20 to 25
L CARTEX	Fountain Inn, SC	57	None	330	4,792	213	344	4,991	0	5,335	732	1998	5/18/99	20 to 25
NT	Leawood, KS	57	None	1,696	7,851	398	1,767	8,178	0	9,945	1,145	1998	7/2/99	20 to 25

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				Initial Cost		Cost	Gross Amount at Which Carried at December 31, 2002						
tion	Location	Ownership Percentage	Encumbrances	Land	Buildings and Improvements	Capitalized Subsequent to Acquisition	Land	Buildings and Improvements	Construction in Progress	Total	Accumulated Depreciation	Date of Construction	Date Acquired	D
	Tredyffrin, PA	57	None	$ 1,925	$ 6,131	$ 336	$ 2,005	$ 6,387	$ 0	$ 8,392	$ 873	1973	8/17/99	2
	Ft. Myers, FL	57	None	896	7,452	347	933	7,762	0	8,695	1,035	1998	9/20/99	2
	Troy, MI	55	None	2,144	12,049	695	2,233	12,655	0	14,888	1,586	2000	5/10/00	2
	Irvine, CA	16	None	2,221	5,545	57	2,221	5,602	0	7,823	1,111	1997	7/1/00	2
	Oklahoma City, OK	55	None	2,100	13,228	646	2,188	13,786	0	15,974	1,149	1999	12/28/00	2
	Brentwood, TN	55	None	4,300	20,650	1,095	4,479	21,566	0	26,045	1,438	1986	5/15/2001	2
DIT	Orange Park, FL	61	None	1,610	10,890	563	1,677	11,386	0	13,063	683	2001	7/16/2001	2
	Parker, CO	61	None	1,954	11,000	758	2,048	11,664	0	13,712	505	2001	12/21/2001	2
EY	Indianapolis, IN	61	None	1,300	15,042	723	1,354	15,711	0	17,065	56	1999	12/12/2002	2
APOLIS														
roperties			$ 0	$ 31,073	$ 150,248	$ 15,632	$ 32,354	$ 164,566	$ 33	$ 196,953	$ 19,481			
operties			$302,695	$ 299,703	$ 1,802,396	$ 163,415	$ 311,539	$ 1,911,196	$42,779	$ 2,265,514	$ 83,075			

(a) These properties collateralize the $98.138 million SouthTrust Bank line of credit that accrues interest at LIBOR plus 175 basis points (3.31% at December 31, 2002) and requires interest payments monthly and principal due at maturity (June 10, 2003). The principal amount outstanding as of December 31, 2002 was $61.399 million.

(b) These properties collateralize the $110 million Bank of America line of credit that accrues interest at LIBOR plus 175 basis points (3.31% at December 31, 2002) and requires interest payments monthly and principal due at maturity (May 11, 2004). The principal amount outstanding as of December 31, 2002 was $58 million.

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WELLS REAL ESTATE INVESTMENT TRUST, INC. AND SUBSIDIARIES

(A Maryland Corporation)

SCHEDULE III REAL ESTATE ASSETS AND ACCUMULATED DEPRECIATION

DECEMBER 31, 2002

(dollars in thousands)

	Cost	Accumulated Depreciation
BALANCE AT DECEMBER 31, 1999	$ 180,118	$ 5,732
2000 additions	293,450	11,232
BALANCE AT DECEMBER 31, 2000	473,568	16,964
2001 additions	294,740	20,821
BALANCE AT DECEMBER 31, 2001	768,308	37,785
2002 additions	1,497,206	45,290
BALANCE AT DECEMBER 31, 2002	**$ 2,265,514**	**$ 83,075**

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PRIOR PERFORMANCE TABLES

The following Prior Performance Tables (Tables) provide information relating to real estate investment programs sponsored by Wells Capital, Inc., our advisor, and its affiliates (Wells Public Programs) which have investment objectives similar to Wells Real Estate Investment Trust, Inc. (Wells REIT). (See Investment Objectives and Criteria.) Except for the Wells REIT, all of the Wells Public Programs have used capital, and no acquisition indebtedness, to acquire their properties.

Prospective investors should read these Tables carefully together with the summary information concerning the Wells Public Programs as set forth in the Prior Performance Summary section of this prospectus.

Investors in the Wells REIT will not own any interest in the other Wells Public Programs and should not assume that they will experience returns, if any, comparable to those experienced by investors in other Wells Public Programs.

Our advisor is responsible for the acquisition, operation, maintenance and resale of the real estate properties. For both the Wells REIT and other Wells Public Programs. The financial results of other Wells Public Programs, thus, may provide some indication of our advisor s performance of its obligations during the periods covered. However, general economic conditions affecting the real estate industry and other factors contribute significantly to financial results.

The following tables are included herein:

Table I Experience in Raising and Investing Funds (As a Percentage of Investment)

Table II Compensation to Sponsor (in Dollars)

Table III Annual Operating Results of Wells Public Programs

Table IV (Results of completed programs) has been omitted since none of the Wells Public Programs have been liquidated.

Table V Sales or Disposals of Property

Additional information relating to the acquisition of properties by the Wells Public Programs is contained in **Table VI**, which is included in Part II of the registration statement which the Wells REIT has filed with the Securities and Exchange Commission. Copies of any or all information will be provided to prospective investors at no charge upon request.

The following are definitions of certain terms used in the Tables:

Acquisition Fees shall mean fees and commissions paid by a Wells Public Program in connection with its purchase or development of a property, except development fees paid to a person not affiliated with the Wells Public Program or with a general partner or advisor of the Wells Public Program in connection with the actual development of a project after acquisition of the land by the Wells Public Program.

Organization Expenses shall include legal fees, accounting fees, securities filing fees, printing and reproduction expenses and fees paid to the sponsor in connection with the planning and formation of the Wells Public Program.

Underwriting Fees shall include selling commissions and wholesaling fees paid to broker-dealers for services provided by the broker-dealers during the offering.

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TABLE I

EXPERIENCE IN RAISING AND INVESTING FUNDS

(UNAUDITED)

This Table provides a summary of the experience of the sponsors of Wells Public Programs for which offerings have been completed since December 31, 1999. Information is provided with regard to the manner in which the proceeds of the offerings have been applied. Also set forth is information pertaining to the timing and length of these offerings and the time period over which the proceeds have been invested in the properties. All figures are as of December 31, 2002.

	Wells Real Estate Fund XII, L.P.	Wells Real Estate Investment Trust, Inc.
Dollar Amount Raised	$ 35,611,192(3)	$ 1,458,206,058(4)
Percentage Amount Raised	100%(3)	100%(4)
Less Offering Expenses		
Underwriting Fees	9.5%	9.5%
Organizational Expenses	3.0%	3.0%
Reserves(1)	0.0%	0.0%
Percent Available for Investment	87.5%	87.5%
Acquisition and Development Costs		
Prepaid Items and Fees related to Purchase of Property	0.0%	0.0%
Cash Down Payment	84.0%	81.7%
Acquisition Fees(2)	3.5%	3.5%
Development and Construction Costs	0.0%	2.3%
Reserve for Payment of Indebtedness	0.0%	0.0%
Total Acquisition and Development Cost	87.5%	87.5%
Percent Leveraged	0.0%	0.0%
Date Offering Began	03/22/99	(4)
Length of Offering	24 mo.	(4)
Months to Invest 90% of Amount Available for Investment (Measured from Beginning of Offering)	26 mo.	(4)
Number of Investors as of 12/31/02	1,337	37,270

(1) Does not include general partner contributions held as part of reserves.

(2) Includes acquisition fees, real estate commissions, general contractor fees and/or architectural fees paid to affiliates of the general partners.

(3) Total dollar amount registered and available to be offered was $70,000,000. Wells Real Estate Fund XII, L.P. closed its offering on March 21, 2001, and the total dollar amount raised was $35,611,192.

(4) This amount includes only the Wells Real Estate Investment Trust, Inc. s second and third offerings. The total dollar amount registered and available to be offered in the second offering was $222,000,000. Wells Real Estate Investment Trust, Inc. began its second offering on December 20, 1999 and closed its second offering on December 19, 2000. It took Wells Real Estate Investment Trust, Inc. 10 months to invest 90% of the amount available for investment in the second offering. The total dollar amount raised in its second offering was $175,229,193. The total dollar amount registered and available to be offered in the third offering was $1,350,000,000. Wells Real Estate Investment Trust, Inc. began its third offering on December 20, 2000 and closed its third offering on July 26, 2002. It took Wells Real Estate Investment Trust, Inc. 21 months to invest 90% of the amount available for investment in the third offering. The total dollar amount raised in its third offering was $1,282,976,862.

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TABLE II

COMPENSATION TO SPONSOR

(UNAUDITED)

The following sets forth the compensation received by Wells Capital, Inc., our advisor, and its affiliates, including compensation paid out of offering proceeds and compensation paid in connection with the ongoing operations of Wells Public Programs having similar or identical investment objectives the offerings of which have been completed since December 31, 1999. All figures are as of December 31, 2002.

	Wells Real Estate Fund XII, L.P.	Wells Real Estate Investment Trust, Inc.(1)	Other Public Programs(2)
Date Offering Commenced	03/22/99	12/20/99	
Dollar Amount Raised	$ 35,611,192	$ 1,458,206,058	$ 284,902,808
Amount paid to Sponsor from Proceeds of Offering:			
Underwriting Fees(3)	$ 362,416	$ 59,280,729	$ 1,646,381
Acquisition Fees			
Real Estate Commissions			
Acquisition and Advisory Fees(4)	$ 1,246,392	$ 51,037,212	$ 13,223,204
Dollar Amount of Cash Generated from Operations Before Deducting Payments to Sponsor(5)	$ 520,102	$ 113,853,928	$ 7,980,284
Amount Paid to Sponsor from Operations:			
Property Management Fee(2)	$ 158,647	$ 3,250,927	$ 2,342,594
Partnership Management Fee			
Reimbursements	$ 205,071	$ 1,130,152	$ 3,186,612
Leasing Commissions	$ 158,647	$ 3,250,927	$ 2,342,594
General Partner Distributions			
Other			
Dollar Amount of Property Sales and Refinancing Payments to Sponsors:			
Cash			
Notes			
Amount Paid to Sponsor from Property Sales and Refinancing:			
Real Estate Commissions			
Incentive Fees			
Other			

(1) This amount includes only the Wells Real Estate Investment Trust, Inc. s second and third offerings. The total dollar amount registered and available to be offered in the second offering was $222,000,000. Wells Real Estate Investment Trust, Inc. closed its second offering on December 19, 2000, and the total dollar amount raised in its second offering was $175,229,193. The total dollar amount registered and available to be offered in the third offering was $1,350,000,000. Wells Real Estate Investment Trust, Inc. closed its third offering on July 26, 2002, and the total dollar amount raised in its third offering was $1,282,976,862.

(2) Includes compensation paid to the general partners from Wells Real Estate Fund I, Wells Real Estate Fund II, Wells Real Estate Fund II-OW, Wells Real Estate Fund III, L.P., Wells Real Estate Fund IV, L.P., Wells Real Estate Fund V, L.P., Wells Real Estate Fund VI, L.P., Wells Real Estate Fund VII, L.P., Wells Real Estate Fund VIII, L.P., Wells Real Estate Fund IX, L.P., Wells Real Estate Fund X,

L.P. and Wells Real Estate Fund XI, L.P. during the past three years. In addition to the amounts shown, affiliates of the general partners of Wells Real Estate Fund I are entitled to certain property management and leasing fees but have elected to defer the payment of such fees until a later year on properties owned by Wells Real Estate Fund I. As of December 31, 2002, the aggregate amount of such deferred fees totaled $2,881,491.

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(3) Includes net underwriting compensation and commissions paid to Wells Investment Securities, Inc. in connection with the offering which was not reallowed to participating broker-dealers.

(4) Fees paid to the general partners or their affiliates for acquisition and advisory services in connection with the review and evaluation of potential real property acquisitions.

(5) Includes $2,263 in net cash used in operating activities and $522,365 in payments to sponsor for Wells Real Estate Fund XII, L.P., $106,221,922 in net cash provided by operating activities and $7,632,006 in payments to sponsor for Wells Real Estate Investment Trust, Inc. and $108,482 in net cash provided by operating activities and $7,871,802 in payments to sponsor for other public programs.

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TABLE III

(UNAUDITED)

The following two tables set forth operating results of Wells Public Programs the offerings of which have been completed since December 31, 1997. The information relates only to public programs with investment objectives similar to those of Wells Real Estate Investment Trust, Inc. All figures are as of December 31 of the year indicated.

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TABLE III

OPERATING RESULTS OF PRIOR PROGRAMS

(UNAUDITED)

WELLS REAL ESTATE FUND XI, L.P.

	2002	2001	2000	1999	1998
Gross Revenues[1]	$ 839,691	$ 960,676	$ 975,850	$ 766,586	$ 262,729
Profit on Sale of Properties					
Less: Operating Expenses[2]	92,876	90,326	79,861	111,058	113,184
Depreciation and Amortization[3]	0	0		25,000	6,250
Net Income GAAP Basis[4]	$ 746,815	$ 870,350	$ 895,989	$ 630,528	$ 143,295
Taxable Income: Operations	$ 965,422	$ 1,038,394	$ 944,775	$ 704,108	$ 177,692
Cash Generated (Used By):					
Operations	(105,148)	(128,985)	(72,925)	40,906	(50,858)
Joint Ventures	1,473,190	1,376,673	1,333,337	705,394	102,662
	$ 1,368,042	$ 1,247,688	$ 1,260,412	$ 746,300	$ 51,804
Less Cash Distributions to Investors:					
Operating Cash Flow	1,294,485	1,247,688	1,205,303	746,300	51,804
Return of Capital		4,809		49,761	48,070
Undistributed Cash Flow From Prior Year Operations		55,109			
Cash Generated (Deficiency) after Cash Distributions	$ 73,557	$ (59,918)	$ 55,109	$ (49,761)	$ (48,070)
Special Items (not including sales and financing):					
Source of Funds:					
General Partner Contributions					
Increase in Limited Partner Contributions					16,532,801
	$ 73,557	$ (59,918)	$ 55,109	$ (49,761)	$ 16,484,731
Use of Funds:					
Sales Commissions and Offering Expenses				214,609	1,779,661
Return of Original Limited Partner s Investment				100	
Property Acquisitions and Deferred Project Costs				9,005,979	5,412,870
Cash Generated (Deficiency) after Cash Distributions and Special Items	$ 73,557	$ (59,918)	$ 55,109	$ (9,270,449)	$ 9,292,200
Net Income and Distributions Data per $1,000 Invested:					
Net Income on GAAP Basis:					
Ordinary Income (Loss)	91	101	103	77	50
Operations Class A Units	(168)	(158)	(155)	(112)	(77)
Operations Class B Units					
Capital Gain (Loss)					

Tax and Distributions Data per $1,000 Invested:					
Federal Income Tax Results:					
Ordinary Income (Loss)	93	100	97	71	18
Operations Class A Units	(109)	(100)	(112)	(73)	(17)
Operations Class B Units					
Capital Gain (Loss)					
Cash Distributions to Investors:					
Source (on GAAP Basis)					
Investment Income Class A Units	90	97	90	60	8
Return of Capital Class A Units	4				
Return of Capital Class B Units					
Source (on Cash Basis)					
Operations Class A Units	94	97	90	56	4
Return of Capital Class A Units				4	4
Operations Class B Units					
Source (on a Priority Distribution Basis)[5]					
Investment Income Class A Units	75	75	69	46	6
Return of Capital Class A Units	19	22	21	14	2
Return of Capital Class B Units					

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	2002	2001	2000	1999	1998
Amount (in Percentage Terms) Remaining Invested in Program Properties at the end of the Last Year Reported in the Table	100%	100%			

(1) Includes $142,163 in equity in earnings of joint ventures and $120,566 from investment of reserve funds in 1998; $607,579 in equity in earnings of joint ventures and $159,007 from investment of reserve funds in 1999; $967,900 in equity in earnings of joint ventures and $7,950 from investment of reserve funds in 2000; $959,631 in equity in earnings of joint ventures and $1,045 from investment of reserve funds in 2001; and $837,509 in equity in earnings of joint ventures and $2,182 from investment of reserve funds in 2002. As of December 31, 2002, the leasing status was 100% including developed property in initial lease up.

(2) Includes partnership administrative expenses.

(3) Included in equity in earnings of joint ventures in gross revenues is depreciation of $105,458 for 1998; $353,840 for 1999; $485,558 for 2000; $491,478 for 2001; and $492,404 for 2002.

(4) In accordance with the partnership agreement, net income or loss, depreciation and amortization are allocated $254,862 to Class A Limited Partners, $(111,067) to Class B Limited Partners and $(500) to General Partners for 1998; $1,009,368 to Class A Limited Partners, $(378,840) to Class B Limited Partners and $0 to the General Partners for 1999; $1,381,547 to Class A Limited Partners, $(485,558) to Class B Limited Partners and $0 to General Partners for 2000; $1,361,828 to Class A Limited Partners, $(491,478) to Class B Limited Partners and $0 to the General Partners for 2001; and $ 1,239,219 to Class A Limited Partners, $ (492,404) to Class B Limited Partners and $ 0 to the General Partners for 2002.

(5) Pursuant to the terms of the partnership agreement, an amount equal to the cash distributions paid to Class A Limited Partners is payable as priority distributions out of the first available net proceeds from the sale of partnership properties to Class B Limited Partners. The amount of cash distributions paid per unit to Class A Limited Partners is shown as a return of capital to the extent of such priority distributions payable to Class B Limited Partners. As of December 31, 2002, the aggregate amount of such priority distributions payable to Class B Limited Partners totaled $1,057,338.

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TABLE III

OPERATING RESULTS OF PRIOR PROGRAMS

(UNAUDITED)

WELLS REAL ESTATE FUND XII, L.P.

	2002	2001	2000	1999
Gross Revenues(1)	$ 1,727,330	$ 1,661,194	$ 929,868	$ 160,379
Profit on Sale of Properties				
Less: Operating Expenses(2)	179,436	105,776	73,640	37,562
Depreciation and Amortization(3)	0	0	0	0
Net Income GAAP Basis(4)	$ 1,547,894	$ 1,555,418	$ 856,228	$ 122,817
Taxable Income: Operations	$ 1,929,381	$ 1,850,674	$ 863,490	$ 130,108
Cash Generated (Used By):				
Operations	(176,478)	(73,029)	247,244	3,783
Joint Ventures	2,824,519	2,036,837	737,266	61,485
	$ 2,648,041	$ 1,963,808	$ 984,510	$ 65,268
Less Cash Distributions to Investors:				
Operating Cash Flow	2,648,041	1,963,808	779,818	62,934
Return of Capital				
Undistributed Cash Flow From Prior Year Operations	2,156	164,482		
Cash Generated (Deficiency) after Cash Distributions	$ (2,156)	$ (164,482)	$ 204,692	$ 2,334
Special Items (not including sales and financing):				
Source of Funds:				
General Partner Contributions				
Increase in Limited Partner Contributions		10,625,431	15,617,575	9,368,186
	$ (2,156)	$ 10,460,949	$ 15,822,267	$ 9,370,520
Use of Funds:				
Sales Commissions and Offering Expenses		1,338,556	1,952,197	1,171,024
Return of Original Limited Partner s Investment				100
Property Acquisitions and Deferred Project Costs		9,298,085	16,246,485	5,615,262
Cash Generated (Deficiency) after Cash Distributions and Special Items	$ (2,156)	$ (175,692)	$ (2,376,415)	$ 2,584,134
Net Income and Distributions Data per $1,000 Invested:				
Net Income on GAAP Basis:				
Ordinary Income (Loss)				
Operations Class A Units	94	98	89	50

Operations Class B Units	(151)	(131)	(92)	(56)
Capital Gain (Loss)				
Tax and Distributions Data per $1,000 Invested:				
Federal Income Tax Results:				
Ordinary Income (Loss)				
Operations Class A Units	91	84	58	23
Operations Class B Units	(95)	(74)	(38)	(25)
Capital Gain (Loss)				
Cash Distributions to Investors:				
Source (on GAAP Basis)				
Investment Income Class A Units	93	77	41	8
Return of Capital Class A Units				
Return of Capital Class B Units				
Source (on Cash Basis)				
Operations Class A Units	93	77	41	8
Return of Capital Class A Units				
Operations Class B Units				
Source (on a Priority Distribution Basis)(5)				
Investment Income Class A Units	70	55	13	6
Return of Capital Class A Units	23	22	28	2
Return of Capital Class B Units				
Amount (in Percentage Terms) Remaining Invested in Program Properties at the end of the Last Year Reported in the Table	100%	100%		

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(1) Includes $124,542 in equity in earnings of joint ventures and $35,837 from investment of reserve funds in 1999; $664,401 in equity in earnings of joint ventures and $265,467 from investment of reserve funds in 2000; $1,577,523 in equity in earnings of joint ventures and $83,671 from investment of reserve funds in 2001; and $1,726,553 in equity in earnings of joint ventures and $777 from investment of reserve funds in 2002. As of December 31, 2002, the leasing status was 100% including developed property in initial lease up.

(2) Includes partnership administrative expenses.

(3) Included in equity in earnings of joint ventures in gross revenues is depreciation of $72,427 for 1999; $355,210 for 2000; $1,035,609 for 2001; and $1,107,728 for 2002.

(4) In accordance with the partnership agreement, net income or loss, depreciation and amortization are allocated $195,244 to Class A Limited Partners, $(71,927) to Class B Limited Partners and $(500) to the General Partners for 1999; $1,209,438 to Class A Limited Partners, $(353,210) to Class B Limited Partners and $0 to General Partners for 2000; $2,591,027 to Class A Limited Partners, $(1,035,609) to Class B Limited Partners and $0 to the General Partners for 2001; and $2,655,622 to Class A Limited Partners, $(1,107,728) to Class B Limited Partners, $ 0 to General Partners for 2002.

(5) Pursuant to the terms of the partnership agreement, an amount equal to the cash distributions paid to Class A Limited Partners is payable as priority distributions out of the first available net proceeds from the sale of partnership properties to Class B Limited Partners. The amount of cash distributions paid per unit to Class A Limited Partners is shown as a return of capital to the extent of such priority distributions payable to Class B Limited Partners. As of December 31, 2002, the aggregate amount of such priority distributions payable to Class B Limited Partners totaled $1,524,597.

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TABLE V

SALES OR DISPOSALS OF PROPERTIES

(UNAUDITED)

The following Table sets forth sales or other disposals of properties by Wells Public Programs within the most recent three years. The information relates to only public programs with investment objectives similar to those of Wells Real Estate Investment Trust, Inc. All figures are as of December 31, 2002.

			Selling Price, Net Of Closing Costs And GAAP Adjustments						Cost Of Properties Including Closing And Soft Costs		
Property	Date Acquired	Date Of Sale	Cash Received Net Of Closing Costs	Mortgage Balance At Time Of Sale	Purchase Money Mortgage Taken Back By Program	Adjustments Resulting From Application Of GAAP	Total	Original Mortgage Financing	Total Acquisition Cost, Capital Improvement, Closing And Soft Costs(1)	Total	Excess (Deficiency) Of Property Operating Cash Receipts Over Cash Expenditures
3875 Peachtree Place, Atlanta, GA	12/1/85	08/31/00	$ 727,982	-0-	-0-	-0-	$ 727,982(2)	-0-	$ 582,337	$ 582,337	-0-
Crowe s Crossing Shopping Center, DeKalb County, GA	12/31/86	01/11/01	$ 6,487,000	-0-	-0-	-0-	$ 6,487,000(3)	-0-	$ 9,255,594	$ 9,255,594	-0-
Cherokee Commons Shopping Center, Cherokee County, GA	10/30/87	10/01/01	$ 8,434,089	-0-	-0-	-0-	$ 8,434,089(4)	-0-	$ 10,450,555	$ 10,450,555	-0-
Greenville Center, Greenville, SC	6/20/90	9/30/02	$ 2,271,187	-0-	-0-	-0-	$ 2,271,187(5)	-0-	$ 4,297,901	$ 4,297,901	-0-
Tanglewood Commons Outparcel, Clemmens,	5/30/95	10/07/02	$ 524,398	-0-	-0-	-0-	$ 524,398(6)	-0-	$ 506,326	$ 506,326	-0-

NC

(1) Amount shown does not include *pro rata* share of original offering costs.
(2) Includes Wells Real Estate Fund I s share of taxable gain from this sale in the amount of $205,019, of which $205,019 is allocated to capital gain and $0 is allocated to ordinary gain.
(3) Includes taxable gain from this sale in the amount of $11,496, of which $11,496 is allocated to capital gain and $0 is allocated to ordinary gain.
(4) Includes taxable gain from this sale in the amount of $207,613, of which $207,613 is allocated to capital gain and $0 is allocated to ordinary gain.
(5) Includes taxable loss from this sale in the amount of $910,227.
(6) Includes taxable gain from this sale in the amount of $ 13,062 of which $13,062 is allocated to capital gain and $0 is allocated to ordinary gain.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

SUMMARY OF UNAUDITED PRO FORMA FINANCIAL STATEMENTS

This pro forma information should be read in conjunction with the financial statements and notes of Wells Real Estate Investment Trust, Inc., a Maryland Corporation (the Wells REIT), included in its annual report on Form 10-K for the year ended December 31, 2002. In addition, this pro forma information should be read in conjunction with the financial statements and notes of certain acquired properties included in various Form 8-Ks previously filed.

The following unaudited pro forma balance sheet as of December 31, 2002 has been prepared to give effect to the first quarter 2003 acquisition of the East Point Buildings and the 150 West Jefferson Building (collectively, the Recent Acquisitions) by Wells Operating Partnership, L.P. (Wells OP) as if the acquisitions occurred on December 31, 2002.

Wells OP is a Delaware limited partnership that was organized to own and operate properties on behalf of Wells REIT. As the sole general partner of Wells OP, Wells REIT possesses full legal control and authority over the operations of Wells OP. Accordingly, the accounts of Wells OP are consolidated with the accompanying pro forma financial statements of Wells REIT.

The following unaudited pro forma statement of income for the year ended December 31, 2002 has been prepared to give effect to the 2002 acquisition of the Vertex Sarasota Building (formerly, the Arthur Andersen Building), the Transocean Houston Building, the Novartis Atlanta Building, the Dana Corporation Buildings, the Travelers Express Denver Buildings, the Agilent Atlanta Building, the BellSouth Ft. Lauderdale Building, the Experian/TRW Buildings, the Agilent Boston Building, the TRW Denver Building, the MFS Phoenix Building, the ISS Atlanta Buildings, the PacifiCare San Antonio Building, the BMG Greenville Buildings, the Kraft Atlanta Building, the Nokia Dallas Buildings, the Harcourt Austin Building, the IRS Long Island Buildings, the KeyBank Parsippany Building, the Allstate Indianapolis Building, the Federal Express Colorado Springs Building, the EDS Des Moines Building, the Intuit Dallas Building, the Daimler Chrysler Dallas Building, the NASA Buildings, the Caterpillar Nashville Building, the Capital One Richmond Buildings, the John Wiley Indianapolis Building and the Nestle Los Angeles Building (collectively, the 2002 Acquisitions) and the Recent Acquisitions as if the acquisitions occurred on January 1, 2002. The Kerr McGee Property and the AmeriCredit Phoenix Property had no operations during the year ended December 31, 2002.

These unaudited pro forma financial statements are prepared for informational purposes only and are not necessarily indicative of future results or of actual results that would have been achieved had the acquisition of the 2002 Acquisitions and the Recent Acquisitions been consummated as of January 1, 2002. In addition, the pro forma balance sheet includes allocations of the purchase price for certain acquisitions based upon preliminary estimates of the fair value of the assets and liabilities acquired. Therefore, these allocations may be adjusted in the future upon finalization of these preliminary estimates.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

PRO FORMA BALANCE SHEET

DECEMBER 31, 2002

(in thousands, except share amounts)

(Unaudited)

ASSETS

	Wells Real Estate Investment Trust, Inc. (e)	Pro Forma Adjustments	Recent Acquisitions		Pro Forma
		Other	East Point	150 West Jefferson	Total
REAL ESTATE ASSETS, at cost:					
Land	$ 279,185	$ 0	$ 2,163(c)	$ 9,375(c)	$ 291,196
			89(d)	384(d)	
Buildings, less accumulated depreciation of $63,594	1,683,036	0	19,916(c)	84,519(c)	1,791,746
			815(d)	3,460(d)	
Construction in progress	42,746	0	0	0	42,746
Total real estate assets	2,004,967	0	22,983	97,738	2,125,688
INVESTMENT IN JOINT VENTURES	83,915	0	0	0	83,915
CASH AND CASH EQUIVALENTS	45,464	380,046(a)	(22,079)(c)	(93,894)(c)	294,591
		(14,946)(b)			
RENT RECEIVABLE	19,321	0	0	0	19,321
DEFERRED PROJECT COSTS	1,494	14,946(b)	(904)(d)	(3,844)(d)	11,692
DUE FROM AFFILIATES	1,961	0	0	0	1,961
PREPAID EXPENSES AND OTHER ASSETS, NET	4,407	0	0	0	4,407
DEFERRED LEASE ACQUISITION COSTS, NET	1,638	0	0	0	1,638
INTANGIBLE LEASE ASSET	12,060	0	0	0	12,060
INVESTMENT IN BONDS	54,500	0	0	0	54,500

Total assets	$ 2,229,727	$ 380,046	$ 0	$ 0	$ 2,609,773

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LIABILITIES AND SHAREHOLDERS EQUITY

(in thousands, except share amounts)

	Wells Real Estate Investment Trust, Inc. (e)	Pro Forma Adjustments: Other	Recent Acquisitions: East Point	Recent Acquisitions: 150 West Jefferson	Pro Forma Total
LIABILITIES:					
Notes payable	$ 248,195	$ 0	$ 0	$ 0	$ 248,195
Obligations under capital lease	54,500	0	0	0	54,500
Intangible lease liability	32,697	0	0	0	32,697
Accounts payable and accrued expenses	24,580	0	0	0	24,580
Due to affiliate	15,975	0	0	0	15,975
Dividends payable	6,046	0	0	0	6,046
Deferred rental income	11,584	0	0	0	11,584
Total liabilities	393,577	0	0	0	393,577
COMMITMENTS AND CONTINGENCIES					
MINORITY INTEREST OF UNIT HOLDER IN OPERATING PARTNERSHIP	200	0	0	0	200
SHAREHOLDERS EQUITY:					
Common shares, $.01 par value; 750,000,000 shares authorized, 217,790,874 shares issued and 215,699,717 outstanding at December 31, 2002	2,178	427(a)	0	0	2,605
Additional paid-in capital	1,929,381	379,619(a)	0	0	2,309,000
Cumulative distributions in excess of earnings	(74,310)	0	0	0	(74,310)
Treasury stock, at cost, 2,091,157 shares at December 31, 2002	(20,912)	0	0	0	(20,912)
Other comprehensive loss	(387)	0	0	0	(387)
Total shareholders equity	1,835,950	380,046	0	0	2,215,996
Total liabilities and shareholders equity	$ 2,229,727	$ 380,046	$ 0	$ 0	$ 2,609,773

(a) Reflects capital raised through issuance of additional shares subsequent to December 31, 2002 through 150 West Jefferson acquisition date, net of organizational and offering costs, commissions and dealer-manager fees.

(b) Reflects deferred project costs capitalized as a result of additional capital raised described in note (a) above.

(c) Reflects Wells Real Estate Investment Trust, Inc. s purchase price for the land, building and liabilities assumed.

(d) Reflects deferred project costs applied to the land and building at approximately 4.094% of the cash paid for purchase.

(e) Historical financial information derived from annual report on Form 10-K.

The accompanying notes are an integral part of this statement.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

PRO FORMA STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2002

(in thousands, except per share amounts)

(Unaudited)

	Wells Real Estate Investment Trust, Inc. (h)	Pro Forma Adjustments: 2002 Acquisitions	Recent Acquisitions: East Point	Recent Acquisitions: 150 West Jefferson	Pro Forma Total
REVENUES:					
Rental income	$ 107,526	$ 98,599(a)	$ 1,531(a)	$ 11,665(a)	$ 219,321
Tenant reimbursements	18,992	9,584(b)	63(b)	5,527(b)	34,166
Equity in income of joint ventures	4,700	648(c)	0	0	5,348
Lease termination income	1,409	0	0	0	1,409
Interest and other income	7,001	0	0	0	7,001
	139,628	108,831	1,594	17,192	267,245
EXPENSES:					
Depreciation	38,780	34,362(d)	829(d)	3,519(d)	77,490
Interest expense	4,638	9,657(e)	0	0	14,295
Property operating costs	26,949	25,244(f)	990(f)	7,752(f)	60,935
Management and leasing fees	5,155	3,196(g)	72(g)	774(g)	9,197
General and administrative	3,244	0	0	0	3,244
Legal and accounting	1,008	0	0	0	1,008
	79,774	72,459	1,891	12,045	166,169
NET INCOME	$ 59,854	$ 36,372	$ (297)	$ 5,147	$ 101,076
EARNINGS PER SHARE, basic and diluted	$ 0.41				$ 0.39
WEIGHTED AVERAGE SHARES, basic and diluted	145,633				257,084

(a) Rental income is recognized on a straight-line basis.

(b) Consists of operating costs reimbursements.

(c) Reflects Wells Real Estate Investment Trust, Inc. s equity in income of the Wells Fund XIII-REIT Joint Venture related to the John Wiley Indianapolis Building. The pro forma adjustment results from rental revenues less operating expenses, management fees and depreciation.

(d) Depreciation expense on the buildings is recognized using the straight-line method and a 25-year life.

(e) Represents interest expense on lines of credits used to acquire assets, which bear interest at approximately 3.99% for the year ended December 31, 2002 and assumed mortgages on the BMG Direct, BMG Music and Nestle Buildings, which bear interest at 8.5%, 8% and 3.39% for the year ended December 31, 2002, respectively.

(f) Consists of operating expenses.

(g) Management and leasing fees are calculated at 4.5% of rental income and tenant reimbursements.

(h) Historical financial information derived from annual report on Form 10-K.

The accompanying notes are an integral part of this statement.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

SUPPLEMENT NO. 7 DATED MAY 15, 2003 TO THE PROSPECTUS

DATED JULY 26, 2002

This document supplements, and should be read in conjunction with, the prospectus of Wells Real Estate Investment Trust, Inc. dated July 26, 2002, as supplemented and amended by Supplement No. 1 dated August 14, 2002, Supplement No. 2 dated August 29, 2002, Supplement No. 3 dated October 25, 2002, Supplement No. 4 dated December 10, 2002, Supplement No. 5 dated January 15, 2003, and Supplement No. 6 dated April 14, 2003. When we refer to the prospectus in this supplement, we are also referring to any and all supplements to the prospectus. Unless otherwise defined in this supplement, capitalized terms used in this supplement shall have the same meanings as set forth in the prospectus.

The purpose of this supplement is to describe the following:

(1) Status of the offering of shares in Wells Real Estate Investment Trust, Inc. (Wells REIT);

(2) Revisions to the Description of Real Estate Investments section of the prospectus to describe the following real property acquisitions;

(A) Acquisition of a three-story office building in Englewood Cliffs, New Jersey (Citicorp Englewood Cliffs, NJ Building);

(B) Acquisition of a 32-story office building in Minneapolis, Minnesota (US Bancorp Minneapolis Building);

(C) Acquisition of an 83-story office building in Chicago, Illinois (Aon Center Chicago Building); and

(D) Acquisition of a three-story office building in Auburn Hills, Michigan (GMAC Detroit Building);

(3) Status of the development of the Nissan Project, the Kerr-McGee Property and the AmeriCredit Phoenix Building;

(4) Description of unsecured line of credit in the amount of $500 million;

(5) Revisions to the Management s Discussion and Analysis of Financial Condition and Results of Operations section of the prospectus;

(6) Unaudited financial statements of the Wells REIT for the three month period ended March 31, 2003;

(7) Financial statements relating to the recently acquired US Bancorp Minneapolis Building and the Aon Center Chicago Building; and

(8) Unaudited pro forma financial statements of the Wells REIT reflecting the acquisition of the Citicorp Englewood Cliffs, NJ Building, the US Bancorp Minneapolis Building, the Aon Center Chicago Building and the GMAC Detroit Building.

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Status of the Offering

We commenced our initial public offering of common stock on January 30, 1998. Our initial public offering was terminated on December 19, 1999. We received approximately $132.2 million in gross offering proceeds from the sale of 13.2 million shares in our initial public offering. We commenced our second offering of common stock on December 20, 1999. Our second public offering was terminated on December 19, 2000. We received approximately $175.2 million in gross offering proceeds from the sale of 17.5 million shares in our second public offering. We commenced our third public offering of common stock on December 20, 2000. Our third public offering was terminated on July 26, 2002. We received approximately $1.3 billion in gross offering proceeds from the sale of 128.3 million shares in our third public offering.

Pursuant to the prospectus, we commenced our fourth public offering of common stock on July 26, 2002. As of May 15, 2003, we had received additional gross proceeds of approximately $1.3 billion from the sale of approximately 126.8 million shares in our fourth public offering. Accordingly, as of May 15, 2003, we had received aggregate gross offering proceeds of approximately $2.9 billion from the sale of approximately 285.9 million shares in all of our public offerings. After payment of approximately $98.6 million in acquisition and advisory fees and acquisition expenses, payment of $319.4 million in selling commissions and organization and offering expenses, and common stock redemptions of approximately $42.7 million pursuant to our share redemption program, as of May 15, 2003, we had raised aggregate net offering proceeds available for investment in properties of approximately $2.4 billion, out of which approximately $2.3 billion had been invested in real estate properties, and approximately $74.3 million remained available for investment in real estate properties.

Description of Properties

As of May 15, 2003, we had purchased interests in 78 real estate properties located in 23 states. Below is a description of our recent real property acquisitions.

Citicorp Englewood Cliffs, NJ Building

On April 30, 2003, Wells Operating Partnership, L.P. (Wells OP), a Delaware limited partnership formed to acquire, own, lease and operate real properties on behalf of the Wells REIT, purchased a three-story office building containing approximately 410,000 rentable square feet located on an approximately 27-acre tract of land at 111 Sylvan Avenue in Englewood Cliffs, New Jersey (Citicorp Englewood Cliffs, NJ Building) for a purchase price of $70.5 million. The Citicorp Englewood Cliffs, NJ Building was purchased from US Fund Sylvan Avenue, L.P., a Delaware limited partnership not in any way affiliated with the Wells REIT, Wells OP or Wells Capital, Inc., our advisor. In order to finance the acquisition of the Citicorp Englewood Cliffs, NJ Building, Wells OP obtained approximately $50 million in loan proceeds by drawing down on its existing line of credit with SouthTrust Bank, N.A.

The Citicorp Englewood Cliffs, NJ Building, which was originally built in 1953 and renovated in 1998, is leased under a net lease (i.e., operating costs and maintenance costs are paid by the tenant) entirely to Citicorp North America, Inc. (Citicorp North America), a wholly-owned subsidiary of Citicorp, Inc. (Citicorp). Citicorp, which is a guarantor of the Citicorp North America lease, is a financial services holding company whose four main business segments include consumer financial services, corporate and institutional financial services, investment management services, and private investment services. Citicorp provides its services in approximately 100 countries worldwide.

The Citicorp North America lease commenced in June 1998 and expires in November 2010. The current annual base rent payable under the Citicorp North America lease is approximately $6.0 million. Citicorp North America has the right, at its option, to extend the initial term of its lease for two additional five-year periods at the then-current market rental rate. Under the Citicorp North America lease, the tenant is responsible for maintaining the Citicorp Englewood Cliffs, NJ Building and for the payment of

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all operating expenses relating to the property and Wells OP, as the landlord, is responsible for maintaining and repairing the structural portions and mechanical systems of the Citicorp Englewood Cliffs, NJ Building.

Since the Citicorp Englewood Cliffs, NJ Building is leased to a single tenant on a long-term basis under a net lease that transfers substantially all of the operating costs to the tenant, we believe that financial information about the guarantor of the lease, Citicorp, is more relevant to investors than financial statements of the property acquired.

Citicorp currently files its financial statements in reports filed with the SEC, and the following summary financial data regarding Citicorp is taken from its previously filed public reports:

CONSOLIDATED STATEMENT OF OPERATIONS DATA:

	FOR THE FISCAL YEAR ENDED		
	12/31/2002	12/31/2001	12/31/2000
	(IN MILLIONS)		
Revenues	$ 66,401	$ 67,266	$ 64,503
Operating Income	$ 16,166	$ 15,221	$ 12,915
Net Income	$ 10,709	$ 9,642	$ 8,110

CONSOLIDATED BALANCE SHEET DATA:

	AS OF THE FISCAL YEAR ENDED		
	12/31/2002	12/31/2001	12/31/2000
	(IN MILLIONS)		
Total Assets	$ 727,337	$ 646,944	$ 551,607
Long-Term Debt	$ 78,372	$ 81,053	$ 80,335
Stockholders Equity	$ 73,540	$ 63,453	$ 47,865

For more detailed financial information regarding Citicorp, please refer to the financial statements of Citicorp, Inc., which are publicly available with the SEC at http://www.sec.gov.

Wells Management Company, Inc. (Wells Management), an affiliate of the Wells REIT and our advisor, will manage the Citicorp Englewood Cliffs, NJ Building on behalf of Wells OP and will be paid management and leasing fees in the amount of up to 4.5% of the gross revenues from the Citicorp Englewood Cliffs, NJ Building, subject to certain limitations.

US Bancorp Minneapolis Building

On May 1, 2003, Wells OP purchased a 32-story office building containing approximately 929,694 rentable square feet located at 800 Nicollet Mall, Minneapolis, Minnesota (US Bancorp Minneapolis Building) for a purchase price of $174 million from MN-Nicolet Mall, L.L.C. (Nicolet Mall), a Delaware limited liability company not in any way affiliated with the Wells REIT, Wells OP or our advisor.

The US Bancorp Minneapolis Building was built in 2000 and is located on an approximately 1.2-acre tract of land in downtown Minneapolis, Minnesota. The US Bancorp Minneapolis Building is leased to 29 different tenants.

U.S. Bancorp Piper Jaffray Companies, Inc. (US Bancorp Piper Jaffray) leases approximately 718,171 rentable square feet of the US Bancorp Minneapolis Building (77.2%). US Bancorp Piper Jaffray is currently a wholly-owned subsidiary of U.S. Bancorp. U.S. Bancorp, which is a guarantor of the US Bancorp Piper Jaffray lease, is a financial services holding company having its corporate

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headquarters in Minneapolis, Minnesota. U.S. Bancorp reported a net worth, as of December 31, 2002, of approximately $18.1 billion. US Bancorp Piper Jaffray provides investment products and services, including securities, mutual funds and annuities, and insurance products, to individuals, institutions and businesses. In February 2003, U.S. Bancorp announced a plan to spin-off its capital markets business unit, including US Bancorp Piper Jaffray, in late 2003. In connection with the spin-off, shareholders of U.S. Bancorp will receive a stock dividend of the shares in US Bancorp Piper Jaffray, as a result of which US Bancorp Piper Jaffray will become an independent company and will no longer be a wholly-owned subsidiary of U.S. Bancorp. U.S. Bancorp will remain as a guarantor of the US Bancorp Piper Jaffray lease after the spin-off.

The US Bancorp Piper Jaffray lease commenced in June 2000 and expires in May 2014. The current annual base rent payable under the US Bancorp Piper Jaffray lease is approximately $10.8 million. US Bancorp Piper Jaffray has the right, at its option, to extend the initial term of its lease for one additional six-year period, and two additional five-year periods. US Bancorp Piper Jaffray also has options to lease additional available space in the US Bancorp Minneapolis Building in 2004, 2006, 2008, 2010, and 2012, as well as a right of first refusal to lease additional available space beginning in June 2003. Under the US Bancorp Piper Jaffray lease, US Bancorp Piper Jaffray is responsible for its pro rata share of operating and maintenance costs. Wells OP, as the landlord, is responsible for maintaining and repairing the structural portions and mechanical systems of the US Bancorp Minneapolis Building.

The other 28 tenants lease approximately 205,056 rentable square feet (22.1%) of the US Bancorp Minneapolis Building for an aggregate annual base rent payable of approximately $3.7 million. Approximately 6,467 rentable square feet (0.7%) of the US Bancorp Minneapolis Building is currently vacant.

Wells Management will be paid management and leasing fees in the amount of up to 4.5% of gross revenues from the US Bancorp Minneapolis Building, subject to certain limitations. Wells OP has entered into a two-year management agreement with Equity Office Management, L.L.C. (Equity Office Management), an affiliate of the seller of the US Bancorp Minneapolis Building, to serve as the on-site property manager for the US Bancorp Minneapolis Building. The property management fees payable to Equity Office Management will be paid out of or credited against the fees payable to Wells Management. Equity Office Management is not in any way affiliated with the Wells REIT, Wells OP or our advisor.

Aon Center Chicago Building

On May 9, 2003, Wells REIT Chicago Center, Chicago, LLC (REIT Chicago Center), a single member Delaware limited liability company wholly-owned by Wells OP, purchased an 83-story office building containing approximately 2,577,000 rentable square feet located at 200 East Randolph Street in Chicago, Illinois (Aon Center Chicago Building) for a purchase price of approximately $465.2 million, from BRE/Randolph Drive, L.L.C. (BRE/Randolph), a Delaware limited liability company. BRE/Randolph is not in any way affiliated with the Wells REIT, REIT Chicago Center, Wells OP or our advisor. In order to finance the acquisition of the Aon Center Chicago Building, REIT Chicago Center obtained (1) approximately $350 million in loan proceeds by having Wells OP draw down on its existing $500 million unsecured line of credit described below, and (2) approximately $112.3 million in seller financing from BRE/Randolph. The seller financing in favor of BRE/Randolph (a) was provided on an interest free basis, (b) is due and payable in full on January 31, 2004, (c) is secured by a first priority mortgage on the Aon Center Chicago Building, and (d) is guaranteed by Wells OP.

The Aon Center Chicago Building, which was built in 1972 and is located on an approximately 3.7-acre tract of land in downtown Chicago, is the third tallest building in North America. The Aon Center Chicago Building is leased or subleased to approximately 40 different tenants. BP Corporation North America Inc., Aon Corporation, Kirkland & Ellis, DDB & Needham Chicago Inc., Daniel J. Edelman, Inc., PricewaterhouseCoopers, Deloitte and Touche USA LLP, and Jones Lang LaSalle

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Americas, Inc. lease or sublease, in the aggregate, approximately 1,759,000 rentable square feet (68.3%) of the Aon Center Chicago Building. The other tenants lease approximately 622,000 rentable square feet (24.1%) of the Aon Center Chicago Building for an aggregate annual base rent payable of approximately $7.9 million. Approximately 196,000 rentable square feet (7.6%) of the Aon Center Chicago Building is vacant. REIT Chicago Center, as the landlord for the Aon Center Chicago Building, is responsible for maintaining and repairing the structural portions and mechanical systems of the Aon Center Chicago Building.

Approximately 775,796 rentable square feet of the Aon Center Chicago Building (30.1%) is leased to BP Corporation North America Inc. (BP Corporation) is a wholly-owned subsidiary of BP p.l.c. (BP), a British public limited company which is one of the leading oil companies in the world. BP Corporation controls operations in North America for BP.

The BP Corporation lease is a net lease which commenced in December 1998 and expires in December 2013. The current annual base rent payable under the BP Corporation lease is approximately $15.6 million. BP Corporation has the right, at its option, to extend the initial term of its lease for four additional five-year periods at 95% of the then-current market rental rate. BP Corporation also has an option to lease an additional floor in the Aon Center Chicago Building, as well as a right of first offer to lease additional available space, subject to various restrictions. Further, BP Corporation has a right of first offer to purchase the Aon Center Chicago Building upon a subsequent sale of the Aon Center Chicago Building by REIT Chicago Center, subject to various restrictions.

BP Corporation has subleased approximately 515,083 rentable square feet of the Aon Center Chicago Building (20.0%) to Aon Corporation (Aon). The Aon sublease commenced in September 2001 and expires in December 2013. The current annual base rent payable to BP Corporation under the Aon sublease is approximately $6.9 million. Aon, which has its headquarters located in the Aon Center Chicago Building, is a holding company whose subsidiaries provide insurance brokerage, consulting, and insurance underwriting services. Aon has approximately 550 offices in 120 countries worldwide. Aon reported a net worth, as of December 31, 2002, of approximately $3.9 billion.

Approximately 351,243 rentable square feet of the Aon Center Chicago Building (13.6%) is leased to Kirkland & Ellis. Kirkland & Ellis is a law firm with approximately 900 attorneys and offices in Chicago, Washington, D.C., New York, Los Angeles, San Francisco, and London. Kirkland & Ellis handles matters of litigation, corporate, intellectual property and technology, bankruptcy, tax, and counseling for national and international clients.

The Kirkland & Ellis lease is a net lease which commenced in January 1987 and expires in December 2011. The current annual base rent payable under the Kirkland & Ellis lease is approximately $4.8 million. Kirkland & Ellis has the right, at its option, to extend the initial term of its lease for one additional ten-year period at the then-current market rental rate. Kirkland & Ellis also has an option to lease additional available space in the Aon Center Chicago Building, and a right of first offer to lease additional space on the 47th, 50th, 51st, 52nd, and 66th floors. Kirkland & Ellis has exercised a right of first offer to lease additional available space in the Aon Center Chicago Building on the 65th and 67th floors beginning in 2004 and 2005 respectively.

Approximately 263,978 rentable square feet of the Aon Center Chicago Building (10.2%) is leased to DDB & Needham Chicago Inc. (DDB), which has its corporate headquarters in the Aon Center Chicago Building. DDB is an advertising and marketing firm with offices in approximately 96 countries worldwide. DDB is a wholly-owned subsidiary of Omnicom Group, Inc. (Omnicom), which is a guarantor of the DDB lease. Omnicom is one of the largest advertising and corporate communications companies in the world. Omnicom reported a net worth, as of December 31, 2002, of approximately $2.57 billion.

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The DDB lease is a net lease which commenced in July 1997 and expires in June 2018. The current annual base rent payable under the DDB lease is approximately $4.3 million. DDB has the right, at its option, to extend the initial term of its lease for one additional five-year period at the then-current market rental rate. DDB also has an option and a right of first offer to lease space on the 34th floor in the Aon Center Chicago Building. In addition, the DDB lease provides DDB with the right to reduce its leased space by between 10,000 and 50,000 square feet if DDB experiences reduced advertising account revenue.

Approximately 126,735 rentable square feet of the Aon Center Chicago Building (4.9%) is leased to Daniel J. Edelman, Inc. (Edelman), the parent company of Edelman Public Relations Worldwide. Edelman Public Relations Worldwide is a large privately held public relations firm with 38 offices worldwide and has its corporate headquarters in the Aon Center Chicago Building.

The Edelman lease is a net lease which commenced in March 1995 and expires in February 2010. The current annual base rent payable under the Edelman lease is approximately $1.9 million. Edelman has the right, at its option, to extend the initial term of its lease for two additional five-year periods at 95% of the then-current market rental rate. Edelman also has a right of third offer to lease additional space on the 78th floor of the Aon Center Chicago Building.

Approximately 121,788 rentable square feet of the Aon Center Chicago Building (4.7%) is leased to PricewaterhouseCoopers (PwC), an accounting services firm with offices in approximately 142 countries worldwide. PwC s five main business units include Audit, Assurance and Business Advisory Services; Business Process Outsourcing; Corporate Finance and Recovery Services; Human Resource Services; and Global Tax Services.

The PwC lease is a net lease which commenced in January 1994 and expires in December 2003. The current annual base rent payable under the PwC lease is approximately $1.7 million. PwC currently subleases its entire leased premises to Deloitte and Touche USA LLP (Deloitte), a professional services organization which provides assurance and advisory, tax, and consulting services in over 140 countries worldwide.

Deloitte s sublease expires in December 2003 at the same time as the expiration of the PwC lease. Deloitte has entered into a new net lease for 134,966 rentable square feet, which commences on the earlier of (1) the termination of the PwC lease, or (2) January 1, 2004, and expires in June 2005. The initial annual base rent payable under the Deloitte lease will be approximately $3.9 million. Deloitte has the right, at its option, to extend the initial term of its lease for two additional five-year periods at the then-current market rental rate.

Approximately 119,215 rentable square feet of the Aon Center Chicago Building (4.6%) is leased to Jones Lang LaSalle Americas, Inc. (Jones Lang), which has its corporate headquarters in the Aon Center Chicago Building. Jones Lang is a real estate services and investment company with offices in approximately 34 countries worldwide. Jones Lang s operations include space acquisition and disposition, facilities and property management, project and development management services, leasing, buying and selling properties, consulting and capital markets expertise. Jones Lang reported a net worth, as of December 31, 2002, of approximately $367 million.

The Jones Lang lease is a net lease which commenced in March 1996 and expires in February 2006. The current annual base rent payable under the Jones Lang lease is approximately $1.4 million. Jones Lang has the right, at its option, to extend the initial term of its lease for two additional five-year periods at the then-current market rental rate. Jones Lang also has a right of first offer to lease additional space on the 42nd floor of the Aon Center Chicago Building.

Wells Management will be paid management and leasing fees in the amount of up to 4.5% of gross revenues from the Aon Center Chicago Building, subject to certain limitations. REIT Chicago Center has entered into a five-year management agreement with Brea Property Management of Illinois, LLC (Brea) pursuant to which Brea will serve as the on-site property manager for the Aon Center Chicago Building.

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Brea will be paid management fees out of or credited against the fees payable to Wells Management. Brea is not in any way affiliated with the Wells REIT, REIT Chicago Center, Wells OP or our advisor.

GMAC Detroit Building

On May 9, 2003, Wells OP purchased a three-story office building containing approximately 119,122 rentable square feet located at 900 Squirrel Road in Auburn Hills, Michigan (GMAC Detroit Building) for a purchase price of approximately $17.8 million, from KDC-SW, Auburn Hills 1, L.P., a Texas limited partnership (KDC-SW). KDC-SW is not in any way affiliated with the Wells REIT, Wells OP or our advisor. KDC-SW is an affiliate of the sellers of the Federal Express Colorado Springs Building, the EDS Des Moines Building, and the Intuit Dallas Building, which were purchased by Wells OP in September 2002.

The GMAC Detroit Building was built in 2001 and is located on an approximately 7.3-acre tract of land in Auburn Hills, Michigan, 30 miles north of downtown Detroit. The GMAC Detroit Building is leased to General Motors Acceptance Corp and Delmia Corp. Approximately 16,182 rentable square feet (13.6%) of the GMAC Detroit Building is vacant. Wells OP entered into an earn-out agreement with the seller at closing, pursuant to which Wells OP is required to pay the seller certain amounts for each new lease executed before November 8, 2004 for any portion of the currently vacant space.

Approximately 60,034 rentable square feet of the GMAC Detroit Building (50.4%) is leased to General Motors Acceptance Corp (GMAC), a wholly-owned subsidiary of General Motors Corporation (GM). GMAC provides financing, mortgage and insurance services directly and through its subsidiaries to consumers and businesses on a global basis. GMAC reported a net worth, as of December 31, 2002, of approximately $17.8 billion.

The GMAC lease commenced in January 2002 and expires in March 2007. The current annual base rent payable under the GMAC lease is approximately $1.4 million. GMAC has the right, at its option, to extend the initial term of its lease for two additional five-year periods at 95% of the then-current market rental rate. Under the GMAC lease, Wells OP, as the landlord, is responsible for maintaining and repairing the structural portions and mechanical systems of the GMAC Detroit Building and for paying operating expenses and maintenance costs relating to the GMAC Detroit Building, subject to reimbursement obligations described below. Beginning in the lease year after 95% of the GMAC Detroit Building is occupied, GMAC will be responsible for its pro rata share of increases in operating and maintenance costs which exceed the expenses incurred by Wells OP in the first lease year in which 95% of the GMAC Detroit Building is occupied.

Approximately 42,906 rentable square feet of the GMAC Detroit Building (36.0%) is leased to Delmia Corp. (Delmia). Delmia designs digital manufacturing software products for process planning, detailing, verification and simulation of digital factories. Delmia, which has its corporate headquarters in the GMAC Detroit Building, is a subsidiary of Dassault Systemes, S.A. (Dassault), a French corporation. Dassault, which is a guarantor of the Delmia lease, provides product lifecycle management software using three-dimensional digital technology. Dassault reported a net worth, as of December 31, 2002, of approximately $735 million.

The Delmia lease commenced in January 2003 and expires in July 2013. The initial annual base rent payable under the Delmia lease is approximately $0.9 million. Delmia has the right, at its option, to extend the initial term of its lease for two additional five-year periods at 95% of the then-current market rental rate. Delmia also has a right of first refusal to lease additional available space in the GMAC Detroit Building during the first 2 years of the Delmia lease and a right of first offer on available space for the remainder of the Delmia lease. Delmia, at its option, may terminate the Delmia lease at the end of the 66^{th} month by paying a termination fee of approximately $1 million plus other costs and commissions. Under the Delmia lease, Wells OP, as the landlord, is responsible for maintaining and repairing the structural portions and mechanical systems of the GMAC Detroit Building and for paying operating expenses and maintenance costs relating to the GMAC Detroit Building, subject to reimbursement obligations described below. Beginning in 2004, Delmia will be responsible for its pro rata share of increases in operating and maintenance costs which exceed the expenses incurred by Wells OP in 2003.

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Wells Management will be paid management and leasing fees in the amount of up to 4.5% of gross revenues from the GMAC Detroit Building, subject to certain limitations. Wells OP has entered into an agreement with Trammell Crow Company (Trammell Crow) to serve as the on-site property manager for the GMAC Detroit Building. The property management fees payable to Trammel Crow will be paid out of or credited against the fees payable to Wells Management. Trammell Crow is not in any way affiliated with the Wells REIT, Wells OP or our advisor.

Status of the Nissan Building

In March 2003, the construction of the Nissan Building , a three-story approximately 268,290 rentable square foot office building in Irving, Texas, was substantially completed. The aggregate cost and expenses incurred by Wells OP with respect to the acquisition and construction of the Nissan Building totaled approximately $41.7 million, which is within the budgeted amount for the property. Nissan Motor Acceptance Corporation occupied the building under a net lease agreement commencing on April 1, 2003. The construction was financed through a loan that was paid off in March 2003, when the building was substantially completed.

Status of the AmeriCredit Phoenix Building

In April 2003, the construction of the AmeriCredit Phoenix Building, a three-story approximately 153,494 rentable square foot office building in Chandler, Arizona, was substantially completed. The aggregate cost and expenses incurred by Wells OP with respect to the acquisition and construction of the AmeriCredit Phoenix Building totaled approximately $25.6 million. The revised total cost, which reflects an increase of approximately $0.9 million from the budgeted amount for the property, is due to certain recently requested additional tenant improvements and requirements by the City of Chandler. AmeriCredit Financial Services, Inc. occupied the building under a net lease agreement commencing on April 15, 2003.

Status of the Kerr-McGee Building

As of May 15, 2003, Wells OP had expended approximately $11.0 million towards the construction of the four-story approximately 100,000 rentable square foot office building in Houston, Texas. The Kerr-McGee Building is approximately 65% complete and is currently expected to be completed in July 2003. We estimate that the aggregate cost and expenses to be incurred by Wells OP with respect to the acquisition and construction of the Kerr-McGee Building will total approximately $15.8 million, which is within the budgeted amount for the property.

Description of $500 Million Line of Credit

Wells OP established an unsecured secured line of credit in the amount of $500 million with Bank of America, N.A. (BOA) and a consortium of other financial institutions ($500 Million Line of Credit). This unsecured line of credit replaces the $110 million secured line of credit with BOA. The interest rate on the $500 Million Line of Credit is an annual variable rate equal to the London InterBank Offered Rate (LIBOR) for a 30-day period plus up to 1.625% or certain other alternative rates. Wells OP paid up-front commitment fees in an amount equal to approximately $2.3 million in connection with the $500 Million Line of Credit. In addition, Wells OP is required to pay a quarterly facility fee of .25% per annum on the entire amount of the $500 Million Line of Credit. As of May 15, 2003, the interest rate on the $500 Million Line of Credit was 4.4% per annum, and the outstanding principal balance on the $500 Million Line of Credit was $350 million.

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Management s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the Management s Discussion and Analysis of Financial Condition and Results of Operations section contained in Supplement No. 6 dated April 14, 2003 and should also be read in conjunction with our accompanying financial statements and notes thereto.

Forward Looking Statements

This supplement contains forward-looking statements, within the meaning of Section 27A of the Securities Act of 1933 and 21E of the Securities Exchange Act of 1934, including discussion and analysis of our financial condition, anticipated capital expenditures required to complete certain projects, amounts of anticipated cash distributions to stockholders in the future and certain other matters. Readers of this supplement should be aware that there are various factors that could cause actual results to differ materially from any forward-looking statements made in this supplement, which include changes in general economic conditions, changes in real estate conditions, construction costs which may exceed estimates, construction delays, increases in interest rates, lease-up risks, inability to obtain new tenants upon the expiration of existing leases, inability to invest in properties on a timely basis or in properties that will provide targeted rates of return and the potential need to fund tenant improvements or other capital expenditures out of operating cash flow.

REIT Qualification

We have made an election under Section 856 of the Internal Revenue Code to be taxed as a REIT beginning with our taxable year ended December 31, 1998. As a REIT for federal income tax purposes, we generally will not be subject to federal income tax on income that we distribute to shareholders. If we fail to qualify as a REIT in any taxable year, we will be subject to federal income tax on taxable income at regular corporate rates and will not be permitted to qualify for treatment as a REIT for federal income tax purposes for four years following the year in which our qualification is lost. Such an event could materially, adversely affect our financial position and results of operations. However, management believes that we are organized and operate in a manner which will enable us to qualify for treatment as a REIT for federal income tax purposes during the year ending December 31, 2003. In addition, we intend to continue to operate to remain qualified as a REIT for federal income tax purposes.

Liquidity and Capital Resources

During the three months ended March 31, 2003, we received aggregate gross offering proceeds of $426.8 million from the sale of 42.7 million shares of our common stock. After incurring costs of $14.4 million in acquisition and advisory fees and acquisition expenses, $45.0 million in selling commissions and organization and offering expenses and common stock redemptions of $12.9 million pursuant to our share redemption program, we raised net offering proceeds of $354.5 million during the three months ended March 31, 2003.

During the three months ended March 31, 2002, we received aggregate gross offering proceeds of $255.7 million from the sale of 25.7 million shares of our common stock. After incurring costs of $8.9 million in acquisition and advisory fees and acquisition expenses, $27.1 million in selling commissions and organizational and offering expenses and common stock redemptions of $3.0 million pursuant to our share redemption program, we raised net offering proceeds of $216.7 million during the three months ended March 31, 2002.

The significant increase in capital resources available to us is due to significantly increased sales of our common stock during the first quarter of 2003. After payment of the costs described above associated with the sale of shares of common stock and acquisitions of properties, we have $108.6 million available for investment in real estate assets as of March 31, 2003.

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As of March 31, 2003, we owned interests in 74 real estate properties either directly or through our interests in joint ventures located throughout the United States. Our real estate investment policies are to identify and invest in high-grade commercial office and industrial buildings located in densely populated metropolitan markets which are newly constructed, under construction or which have been previously constructed and have operating histories. However, we are not limited to such investments. We expect to continue to acquire commercial properties which meet our standards of quality in terms of the real estate and the creditworthiness of the tenants.

We have developed specific standards for determining creditworthiness of potential tenants of our properties in order to reduce the risk of tenant default. Although authorized to enter into leases with any type of tenant, we anticipate that a majority of our tenants will be large corporations or other entities which have a net worth in excess of $100 million or whose lease obligations are guaranteed by another corporation or entity with a net worth in excess of $100 million.

Creditworthy tenants of the type we target are becoming more and more highly valued in the marketplace and, accordingly, there is increased competition in acquiring properties with these creditworthy tenants. As a result, the purchase prices for such properties have increased with corresponding reductions in cap rates and returns on investment. In addition, changes in market conditions have caused us to add to our internal procedures for ensuring the creditworthiness of our tenants before entering into any commitment to buy a property. We continue to remain steadfast in our commitment to invest in quality properties that will produce quality income for our stockholders.

Dividends during the three months ended March 31, 2003, were $39.7 million compared to $17.6 million during the three months ended March 31, 2002. For each $10 share of our common stock, our board of directors declared dividends for the period December 16, 2002 through March 15, 2003, at an annualized percentage rate of return of 7.0% compared to an annualized percentage rate of return of 7.75% for the period December 16, 2001 through March 15, 2002. The reduction of the annualized percentage rate of return for the dividends resulted from the higher value placed on our type of properties and the additional time it now takes in the acquisition process for us to assess tenant creditworthiness and, therefore, invest proceeds in properties.

Our board of directors has declared dividends for the period March 16, 2003, through June 15, 2003, at an annualized percentage rate of return of 7.0%. Second quarter dividends are calculated on a daily record basis of $0.001902 (0.1902 cents) per day per share on the outstanding shares of our common stock payable to stockholders of record as shown on our books at the close of business on each day during the period commencing on March 16, 2003, and continuing on each day thereafter through and including June 15, 2003.

The payment of dividends in the future will generally be dependent upon the cash flows from operating the properties currently owned and acquired in future periods, our financial condition, amounts paid for properties acquired, the timing of property acquisitions, capital expenditure requirements and distribution requirements in order to maintain our REIT status under the Internal Revenue Code.

Subsequent to March 31, 2003, we obtained an additional variable rate unsecured line of credit in the amount of $500 million to provide us with increased flexibility for funding acquisitions at times when real estate investments are available at appropriate prices but sufficient offering proceeds to fund such acquisitions have not been raised.

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Cash Flows From Operating Activities

Our net cash provided by operating activities was $38.7 million and $13.5 million for the three months ended March 31, 2003 and 2002, respectively. The increase in net cash provided by operating activities was due primarily to the net income generated by $1.4 billion of additional properties acquired during 2002 and $115.8 million of properties acquired during the three months ended March 31, 2003. We do not recognize in operations the full effect from the properties during the year of acquisition, as the operations of the properties are only included in operations from the date of acquisition. Operating cash flows are expected to increase as we acquire additional properties in future periods and as we obtain the benefit of a full quarter of operations for properties acquired during the three months ended March 31, 2003.

Cash Flows Used In Investing Activities

Our net cash used in investing activities was $151.9 million and $112.2 million for the three months ended March 31, 2003 and 2002, respectively. The increase in net cash used in investing activities was due primarily to greater investments in properties and the payment of the related deferred project costs resulting from raising a greater amount of offering proceeds. Our investments in real estate assets and intangible lease assets and payment of acquisition and advisory costs totaled $153.6 million and $113.5 million for the three months ended March 31, 2003 and 2002, respectively. The cash outflow from the investments in properties and the payment of deferred project costs were partially offset by distributions from joint ventures of $1.8 million and $1.7 million during the three months ended March 31, 2003, and 2002, respectively. The increase in distributions from joint ventures is primarily due to additional investment in joint ventures during the fourth quarter of 2002.

Cash Flows From Financing Activities

Our net cash provided by financing activities was $185.8 million and $210.1 million for the three months ended March 31, 2003 and 2002, respectively. The raising of additional capital increased to $426.8 million during the three months ended March 31, 2003, as compared to $255.7 million during the three months ended March 31, 2002. The amounts raised were partially offset by the payment of commissions and offering costs totaling $49.2 million and $27.9 million and redemptions of $13.0 million and $3.0 million during the three months ended March 31, 2003 and 2002, respectively.

Additionally, we obtained funds from debt financing arrangements totaling $5.2 million and $2.9 million and made debt repayments of $144.4 million and $0 during the three months ended March 31, 2003 and 2002, respectively, based on the availability and need of cash for investment in real estate assets during the period. Primarily as a result of the increased cash flow from operations, during the three months ended March 31, 2003 and 2002, we paid dividends of $39.7 million and $17.6 million, respectively.

Results of Operations

As of March 31, 2003, our 74 real estate properties were 98% leased. Our results of operations have changed significantly for the three months ended March 31, 2003, as compared to the three months ended March 31, 2002, generally as result of the acquisition of approximately $1.4 billion of real estate assets during the year ended December 31, 2002, and an additional $115.8 million of real estate assets acquired during the three months ended March 31, 2003. We expect that rental income, tenant reimbursements, depreciation expense, operating expenses, management and leasing fees and net income will each increase in future periods as a result of owning the assets acquired during the three months ended March 31, 2003, for an entire quarter and as a result of anticipated future acquisitions of real estate assets. Due to the average remaining terms of the long-term leases currently in place at our properties, management does not anticipate significant changes in near-term rental revenues from properties currently owned.

Rental income increased by $36.6 million, during the first quarter of 2003, from $16.7 million for the three months ended March 31, 2002, to $53.3 million for the three months ended March 31, 2003. Tenant reimbursements were $9.6 million and $4.4 million for the three months ended March 31, 2003 and 2002, respectively, for an increase of $5.2 million. The increases were primarily due to the rental income and tenant reimbursements for properties acquired subsequent to March 31, 2002, which totaled $35.0 million and $5.3 million, respectively, for the three months ended March 31, 2003. Revenues in future periods are expected to increase compared to historical periods as additional properties are acquired.

Our equity in income of joint ventures was $1.3 million and $1.2 million for the three months ended March 31, 2003 and 2002, respectively. Equity in income of joint ventures is not anticipated to change significantly in future periods unless we invest additional proceeds in future joint venture investments.

Depreciation expense for the three months ended March 31, 2003 and 2002, was $19.2 million and $5.7 million, respectively comprising approximately 36% and 34% of rental income for the respective three month periods. The change in the percentages between periods is generally due to a change in the applicable cost of the real estate assets compared to the revenues generated by the real estate assets. Depreciation expense relating to assets acquired after March 31, 2002, was $12.9 million. Depreciation expense is expected to increase in future periods as additional properties are acquired, however should remain consistent as a percentage of revenues unless the relationship between the cost of the assets and the revenues earned changes.

Property operating costs were $15.2 million and $5.0 million for the three months ended March 31, 2003 and 2002, respectively, representing approximately 24% of the sum of the rental income and tenant reimbursements for each three month period. Property operating costs for the properties acquired subsequent to March 31, 2002, were $9.1 million for the three months ended March 31, 2003. Property operating costs are expected to increase as more properties are acquired, but expenses should remain relatively consistent as a percentage of the sum of rental income and tenant reimbursements.

Management and leasing fees expenses were $2.3 million and $0.9 million for the three months ended March 31, 2003 and 2002, respectively, representing approximately 4% of the sum of the rental income and tenant reimbursements for each three month period. Management and leasing fees for properties acquired after March 31, 2002, were $1.3 million for the three months ended March 31, 2003. Management and leasing fees are expected to increase as additional properties are acquired but, as a percentage of the sum of rental income and tenant reimbursements, should remain relatively consistent with historical results.

General and administrative expenses increased from $0.5 million for the three months ended March 31, 2002, to $1.6 million for the three months ended March 31, 2003, representing approximately 2% of the total revenues for each three month period. General and administrative expenses are expected to increase in future periods as our assets continue to increase as additional properties are acquired, but are expected remain relatively constant as a percentage of total revenues.

Interest expense was $2.6 million and $0.6 million for the three months ended March 31, 2003 and 2002, respectively. Interest expense of $1.0 and $0.4 million for the three months ended March 31, 2003 and 2002, respectively, was attributable to interest on the bonds related to the Ingram Micro and ISS Buildings, which is offset by the interest income associated with the bonds, which results in no net impact on our operating results. The remaining $1.6 million and $0.2 million is due to the interest on our

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outstanding borrowings for each period. We had significantly more borrowings outstanding during the three months ended March 31, 2003, as compared to the three months ended March 31, 2002, resulting in a significant increase in the interest expense between the two periods. Interest expense in future periods will be dependent upon the amount of borrowings outstanding during those periods and current interest rates. Historical results may not be indicative of interest expense in future periods.

Earnings per share for the three months ended March 31, 2003, decreased to $0.10 per share compared to $0.11 per share for the three months ended March 31, 2002. This decrease is primarily a result of the higher cost of investments in real estate assets resulting in lower revenues and higher depreciation expense as a percentage of the cost of those assets, as described above.

Funds From Operations

Funds from Operations (FFO), as defined by the National Association of Real Estate Investment Trusts (NAREIT), generally means net income, computed in accordance with accounting principles generally accepted in the United States (GAAP) excluding extraordinary items (as defined by GAAP) and gains (or losses) from sales of property, plus depreciation and amortization on real estate assets, and after adjustments for unconsolidated partnerships, joint ventures and subsidiaries. Management believes that FFO is helpful to investors as a measure of the performance of an equity REIT. However, our calculation of FFO, while consistent with NAREIT s definition, may not be comparable to similarly titled measures presented by other REITs. FFO does not represent cash generated from operating activities in accordance with GAAP and should not be considered as an alternative to net income as an indication of our performance or to cash flows as a measure of liquidity or ability to make distributions.

The following table reflects the calculation of FFO for the three month periods ended March 31, 2003 and 2002:

	For the three months ended March 31,	
	2003	**2002**
Funds from operations:		
Net income	**$ 24,364**	$ 10,780
Add:		
Depreciation of real estate assets	**19,218**	5,744
Amortization of deferred leasing costs	**78**	73
Depreciation and amortization unconsolidated investments in joint ventures	**785**	706
Funds from operations (FFO)	**$ 44,445**	$ 17,303
Weighted average shares		
Basic and diluted	**233,247**	95,130

In order to recognize revenues on a straight line basis over the terms of the respective leases, we recognized straight line rental revenue of $0.8 million and $1.0 million during the three months ended March 31, 2003 and 2002, respectively.

Amortization of the intangible lease assets and liabilities resulted in a net increase in rental revenue of $0.5 million for the three months ended March 31, 2003.

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Inflation

The real estate market has not been affected significantly by inflation in the past three years due to the relatively low inflation rate. However, there are provisions in the majority of tenant leases, which would protect us from the impact of inflation. These provisions include reimbursement billings for operating expense pass-through charges, real estate tax and insurance reimbursements on a per square foot basis, or in some cases, annual reimbursement of operating expenses above a certain per square foot allowance. However, due to the long-term nature of the leases, the leases may not re-set frequently enough to cover inflation.

Application of Critical Accounting Policies

Our accounting policies have been established to conform with generally accepted accounting principles (GAAP). The preparation of financial statements in conformity with GAAP requires management to use judgment in the application of accounting policies, including making estimates and assumptions. These judgments affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. If management s judgment or interpretation of the facts and circumstances relating to various transactions had been different, it is possible that different accounting policies would have been applied; thus, resulting in a different presentation of the financial statements. Additionally, other companies may utilize different estimates that may impact comparability of our results of operations to those of companies in similar businesses.

The critical accounting policies outlined below have been discussed with members of our audit committee. There have been no significant changes in the critical accounting policies, methodology, or assumptions in the current period.

Below is a discussion of the accounting policies that management considers to be critical in that they may require complex judgment in their application or require estimates about matters that are inherently uncertain.

Investment in Real Estate Assets

We are required to make subjective assessments as to the useful lives of our depreciable assets. We consider the period of future benefit of the asset to determine the appropriate useful lives. These assessments have a direct impact on net income. The estimated useful lives of our assets by class are as follows:

Building	25 years
Building improvements	10-25 years
Land improvements	20-25 years
Tenant Improvements	Lease term

In the event that inappropriate useful lives or methods are used for depreciation, our net income would be misstated.

Valuation of Real Estate Assets

We continually monitor events and changes in circumstances that could indicate that the carrying amounts of the real estate assets, both operating properties and properties under construction, in which we have an ownership interest, either directly or through investments in joint ventures, may not be recoverable. When indicators of potential impairment are present which indicate that the carrying amounts of real estate assets may not be recoverable, we assess the recoverability of the real estate assets by determining whether the carrying value of the real estate assets will be recovered through the undiscounted future

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operating cash flows expected from the use of the asset and its eventual disposition. In the event that such expected undiscounted future cash flows do not exceed the carrying value, we adjust the real estate assets to the fair value and recognize an impairment loss. We have determined that there has been no impairment in the carrying value of real estate assets held by us and any unconsolidated joint ventures at March 31, 2003.

Projections of expected future cash flows requires us to estimate future market rental income amounts subsequent to the expiration of current lease agreements, property operating expenses, discount rates, the number of months it takes to re-lease the property and the number of years the property is held for investment. The use of inappropriate assumptions in the future cash flow analysis would result in an incorrect assessment of the property s future cash flows and fair value and could result in the overstatement of the carrying value of our real estate assets and net income.

Intangible Lease Asset/Liability

We determine whether an intangible asset or liability related to above or below market leases was acquired as part of the acquisition of the real estate assets. The intangible assets and liabilities are recorded at their estimated fair market values at the date of acquisition and amortized over the remaining term of the respective lease to rental income.

The determination of the estimated fair values of the intangible lease asset or liability requires the use of significant assumptions with regard to the current market rental rates, rental growth rates, discount rates and other variables. If inappropriate estimates with regard to these variables are used, misclassification of assets or liabilities and incorrect calculation of depreciation amounts would occur, which would misstate our net income.

Commitments and Contingencies

Take Out Purchase and Escrow Agreement

Wells Capital, Inc., our advisor, and its affiliates have developed a program (Wells Section 1031 Program) involving the acquisition by a subsidiary of Wells Management Company (Wells Exchange) of income-producing commercial properties and the formation of a series of single member limited liability companies for the purpose of facilitating the resale of co-tenancy interests in such real estate properties to be owned in co-tenancy arrangements with persons (1031 Participants) who are seeking to invest the proceeds from a sale of real estate held for investment in another real estate investment for purposes of qualifying for like-kind exchange treatment under Section 1031 of the Internal Revenue Code. The acquisition of each of the properties acquired by Wells Exchange will be financed by a combination of permanent first mortgage financing and interim loan financing obtained from institutional lenders.

Following the acquisition of each property, Wells Exchange will attempt to sell co-tenancy interests to 1031 Participants, the proceeds of which will be used to repay a prorata portion of the interim financing. In consideration for the payment of a take out fee to us and following approval of the potential property acquisition by our board of directors, it is anticipated that we will enter into a take out purchase and escrow agreement or similar contract providing that, if Wells Exchange is unable to sell all of the co-tenancy interests in that particular property to 1031 Participants, we will purchase, at Wells Exchange s cost, any co-tenancy interests remaining unsold at the end of the offering period.

In consideration for the payment of a take out fee in the amount of approximately $0.2 million, on December 31, 2002, Wells OP entered into a take out purchase and escrow agreement providing, among other things, that we would be obligated to acquire, at Wells Exchange s cost ($0.4 million in cash plus $0.4 million of assumed debt for each 2.9994% interest of co-tenancy

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interest unsold), any unsold co-tenancy interests in two buildings known as Meadow Brook Corporate Park located in Birmingham, Alabama, which remain unsold at the expiration of the offering of Wells Exchange on September 30, 2003.

Our obligations under the take out purchase and escrow agreement are secured by reserving against our existing line of credit with Bank of America, N.A. (Interim Lender). If, for any reason, we fail to acquire any of the co-tenancy interests in Meadow Brook Corporate Park which remain unsold as of September 30, 2003, or there is otherwise an uncured default under the interim loan or the line of credit documents, the Interim Lender is authorized to draw down our line of credit in the amount necessary to pay the outstanding balance of the interim loan in full, in which event the appropriate amount of co-tenancy interest in Meadow Brook Corporate Park would be deeded to us. Our maximum economic exposure in the transaction was initially $14.0 million in cash plus assumption of the first mortgage financing in the amount of $13.9 million. As of March 31, 2003, due to the number of co-tenancy interests sold in Meadow Brook Corporate Park through such date, our maximum exposure has been reduced to $6.7 million in cash plus the assumption of the first mortgage financing in the amount of $6.7 million.

Letters of Credit

At March 31, 2003, we had three unused letters of credit totaling approximately $19.7 million outstanding from financial institutions, consisting of letters of credit of approximately $14.5 million, $4.8 million and $0.4 million with expiration dates of February 28, 2004; August 12, 2003; and February 2, 2004, respectively. These amounts are not recorded in the accompanying consolidated balance sheet as of March 31, 2003. These letters of credit were required by three unrelated parties to ensure completion of our obligations under certain earn-out and construction agreements. We do not anticipate a need to draw on these letters of credit.

Properties Under Contract

At March 31, 2003, we have a contract to acquire a third building at our ISS Atlanta Buildings development upon completion of construction (expected in June 2003) for a fixed purchase price of $10.0 million.

Commitments Under Existing Lease Agreements

Certain lease agreements include provisions that, at the option of the tenant, we may be obligated to expend certain amounts of capital to expand an existing property, construct on adjacent property or provide other expenditures for the benefit of the tenant, in favor of additional rental revenue. At March 31, 2003, tenants have exercised no such options.

Properties Under Construction

As of March 31, 2003, we have executed construction agreements with unrelated third parties for the purpose of constructing two buildings. The table below details the status of the properties under construction as of March 31, 2003:

Property	Total Projected Cost	Construction Costs to Date	Expected Future Costs	Expected Completion Date	Primary Source of Funds
Kerr-McGee	$ 15.8 million	$ 9.7 million	$ 6.1 million	July 2003	Debt
AmeriCredit Phoenix	$ 24.7 million	$ 18.9 million	$ 5.8 million	April 2003	Investor Proceeds

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Earn-out Agreements

As part of the acquisition of the IRS Building, we entered into an agreement to pay the seller an additional $14.5 million if we or the seller locates a suitable tenant and leases the vacant space of the building within 18 months after the date of acquisition of the property, or March 2004. If the space is not leased within this time, we are released from any obligation to pay this additional purchase consideration. The 26% of the building that was unleased at the time of acquisition remains unleased at March 31, 2003.

In connection with the acquisition of East Point I and II Buildings, we entered into an earn-out agreement whereby we are required to pay the seller certain amounts for each new, fully executed lease after the date of acquisition of the property but on or before March 31, 2004. Payments shall be the anticipated first year s annual rent less operating expenses with the sum divided by 0.105 and the result reduced by tenant improvement costs related to the space.

Leasehold Property Obligations

The ASML, Motorola Tempe, Avnet, and Bellsouth Ft. Lauderdale Buildings are subject to certain ground leases with expiration dates of 2082, 2082, 2083 and 2049, respectively.

Pending Litigation

In the normal course of business, we may become subject to litigation or claims. In November 2002, we contracted to purchase an office building located in Ramsey County, Minnesota, from Shoreview Associates LLC (Shoreview), who filed a lawsuit against us in Minnesota state court alleging that Shoreview was entitled to the $0.8 million in earnest money that we had deposited under the contract. We have filed a counterclaim in the case asserting that we are entitled to the $0.8 million earnest money deposit. Procedurally, we had the case transferred to U.S. District Court in Minnesota, and Shoreview has moved to transfer the case back to state court. The dispute currently remains in litigation. After consultation with legal counsel, we do not believe that a reserve for a loss contingency is necessary.

Related Party Transactions and Agreements

We have entered into agreements with our advisor and its affiliates, whereby we pay certain fees or reimbursements to our advisor or its affiliates for acquisition and advisory fees and expenses, organization and offering costs, sales commissions dealer manager fees, property management and leasing fees and reimbursement of operating costs. See Note 5 to our consolidated financial statements included in this report for a discussion of the various related party transactions, agreements and fees.

Conflicts of Interest

Our advisor is also a general partner in and advisor to various Wells Real Estate Funds. As such, there are conflicts of interest where our advisor, while serving in the capacity as general partner for Wells Real Estate Funds, may be in competition with us in connection with property acquisitions or for tenants in similar geographic markets.

Subsequent Events

Sale of shares of our Common Stock

From April 1, 2003 through May 15, 2003, we raised approximately $271.6 million through the issuance of approximately 27.2 million shares of our common stock.

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Property Acquisitions

On April 30, 2003, we purchased the Citicorp Englewood Cliffs, NJ Building, a three-story office building containing approximately 410,000 rentable square feet located in Englewood Cliffs, New Jersey, for a purchase price of $70.5 million, excluding closing costs and acquisition and advisory fees and expenses paid to our advisor. The building is leased entirely to Citicorp North America, Inc., a wholly-owned subsidiary of Citicorp, Inc.

On May 1, 2003, we purchased the US Bancorp Minneapolis Building, a 32-story office building containing approximately 929,694 rentable square feet located in Minneapolis, Minnesota, for a purchase price of $174 million, excluding closing costs and acquisition and advisory fees and expenses paid to our advisor. The building is approximately 99% leased under leases to various tenants with varying terms, including US Bancorp Piper Jaffray Companies, Inc. which leases approximately 77% of the building.

On May 9, 2003, we purchased the Aon Center Chicago Building, an 83-story office building containing approximately 2.6 million rentable square feet located in Chicago, Illinois, for a purchase price of $465.2 million, excluding closing costs and acquisition and advisory fees and expenses paid to our advisor. The building is approximately 92% leased under leases to various tenants with varying lease terms, including BP Corporation North America, Inc, DDB & Needham Chicago, Inc. and Kirkland & Ellis, which collectively lease approximately 54% of the building.

On May 9, 2003, we acquired the GMAC Detroit Building, a three-story office building containing approximately 119,122 square feet located in Auburn Hills, Michigan, for a purchase price of approximately $17.8 million, excluding closing costs and acquisition and advisory fees and expenses paid to our advisor. The building is approximately 86% leased to the GMAC Corporation and Delmia Corporation. For the remaining approximately 14% unleased portion of the building, we are required to pay the seller certain amounts for each new, fully executed lease entered into after the date of acquisition of the building but on or before November 8, 2004. Payments are calculated by dividing the sum of the anticipated first year s annual rent less operating expenses by 0.095 and the result reduced by tenant improvement costs related to the space.

Line of Credit

On April 23, 2003, we entered into the $500 Million Line of Credit, an unsecured revolving credit facility with a consortium of banks, including Bank of America, N.A. (BOA). The agreement expires in April 2005 and replaced the $110 million line of credit with BOA. We paid up-front commitment fees totaling $2.3 million to the lenders based on each financial institution s relative commitment level. The agreement contains alternative borrowing arrangements that provide for interest costs based on LIBOR plus up to 1.625% or certain other alternative rates. Additionally, we are required to pay a quarterly facility fee of .25% per annum on the entire amount of this credit facility.

Financial Statements

Audited Financial Statements

The statements of revenues over certain operating expenses of the US Bancorp Minneapolis Building and the Aon Chicago Center Building for the year ended December 31, 2002, which are included in this supplement, have been audited by Ernst & Young LLP, independent auditors, as set forth in their reports appearing elsewhere herein, and are included in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

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Unaudited Financial Statements

The financial statements of the Wells REIT, as of March 31, 2003, and for the three month period ended March 31, 2003, which are included in this supplement, have not been audited.

The statements of revenues over certain operating expenses of the Aon Chicago Center Building for the three months ended March 31, 2003, which are included in this supplement, have not been audited.

The pro forma balance sheet of the Wells REIT, as of March 31, 2003, the pro forma statement of income for the year ended December 31, 2002, and the pro forma statement of income for the three months ended March 31, 2003, which are included in this supplement, have not been audited.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(in thousands, except share amounts)

	March 31, 2003	December 31, 2002
	(unaudited)	
Assets:		
Real estate assets, at cost:		
Land	**$ 291,140**	$ 279,185
Building and improvements, less accumulated depreciation of $82,812 at March 31, 2003, and $63,594 at December 31, 2002	**1,811,220**	1,683,036
Construction in progress	**24,102**	42,746
Total real estate assets	**2,126,462**	2,004,967
Investments in joint ventures	**83,286**	83,915
Cash and cash equivalents	**118,030**	45,464
Rents receivable	**19,928**	19,321
Deferred project costs	**5,124**	1,494
Due from affiliates	**2,167**	1,961
Prepaid expenses and other assets, net	**5,997**	4,407
Deferred lease acquisition costs, net	**1,561**	1,638
Intangible lease assets	**14,147**	12,060
Investment in bonds	**54,500**	54,500
Total assets	**$ 2,431,202**	$ 2,229,727
Liabilities, Minority Interest and Shareholders Equity:		
Borrowings	**$ 108,986**	$ 248,195
Obligations under capital leases	**54,500**	54,500
Intangible lease liabilities	**32,033**	32,697
Accounts payable and accrued expenses	**23,131**	24,580
Due to affiliates	**5,292**	15,975
Dividends payable	**7,252**	6,046
Deferred rental income	**11,164**	11,584
Total liabilities	**242,358**	393,577
Minority interest of unit holder in operating partnership	**200**	200
Commitments and Contingencies		
Shareholders Equity:		
Common shares, $.01 par value; 750,000,000 shares authorized, 260,469,726 shares issued and 257,083,636 outstanding at March 31, 2003, and 750,000,000 shares authorized, 217,790,874 shares issued and 215,699,717 shares outstanding at December 31, 2002	**2,605**	2,178

Additional paid-in capital	**2,310,731**	1,929,381
Cumulative distributions in excess of earnings	**(90,802)**	(74,310)
Treasury stock, at cost, 3,386,090 shares at March 31, 2003 and 2,091,157 shares at December 31, 2002	**(33,860)**	(20,912)
Other comprehensive loss	**(30)**	(387)
Total shareholders equity	**2,188,644**	1,835,950
Total liabilities, minority interest and shareholders equity	**$ 2,431,202**	$ 2,229,727

See accompanying notes.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(in thousands, except per share amounts)

	Three Months Ended March 31,	
	2003	**2002**
Revenues:		
Rental income	**$ 53,343**	$ 16,738
Tenant reimbursements	**9,601**	4,415
Equity in income of joint ventures	**1,261**	1,207
Interest income and other income	**1,154**	1,248
	65,359	23,608
Expenses:		
Depreciation	**19,218**	5,744
Property operating costs	**15,220**	5,040
Management and leasing fees	**2,333**	900
General and administrative	**1,576**	529
Interest expense	**2,648**	615
	40,995	12,828
Net income	**$ 24,364**	$ 10,780
Earnings per share		
Basic and diluted	**$ 0.10**	$ 0.11
Weighted average shares outstanding		
Basic and diluted	**233,247**	94,845
Dividends declared per share	**$ 0.18**	$ 0.19

See accompanying notes.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF SHAREHOLDERS EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2002

AND FOR THE THREE MONTHS ENDED MARCH 31, 2003 (UNAUDITED)

(in thousands, except per share amounts)

	Common Stock			Cumulative		Treasury Stock			
	Shares	Amount	Additional Paid-In Capital	Distributions in Excess of Earnings	Retained Earnings	Shares	Amount	Other Comprehensive Income	Total Shareholders Equity
Balance, December 31, 2001	83,761	$ 838	$ 738,236	$ (24,181)	$	(555)	$ (5,550)		$ 709,343
Issuance of common stock	134,030	1,340	1,338,953						1,340,293
Treasury stock purchased						(1,536)	(15,362)		(15,362)
Dividends ($0.76 per share)				(50,129)	(59,854)				(109,983)
Sales commissions and dealer manager fees			(127,332)						(127,332)
Other offering costs			(20,476)						(20,476)
Components of comprehensive income:									
Net income					59,854				59,854
Change in value of interest rate swap								(387)	(387)
Comprehensive income									59,467
Balance, December 31, 2002	217,791	2,178	1,929,381	(74,310)		(2,091)	(20,912)	(387)	1,835,950
Issuance of common stock	**42,679**	**427**	**426,362**						**426,789**
Treasury stock purchased						**(1,295)**	**(12,948)**		**(12,948)**
Dividends ($0.18 per share)				**(16,492)**	**(24,364)**				**(40,856)**
Sales commissions and dealer manager fees			**(40,221)**						**(40,221)**
Other offering costs			**(4,791)**						**(4,791)**
Components of comprehensive income:									
Net income					**24,364**				**24,364**
Change in value of interest rate swap								**357**	**357**
Comprehensive income									**24,721**

Balance, March 31, 2003	**260,470**	**$ 2,605**	**$ 2,310,731**	**$ (90,802)**		**(3,386)**	**$ (33,860)**	**$ (30)**	**$ 2,188,644**

See accompanying notes.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(in thousands)

	Three Months Ended March 31,	
	2003	**2002**
Cash flows from operating activities:		
Net income	**$ 24,364**	$ 10,780
Adjustments to reconcile net income to net cash provided by operating activities:		
Equity in income of joint ventures	**(1,261)**	(1,207)
Depreciation	**19,218**	5,744
Amortization of deferred financing costs	**415**	175
Amortization of intangible lease assets/liabilities	**(485)**	
Amortization of deferred lease acquisition costs	**78**	73
Changes in assets and liabilities:		
Rents receivable	**(607)**	(1,694)
Due from affiliates		(13)
Deferred rental income	**(420)**	906
Accounts payable and accrued expenses	**(1,449)**	(157)
Prepaid expenses and other assets, net	**(1,140)**	(1,092)
Due to affiliates	**(21)**	(1)
Net cash provided by operating activities	**38,692**	13,514
Cash flows from investing activities:		
Investment in real estate assets	**(129,981)**	(104,052)
Contributions to joint ventures	**(78)**	
Investment in intangible lease assets	**(2,651)**	
Deferred project costs paid	**(20,966)**	(9,461)
Distributions received from joint ventures	**1,786**	1,691
Deferred lease acquisition costs paid		(400)
Net cash used in investing activities	**(151,890)**	(112,222)
Cash flows from financing activities:		
Proceeds from borrowings	**5,151**	2,947
Repayment of borrowings	**(144,360)**	
Dividends paid to shareholders	**(39,650)**	(17,556)
Issuance of common stock	**426,789**	255,703
Treasury stock purchased	**(12,952)**	(3,042)
Sales commissions and dealer manager fees paid	**(40,221)**	(24,580)
Other offering costs paid	**(8,993)**	(3,327)
Net cash provided by financing activities	**185,764**	210,145

Net increase in cash and cash equivalents	**72,566**	111,437
Cash and cash equivalents, beginning of year	**45,464**	75,586
Cash and cash equivalents, end of period	**$ 118,030**	$ 187,023

See accompanying notes.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

AND SUBSIDIARIES

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2003

(UNAUDITED)

1. Organization

General

Wells Real Estate Investment Trust, Inc. (the Company) is a Maryland corporation that qualifies as a real estate investment trust (REIT). The Company was incorporated in 1997 and commenced operations on June 5, 1998.

The Company engages in the acquisition and ownership of commercial real estate properties throughout the United States, including properties which are under construction, are newly constructed or have operating histories. At March 31, 2003, the Company has invested in commercial office and industrial real estate assets, either directly or through joint ventures with real estate limited partnership programs sponsored by Wells Capital, Inc. (the Advisor) or its affiliates.

The Company s business is conducted through Wells Operating Partnership, L.P. (Wells OP), a Delaware limited partnership, and its subsidiaries, and Wells REIT-Independence Square, LLC (Wells REIT-Independence), a single member Georgia limited liability company. Wells OP was formed to acquire, develop, own, lease and operate properties on behalf of the Company, directly, through wholly-owned subsidiaries or through joint ventures. Wells REIT-Independence was formed to acquire the NASA building located in Washington, D.C. The Company is the sole general partner in Wells OP and the sole member of Wells REIT-Independence and possesses full legal control and authority over the operations of Wells OP and Wells REIT-Independence. Wells OP, and its subsidiaries, and Wells REIT-Independence comprise the Company s subsidiaries.

Four offerings of the Company s stock have been initiated as follows:

Offering #	Date Commenced	Termination Date	Gross Proceeds	Shares Issued

1	January 30, 1998	December 19, 1999	$ 132.2 million	13.2 million
2	December 20, 1999	December 19, 2000	$ 175.2 million	17.5 million
3	December 20, 2000	July 26, 2002	$ 1,283.0 million	128.3 million
4	July 26, 2002	Offering will terminate on or before July 25, 2004	$ 1,014.3 million	101.5 million
			(through March 31, 2003)	(through March 31, 2003)
Total as of March 31, 2003			$ 2,604.7 million	260.5 million

After incurring costs from all offerings of $90.0 million in acquisition and advisory fees and expenses, $246.6 million in selling commissions, $44.8 million in organization and offering expenses to the Advisor, investment in real estate assets and joint ventures of $2,080.8 million and common stock redemptions pursuant to the Company s share redemption program of $33.9 million, the Company was holding net offering proceeds of approximately $108.6 million available for investment in properties at March 31, 2003.

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The Company s stock is not listed on a national exchange. However, the Company s Articles of Incorporation currently require if the Company s stock is not listed on a national exchange by January 30, 2008, the Company must begin the process of liquidating its investments and distributing the resulting proceeds to the shareholders. The Company s Articles of Incorporation can only be amended by a proxy vote of the Company s shareholders.

Basis of Presentation

The consolidated financial statements of the Company have been prepared in accordance with instructions to Form 10-Q and Article 10 of Regulation S-X and do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. Independent auditors have not examined these quarterly statements, but in the opinion of management, the statements for the unaudited interim periods presented include all adjustments, which are of a normal and recurring nature, necessary to present a fair presentation of the results for such periods. Results for interim periods are not necessarily indicative of full year results. For further information, refer to the financial statements and footnotes included in the Company s Form 10-K for the year ended December 31, 2002.

Income Taxes

The Company has elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended, and has operated as such beginning with its taxable year ended December 31, 1998. To qualify as a REIT, the Company must meet certain organizational and operational requirements, including a requirement to currently distribute at least 90% of the REIT s ordinary taxable income to shareholders. As a REIT, the Company generally will not be subject to federal income tax on taxable income that it distributes to its shareholders. If the Company fails to qualify as a REIT in any taxable year, it will then be subject to federal income taxes on its taxable income for four years following the year during which qualification is lost, unless the Internal Revenue Service grants the Company relief under certain statutory provisions. Such an event could materially adversely affect the Company s net income and net cash available for distribution to shareholders. However, the Company believes that it is organized and operates in such a manner as to qualify for treatment as a REIT and intends to continue to operate in the foreseeable future in such a manner that the Company will remain qualified as a REIT for federal income tax purposes. No provision for federal income taxes has been made in the accompanying consolidated financial statements, as the Company made distributions in excess of its taxable income for the periods presented.

Recent Pronouncements

On January 1, 2002, the Company adopted Statement of Financial Accounting Standards No. 141 *Business Combinations,* and Statement of Financial Accounting Standards No. 142 *Goodwill and Intangibles.* These standards govern business combinations, asset acquisitions and the accounting for acquired intangibles. The Company determines whether an intangible asset or liability related to above or below market leases was acquired as part of the acquisition of real estate assets. The resulting intangible lease assets and liabilities are recorded at their estimated fair market values at the date of acquisition and amortized over the remaining term of the respective lease to rental income. Amortization of the intangible lease assets and liabilities resulted in a net increase in rental revenue of $0.5 million for the three months ended March 1, 2003.

In January 2003, the Financial Accounting Standards Board issued Interpretation No. 46 (FIN 46), *Consolidation of Variable Interest Entities,* which clarifies the application of Accounting Research Bulletin (ARB) No. 51, *Consolidated Financial Statements,* relating to consolidation of certain entities. FIN 46 requires the identification of the Company s participation in variable interest entities (VIEs), which are defined as entities with a level of invested equity that is not sufficient to fund future activities to permit them to operate on a stand alone basis, or whose equity holders lack certain characteristics of a controlling financial interest. For entities identified as VIEs, FIN 46 sets forth a model to evaluate potential

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consolidation based on an assessment of which party to the VIE, if any, bears a majority of the exposure to its expected losses, or stands to gain from a majority of its expected returns. FIN 46 is effective for all new VIEs created or acquired after January 31, 2003. For VIEs created or acquired prior to February 1, 2003, the provisions of FIN 46 must be applied for the first interim or annual period beginning after June 15, 2003. FIN 46 also sets forth certain disclosures regarding interests in VIEs that are deemed significant, even if consolidation is not required. As the Company s joint ventures do not fall under the definition of VIEs provided above, we do not believe that the adoption of FIN 46 will result in the consolidation of any previously unconsolidated entities.

2. Real Estate Assets

Significant Events

During the three months ended March 31, 2003, the Company acquired ownership interests in two properties for a total purchase price of $115.8 million, exclusive of related closing costs and acquisition and advisory fees paid to the Advisor as described below.

East Point I & II Buildings

On January 9, 2003, the Company purchased two three-story office buildings containing approximately 187,735 aggregate rentable square feet located in Mayfield Heights, Ohio, for a purchase price of $22.0 million. Progressive Casualty Insurance; Austin, Danaher Power Solutions; and Moreland Management Company occupy approximately 92% of the rentable square feet in the two buildings. The remaining approximately 8% of the rentable square feet is vacant. At closing, the Company entered into an earn-out agreement with the seller with regard to the vacant space that requires the Company to pay the seller certain amounts for each new, fully-executed lease after the date of acquisition but on or before March 31, 2004, relating to the vacant space. Payments are calculated by dividing the anticipated first year s annual rent less operating expenses 0.105, with the result being reduced by tenant improvement costs related to the space.

150 West Jefferson Detroit Building

On March 31, 2003, the Company purchased a 25-story office building containing approximately 505,417 rentable square feet located at 150 West Jefferson Avenue, downtown Detroit, Michigan, for a purchase price of $93.8 million. The building is 99% occupied under leases to various tenants with varying lease terms, including Miller, Canfield, Paddock, & Stone; Butzel Long PC; and MCN Energy Group, Inc., which collectively occupy approximately 62% of the building.

Nissan Building

In March 2003, the Company substantially completed the construction of the Nissan Building located in Dallas, Texas, and transferred total construction costs for the project from construction in progress to building and improvements. Nissan Motor Acceptance Corporation will occupy the building under a lease commencing on April 1, 2003. The construction was financed through a loan that was paid off in March 2003, when the building was substantially complete.

3. Investment in Joint Ventures

The information below summarizes the operations of the seven unconsolidated joint ventures that the Company, through Wells OP, had ownership interests as of March 31, 2003.

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CONDENSED COMBINED STATEMENTS OF INCOME

	Three Months Ended March 31,	
	2003	**2002**
	(000s)	**(000s)**
Revenues:		
Rental income	**$ 5,284**	$ 4,728
Tenant reimbursements	**470**	641
Other income	**8**	13
Total revenues	**5,762**	5,382
Expenses:		
Depreciation	**1,768**	1,604
Operating expenses	**966**	831
Management and leasing fees	**329**	262
Total expenses	**3,063**	2,697
Net income	**$ 2,699**	$ 2,685
Net income allocated to the Company	**$ 1,261**	$ 1,207

4. Borrowings

The Company has financed certain investments, acquisitions and developments through various borrowings as described below. On March 31, 2003, and December 31, 2002, the Company had the following amounts outstanding:

Facility	March 31, 2003	December 31, 2002
	(000s)	**(000s)**
$110 million Bank of America Line of Credit; accruing interest at LIBOR plus 175 basis points (3.05% at March 31, 2003); requiring interest payments monthly with principal due at maturity (May 11, 2004); collateralized by the Videojet Technologies Chicago Building, the AT&T Pennsylvania Building, the Matsushita Building, the Metris Minnesota Building, the Motorola Plainfield Building and the Delphi Building	**$**	$ 58,000
$98.1 million SouthTrust Bank Line of Credit; accruing interest at LIBOR plus 175 basis points (3.05 % at March 31, 2003); requiring interest payments monthly and principal due at maturity (June 10, 2003); collateralized by the Novartis Building, the Cinemark Building, the Dial Building, the ASML Building, the Alstom Power Richmond Building, the Avnet Building, the Agilent Atlanta Building and the Eisenhower Boulevard Building (formerly the PwC Building)		61,399
	90,000	90,000

$90 million note payable to Landesbank Schleswig-Hostein Gironzentrale, Kiel; accruing interest at LIBOR plus 115 basis points; currently locked at 2.53% through July 2, 2003 (2.53% at March 31, 2003); requiring interest payments monthly, with principal due at maturity (December 20, 2006); collateralized by the Nestle Building		
$34.2 million construction loan payable to Bank of America; accruing interest at LIBOR plus 200 basis points; requiring interest payments monthly and principal due at maturity (July 30, 2003); collateralized by the Nissan Building(1)		23,149
$13.7 million construction loan payable to Bank of America; accruing interest at LIBOR plus 200 basis points (3.30% at March 31, 2003); requiring interest payments monthly, with principal due at maturity (January 29, 2004); collateralized by the Kerr-McGee Property(2)	**7,435**	4,038
$8.8 million note payable to Prudential; accruing interest at 8%; requiring interest and principal payments monthly with any unamortized principal due at maturity (December 15, 2003); collateralized by the BMG Buildings	**8,651**	8,709

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Facility	March 31, 2003	December 31, 2002
	(000s)	(000s)
$2.9 million note payable to Prudential; accruing interest at 8.5%; requiring interest payments monthly with principal due at maturity (December 15, 2003); collateralized by the BMG Buildings	**2,900**	2,900
Total borrowings	**$ 108,986**	$ 248,195

(1) The Company repaid this loan in March 2003, upon substantial completion of the construction of the property. At that time, the Company terminated the interest rate swap at a cost of $0.3 million, which was reclassified from other comprehensive income to interest expense.
(2) The Company has entered into an interest rate swap for this construction loan. The swap has the effect of fixing the interest rate at 4.27% through July 15, 2003.

5. Related-Party Transactions

Advisory Agreement

The Company has entered into an Advisory Agreement with the Advisor, which entitles the Advisor to specified fees upon the completion of certain services with regard to the offering of shares to the public and investment of funds in real estate projects. The current Advisory Agreement dated January 30, 2002, has been temporarily extended by the board of directors until May 19, 2003.

Under the terms of the agreement, the Advisor receives the following fees and reimbursements:

Acquisition and advisory fees and expenses of 3.5% of gross offering proceeds, subject to certain limitations;

Reimbursement of organization and offering costs paid on behalf of the Company, not to exceed 3% of gross offering proceeds;

Disposition fee of 50% of the lesser of a competitive real estate commission or 3% of the sales price of the property, subordinated to the payment of dividends to shareholders equal to the sum of the shareholders invested capital plus an 8% return on invested capital;

Incentive fee of 10% of net sales proceeds remaining after shareholders have received dividends equal to the sum of the shareholders invested capital plus an 8% return of invested capital; and

Listing fee of 10% of the excess by which the market value of the stock plus dividends paid prior to listing exceeds the sum of 100% of the invested capital plus an 8% return on invested capital.

Acquisition and advisory fees and expenses incurred for the quarters ended March 31, 2003 and 2002, totaled $14.5 million and $8.8 million, respectively. Organizational and offering costs incurred for the quarters ended March 31, 2003 and 2002, totaled $4.8 million and $1.8 million, respectively. The Company incurred no disposition, incentive or listing fees during the quarters ended March 31, 2003 and 2002.

Administrative Services Reimbursement

The Company has no direct employees. The employees of the Advisor and Wells Management Company, Inc. (Wells Management   ), an affiliate of the Advisor, perform a full range of real estate services including leasing and property management, accounting, asset management and investor relations for the Company. The related expenses are allocated among the Company and the various Wells Real Estate Funds based on time spent on each entity by individual administrative personnel. These expenses are

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included in general and administrative expenses in the consolidated statements of income. These expenses totaled $1.0 million and $0.3 million for the three months ended March 31, 2003 and 2002, respectively.

Property Management and Leasing Agreements

The Company has entered into a property management and leasing agreement with Wells Management. In consideration for supervising the management and leasing of the Company s properties, the Company will pay management and leasing fees to Wells Management equal to the lesser of (a) 4.5% of the gross revenues generally paid over the life of the lease or (b) 0.6% of the net asset value of the properties (excluding vacant properties) owned by the Company. These management and leasing fees are calculated on an annual basis plus a separate competitive fee for the one-time initial lease-up of newly constructed properties generally paid in conjunction with the receipt of the first month s rent. These expenses totaled $2.2 million and $0.8 million for the three months ended March 31, 2003 and 2002, respectively.

Dealer Manager Agreement

The Company has entered into a dealer manager agreement with Wells Investment Securities, Inc. (WIS), an affiliate of the Advisor, whereby WIS performs the dealer manager function for the Company. For these services, WIS earns fees of 7% of the gross proceeds from the sale of the shares of the Company, most of which are reallowed to participating broker-dealers. Additionally, WIS earns a dealer manager fee of 2.5% of the gross offering proceeds at the time the shares are sold, of which up to 1.5% may be reallowed to participating broker-dealers. WIS has elected, although is not obligated, to reduce the dealer manager fee amount in each period by 2.5% of the gross redemptions under the Company s share redemption plan. During the three months ended March 31, 2003 and 2002, the Company incurred commissions of $29.9 million and $17.9 million, respectively, of which more than 99% was reallowed to participating broker-dealers. Dealer manager fees of $10.3 million and $6.3 million were incurred for the quarters ended March 31, 2003 and 2002, respectively. Of these amounts, $5.0 million and $2.0 million were reallowed to participating broker-dealers for the quarters ended March 31, 2003 and 2002, respectively.

Due From Affiliates

Due from affiliates included in the consolidated balance sheets primarily represents the Company s share of the cash to be distributed from its joint venture investments for the first quarter of 2003 and the fourth quarter 2002 and other amounts payable to the Company from other related parties.

Conflicts of Interest

The Advisor also is a general partner in various Wells Real Estate Funds. As such, there are conflicts of interest where the Advisor, while serving in the capacity as general partner for Wells Real Estate Funds, may be in competition with the Company in connection with property acquisitions or for tenants in similar geographic markets.

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6. Consolidated Statement of Cash Flows Supplemental Information

	For the three months ended March 31,	
	2003	**2002**
SUPPLEMENTAL INFORMATION:		
Interest paid during the period, including amounts capitalized	**$ 3,188**	$ 493
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING ACTIVITIES:		
Deferred project costs applied to real estate assets	**$ 10,853**	$ 4,080
Deferred project costs due to affiliate	**$ 1,224**	$ 496
Deferred offering costs due to affiliate	**$**	$ 245
Other offering expenses due to affiliate	**$ 4,061**	$ 142
Acquisition of intangible lease liability	**$ 385**	$
Dividends payable	**$ 7,252**	$ 3,657
Due from affiliates	**$ 1,968**	$ 1,805

7. Commitments and Contingencies

Take Out Purchase and Escrow Agreement

The Advisor and its affiliates have developed a program (the Wells Section 1031 Program) involving the acquisition by a subsidiary of Wells Management Company (Wells Exchange) of income-producing commercial properties and the formation of a series of single member limited liability companies for the purpose of facilitating the resale of co-tenancy interests in such real estate properties to be owned in co-tenancy arrangements with persons (1031 Participants) who are seeking to invest the proceeds from a sale of real estate held for investment in another real estate investment for purposes of qualifying for like-kind exchange treatment under Section 1031 of the Internal Revenue Code. The acquisition of each of the properties acquired by Wells Exchange will be financed by a combination of permanent first mortgage financing and interim loan financing obtained from institutional lenders.

Following the acquisition of each property, Wells Exchange will attempt to sell co-tenancy interests to 1031 Participants, the proceeds of which will be used to repay a prorata portion of the interim financing. In consideration for the payment of a take out fee to the Company and following approval of the potential property acquisition by the Company s board of directors, it is anticipated that the Company will enter into a take out purchase and escrow agreement or similar contract providing that, if Wells Exchange is unable to sell all of the co-tenancy interests in that particular property to 1031 Participants, the Company will purchase, at Wells Exchange s cost, any co-tenancy interests remaining unsold at the end of the offering period.

In consideration for the payment of a take out fee in the amount of approximately $0.2 million, on December 31, 2002, Wells OP entered into a take out purchase and escrow agreement providing, among other things, that Wells OP would be obligated to acquire, at Wells Exchange s cost ($0.4 million in cash plus $0.4 million of assumed debt for each 2.9994% interest of co-tenancy interest unsold), any unsold co-tenancy interests in two buildings known as Meadow Brook Corporate Park located in Birmingham, Alabama, which remain unsold at the expiration of the offering of Wells Exchange on September 30, 2003.

The obligations of Wells OP under the take out purchase and escrow agreement are secured by reserving against Well OP s existing line of credit with Bank of America, N.A. (the Interim Lender). If, for any

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reason, Wells OP fails to acquire any of the co-tenancy interests in Meadow Brook Corporate Park which remain unsold as of September 30, 2003, or there is otherwise an uncured default under the interim loan or the line of credit documents, the Interim Lender is authorized to draw down Wells OP s line of credit in the amount necessary to pay the outstanding balance of the interim loan in full, in which event the appropriate amount of co-tenancy interest in Meadow Brook Corporate Park would be deeded to Wells OP. Wells OP s maximum economic exposure in the transaction was initially $14.0 million in cash plus assumption of the first mortgage financing in the amount of $13.9 million. As of March 31, 2003, due to the number of co-tenancy interests sold in Meadow Brook Corporate Park through such date, Wells OP s maximum exposure has been reduced to $6.7 million in cash plus the assumption of the first mortgage financing in the amount of $6.7 million.

Letters of Credit

At March 31, 2003, the Company had three unused letters of credit totaling approximately $19.7 million outstanding from financial institutions, consisting of letters of credit of approximately $14.5 million, $4.8 million and $0.4 million with expiration dates of February 28, 2004; August 12, 2003; and February 2, 2004, respectively. These amounts are not recorded in the accompanying consolidated balance sheet as of March 31, 2003. These letters of credit were required by three unrelated parties to ensure completion of the Company s obligations under certain earn-out and construction agreements. The Company does not anticipate a need to draw on these letters of credit.

Properties Under Contract

At March 31, 2003, the Company has a contract to acquire a third building at the ISS Atlanta Buildings development upon completion of construction (expected in June 2003) for a fixed purchase price of $10.0 million.

Commitments Under Existing Lease Agreements

Certain lease agreements include provisions that, at the option of the tenant, the Company may be obligated to expend certain amounts of capital to expand an existing property, construct on adjacent property or provide other expenditures for the benefit of the tenant, in favor of additional rental revenue. At March 31, 2003, no tenants have exercised such options.

Properties Under Construction

As of March 31, 2003, the Company had executed construction agreements with unrelated third parties for the purpose of constructing two buildings. The table below details the status of the properties under construction as of March 31, 2003:

Property	Total Projected Cost	Construction Costs to Date	Expected Future Costs	Expected Completion Date	Primary Source of Funds
Kerr-McGee	$ 15.8 million	$ 9.7 million	$ 6.1 million	July 2003	Debt

AmeriCredit	Phoenix	$ 24.7 million	$ 18.9 million	$ 5.8 million	April 2003	Investor Proceeds

Earn-out Agreements

As part of the acquisition of the IRS Building, the Company entered into an agreement to pay the seller an additional $14.5 million if the Company or the seller locates a suitable tenant and leases the vacant space of

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the building within 18 months after the date of acquisition of the property, or March 2004. If the space is not leased within this time, the Company is released from any obligation to pay this additional purchase consideration. The 26% of the building that was vacant at the time of acquisition remains unleased at March 31, 2003.

In connection with the acquisition of the East Point I and II Buildings, the Company entered into an earn-out agreement whereby the Company is required to pay the seller certain amounts for each new, fully executed lease after the date of acquisition of the property but on or before March 31, 2004. Payments shall be the anticipated first year s annual rent less operating expenses with the sum divided by 0.105 and the result reduced by tenant improvement costs related to the space.

Leasehold Property Obligations

The ASML, Motorola Tempe, Avnet and Bellsouth Ft. Lauderdale Buildings are subject to certain ground leases with expiration dates of 2082, 2082, 2083 and 2049, respectively.

Pending Litigation

In the normal course of business, the Company may become subject to litigation or claims. In November 2002, the Company contracted to purchase an office building located in Ramsey County, Minnesota, from Shoreview Associates LLC (Shoreview), who filed a lawsuit against the Company in Minnesota state court alleging that Shoreview was entitled to the $0.8 million in earnest money the Company had deposited under the contract. The Company has filed a counterclaim in the case asserting that the Company is entitled to the $0.8 million earnest money deposit. Procedurally, the Company had the case transferred to U.S. District Court in Minnesota, and Shoreview has moved to transfer the case back to state court. The dispute currently remains in litigation. After consultation with legal counsel, management does not believe that a reserve for a loss contingency is necessary.

8. Subsequent Events

Sale of Shares of Common Stock

From April 1, 2003 through April 30, 2003, the Company has raised approximately $179.2 million through the issuance of 17.9 million shares of common stock of the Company.

Property Acquisitions

On April 30, 2003, the Company purchased the Citicorp Englewood Cliffs, NJ Building, a three-story office building containing approximately 410,000 rentable square feet located in Englewood Cliffs, New Jersey, for a purchase price of $70.5 million, excluding closing costs and acquisition and advisory fees and expenses paid to the Advisor. The building is leased entirely to Citicorp North America, Inc., a wholly-owned subsidiary of Citicorp, Inc.

On May 1, 2003, the Company purchased the US Bancorp Minneapolis Building, a 32-story office building containing approximately 929,694 rentable square feet located in Minneapolis, Minnesota, for a purchase price of $174.0 million, excluding closing costs and acquisition and advisory fees and expenses paid to the Advisor. The building is approximately 99% leased under leases to various tenants with varying terms, including US Bancorp Piper Jaffray Companies, Inc., which leases approximately 77% of the building.

On May 9, 2003, the Company purchased the Aon Center Chicago Building, an 83-story office building containing approximately 2.6 million rentable square feet located in Chicago, Illinois, for a purchase price of approximately $465.2 million, excluding closing costs and acquisition and advisory costs paid to the Advisor. The building is approximately 92% leased under leases to various tenants with varying lease

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terms, including BP Corporation North American, Inc., DDB Needham Chicago, Inc. and Kirkland & Ellis, which collectively lease approximately 54% of the building.

On May 9, 2003, the Company acquired the GMAC Detroit Building, a three story office building containing approximately 119,122 square feet located in Auburn Hills, Michigan, for a purchase price of approximately $17.8 million, excluding closing costs and acquisition and advisory fees and expenses paid to the Advisor. The building is approximately 86% leased to the GMAC Corporation and Delmia Corporation. For the remaining approximately 14% of the building, the Company is required to pay the seller certain amounts for each new, fully executed lease entered into after the date of acquisition of the building but on or before November 8, 2004. Payments are calculated by dividing the sum of the anticipated first year s annual rent less operating expenses by 0.095, with the result being reduced by tenant improvement costs related to the space.

Line of Credit

On April 23, 2003, the Company entered into a $500 million unsecured revolving credit facility with a consortium of banks. The agreement expires in April 2005 and replaced the $110 million line of credit with Bank of America. The Company paid up-front commitment fees totaling $2.3 million to the lenders based on each financial institution s relative commitment level. The agreement contains alternative borrowing arrangements that provide for interest costs based on LIBOR plus up to 1.625%, or certain other alternative rates. Additionally, the Company is required to pay a quarterly facility fee of .25% per annum on the entire amount of this credit facility.

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Report of Independent Auditors

Shareholders and Board of Directors

Wells Real Estate Investment Trust, Inc.

We have audited the accompanying statement of revenues over certain operating expenses of the US Bancorp Minneapolis Building for the year ended December 31, 2002. This statement is the responsibility of the US Bancorp Minneapolis Building s management. Our responsibility is to express an opinion on this statement based on our audit.

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

The accompanying statement of revenues over certain operating expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission, as described in Note 2, and is not intended to be a complete presentation of the US Bancorp Minneapolis Building s revenues and expenses.

In our opinion, the statement of revenues over certain operating expenses referred to above presents fairly, in all material respects, the revenues and certain operating expenses described in Note 2 of the US Bancorp Minneapolis Building for the year ended December 31, 2002 in conformity with accounting principles generally accepted in the United States.

/s/ ERNST & YOUNG LLP

Atlanta, Georgia

May 5, 2003

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US Bancorp Minneapolis Building

Statement of Revenues Over Certain Operating Expenses

For the year ended December 31, 2002

(in thousands)

Revenues:	
Base rent	$ 12,495
Tenant reimbursements	9,699
Parking revenues	980
Total revenues	23,174
Expenses:	
Real estate taxes	5,839
Other operating expenses	2,022
Utilities	1,476
Cleaning	971
Management fee	690
Administrative	646
Total expenses	11,644
Revenues over certain operating expenses	$ 11,530

See accompanying notes.

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US Bancorp Minneapolis Building

Notes to Statement of Revenues Over Certain Operating Expenses

For the year ended December 31, 2002

1. Description of Real Estate Property Acquired

On May 1, 2003, Wells Operating Partnership, L.P. (Wells OP) acquired the US Bancorp Minneapolis Building, a 929,694 square foot Class A office tower located in Minneapolis, Minnesota, from MN-Nicollet Mall, LLC (Nicollet Mall). Total consideration for the acquisition was approximately $174 million, excluding acquisition costs. Wells OP is a Delaware limited partnership formed to acquire, own, lease, operate, and manage real properties on behalf of Wells Real Estate Investment Trust, Inc., a Maryland corporation. As the sole general partner of Wells OP, Wells Real Estate Investment Trust, Inc. possesses full legal control and authority over the operations of Wells OP.

2. Basis of Accounting

The accompanying statement of revenues over certain operating expenses is presented in conformity with accounting principles generally accepted in the United States and in accordance with the applicable rules and regulations of the Securities and Exchange Commission for real estate properties acquired. Accordingly, the statement excludes certain historical expenses that are not comparable to the proposed future operations of the property such as certain ancillary income, amortization, depreciation, interest and corporate expenses. Therefore, this statement is not comparable to the statement of operations of the US Bancorp Minneapolis Building after its acquisition by Wells OP.

3. Significant Accounting Policies

Rental Revenues

Rental revenue is recognized on a straight-line basis over the terms of the related leases. The excess of recognized rentals over amounts due pursuant to lease terms is recorded as straight-line rent receivable. The impact of the straight-line rent adjustment increased revenue by approximately $1.6 million for the year ended December 31, 2002.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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US Bancorp Minneapolis Building

Notes to Statement of Revenues Over Certain Operating Expenses

For the year ended December 31, 2002

4. Description of Leasing Arrangements

The office and retail space is leased to tenants under leases with terms that vary in length. Certain leases contain reimbursement clauses and renewal options. Nicollet Mall s interests in all lease agreements were assigned to Wells OP upon its acquisition of the US Bancorp Minneapolis Building.

5. Future Minimum Rental Commitments

Future minimum rental commitments for the years ended December 31 are as follows (in thousands):

2003	$ 14,589
2004	14,645
2005	14,603
2006	13,890
2007	13,161
Thereafter	85,650
	$ 156,538

One tenant, US Bancorp Piper Jaffray Companies, Inc., contributed approximately 73% of rental income for the year ended December 31, 2002. Subsequent to December 31, 2002, this tenant will contribute approximately 86% of the future minimum rental income of those leases in place as of that date.

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Report of Independent Auditors

Shareholders and Board of Directors

Wells Real Estate Investment Trust, Inc.

We have audited the accompanying statement of revenues over certain operating expenses of the Aon Center Chicago Building for the year ended December 31, 2002. This statement is the responsibility of the Aon Center Chicago Building s management. Our responsibility is to express an opinion on this statement based on our audit.

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

The accompanying statement of revenues over certain operating expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission, as described in Note 2, and is not intended to be a complete presentation of the Aon Center Chicago Building s revenues and expenses.

In our opinion, the statement of revenues over certain operating expenses referred to above presents fairly, in all material respects, the revenues and certain operating expenses described in Note 2 of the Aon Center Chicago Building for the year ended December 31, 2002 in conformity with accounting principles generally accepted in the United States.

/s/ ERNST & YOUNG LLP

Atlanta, Georgia

May 9, 2003

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Aon Center Chicago Building

Statements of Revenues Over Certain Operating Expenses

For the year ended December 31, 2002

and the three months ended March 31, 2003 (unaudited)

(in thousands)

	2003	2002
	(unaudited)	
Revenues:		
Base rent	$ 9,478	$ 37,923
Tenant reimbursements	8,411	37,119
Parking revenues	436	1,679
Other revenues	526	1,332
Total revenues	18,851	78,053
Expenses:		
Real estate taxes	5,128	21,501
Other operating expenses	837	4,749
Cleaning	1,103	4,629
Security	682	4,143
Utilities	1,279	4,025
Administrative	635	2,965
HVAC	385	2,224
Total expenses	10,049	44,236
Revenues over certain operating expenses	$ 8,802	$ 33,817

See accompanying notes.

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Aon Center Chicago Building

Notes to Statements of Revenues Over Certain Operating Expenses

For the year ended December 31, 2002

and the three months ended March 31, 2003 (unaudited)

1. Description of Real Estate Property Acquired

On May 9, 2003, Wells REIT-Chicago Center, Chicago LLC (the Company) acquired the Aon Center Chicago Building, an approximately 2.6 million square foot Class A office tower located in Chicago, Illinois, from BRE/Randolph Drive, LLC (Randolph Drive). Total consideration for the acquisition was approximately $465.2 million. The Company, a Georgia limited liability company, was created on April 30, 2003. Wells Operating Partnership, L.P. (Wells OP) is the sole member of the Company. Wells OP is a Delaware limited partnership formed to acquire, own, lease, operate, and manage real properties on behalf of Wells Real Estate Investment Trust, Inc., a Maryland corporation. As the sole general partner of Wells OP, Wells Real Estate Investment Trust, Inc. possesses full legal control and authority over the operations of Wells OP.

2. Basis of Accounting

The accompanying statements of revenues over certain operating expenses is presented in conformity with accounting principles generally accepted in the United States and in accordance with the applicable rules and regulations of the Securities and Exchange Commission for real estate properties acquired. Accordingly, the statements exclude certain historical expenses that are not comparable to the proposed future operations of the property such as certain ancillary income, amortization, depreciation, interest and corporate expenses. Therefore, the statements will not be comparable to the statements of operations of the Aon Center Chicago Building after its acquisition by the Company.

3. Significant Accounting Policies

Rental Revenues

Rental revenue is recognized on a straight-line basis over the terms of the related leases. The excess of recognized rentals over amounts due pursuant to lease terms is recorded as straight-line rent receivable. The impact of the straight-line rent adjustment increased revenue by approximately $1.7 million for the year ended December 31, 2002 and $195,000 for the three months ended March 31, 2003.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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Aon Center Chicago Building

Notes to Statements of Revenues Over Certain Operating Expenses

For the year ended December 31, 2002

and the three months ended March 31, 2003 (unaudited)

4. Description of Leasing Arrangements

The office and retail space is leased to tenants under leases with terms that vary in length. Certain leases contain reimbursement clauses and renewal options. Randolph Drive s interests in all lease agreements were assigned to the Company upon its acquisition of the Aon Center Chicago Building.

5. Future Minimum Rental Commitments

Future minimum rental commitments for the years ended December 31 are as follows (in thousands):

2003	$ 36,822
2004	39,539
2005	36,693
2006	32,778
2007	32,652
Thereafter	185,071
	$ 363,555

Two tenants, Amoco Corporation and Kirkland & Ellis, contributed approximately 46% and 11%, respectively, of rental income for the year ended December 31, 2002. At December 31, 2002, three tenants, Amoco Corporation, DDB Needham and Kirkland & Ellis, will contribute approximately 54%, 12% and 11%, respectively, of the future minimum rental income of those leases in place as of that date.

6. Interim Unaudited Financial Information

The financial statement for the three months ended March 31, 2003 is unaudited, however, in the opinion of management, all adjustments (consisting solely of normal, recurring adjustments) necessary for the fair presentation of the financial statement for the interim period have been included. The results of the interim period are not necessarily indicative of the results to be obtained for a full fiscal year.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

SUMMARY OF UNAUDITED PRO FORMA FINANCIAL STATEMENTS

This pro forma information should be read in conjunction with the financial statements and notes of Wells Real Estate Investment Trust, Inc., a Maryland Corporation (the Wells REIT), included in its annual report on Form 10-K for the year ended December 31, 2002 and its quarterly report on Form 10-Q for the three months ended March 31, 2003. In addition, this pro forma information should be read in conjunction with the financial statements and notes of certain acquired properties included in various Form 8-Ks previously filed.

The following unaudited pro forma balance sheet as of March 31, 2003 has been prepared to give effect to the second quarter 2003 acquisitions of the Citicorp Englewood Cliffs, NJ Building, the US Bancorp Minneapolis Building and the GMAC Detroit Building by Wells Operating Partnership, L.P. (Wells OP) and the acquisition of the Aon Center Chicago Building (collectively, the Recent Acquisitions) by Wells REIT Chicago Center, Chicago, LLC, a single member limited liability company of which Wells OP is the sole member, as if the acquisitions occurred on March 31, 2003.

Wells OP is a Delaware limited partnership that was organized to own and operate properties on behalf of Wells REIT. As the sole general partner of Wells OP, Wells REIT possesses full legal control and authority over the operations of Wells OP. Accordingly, the accounts of Wells OP are consolidated with the accompanying pro forma financial statements of Wells REIT.

The following unaudited pro forma statement of income for the three months ended March 31, 2003 has been prepared to give effect to the first quarter 2003 acquisitions of the East Point Cleveland Buildings and the 150 West Jefferson Detroit Building (collectively, the 2003 Acquisitions) and the Recent Acquisitions as if the acquisitions occurred on January 1, 2002.

The following unaudited pro forma statement of income for the year ended December 31, 2002 has been prepared to give effect to the 2002 acquisition of the Vertex Sarasota Building (formerly, the Arthur Andersen Building), the Transocean Houston Building, the Novartis Atlanta Building, the Dana Corporation Buildings, the Travelers Express Denver Buildings, the Agilent Atlanta Building, the BellSouth Ft. Lauderdale Building, the Experian/TRW Buildings, the Agilent Boston Building, the TRW Denver Building, the MFS Phoenix Building, the ISS Atlanta Buildings, the PacifiCare San Antonio Building, the BMG Greenville Buildings, the Kraft Atlanta Building, the Nokia Dallas Buildings, the Harcourt Austin Building, the IRS Long Island Buildings, the KeyBank Parsippany Building, the Allstate Indianapolis Building, the Federal Express Colorado Springs Building, the EDS Des Moines Building, the Intuit Dallas Building, the Daimler Chrysler Dallas Building, the NASA Buildings, the Caterpillar Nashville Building, the Capital One Richmond Buildings, the John Wiley Indianapolis Building and the Nestle Los Angeles Building (collectively, the 2002 Acquisitions), the 2003 Acquisitions and the Recent Acquisitions as if the acquisitions occurred on January 1, 2002. The Kerr McGee Property and the AmeriCredit Phoenix Property had no operations during the year ended December 31, 2002.

These unaudited pro forma financial statements are prepared for informational purposes only and are not necessarily indicative of future results or of actual results that would have been achieved had the acquisition of the 2002 Acquisitions, 2003 Acquisitions and the Recent Acquisitions been consummated as of January 1, 2002. In addition, the pro forma balance sheet includes allocations of the purchase price for certain acquisitions based upon preliminary estimates of the fair value of the assets and liabilities acquired. Therefore, these allocations may be adjusted in the future upon finalization of these preliminary estimates.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

PRO FORMA BALANCE SHEET

MARCH 31, 2003

(in thousands, except share amounts)

(Unaudited)

ASSETS

	Wells Real Estate Investment Trust, Inc.(a)	Pro Forma Adjustments: Other	Recent Acquisitions: Citicorp Englewood Cliffs, NJ	Recent Acquisitions: US Bancorp Minneapolis	Recent Acquisitions: Aon Center Chicago	Recent Acquisitions: GMAC Detroit	Pro Forma Total
REAL ESTATE ASSETS, at cost:							
Land	$ 291,140	$ 0	$ 10,300(d)	$ 10,700(d)	$ 23,258(d)	$ 1,900(d)	$ 337,948
			124(e)	438(e)	10(e)	78(e)	
Buildings, less accumulated depreciation of $82,812	1,811,220	0	60,587(d)	162,797(d)	445,956(d)	15,919(d)	2,504,723
			732(e)	6,665(e)	195(e)	652(e)	
Construction in progress	24,102	0	0	0	0	0	24,102
Total real estate assets	2,126,462	0	71,743	180,600	469,419	18,549	2,866,773
INVESTMENT IN JOINT VENTURES	83,286	0	0	0	0	0	83,286
CASH AND CASH EQUIVALENTS	118,030	192,164(b)	(20,929)(d)	(173,497)(d)	(7,833)(d)	(17,819)(d)	82,559
		(7,557)(c)					
RENT RECEIVABLE	19,928	0	0	0	0	0	19,928
DEFERRED PROJECT COSTS	5,124	7,557(c)	(856)(e)	(7,103)(e)	(205)(e)	(730)(e)	3,787
DUE FROM AFFILIATES	2,167	0	0	0	0	0	2,167
PREPAID EXPENSES AND OTHER ASSETS, NET	5,997	0	0	0	0	0	5,997
DEFERRED LEASE ACQUISITION COSTS, NET	1,561	0	0	0	0	0	1,561

INTANGIBLE LEASE ASSET	14,147	0	0	0	0	0	14,147
INVESTMENT IN BONDS	54,500	0	0	0	0	0	54,500
Total assets	$ 2,431,202	$ 192,164	$ 49,958	$ 0	$ 461,381	$ 0	$ 3,134,705

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LIABILITIES AND SHAREHOLDERS EQUITY

(in thousands, except share amounts)

	Wells Real Estate Investment Trust, Inc.(a)	Pro Forma Adjustments						
			Recent Acquisitions					
		Other	Citicorp Englewood Cliffs, NJ	US Bancorp Minneapolis	Aon Center Chicago	GMAC Detroit	Pro Forma Total
LIABILITIES:							
Borrowings	$ 108,986	$ 0	$ 49,958(d)	$ 0	$ 461,381(d)	$ 0	$ 620,325
Obligations under capital lease	54,500	0	0	0	0	0	54,500
Intangible lease liability	32,033	0	0	0	0	0	32,033
Accounts payable and accrued expenses	23,131	0	0	0	0	0	23,131
Due to affiliate	5,292	0	0	0	0	0	5,292
Dividends payable	7,252	0	0	0	0	0	7,252
Deferred rental income	11,164	0	0	0	0	0	11,164
Total liabilities	242,358	0	49,958	0	461,381	0	753,697
COMMITMENTS AND CONTINGENCIES							
MINORITY INTEREST OF UNIT HOLDER IN OPERATING PARTNERSHIP	200	0	0	0	0	0	200
SHAREHOLDERS EQUITY:							
Common shares, $.01 par value; 750,000,000 shares authorized, 217,790,874 shares issued and 215,699,717 outstanding at December 31, 2002	2,605	216(b)	0	0	0	0	2,821
Additional paid-in capital	2,310,731	191,948(b)	0	0	0	0	2,502,679
Cumulative distributions in excess of earnings	(90,802)	0	0	0	0	0	(90,802)
Treasury stock, at cost, 2,091,157 shares at December 31, 2002	(33,860)	0	0	0	0	0	(33,860)
Other comprehensive loss	(30)	0	0	0	0	0	(30)
Total shareholders equity	2,188,644	192,164	0	0	0	0	2,380,808
Total liabilities and shareholders equity	$ 2,431,202	$ 192,164	$ 49,958	$ 0	$ 461,381	$ 0	$ 3,134,705

(a) Historical financial information derived from quarterly report on Form 10-Q.
(b) Reflects capital raised through issuance of additional shares subsequent to March 31, 2003 through GMAC Detroit acquisition date, net of organizational and offering costs, commissions and dealer-manager fees.
(c) Reflects deferred project costs capitalized as a result of additional capital raised described in note (b) above.
(d) Reflects Wells Real Estate Investment Trust, Inc. s purchase price for the land, building and liabilities assumed.
(e) Reflects deferred project costs applied to the land and building at approximately 4.094% of the cash paid for purchase.

The accompanying notes are an integral part of this statement.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

PRO FORMA STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2002

(in thousands, except per share amounts)

(Unaudited)

	Wells Real Estate Investment Trust, Inc.(a)	Pro Forma Adjustments							
				Recent Acquisitions					
		2002 Acquisitions	2003 Acquisitions	Citicorp Englewood Cliffs, NJ	US Bancorp Minneapolis	Aon Center Chicago	GMAC Detroit	Pro Forma Total
REVENUES:								
Rental income	$ 107,526	$ 98,599(b)	$ 13,196(b)	$ 6,359(b)	$ 13,665(b)	$ 42,592(b)	$ 1,336(b)	$ 283,273
Tenant reimbursements	18,992	9,584(c)	5,590(c)	14(c)	9,699(c)	37,119(c)	39(c)	81,037
Equity in income of joint ventures	4,700	648(d)	0	0	0	0	0	5,348
Lease termination income	1,409	0	0	0	0	0	0	1,409
Interest and other income	7,001	0	0	0	0	0	0	7,001
	139,628	108,831	18,786	6,373	23,364	79,711	1,375	378,068
EXPENSES:								
Depreciation	38,780	34,362(e)	4,348(e)	2,453(e)	6,778(e)	17,846(e)	663(e)	105,230
Interest expense	4,638	9,657(f)	0	1,993(f)	0	22,414(i)	0	38,702
Property operating costs	26,949	25,244(g)	8,742(g)	63(g)	10,955(g)	45,627(g)	609(g)	118,189
Management and leasing fees	5,155	3,196(h)	846(h)	287(h)	1,051(h)	3,587(h)	62(h)	14,184
General and administrative	3,244	0	0	0	0	0	0	3,244
Legal and accounting	1,008	0	0	0	0	0	0	1,008
	79,774	72,459	13,936	4,796	18,784	89,474	1,334	280,557
NET INCOME	$ 59,854	$ 36,372	$ 4,850	$ 1,577	$ 4,580	$ (9,763)	$ 41	$ 97,511
EARNINGS PER SHARE, basic and diluted	$ 0.41							$ 0.35
WEIGHTED AVERAGE SHARES, basic and diluted	145,633							278,027

(a) Historical financial information derived from annual report on Form 10-K.

(b) Rental income is recognized on a straight-line basis.

(c) Consists of operating costs reimbursements.

(d) Reflects Wells Real Estate Investment Trust, Inc. s equity in income of the Wells Fund XIII-REIT Joint Venture related to the John Wiley Indianapolis Building. The pro forma adjustment results from rental revenues less operating expenses, management fees and depreciation.

(e) Depreciation expense is recognized using the straight-line method and a 25-year life.

(f) Represents interest expense on lines of credits used to acquire assets, which bear interest at approximately 3.99% for the year ended December 31, 2002 and assumed mortgages on the BMG Direct, BMG Music and Nestle Buildings, which bear interest at 8.5%, 8% and 3.39% for the year ended December 31, 2002, respectively.

(g) Consists of operating expenses.

(h) Management and leasing fees are generally calculated at 4.5% of rental income and tenant reimbursements.

(i) Represents interest expense on loan used to acquire Aon Center Chicago Building, which bears interest at approximately 4.858% for the year ended December 31, 2002.

The accompanying notes are an integral part of this statement.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

PRO FORMA STATEMENT OF INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2003

(in thousands, except per share amounts)

(Unaudited)

	Wells Real Estate Investment Trust, Inc. (a)	Pro Forma Adjustments						
			Recent Acquisitions					
		2003 Acquisitions	Citicorp Englewood Cliffs, NJ	US Bancorp Minneapolis	Aon Center Chicago	GMAC Detroit	Pro Forma Total
REVENUES:							
Rental income	$ 53,343	$ 2,941(b)	$ 1,590(b)	$ 3,421(b)	$ 10,855(b)	$ 563(b)	$ 72,713
Tenant reimbursements	9,601	1,378(c)	6(c)	2,799(c)	8,411(c)	23(c)	22,218
Equity in income of joint ventures	1,261	0	0	0	0	0	1,261
Interest and other income	1,154	0	0	0	0	0	1,154
	65,359	4,319	1,596	6,220	19,266	586	97,346
EXPENSES:							
Depreciation	19,218	888(d)	613(d)	1,694(d)	4,462(d)	166(d)	27,041
Property operating costs	15,220	1,946(f)	74(f)	2,682(f)	10,572(f)	270(f)	30,764
Management and leasing fees	2,333	194(g)	72(g)	280(g)	867(g)	26(g)	3,772
General and administrative	1,576	0	0	0	0	0	1,576
Interest expense	2,648	0	388(e)	0	5,075(h)	0	8,111
	40,995	3,028	1,147	4,656	20,976	462	71,264
NET INCOME	$ 24,364	$ 1,291	$ 449	$ 1,564	$ (1,710)	$ 124	$ 26,082
EARNINGS PER SHARE, basic and diluted	$ 0.10						$ 0.09
WEIGHTED AVERAGE SHARES, basic and diluted	233,247						278,027

(a) Historical financial information derived from quarterly report on Form 10-Q.
(b) Rental income is recognized on a straight-line basis.
(c) Consists of operating costs reimbursements.
(d) Depreciation expense is recognized using the straight-line method and a 25-year life.
(e) Represents interest expense on lines of credits used to acquire assets, which bear interest at approximately 3.106% for the three months ended March 31, 2003.
(f) Consists of operating expenses.
(g) Management and leasing fees are generally calculated at 4.5% of rental income and tenant reimbursements.
(h) Represents interest expense on loan used to acquire Aon Center Chicago Building, which bears interest at approximately 4.40% for the three months ended March 31, 2003.

The accompanying notes are an integral part of this statement.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

SUPPLEMENT NO. 8 DATED JUNE 15, 2003 TO THE PROSPECTUS

DATED JULY 26, 2002

This document supplements, and should be read in conjunction with, the prospectus of Wells Real Estate Investment Trust, Inc. dated July 26, 2002, as supplemented and amended by Supplement No. 1 dated August 14, 2002, Supplement No. 2 dated August 29, 2002, Supplement No. 3 dated October 25, 2002, Supplement No. 4 dated December 10, 2002, Supplement No. 5 dated January 15, 2003, Supplement No. 6 dated April 14, 2003, and Supplement No. 7 dated May 15, 2003 . When we refer to the prospectus in this supplement, we are also referring to any and all supplements to the prospectus. Unless otherwise defined in this supplement, capitalized terms used in this supplement shall have the same meanings as set forth in the prospectus.

The purpose of this supplement is to describe the following:

(1) Status of the offering of shares in Wells Real Estate Investment Trust, Inc. (Wells REIT);

(2) The declaration of dividends for the third quarter of 2003; and

(3) Notice received from the NASD of its determination to institute an enforcement action against Wells Investment Securities, Inc. (Wells Investment Securities), our Dealer Manager, and Leo F. Wells, III for alleged NASD Rule violations relating to the educational and due diligence conferences sponsored by Wells Investment Securities in 2001 and 2002.

Status of the Offering

We commenced our initial public offering of common stock on January 30, 1998. Our initial public offering was terminated on December 19, 1999. We received approximately $132.2 million in gross offering proceeds from the sale of 13.2 million shares in our initial public offering. We commenced our second offering of common stock on December 20, 1999. Our second public offering was terminated on December 19, 2000. We received approximately $175.2 million in gross offering proceeds from the sale of 17.5 million shares in our second public offering. We commenced our third public offering of common stock on December 20, 2000. Our third public offering was terminated on July 26, 2002. We received approximately $1.3 billion in gross offering proceeds from the sale of 128.3 million shares in our third public offering.

Pursuant to the prospectus, we commenced our fourth public offering of common stock on July 26, 2002. As of May 31, 2003, we had received additional gross proceeds of approximately $1.4 billion from the sale of approximately 137.3 million shares in our fourth public offering. Accordingly, as of May 31, 2003, we had received aggregate gross offering proceeds of approximately $3.0 billion from the sale of approximately 296.3 million shares in all of our public offerings. After payment of approximately $102.2 million in acquisition and advisory fees and acquisition expenses, payment of $329.2 million in selling commissions and organization and offering expenses, and common stock redemptions of approximately $43.6 million pursuant to our share redemption program, as of May 31, 2003, we had raised aggregate net offering proceeds available for investment in properties of approximately $2.5 billion, out of which approximately $2.0 billion had been invested in real estate properties, and approximately $50.6 million remained available for investment in real estate properties.

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Dividends

On June 11, 2003, our board of directors declared dividends for the third quarter of 2003 in the amount of a 7.0% annualized percentage rate return on an investment of $10.00 per share to be paid in September 2003. Our third quarter dividends are calculated on a daily record basis of $0.001902 (0.1902 cents) per day per share on the outstanding shares of common stock payable to stockholders of record of such shares as shown on the books of the Wells REIT at the close of business on each day during the period, commencing on June 16, 2003, and continuing on each day thereafter through and including September 15, 2003.

NASD Enforcement Action

On June 6, 2003, the enforcement division of NASD, Inc. (NASD) informed Wells Investment Securities, our Dealer Manager, and Leo F. Wells, III, our President and a director, that the NASD has made a determination to institute disciplinary proceedings against both Wells Investment Securities and Mr. Wells, as registered principal of Wells Investment Securities, for alleged violations of various NASD Conduct Rules entirely related to providing non-cash compensation of more than $100 to associated persons of NASD member firms in connection with their attendance at the annual educational and due diligence conferences sponsored by Wells Investment Securities in 2001 and 2002.

While the NASD has not yet instituted a formal action against Wells Investment Securities or Mr. Wells and, in its notice, only cited alleged rule violations in general terms, Wells Investment Securities and Mr. Wells are in the process of ascertaining the specific factual details forming the basis for these allegations. Based upon what we know at this time, however, we believe that these alleged rule violations will relate primarily to (1) the failure to obtain full reimbursement from some of the registered representatives for travel expenses of guests and the cost of golf in connection with attendance at our 2001 educational conference, and (2) the payment for meals of guests of attendees at our 2001 and 2002 educational conferences. We are unable to predict at this time the potential outcome of any such enforcement action against Wells Investment Securities and Mr. Wells or the potential effect such an enforcement action may have on the operations of Wells Capital, Inc., our advisor, and, accordingly, on our operations, if any.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

SUPPLEMENT NO. 9 DATED AUGUST 27, 2003 TO THE PROSPECTUS

DATED JULY 26, 2002

This document supplements, and should be read in conjunction with, the prospectus of Wells Real Estate Investment Trust, Inc. dated July 26, 2002, as supplemented and amended by Supplement No. 1 dated August 14, 2002, Supplement No. 2 dated August 29, 2002, Supplement No. 3 dated October 25, 2002, Supplement No. 4 dated December 10, 2002, Supplement No. 5 dated January 15, 2003, Supplement No. 6 dated April 14, 2003, Supplement No. 7 dated May 15, 2003, and Supplement No. 8 dated June 15, 2003. When we refer to the prospectus in this supplement, we are also referring to any and all supplements to the prospectus. Unless otherwise defined in this supplement, capitalized terms used in this supplement shall have the same meanings as set forth in the prospectus.

The purpose of this supplement is to describe the following:

(1) Status of the offering of shares in Wells Real Estate Investment Trust, Inc. (Wells REIT);

(2) Settlement of the NASD enforcement action against Wells Investment Securities, Inc. (Wells Investment Securities), our Dealer Manager, and Leo F. Wells, III, our president and chairman of our board of directors;

(3) Revisions to the Management Executive Officers and Directors section of the prospectus to describe the addition of W. Wayne Woody as a newly appointed independent director and a member of our Audit Committee;

(4) Revisions to the Management Compensation of Directors section of the prospectus;

(5) Revisions to the Description of Real Estate Investments section of the prospectus to describe the following real property acquisitions;

- (A) Acquisition of a six-story office building and a two-story office building in Reston, Virginia (IBM Reston Buildings);
- (B) Acquisition of a three-story office building in Atlanta, Georgia (ISS Atlanta III Building);
- (C) Acquisition of two four-story office buildings in Rockville, Maryland (Lockheed Martin Rockville Buildings);
- (D) Acquisition of a 19-story office building in Atlanta, Georgia (Cingular Atlanta Building); and
- (E) Acquisition of an eight-story office building in Bridgewater, New Jersey (Aventis Northern NJ Building);

(6) Revisions to the Management s Discussion and Analysis of Financial Condition and Results of Operations section of the prospectus to include information for the quarter ended June 30, 2003;

(7) Changes to the Plan of Distribution Underwriting Compensation and Terms section of the prospectus to reflect an additional volume discount available for purchases of 500,000 or more shares;

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(8) Description of committees of the board of directors;

(9) Unaudited financial statements of the Wells REIT for the period ended June 30, 2003;

(10) Statements of Revenues Over Certain Operating Expenses for the recently acquired Lockheed Martin Rockville Buildings, the Cingular Atlanta Building and the Aventis Northern NJ Building; and

(11) Unaudited pro forma financial statements of the Wells REIT reflecting the acquisition of the IBM Reston Buildings, the ISS Atlanta III Building, the Lockheed Martin Rockville Buildings, the Cingular Atlanta Building and the Aventis Northern NJ Building.

Status of the Offering

We commenced our initial public offering of common stock on January 30, 1998. Our initial public offering was terminated on December 19, 1999. We received approximately $132.2 million in gross offering proceeds from the sale of approximately 13.2 million shares in our initial public offering. We commenced our second offering of common stock on December 20, 1999. Our second public offering was terminated on December 19, 2000. We received approximately $175.2 million in gross offering proceeds from the sale of approximately 17.5 million shares in our second public offering. We commenced our third public offering of common stock on December 20, 2000. Our third public offering was terminated on July 26, 2002. We received approximately $1.3 billion in gross offering proceeds from the sale of approximately 128.3 million shares in our third public offering.

Pursuant to the prospectus, we commenced our fourth public offering of common stock on July 26, 2002. As of August 15, 2003, we had received additional gross proceeds of approximately $1.974 billion from the sale of approximately 197.4 million shares in our fourth public offering. Accordingly, as of August 15, 2003, we had received aggregate gross offering proceeds of approximately $3.565 billion from the sale of approximately 3.565 million shares in all of our public offerings. After payment of approximately $122.7 million in acquisition and advisory fees and acquisition expenses, payment of approximately $389.0 million in selling commissions and organization and offering expenses, and common stock redemptions of approximately $59.4 million pursuant to our share redemption program, as of August 15, 2003, we had raised aggregate net offering proceeds available for investment in properties of approximately $2.994 billion, out of which approximately $2.955 billion had been invested in real estate properties, and approximately $38.8 million remained available for investment in real estate properties.

Redemptions of Common Stock under our Share Redemption Plan

Our current share redemption plan allows for the redemption of approximately 4.37 million shares at an aggregate cost of $43.7 million for the year ending December 31, 2003. From January 1, 2003 through August 15, 2003, we had redeemed approximately 3.85 million shares of common stock available for redemption for the year at an aggregate cost of approximately $38.5 million. We anticipate that the remaining shares eligible for redemption during the year ending December 31, 2003 will be exhausted in the very near future. All other requests for potential redemption will not be eligible for redemption on a first come, first served

basis until after January 1, 2004, subject to our board s ability to change or terminate our share redemption program at any time in its discretion.

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Settlement of NASD Enforcement Action

As described in more detail in Supplement No. 8 dated June 15, 2003, in a letter dated June 6, 2003, Wells Investment Securities, our Dealer Manager, and Leo F. Wells, III, registered principal of Wells Investment Securities and our president and chairman of our board of directors, were informed that the NASD had made a determination to institute certain disciplinary proceedings against them. On August 26, 2003, Wells Investment Securities and Mr. Wells settled this contemplated NASD enforcement action against them by entering into a Letter of Acceptance, Waiver and Consent (AWC) with the NASD which contained findings by the NASD that Wells Investment Securities and Mr. Wells had violated certain of its Conduct Rules related to providing non-cash compensation of more than $100 to associated persons of NASD member firms in connection with their attendance at the annual educational conferences sponsored by Wells Investment Securities in 2001 and 2002.

Without admitting or denying the allegations and findings against them, Wells Investment Securities and Mr. Wells consented in the AWC to various findings by the NASD which are summarized in the following paragraph:

In 2001 and 2002, Wells Investment Securities sponsored conferences attended by registered representatives who sold its real estate investment products. Wells Investment Securities also paid for certain expenses of guests of the registered representatives who attended the conferences. In 2001, Wells Investment Securities paid the costs of travel to the conference and meals for many of the guests, and paid the costs of playing golf for some of the registered representatives and their guests. Wells Investment Securities later invoiced registered representatives for the cost of golf and for travel expenses of guests, but was not fully reimbursed for such. In 2002, Wells Investment Securities paid for meals for the guests. Wells Investment Securities also conditioned most of the 2001 conference invitations on attainment by the registered representatives of a predetermined sales goal for Wells Investment Securities products. This conduct violated the prohibitions against payment and receipt of non-cash compensation in connection with the sales of these products contained in NASD s Conduct Rules 2710, 2810, and 3060. In addition, Wells Investment Securities and Mr. Wells failed to adhere to all of the terms of their written undertaking made in March 2001 not to engage in the conduct described above, and thereby engaged in conduct that was inconsistent with high standards of commercial honor and just and equitable principles of trade in violation of NASD Conduct Rule 2110.

Wells Investment Securities consented to a censure and Mr. Wells consented to suspension from acting in a principal capacity with an NASD member firm for one year. Wells Investment Securities and Mr. Wells also agreed to the imposition of a joint and several fine in the amount of $150,000. Although Mr. Wells is now prohibited from acting in a principal capacity with Wells Investment Securities and has, therefore, resigned from all relevant positions in that regard, he will continue to engage in selling efforts on behalf of Wells Investment Securities and other non-principal activities. Mr. Wells will also continue to serve as our president and chairman of our board of directors and as the president of both Wells Capital, Inc., our advisor, and Wells Management Company, Inc., our property manager.

Management

Executive Officers and Directors

The following information should be read in conjunction with the Management Executive Officers and Directors section beginning on page 34 of the prospectus to include background information on W. Wayne Woody. On July 15, 2003, our board of directors unanimously approved an increase in the number of our directors from 10 to 11 and elected W. Wayne Woody as a new independent director to fill the vacancy. Mr. Woody was also appointed as a member of our Audit Committee. Of our 11 directors, nine are considered independent of Wells Capital, Inc. (Wells Capital), our advisor.

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W. Wayne Woody served as the Interim Chief Financial Officer for Legacy Investment Group, a boutique investment firm, from 2000 to 2001 where he was responsible for guiding the company through a transition in accounting and reporting.

From 1968 until his retirement in 1999, Mr. Woody was employed by KMPG LLP and its predecessor firms, Peat Marwick Mitchell & Co. and Peat Marwick Main. As a Senior Partner, he served in a number of key positions in the firm, including Securities and Exchange Commission Reviewing Partner and Partner-in-Charge of Professional Practice and Firm Risk Management for the southeastern United States and Puerto Rico. Mr. Woody was also a member of the Board of Directors of KMPG LLP from 1990 through 1994. Prior to joining KMPG, Mr. Woody was the Principal Budget Analyst for the State of Georgia Office of Planning and Budget where he reviewed, analyzed and presented the Governor s budget proposals to the state legislature.

Mr. Woody currently serves as Chairman of the Audit Committee for the City of Atlanta. He is also a director and the Chairman of the Audit Committee of the Metropolitan Atlanta Chapter of the American Red Cross. Mr. Woody is a member of the Board of Directors for the Metropolitan Atlanta Chapter of the American Heart Association. In addition, he is a trustee and the Chairman of the Finance Committee for the Georgia State University Foundation. Mr. Woody previously served a three-year term as Chairman of the Board of Trustees for the Georgia Center for the Visually Impaired.

Mr. Woody received a Bachelor of Science degree from Middle Tennessee State University and a Masters of Business Administration degree from Georgia State University. He is a Certified Public Accountant in the states of Georgia and North Carolina.

Compensation of Directors

The paragraph contained in the Management Compensation of Directors section of the prospectus on page 38 should be replaced by the following paragraph to reflect a change in the manner in which we compensate our independent directors:

We pay each of our independent directors an annual retainer of $12,000, $2,500 per regularly scheduled board meeting attended, $1,500 per regularly scheduled committee meeting attended (committee chairpersons receive an additional $500 per committee meeting for serving in that capacity) and $250 per special board meeting attended whether held in person or by telephone conference. Members of our Audit Committee will receive $2,500 per meeting attended for each of the four meetings necessary to review our quarterly and annual financial statements. In addition, we have reserved 100,000 shares of common stock for future issuance upon the exercise of stock options granted to the independent directors pursuant to our Independent Director Stock Option Plan and 500,000 shares for future issuance upon the exercise of warrants to be granted to the independent directors pursuant to our Independent Director Warrant Plan. All directors receive reimbursement of reasonable out-of-pocket expenses incurred in connection with attendance at meetings of the board of directors. If a director also is an officer of the Wells REIT, we do not pay separate compensation for services rendered as a director.

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Description of Properties

As of August 20, 2003, we had purchased interests in 83 real estate properties located in 24 states. Below is a description of our recent real property acquisitions.

IBM Reston Buildings

On June 27, 2003, Wells Operating Partnership, L.P. (Wells OP), a Delaware limited partnership formed to acquire, own, lease and operate real properties on behalf of the Wells REIT, purchased a six-story office building and a two-story office building containing approximately 141,000 aggregate rentable square feet located on an approximately 4.56-acre tract of land at 11107 & 11109 Sunset Hills Road in Reston, Virginia (IBM Reston Buildings) for a purchase price of approximately $28.6 million, plus closing costs. The IBM Reston Buildings were purchased from Sunset Hills, LLC, a Delaware limited liability company not in any way affiliated with the Wells REIT, Wells OP or Wells Capital, Inc. (Advisor).

The IBM Reston Buildings, which were built in 1984 and 1985, respectively, are leased to International Business Machines Corporation (IBM) (approximately 71%) and Tellabs Reston, Inc. (Tellabs) (approximately 29%).

IBM, a company whose shares are publicly traded on the New York Stock Exchange (NYSE), manufactures and sells computer services, hardware and software and is the most diversified provider of computer products and services in the United States. IBM reported a net worth, as of December 31, 2002, of approximately $22.8 billion. The current annual base rent payable under the IBM lease, which expires in 2012, is approximately $2.4 million. In addition, IBM has the right to terminate the IBM lease (1) in 2007 by paying an approximately $2.3 million termination fee, or (2) in 2009 by paying an approximately $1.1 million termination fee.

Tellabs is a wholly-owned subsidiary of Tellabs, Inc., a company whose shares are publicly traded on NASDAQ which designs, manufactures, markets and services optical networking, broadband access and voice-quality enhancement solutions. The current annual base rent payable under the Tellabs lease, which expires in 2011, is approximately $1.2 million. In addition, Tellabs has obtained an approximately $2.5 million letter of credit from Silicon Valley Bank to serve as additional security for payments under the lease.

ISS Atlanta III Building

On July 1, 2003, Wells OP purchased a three-story office building containing approximately 50,400 rentable square feet (ISS Atlanta III Building) located at 859 Mount Vernon Highway in Atlanta, Georgia for a purchase price of $10.0 million, plus closing costs. The ISS Atlanta III Building was purchased from Spring Creek Partners, LLC, a Georgia limited liability company not in any way affiliated with the Wells REIT, Wells OP or our Advisor. The ISS Atlanta III Building is the third building in a three building complex. In 2002, Wells OP purchased two five-story office buildings containing approximately 238,600 aggregate rentable square feet which are immediately adjacent to the ISS Atlanta III Building.

The entire rentable area of the ISS Atlanta III Building is leased to Internet Security Systems, Inc., a Georgia corporation (ISS). The ISS Atlanta lease is guaranteed by the parent of ISS, Internet Security Systems, Inc., a Delaware corporation (ISS, Inc.), whose shares are traded on NASDAQ. ISS, Inc. provides computer security solutions to networks, servers and desktop computers for organizational customers, including corporate customers and governmental units. ISS, Inc. reported a net worth, as of December 31, 2002, of approximately $464.6 million.

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The ISS Atlanta III lease is a net lease (i.e., operating costs and maintenance costs are paid by the tenant) that expires in 2013. The current annual base rent payable under the ISS Atlanta III lease is approximately $1.0 million. In addition, ISS has obtained a $2.5 million letter of credit from Wachovia Bank, N.A. to serve as additional security for payments under the lease. ISS has the right to apply to the Development Authority of Fulton County (Development Authority) for tax abatement benefits in connection with the recent construction of the ISS Atlanta III Building, which, if successful, will result in Wells OP transferring fee simple title to the land and improvements to the Development Authority in connection with the issuance of Development Authority of Fulton County Taxable Revenue Bonds (Bonds) and retaining ownership of an interest in the ISS Atlanta III Building by taking back a ground lease on the land and improvements. Fee title interest to the land and improvements will be transferred back to Wells OP upon payment of the outstanding balance on the Bonds, either by prepayment by Wells OP or at the expiration of the ground lease. Pursuant to the ISS Atlanta III lease, ISS is required to pay all costs associated with the application for tax abatement benefits.

Since the ISS Atlanta III Building is leased to a single tenant on a long-term basis under a net lease that transfers substantially all of the operating costs to the tenant, we believe that financial information about the guarantor of the lease, ISS, Inc., is more relevant to investors than financial statements of the property acquired.

ISS, Inc. currently files its financial statements in reports filed with the SEC, and the following summary financial data regarding ISS, Inc. is taken from its previously filed public reports:

	For the Fiscal Year Ended		
Consolidated Statements of Operations	**12/31/2002**	**12/31/2001**	**12/31/2000**
		(in thousands)	
Revenues	$ 243,285	$ 223,559	$ 194,975
Operating Income	$ 8,023	$ (24,158)	$ 20,569
Net Income	$ 1,779	$ (15,458)	$ 18,315

	As of the Fiscal Year Ended		
Consolidated Balance Sheet	**12/31/2002**	**12/31/2001**	**12/31/2000**
		(in thousands)	
Total Assets	$ 546,568	$ 500,984	$ 240,240
Stockholders Equity	$ 464,556	$ 426,935	$ 188,389

For more detailed financial information regarding ISS, Inc., please refer to the financial statements of Internet Security Systems, Inc., which are publicly available with the SEC at http://www.sec.gov.

Lockheed Martin Rockville Buildings

On July 30, 2003, Wells OP purchased all of the membership interest in Meridian/Northwestern Shady Grove North, LLC (North), a Delaware limited liability company, which owns two four-story office buildings containing approximately 231,000 aggregate rentable square feet located on an approximately 8.91-acre tract of land at 9211 & 9221 Corporate Boulevard in Rockville, Maryland (Lockheed Martin Rockville Buildings) for a purchase price of approximately $51.6 million, plus closing costs. The Lockheed Martin Rockville Buildings were purchased from Meridian/Northwestern Shady Grove Holdings, LLC (Holdings), a Delaware limited liability company which owned the entire membership interest in North. Neither North nor Holdings is in any way affiliated with the Wells REIT, Wells OP or our Advisor.

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The entire rentable square feet of the Lockheed Martin Rockville Buildings are leased under two separate lease agreements to Lockheed Martin Corporation (Lockheed Martin). Lockheed Martin, a company whose shares are publicly traded on the NYSE, is a technology company formed in March of 1995 with the merger of two other technology companies, Lockheed Corporation and Martin Marietta Corporation. Lockheed Martin is principally engaged in the research, design, development, manufacture and integration of advanced technology systems, products and services. Lockheed Martin reported a net worth, as of December 31, 2002, of approximately $5.9 billion. The current aggregate annual base rent payable under the Lockheed Martin leases, which expire in 2009, is approximately $4.7 million.

Cingular Atlanta Building

On August 1, 2003, Wells OP purchased a 19-story office building containing approximately 413,000 aggregate rentable square feet located on an approximately 5.2-acre tract of land at 5565 Glenridge Connector, N.E. in Atlanta, Georgia (Cingular Atlanta Building) for a purchase price of approximately $83.9 million, plus closing costs. The Cingular Atlanta Building was purchased from Teachers Insurance and Annuity Association of America, a New York corporation not in any way affiliated with the Wells REIT, Wells OP or our Advisor.

The Cingular Atlanta Building, which was built in 2000, is primarily leased to Cingular Wireless, LLC (Cingular) (approximately 76%). Approximately 21% of the Cingular Atlanta Building is leased to four additional tenants, and approximately 3% of the Cingular Atlanta Building is currently vacant.

Cingular is a joint venture between the domestic wireless divisions of SBC Communications, Inc. and BellSouth Corporation. Cingular serves more than 22 million voice and data customers across the United States, provides cellular/PCS service in 43 of the top 50 markets nationwide, and provides corporate e-mail and other advanced data services. Cingular reported a net worth, as of December 31, 2002, of approximately $7.5 billion.

The current annual base rent payable under the Cingular lease, which expires in 2010, is approximately $8.9 million. Cingular has the right to terminate the Cingular lease in 2008 by paying a termination fee equal to all unamortized tenant improvement allowances and leasing commissions incurred by the landlord in connection with the Cingular lease, which is currently estimated to be approximately $2.7 million. The Cingular lease prohibits Wells OP from leasing any space in the Cingular Atlanta Building to another tenant in the telecommunications business.

The current aggregate annual base rent for the remaining four tenants is approximately $2.0 million.

Aventis Northern NJ Building

On August 14, 2003, Wells Bridgewater I, LLC (Wells Bridgewater), a Georgia limited liability company wholly-owned by Wells OP, purchased an eight-story office building containing approximately 297,000 rentable square feet located on an approximately 10.47 acre tract of land at 200 Crossing Boulevard in Bridgewater, New Jersey (Aventis Northern NJ Building) for a purchase price of $96.3 million, plus closing costs, from PGC Bridgewater, LLC, a Delaware limited liability company not in any way affiliated with the Wells REIT, Wells OP, Wells Bridgewater or our Advisor.

The entire Aventis Northern NJ Building is leased to Aventis, Inc. (Aventis), the U.S. pharmaceuticals division and a subsidiary of Aventis SA, a French company whose shares are publicly traded on the NYSE. Aventis Pharma AG, an affiliate of Aventis and a subsidiary of Aventis SA is a guarantor of the Aventis lease. Aventis develops pharmaceutical products in areas such as oncology, cardiology, diabetes, respiratory/allergy and anti-infectives. The current annual net base rent payable under the Aventis lease, which expires in 2012, is approximately $7.3 million.

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Property Management

Wells Management Company, Inc. (Wells Management), an affiliate of the Wells REIT and our Advisor, will manage the IBM Reston Buildings, the ISS Atlanta III Building, the Lockheed Martin Buildings, the Cingular Atlanta Building and the Aventis Northern NJ Building on behalf of Wells OP. Wells Management will be paid asset and property management fees in the amount of up to 4.5% of the gross revenues from the IBM Reston Buildings, the ISS Atlanta III Building, the Lockheed Martin Buildings, the Cingular Atlanta Building and the Aventis Northern NJ Building, subject to certain limitations. Hines Interests Limited Partnership (Hines) is the current on-site property manager of the Aventis Northern NJ Building and Wells OP anticipates entering into a new management agreement with Hines to continue to serve as the on-site property manager. The property management fees payable to Hines will be paid out of or credited against the fees payable to Wells Management. Hines is not in any way affiliated with the Wells REIT, Wells OP, Wells Bridgewater or our Advisor.

Management s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the Management s Discussion and Analysis of Financial Condition and Results of Operations section contained in Supplement No. 6 dated April 14, 2003 and Supplement No. 7 dated May 15, 2003 and should also be read in conjunction with our accompanying financial statements and notes thereto.

Forward Looking Statements

This supplement contains forward-looking statements, within the meaning of Section 27A of the Securities Act of 1933 and 21E of the Securities Exchange Act of 1934, including discussion and analysis of our financial condition, anticipated capital expenditures required to complete certain projects, amounts of anticipated cash distributions to stockholders in the future and certain other matters. Readers of this supplement should be aware that there are various factors that could cause actual results to differ materially from any forward-looking statements made in this supplement, which include changes in general economic conditions, changes in real estate conditions, construction costs which may exceed estimates, construction delays, increases in interest rates, lease-up risks, inability to obtain new tenants upon the expiration of existing leases, inability to invest in properties on a timely basis or in properties that will provide targeted rates of return and the potential need to fund tenant improvements or other capital expenditures out of operating cash flow.

REIT Qualification

We have made an election under Section 856 of the Internal Revenue Code to be taxed as a REIT beginning with our taxable year ended December 31, 1998. As a REIT for federal income tax purposes, we generally will not be subject to federal income tax on income that we distribute to shareholders. If we fail to qualify as a REIT in any taxable year, we will be subject to federal income tax on taxable income at regular corporate rates and will not be permitted to qualify for treatment as a REIT for federal income tax purposes for four years following the year in which our qualification is lost. Such an event could materially, adversely affect our financial position and results of operations. However, management believes that we are organized and operate in a manner which will enable us to qualify for treatment as a REIT for federal income tax purposes during the year ending December 31, 2003. In addition, we intend to continue to operate to remain qualified as a REIT for federal income tax purposes.

Liquidity and Capital Resources

During the six months ended June 30, 2003, we received aggregate gross offering proceeds of $1.04 billion from the sale of 104.4 million shares of our common stock. After incurring costs of $35.5 million in acquisition and advisory fees and acquisition expenses, $108.9 million in selling commissions

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and organization and offering expenses and common stock redemptions of $31.0 million pursuant to our share redemption program, we raised net offering proceeds of $868.9 million during the six months ended June 30, 2003.

The significant increase in capital resources available to us is due to significantly increased sales of our common stock during the first half of 2003. After payment of the costs described above associated with the sale of shares of common stock and acquisitions of properties, we had approximately $44.0 million available for investment in real estate assets as of June 30, 2003.

As of June 30, 2003, we owned interests in 79 real estate properties either directly or through our interests in joint ventures located throughout the United States. Our real estate investment policies are to identify and invest in high-grade commercial office and industrial buildings located in densely populated metropolitan markets which are newly constructed, under construction or which have been previously constructed and have operating histories. However, we are not limited to such investments. We expect to continue to acquire commercial properties that meet our standards of quality in terms of the real estate and the creditworthiness of the tenants.

We have developed specific standards for determining creditworthiness of potential tenants of our properties in order to reduce the risk of tenant default. Although authorized to enter into leases with any type of tenant, we anticipate that a majority of our tenants will be large corporations or other entities which have a net worth in excess of $100 million or whose lease obligations are guaranteed by another corporation or entity with a net worth in excess of $100 million.

Creditworthy tenants of the type we target are becoming more and more highly valued in the marketplace and, accordingly, there is increased competition in acquiring properties with these creditworthy tenants. As a result, the purchase prices for such properties have increased with corresponding reductions in cap rates and returns on investment. In addition, changes in market conditions have caused us to add to our internal procedures for ensuring the creditworthiness of our tenants before entering into any commitment to buy a property. We continue to remain steadfast in our commitment to invest in quality properties that will produce quality income for our stockholders.

Dividends paid during the six months ended June 30, 2003 were $87.6 million compared to $40.9 million during the six months ended June 30, 2002. For each $10 share of our common stock, our board of directors declared dividends for the period December 16, 2002 through June 15, 2003, at an annualized percentage rate of return of 7.0%, compared to an annualized percentage rate of return of 7.75% for the period December 16, 2001 through June 15, 2002. The reduction of the annualized percentage rate of return for the dividends resulted from the higher value placed on our type of properties and the additional time it now takes in the acquisition process for us to assess tenant creditworthiness and, therefore, invest proceeds in properties.

Our board of directors has declared dividends for the period June 16, 2003, through September 15, 2003, at an annualized percentage rate of return of 7.0%. Third quarter dividends are calculated on a daily record basis of $0.001902 (0.1902 cents) per day per share on the outstanding shares of our common stock payable to stockholders of record as shown on our books at the close of business on each day during the period commencing on June 16, 2003, and continuing on each day thereafter through and including September 15, 2003.

The payment of dividends in the future will generally be dependent upon the cash flows from operating the properties currently owned and acquired in future periods, our financial condition, amounts paid for properties acquired, the timing of property acquisitions, capital expenditure requirements and distribution requirements in order to maintain our REIT status under the Internal Revenue Code.

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Cash Flows From Operating Activities

Our net cash provided by operating activities was $88.5 million and $33.1 million for the six months ended June 30, 2003 and 2002, respectively. The increase in net cash provided by operating activities was due primarily to the net income generated by $1.4 billion of additional properties acquired during 2002 and an additional $871.9 million of real estate assets acquired and $76.8 million in build-to-suit projects completed during the six months ended June 30, 2003. We do not recognize in income the full effect from the properties during the year of acquisition, as the operations of the properties are only included in income from the date of acquisition. Operating cash flows are expected to increase as we acquire additional properties in future periods and as we obtain the benefit of a full quarter of operations for properties acquired during the six months ended June 30, 2003.

Cash Flows Used In Investing Activities

Our net cash used in investing activities was $829.6 million and $278.4 million for the six months ended June 30, 2003 and 2002, respectively. The increase in net cash used in investing activities was due primarily to greater investments in properties and the payment of the related deferred project costs resulting from raising a greater amount of offering proceeds. Our investments in real estate assets, lease acquisitions and intangible lease assets and payment of acquisition and advisory costs totaled $833.6 million and $281.9 million for the six months ended June 30, 2003 and 2002, respectively. The cash outflow from the investments in properties and the payment of deferred project costs were partially offset by distributions from joint ventures of $4.0 million and $3.5 million during the six months ended June 30, 2003, and 2002, respectively. The increase in distributions from joint ventures is primarily due to additional investment in joint ventures during the fourth quarter of 2002.

Cash Flows From Financing Activities

Our net cash provided by financing activities was $754.7 million and $511.6 million for the six months ended June 30, 2003 and 2002, respectively. Capital fund raising increased to $1.04 billion during the six months ended June 30, 2003, as compared to $618.3 million during the six months ended June 30, 2002. The amounts raised were partially offset by the payment of commissions and offering costs totaling $114.8 million and $65.8 million and redemptions of $31.0 million and $6.7 million during the six months ended June 30, 2003 and 2002, respectively.

Additionally, we obtained funds from financing arrangements totaling $549.3 million and $7.5 million and made repayments of borrowings of $601.1 million and $0 during the six months ended June 30, 2003 and 2002, respectively, based on the availability and need of cash for investment in real estate assets during the period. Related to the acquisition of new financing facilities we incurred deferred financing costs of $4.4 million and $0.9 million during the six months ended June 30, 2003 and 2002. Primarily as a result of the increased cash flow from operations, during the six months ended June 30, 2003 and 2002, we paid dividends of $87.6 million and $40.9 million, respectively.

Results of Operations

As of June 30, 2003, our 79 real estate properties were approximately 97% leased. Our results of operations have changed significantly for the three and six months ended June 30, 2003, as compared to the three and six months ended June 30, 2002, generally as result of the acquisition of approximately $1.4 billion of real estate assets during the year ended December 31, 2002, and an additional $871.9 million of real estate assets acquired and $76.8 million in build-to-suit projects completed during the six months ended June 30, 2003. We expect that rental income, tenant reimbursements, depreciation expense,

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operating expenses, asset and property management and leasing fees and net income will each increase in future periods as a result of owning the assets acquired during the six months ended June 30, 2003, for an entire period and as a result of anticipated future acquisitions of real estate assets. Due to the average remaining terms of the long-term leases currently in place at our properties, management does not anticipate significant changes in near-term rental revenues from properties currently owned.

Three months ended June 30, 2003 vs. three months ended June 30, 2002

Rental income increased by $47.1 million, during the second quarter of 2003, from $21.8 million for the three months ended June 30, 2002, to $69.0 million for the three months ended June 30, 2003. Tenant reimbursements were $16.5 million and $4.8 million for the three months ended June 30, 2003 and 2002, respectively, for an increase of $11.7 million. The increases were primarily due to the rental income and tenant reimbursements for properties acquired subsequent to March 31, 2002, which totaled $49.5 million and $12.1 million, respectively, for the three months ended June 30, 2003 and $2.4 million and $1.1 million for the three months ended June 30, 2002. Revenues in future periods are expected to increase compared to historical periods as additional properties are acquired.

Our equity in income of joint ventures was $1.1 million and $1.3 million for the three months ended June 30, 2003 and 2002, respectively. Equity in income of joint ventures is not anticipated to change significantly in future periods unless we invest additional proceeds in future joint venture investments or dispose of joint venture investments.

Depreciation expense for the three months ended June 30, 2003 and 2002, was $25.1 million and $7.2 million, respectively comprising approximately 36% and 33% of rental income for the respective three month periods. The change in the percentages between periods is generally due to a change in the applicable cost of the real estate assets compared to the revenues generated by the real estate assets. Depreciation expense relating to assets acquired after March 31, 2002, was $18.4 million and $0.9 million for the three months ended June 30, 2003 and June 30, 2002, respectively. Depreciation expense is expected to increase in future periods as additional properties are acquired, however should remain consistent as a percentage of revenues unless the relationship between the cost of the assets and the revenues earned changes.

Property operating costs were $25.8 million and $6.2 million for the three months ended June 30, 2003 and 2002, respectively, representing 30% and 23% of the sum of the rental income and tenant reimbursements for each respective three month period. The increase of property operating costs as a percentage of the sum of the rental income and tenant reimbursements is primarily due to the recent acquisition of certain full service properties that have a higher ratio of property operating costs to revenues. Property operating costs for the properties acquired subsequent to March 31, 2002 were $19.7 million and $1.1 million for the three months ended June 30, 2003 and 2002, respectively. Property operating costs are expected to increase as more properties are acquired, but expenses should remain relatively consistent as a percentage of the sum of rental income and tenant reimbursements.

Asset and property management and leasing fees expenses were $3.2 million and $1.0 million for the three months ended June 30, 2003 and 2002, respectively, representing approximately 4% of the sum of the rental income and tenant reimbursements for each three month period. Asset and property management fees for properties acquired after March 31, 2002, were $1.9 million and $0.1 million for the three months ended June 30, 2003 and 2002, respectively. Asset and property management fees are expected to increase as additional properties are acquired but, as a percentage of the sum of rental income and tenant reimbursements, should remain relatively consistent with historical results.

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General and administrative expenses increased from $0.6 million for the three months ended June 30, 2002, to $0.9 million for the three months ended June 30, 2003, representing approximately 2% and 1% of the total revenues for each respective three month period. The decrease from the prior period is primarily due to greater efficiencies resulting from economies of scale. General and administrative expenses are expected to increase in future periods as additional properties are acquired, but are expected remain relatively constant as a percentage of total revenues.

Interest expense was $4.8 million and $0.7 million for the three months ended June 30, 2003 and 2002, respectively. Interest expense of $1.0 and $0.4 million for the three months ended June 30, 2003 and 2002, respectively, was attributable to interest on the bonds related to the Ingram Micro and ISS Buildings, which is offset by the interest income associated with the bonds, which results in no net impact on our operating results. The remaining $3.8 million and $0.3 million is due to the interest on our outstanding borrowings and amortization of deferred financing costs for each period. We had significantly more borrowings outstanding during the three months ended June 30, 2003, as compared to the three months ended June 30, 2002, resulting in a significant increase in the interest expense between the two periods. Additionally, in the period ending June 30, 2003, we wrote-off approximately $0.5 million of deferred financing costs associated with the Bank of America $110.0 million line of credit termination (See Note 4 of our consolidated financial statements for further information). Interest expense in future periods will be dependent upon the amount of borrowings outstanding during those periods and current interest rates. Historical results may not be indicative of interest expense in future periods.

Earnings per share for the three months ended June 30, 2003, decreased to $0.10 per share compared to $0.11 per share for the three months ended June 30, 2002. This decrease is primarily a result of the higher cost of investments in real estate assets relative to returns on those investments.

Six months ended June 30, 2003 vs. six months ended June 30, 2002

Rental income increased by $83.7 million, during the first half of 2003, from $38.6 million for the six months ended June 30, 2002, to $122.3 million for the six months ended June 30, 2003. Tenant reimbursements were $26.1 million and $9.2 million for the six months ended June 30, 2003 and 2002, respectively, for an increase of $16.9 million. The increases were primarily due to the rental income and tenant reimbursements for properties acquired subsequent to December 31, 2001, which totaled $89.3 million $17.9 million, respectively, for the six months ended June 30, 2003, and $6.0 million and $1.3 million for the first half of 2002. Revenues in future periods are expected to increase compared to historical periods as additional properties are acquired.

Our equity in income of joint ventures was $2.4 million and $2.5 million for the six months ended June 30, 2003 and 2002, respectively. Equity in income of joint ventures is not anticipated to change significantly in future periods unless we invest additional proceeds in future joint venture investments or dispose of joint venture investments.

Depreciation expense for the six months ended June 30, 2003 and 2002, was $44.3 million and $12.9 million, respectively comprising approximately 36% and 33% of rental income for the respective six month periods. The increase in the percentages between periods is generally due to an increase in the applicable cost of the real estate assets compared to the revenues generated by the real estate assets. Depreciation expense relating to assets acquired after December 31, 2001, was $33.1 million and $2.3 million for the six months ended June 30, 2003 and 2002, respectively. Depreciation expense is expected to increase in future periods as additional properties are acquired, however should remain consistent as a percentage of revenues unless the relationship between the cost of the assets and the revenues earned changes.

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Property operating costs were $41.0 million and $11.2 million for the six months ended June 30, 2003 and 2002, respectively, representing approximately 28% and 24% of the sum of the rental income and tenant reimbursements for each respective six month period. The increase in the property operating costs as a percentage of the sum of the rental income and tenant reimbursements is primarily due to operating costs of the recently acquired full service properties as a percentage of revenues. Property operating costs for the properties acquired subsequent to December 31, 2001, were $30.1 million and $1.7 million for the six months ended June 30, 2003 and 2002, respectively. Property operating costs are expected to increase as more properties are acquired, but expenses should remain relatively consistent as a percentage of the sum of rental income and tenant reimbursements.

Management and leasing fees expenses were $5.5 million and $1.9 million for the six months ended June 30, 2003 and 2002, respectively, representing approximately 4% of the sum of the rental income and tenant reimbursements for each six month period. Management and leasing fees for properties acquired after June 30, 2002, were $3.5 million and $0.2 million for the six months ended June 30, 2003 and 2002, respectively. Management and leasing fees are expected to increase as additional properties are acquired; however, as a percentage of the sum of rental income and tenant reimbursements, should remain relatively consistent with historical results.

General and administrative expenses increased from $1.1 million for the six months ended June 30, 2002, to $2.5 million for the six months ended June 30, 2003, representing approximately 2% of the total revenues for each respective six month period. General and administrative expenses are expected to increase in future periods as our assets continue to increase as additional properties are acquired, but are expected remain relatively constant as a percentage of total revenues.

Interest expense was $7.4 million and $1.3 million for the six months ended June 30, 2003 and 2002, respectively. Interest expense of $1.9 and $0.9 million for the six months ended June 30, 2003 and 2002, respectively, was attributable to interest on the bonds related to the Ingram Micro and ISS Buildings, which is offset by the interest income associated with the bonds, which results in no net impact on our operating results. The remaining $5.5 million and $0.4 million, respectively, is due to the interest on our outstanding borrowings for each period and amortization of deferred finance costs. We had significantly more borrowings outstanding during the six months ended June 30, 2003, as compared to the six months ended June 30, 2002, resulting in a significant increase in the interest expense between the two periods. Additionally, in the period ending June 30, 2003, we wrote-off approximately $0.5 million of deferred costs associated with the Bank of America $110.0 million line of credit termination (See Note 4 of our consolidated financial statements for further information). Interest expense in future periods will be dependent upon the amount of borrowings outstanding during those periods and current interest rates. Historical results may not be indicative of interest expense in future periods.

Earnings per share for the six months ended June 30, 2003, decreased to $0.20 per share compared to $0.22 per share for the six months ended June 30, 2002. This decrease is primarily a result of the higher cost of investments in real estate assets relative to returns on those investments resulting in lower returns.

Funds From Operations

Funds from Operations (FFO), as defined by the National Association of Real Estate Investment Trusts (NAREIT), generally means net income, computed in accordance with accounting principles generally accepted in the United States (GAAP) excluding extraordinary items (as defined by GAAP) and gains (or losses) from sales of property, plus depreciation and amortization on real estate assets, and after adjustments for unconsolidated partnerships, joint ventures and subsidiaries. Management believes that FFO is helpful to investors as a measure of the performance of an equity REIT.

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However, our calculation of FFO, while consistent with NAREIT s definition, may not be comparable to similarly titled measures presented by other REITs. FFO does not represent cash generated from operating activities in accordance with GAAP and should not be considered as an alternative to net income as an indication of our performance or to cash flows as a measure of liquidity or ability to make distributions.

The following table reflects the calculation of FFO for the three and six month periods ended June 30, 2003 and 2002:

	For the three months ended June 30,		For the six months ended June 30,	
	2003	**2002**	**2003**	**2002**
FUNDS FROM OPERATIONS:				
Net income	$ 27,985	$ 13,756	$ 52,349	$ 24,536
Add:				
Depreciation of real estate assets	25,060	7,159	44,278	12,903
Amortization of deferred leasing costs	271	78	349	151
Depreciation & amortization unconsolidated investments in joint assets	779	701	1,565	1,407
Funds from Operations (FFO)	$ 54,095	$ 21,694	$ 98,541	$ 38,997
WEIGHTED AVERAGE SHARES BASIC AND DILUTED	283,903	126,038	258,575	110,886

In order to recognize revenues on a straight line basis over the terms of the respective leases, we recognized straight line rental revenue of $4.3 million and $2.1 million during the three months ended June 30, 2003 and 2002, respectively. For the six months ended June 30, 2003 and 2002, we recognized straight line rental revenue of $5.1 million and $3.2 million, respectively.

Amortization of the intangible lease assets and liabilities resulted in a net increase in rental revenue of $0.6 million and $1.1 million, respectively for the three and six months periods ended June 30, 2003.

Inflation

The real estate market has not been affected significantly by inflation in the past three years due to the relatively low inflation rate. However, there are provisions in the majority of tenant leases, which would protect us from the impact of inflation. These provisions include reimbursement billings for operating expense pass-through charges, real estate tax and insurance reimbursements on a per square foot basis, or in some cases, annual reimbursement of operating expenses above a certain per square foot allowance. However, due to the long-term nature of the leases, the leases may not re-set frequently enough to cover inflation.

Application of Critical Accounting Policies

Our accounting policies have been established to conform with GAAP. The preparation of financial statements in conformity with GAAP requires management to use judgment in the application of accounting policies, including making estimates and assumptions. These judgments affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. If management s judgment or interpretation of the facts and circumstances relating to various transactions had been different, it is possible that different accounting policies would have been applied; thus, resulting in a different presentation of the financial statements. Additionally, other companies may utilize

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different estimates that may impact comparability of our results of operations to those of companies in similar businesses.

The critical accounting policies outlined below have been discussed with members of our Audit Committee. There have been no significant changes in the critical accounting policies, methodology, or assumptions in the current period.

Below is a discussion of the accounting policies that management considers to be critical in that they may require complex judgment in their application or require estimates about matters that are inherently uncertain.

Investment in Real Estate Assets

We are required to make subjective assessments as to the useful lives of our depreciable assets. We consider the period of future benefit of the asset to determine the appropriate useful lives. These assessments have a direct impact on net income. The estimated useful lives of our assets by class are as follows:

Building	25 years
Building improvements	10-25 years
Land improvements	20-25 years
Tenant Improvements	Lease term

In the event that inappropriate useful lives or methods are used for depreciation, our net income would be misstated.

Valuation of Real Estate Assets

We continually monitor events and changes in circumstances that could indicate that the carrying amounts of the real estate assets, both operating properties and properties under construction, in which we have an ownership interest, either directly or through investments in joint ventures, may not be recoverable. When indicators of potential impairment are present which indicate that the carrying amounts of real estate assets may not be recoverable, we assess the recoverability of the real estate assets by determining whether the carrying value of the real estate assets will be recovered through the undiscounted future operating cash flows expected from the use of the asset and its eventual disposition. In the event that such expected undiscounted future cash flows do not exceed the carrying value, we adjust the real estate assets to the fair value and recognize an impairment loss. We have determined that there has been no impairment in the carrying value of real estate assets held by us and any unconsolidated joint ventures at June 30, 2003.

Projections of expected future cash flows requires us to estimate future market rental income amounts subsequent to the expiration of current lease agreements, property operating expenses, discount rates, the number of months it takes to re-lease the property and the number of years the property is held for investment. The use of inappropriate assumptions in the future cash flow analysis would result in an incorrect assessment of the property s future cash flows and fair value and could result in the overstatement of the carrying value of our real estate assets and net income.

Intangible Lease Asset/Liability

We determine whether an intangible asset or liability related to above or below market leases was acquired as part of the acquisition of the real estate assets. The intangible assets and liabilities are

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recorded at their estimated fair market values at the date of acquisition and amortized over the remaining term of the respective lease to rental income.

The determination of the estimated fair values of the intangible lease asset or liability requires the use of significant assumptions with regard to the current market rental rates, rental growth rates, discount rates and other variables. If inappropriate estimates with regard to these variables are used, misclassification of assets or liabilities and incorrect calculation of depreciation amounts would occur, which would misstate our net income.

Commitments and Contingencies

Take Out Purchase and Escrow Agreement

Wells Management Company has developed a program (Wells Section 1031 Program) involving the acquisition by a subsidiary of Wells Management Company (Wells Exchange) of income-producing commercial properties and the formation of a series of single member limited liability companies for the purpose of facilitating the resale of co-tenancy interests in such real estate properties to be owned in co-tenancy arrangements with persons (1031 Participants) who are seeking to invest the proceeds from a sale of real estate held for investment in another real estate investment for purposes of qualifying for like-kind exchange treatment under Section 1031 of the Internal Revenue Service Code. The acquisition of each of the properties acquired by Wells Exchange will be financed by a combination of permanent first mortgage financing and interim loan financing obtained from institutional lenders.

Following the acquisition of each property, Wells Exchange will attempt to sell co-tenancy interests to 1031 Participants, the proceeds of which will be used to repay a prorata portion of the interim financing. In consideration for the payment of a take out fee to us and following approval of the potential property acquisition by our board of directors, it is anticipated that we will enter into a take out purchase and escrow agreement or similar contract providing that, if Wells Exchange is unable to sell all of the co-tenancy interests in that particular property to 1031 Participants, we will purchase, at Wells Exchange s cost, any co-tenancy interests remaining unsold at the end of the offering period.

See Note 7 to our consolidated financial statements included in this supplement for discussion of this potential obligation.

Letters of Credit

At June 30, 2003, we had three unused letters of credit as required by other parties to ensure completion of our obligations under certain contracts. See Note 7 to our consolidated financial statements included in this supplement for further discussion of the letters of credit.

Commitments Under Existing Lease Agreements

We entered into lease agreements with tenants that may include provisions that, at the option of the tenant, may require us to incur certain capital costs. See Note 7 to our consolidated financial statements included in this supplement for further discussion of these potential obligations.

Earn-out Agreements

We entered into certain purchase agreements containing various earn-out clauses that may result in Wells REIT being obligated to pay additional amounts to the seller of a property. See Note 7 to our consolidated financial statements included in this supplement for a more detailed discussion of these potential obligations.

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Leasehold Property Obligations

We own certain properties that are subject to ground leases and require us to pay rent in future years. See Note 7 to our consolidated financial statements included in this supplement for further discussion of the lease terms and required payments.

Pending Litigation

We have certain pending litigation related to a dispute over the right to an approximately $0.8 million escrow deposit for a property that was not acquired. See Note 7 to our consolidated financial statements included in this supplement for further discussion of the litigation.

NASD Enforcement Action

On June 6, 2003, the enforcement division of NASD, Inc. (NASD) informed Wells Investment Securities, Inc., our Dealer Manager, and Leo F. Wells, III, our president and a director, that the NASD has made a determination to institute disciplinary proceedings against both Wells Investment Securities and Mr. Wells, as registered principal of Wells Investment Securities, for alleged violations of various NASD Conduct Rules. Please see the Settlement of NASD Enforcement Action section of this supplement for a discussion of the settlement with the NASD.

Related Party Transactions and Agreements

We have entered into agreements with our Advisor and its affiliates, whereby we pay certain fees or reimbursements to our Advisor or its affiliates for acquisition and advisory fees and expenses, organization and offering costs, sales commissions dealer manager fees, asset and property management fees and reimbursement of operating costs. See Note 5 to our consolidated financial statements included in this supplement for a discussion of the various related party transactions, agreements and fees.

Conflicts of Interest

Our Advisor is also a general partner in and advisor to various Wells Real Estate Funds. As such, there are conflicts of interest where our Advisor, while serving in the capacity as general partner for Wells Real Estate Funds, may be in competition with us in connection with property acquisitions or for tenants in similar geographic markets.

Subsequent Events

Sale of Shares of Common Stock

From July 1, 2003 through August 15, 2003, Wells REIT has raised approximately $342.4 million through the issuance of approximately 34.2 million shares of common stock of Wells REIT. At August 15, 2003 approximately 111.1 million shares remain available under the current offering of Wells REIT s stock, excluding shares available under our dividend reinvestment plan.

Redemptions of Common Stock under our Share Redemption Plan

Our current share redemption plan allows for the redemption of approximately 4.37 million shares at an aggregate cost of $43.7 million for the year ending December 31, 2003. From January 1, 2003 through August 15, 2003, we had redeemed approximately 3.85 million shares of common stock available for redemption for the year at an aggregate cost of approximately $38.5 million. We anticipate that the remaining shares eligible for redemption during the year ending December 31, 2003 will be exhausted in the very near future. All other requests for potential redemption will not be eligible for redemption on a first come, first served

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basis until after January 1, 2004, subject to our board s ability to change or terminate our share redemption program at any time in its discretion.

Property Acquisitions

ISS Atlanta III

On July 1, 2003, Wells REIT purchased the third Internet Security Systems (ISS) Building, a five-story building containing approximately 50,400 rentable square feet located in Atlanta, Georgia for a purchase price of approximately $10.0 million. The building is 100% leased to ISS. The first two ISS Buildings were purchased in July 2002. The three-building project now totals approximately 289,000 rentable square feet.

Lockheed Martin Rockville

On July 30, 2003, Wells REIT purchased all the membership interest in Meridian/Northwestern Shady Grove North, LLC, a Delaware limited liability company, which owns two four-story office buildings containing approximately 231,000 aggregate rentable square feet located in Rockville, Maryland, for a purchase price of approximately $51.6 million. The buildings are 100% leased to Lockheed Martin.

Cingular Atlanta

On August 1, 2003, Wells REIT purchased the Cingular Atlanta Building, a 19-story building containing approximately 413,000 rentable square feet located in Atlanta, Georgia, for a purchase price of $83.9 million. The building is 97% leased under leases to various tenants with varying terms, including Cingular Wireless, LLC, which leases 76% of the building.

Aventis Northern NJ Building

On August 14, 2003, Wells Bridgewater purchased an eight-story office building containing approximately 297,000 rentable square feet located in Bridgewater, New Jersey for a purchase price of $96.3 million. The building is 100% leased to Aventis, Inc.

Underwriting Compensation and Terms

Notwithstanding the volume discount table contained in the first paragraph on page 148 in the Plan of Distribution Underwriting Compensation and Terms section of the prospectus, the Wells REIT is offering a volume discount reduction of 6.0% for sales of 500,000 or more shares of the Wells REIT through the end of this offering. Therefore, purchasers of 500,000 or more shares will pay only 1% sales commissions resulting in a purchase price of $9.40 per share. The net proceeds to the Wells REIT will not be affected by use of this volume discount available to purchasers of 500,000 or more shares.

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Board of Director Committees

The Audit Committee

The Audit Committee s primary function is to assist our board of directors in fulfilling its oversight responsibilities by reviewing the financial information to be provided to the stockholders and others, the system of internal controls which our management has established and our audit and financial reporting process. In performing this function, the Audit Committee shall maintain free and open communications among our board of directors, our independent accountants and our financial management team. The Audit Committee s members are as follows:

BOARD COMMITTEE	MEMBERS
Audit Committee	Walter W. Sessoms (Chairman)
	William H. Keogler, Jr.
	Donald S. Moss
	Neil H. Strickland
	W. Wayne Woody

The Compensation Committee

The primary function of the Compensation Committee is to administer the granting of stock options to selected employees of our Advisor and Wells Management Company, based upon recommendations from Wells Capital, and to set the terms and conditions of such options in accordance with the 2000 Employee Stock Option Plan. The Compensation Committee s members are as follows:

BOARD COMMITTEE	MEMBERS
Compensation Committee	John L. Bell
	Richard W. Carpenter
	Bud Carter
	William H. Keogler, Jr.
	Donald S. Moss
	Walter W. Sessoms
	Neil H. Strickland

The Directors Nominating and Compensation Committee

The Directors Nominating and Compensation Committee was created in 2003, and the primary function of the Directors Nominating and Compensation Committee is to make recommendations to the board of directors regarding the size of the board of directors and its makeup in terms of specific areas of expertise and diversity and to make recommendations to the board of directors regarding director compensation. The Directors Nominating and Compensation Committee also nominates candidates to fill any vacancies on the board of directors and will consider nominees recommended by stockholders. The Directors Nominating and Compensation Committee members are as follows:

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BOARD COMMITTEE	MEMBERS
Directors Nominating and Compensation Committee	Donald S. Moss (Chairman)
	John L. Bell
	Michael R. Buchanan
	Richard W. Carpenter
	Bud Carter
	William H. Keogler, Jr.
	Walter W. Sessoms
	Neil H. Strickland
	W. Wayne Woody

The Asset Management Committee

The Asset Management Committee was created in 2003, and the primary function of the Asset Management Committee is to review and advise the board of directors on investment criteria and acquisition policies, general economic environment in various real estate markets, existing or prospective properties or tenants, and portfolio diversification goals. The Asset Management Committee members are as follows:

BOARD COMMITTEE	MEMBERS
Asset Management Committee	Michael R. Buchanan (Chairman)
	John L. Bell
	Richard W. Carpenter
	Walter W. Sessoms

The Shareholder Relations, Communication and Development Committee

The Shareholder Relations, Communication and Development Committee was created in 2003, and the primary function of the Shareholder Relations, Communication and Development Committee is to advise the board of directors on various stockholders issues including market conditions, communications with stockholders, and investor support programs. The Shareholder Relations, Communication and Development Committee members are as follows:

BOARD COMMITTEE	MEMBERS

Shareholder Relations, Communications and Development Committee	Bud Carter (Chairman) William H. Keogler, Jr. Donald S. Moss Neil H. Strickland

The Finance and Planning Committee

The Finance and Planning Committee was created in 2003, and the primary function of the Finance and Planning Committee is to review and advise the board of directors on the overall financial performance of the Wells REIT which includes issues related to net proceeds raised, fees and expenses, operating earnings, dividends, capital structure and budgetary and reporting processes. The Finance and Planning Committee members are as follows:

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BOARD COMMITTEE	MEMBERS
Finance and Planning Committee	Richard W. Carpenter (Chairman)
	Michael R. Buchanan
	Bud Carter
	John L. Bell

Financial Statements

Audited Financial Statements

The statements of revenues over certain operating expenses of the Lockheed Martin Rockville Buildings, the Cingular Atlanta Building and the Aventis Northern NJ Building for the year ended December 31, 2002, which are included in this supplement, have been audited by Ernst & Young LLP, independent auditors, as set forth in their reports appearing elsewhere herein, and are included in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

Unaudited Financial Statements

The financial statements of the Wells REIT, as of June 30, 2003, and for the six month periods ended June 30, 2003 and June 30, 2002, which are included in this supplement, have not been audited.

The statements of revenues over certain operating expenses of the Lockheed Martin Rockville Buildings, the Cingular Atlanta Building and the Aventis Northern NJ Building for the six months ended June 30, 2003, which are included in this supplement, have not been audited.

The pro forma balance sheet of the Wells REIT, as of June 30, 2003, the pro forma statement of income for the year ended December 31, 2002, and the pro forma statement of income for the six months ended June 30, 2003, which are included in this supplement, have not been audited.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

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CONSOLIDATED BALANCE SHEETS

(in thousands, except share amounts)

	June 30, 2003 (unaudited)	December 31, 2002
ASSETS:		
Real estate assets, at cost:		
Land	$ 342,885	$ 279,185
Building and improvements, less accumulated depreciation of $107,872 at June 30, 2003, and $63,594 at December 31, 2002	2,575,249	1,683,036
Construction in progress	532	42,746
Total real estate assets	2,918,666	2,004,967
Investments in joint ventures	82,513	83,915
Cash and cash equivalents	59,105	45,464
Rents receivable	26,814	19,321
Deferred project costs	1,864	1,494
Due from affiliates	1,807	1,961
Prepaid expenses and other assets, net	12,656	4,407
Deferred lease acquisition costs, net	11,880	1,638
Intangible lease assets	22,839	12,060
Investment in bonds	54,500	54,500
Total assets	$ 3,192,644	$ 2,229,727
LIABILITIES, MINORITY INTEREST AND SHAREHOLDERS EQUITY:		
Borrowings	$ 308,765	$ 248,195
Obligations under capital leases	54,500	54,500
Intangible lease liabilities	46,249	32,697
Accounts payable and accrued expenses	57,013	24,580
Due to affiliates	5,061	15,975
Dividends payable	9,532	6,046
Deferred rental income	9,379	11,584
Total liabilities	490,499	393,577
Minority interest of unit holder in operating partnership	200	200
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS EQUITY:		
Common shares, $.01 par value; 750,000,000 shares authorized, 322,219,052 shares issued and 317,026,812 outstanding at June 30, 2003, and 750,000,000 shares authorized, 217,790,874 shares issued and 215,699,717 shares outstanding at December 31, 2002	3,222	2,178
Additional paid-in capital	2,863,705	1,929,381
Cumulative distributions in excess of earnings	(113,052)	(74,310)
Treasury stock, at cost, 5,192,240 shares at June 30, 2003 and 2,091,157 shares at December 31, 2002	(51,922)	(20,912)

Other comprehensive loss	(8)	(387)
Total shareholders equity	2,701,945	1,835,950
Total liabilities, minority interest and shareholders equity	$ 3,192,644	$ 2,229,727

See accompanying notes.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

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CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(in thousands, except per share amounts)

	Three months ended June 30,		Six months ended June 30,	
	2003	2002	2003	2002
REVENUES:				
Rental income	$ 68,969	$ 21,834	$ 122,312	$ 38,572
Tenant reimbursements	16,457	4,762	26,058	9,177
Equity in income of joint ventures	1,131	1,271	2,392	2,478
Interest income and other income	1,161	1,535	2,315	2,648
Take out fee				134
	87,718	29,402	153,077	53,009
EXPENSES:				
Depreciation	25,060	7,159	44,278	12,903
Property operating costs	25,819	6,201	41,039	11,241
Management and leasing fees	3,155	1,004	5,488	1,903
General and administrative	947	592	2,523	1,121
Interest expense	4,752	690	7,400	1,305
	59,733	15,646	100,728	28,473
NET INCOME	$ 27,985	$ 13,756	$ 52,349	$ 24,536
EARNINGS PER SHARE				
Basic and diluted	$ 0.10	$ 0.11	$ 0.20	$ 0.22
WEIGHTED AVERAGE SHARES OUTSTANDING				
Basic and diluted	283,903	126,038	258,575	110,886
DIVIDENDS DECLARED PER SHARE	$ 0.18	$ 0.19	$ 0.35	$ 0.39

See accompanying notes.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

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CONSOLIDATED STATEMENTS OF SHAREHOLDERS EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2002

AND FOR THE SIX MONTHS ENDED JUNE 30, 2003 (UNAUDITED)

(in thousands, except per share amounts)

	Common Stock		Additional Paid-In	Cumulative Distributions in Excess	Retained	Treasury Stock		Other Comprehensive	Total Shareholders
	Shares	Amount	Capital	of Earnings	Earnings	Shares	Amount	Income	Equity
BALANCE, December 31, 2001	83,761	$ 838	$ 738,236	$ (24,181)	$	(555)	$ (5,550)		$ 709,343
Issuance of common stock	134,030	1,340	1,338,953						1,340,293
Treasury stock purchased						(1,536)	(15,362)		(15,362)
Dividends ($0.76 per share)				(50,129)	(59,854)				(109,983)
Sales commissions and dealer manager fees			(127,332)						(127,332)
Other offering costs			(20,476)						(20,476)
Components of comprehensive income:									
Net income					59,854				59,854
Change in value of interest rate swap								(387)	(387)
Comprehensive income									59,467
BALANCE, December 31, 2002	217,791	2,178	1,929,381	(74,310)		(2,091)	(20,912)	(387)	1,835,950
Issuance of common stock	104,428	1,044	1,043,236						1,044,280
Treasury stock purchased						(3,101)	(31,010)		(31,010)
Dividends ($0.35 per share)				(38,742)	(52,349)				(91,091)
Sales commissions and dealer manager fees			(98,423)						(98,423)
Other offering costs			(10,489)						(10,489)
Components of comprehensive income:									
Net income					52,349				52,349
Change in value of interest rate swap								379	379
Comprehensive income									52,728
BALANCE, June 30, 2003	322,219	$ 3,222	$ 2,863,705	$ (113,052)		(5,192)	$ (51,922)	$ (8)	$ 2,701,945

See accompanying notes.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

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CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(in thousands)

	Six Months Ended June 30,	
	2003	**2002**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 52,349	$ 24,536
Adjustments to reconcile net income to net cash provided by operating activities:		
Equity in income of joint ventures	(2,392)	(2,478)
Depreciation	44,278	12,903
Amortization of deferred financing costs	1,524	425
Amortization of intangible lease assets/liabilities	(1,095)	
Amortization of deferred lease acquisition costs	349	151
Changes in assets and liabilities:		
Rents receivable	(7,493)	(4,706)
Deferred rental income	(2,205)	352
Accounts payable and accrued expenses	7,961	3,113
Prepaid expenses and other assets, net	(4,799)	(1,018)
Due to/from affiliates	34	(140)
Net cash provided by operating activities	88,511	33,138
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment in real estate assets	(770,657)	(259,536)
Contributions to joint ventures	(79)	
Investment in intangible lease assets	(12,112)	
Deferred project costs paid	(40,521)	(22,008)
Distributions received from joint ventures	4,009	3,497
Deferred lease acquisition costs paid	(10,234)	(400)
Net cash used in investing activities	(829,594)	(278,447)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	549,297	7,534
Repayment of borrowings	(601,074)	
Dividends paid to shareholders	(87,605)	(40,867)
Issuance of common stock	1,044,285	618,276
Treasury stock purchased	(31,010)	(6,673)
Sales commissions and dealer manager fees paid	(96,037)	(58,959)
Other offering costs paid	(18,753)	(6,819)
Deferred financing costs paid	(4,379)	(860)
Net cash provided by financing activities	754,724	511,632

NET INCREASE IN CASH AND CASH EQUIVALENTS	13,641	266,323
CASH AND CASH EQUIVALENTS, beginning of period	45,464	75,586
CASH AND CASH EQUIVALENTS, end of period	$ 59,105	$ 341,909

See accompanying notes.

WELLS REAL ESTATE INVESTMENT TRUST, INC.

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CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2003

(unaudited)

1. ORGANIZATION

General

Wells Real Estate Investment Trust, Inc. (Wells REIT) is a Maryland corporation that qualifies as a real estate investment trust (REIT). Wells REIT was incorporated in 1997 and commenced operations on June 5, 1998.

Wells REIT engages in the acquisition and ownership of commercial real estate properties throughout the United States, including properties that are under construction, are newly constructed or have operating histories. At June 30, 2003, Wells REIT has invested in commercial office and industrial real estate assets, either directly or through joint ventures with real estate limited partnership programs sponsored by Wells Capital, Inc. (the Advisor) or its affiliates.

Wells REIT s business is conducted through Wells Operating Partnership, L.P. (Wells OP), a Delaware limited partnership, and its subsidiaries, and Wells REIT-Independence Square, LLC (Wells REIT-Independence), a single member Georgia limited liability company. Wells OP was formed to acquire, develop, own, lease and operate properties on behalf of Wells REIT, directly, through wholly-owned subsidiaries or through joint ventures. Wells REIT-Independence was formed to acquire the NASA building located in Washington, D.C. Wells REIT is the sole general partner in Wells OP and the sole member of Wells REIT-Independence and possesses full legal control and authority over the operations of Wells OP and Wells REIT-Independence. Wells OP, and its subsidiaries, and Wells REIT-Independence comprise Wells REIT s subsidiaries.

Four offerings of Wells REIT stock have been initiated as follows:

Offering #	Date Commenced	Termination Date	Gross Proceeds	Shares Issued
1	January 30, 1998	December 19, 1999	$132.2 million	13.2 million
2	December 20, 1999	December 19, 2000	$175.2 million	17.5 million
3	December 20, 2000	July 26, 2002	$ 1,283.0 million	128.3 million
4	July 26, 2002	Offering will terminate on or before July 25,	$ 1,631.8 million (through June 30, 2003)	163.2 million (through June 30,

	2004		2003)
Total as of June 30, 2003		$ 3,222.2 million	322.2 million

After incurring costs from all offerings of $111.0 million in acquisition and advisory fees and expenses, $304.8 million in selling commissions, $50.5 million in organization and offering expenses to the Advisor, investment in real estate assets and joint ventures of $2,660.0 million and common stock redemptions pursuant to Wells REIT s share redemption program of $51.9 million, Wells REIT was holding net offering proceeds of approximately $44.0 million available for investment in properties at June 30, 2003.

Wells REIT s stock is not listed on a national exchange. However, the Wells REIT s Articles of Incorporation currently require the Wells REIT to begin the process of liquidating its investments and distributing the resulting proceeds to the shareholders if its shares are not listed on a national exchange by January 30, 2008 Wells REIT Articles of Incorporation can only be amended by a proxy vote of Wells REIT s shareholders.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

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Basis of Presentation

The consolidated financial statements of Wells REIT have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission, including the instructions to Form 10-Q and Article 10 of Regulation S-X, and do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. Independent auditors have not examined these quarterly statements, but in the opinion of management, the statements for the unaudited interim periods presented include all adjustments, which are of a normal and recurring nature, necessary to present a fair presentation of the results for such periods. Results for interim periods are not necessarily indicative of full year results. For further information, refer to the financial statements and footnotes included in the Wells REIT s Form 10-K for the year ended December 31, 2002.

Income Taxes

Wells REIT has elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended, and has operated as such beginning with its taxable year ended December 31, 1998. To qualify as a REIT, Wells REIT must meet certain organizational and operational requirements, including a requirement to currently distribute at least 90% of the REIT s ordinary taxable income to shareholders. As a REIT, Wells REIT generally will not be subject to federal income tax on taxable income that it distributes to its shareholders. If Wells REIT fails to qualify as a REIT in any taxable year, it will then be subject to federal income taxes on its taxable income for four years following the year during which qualification is lost, unless the Internal Revenue Service grants Wells REIT relief under certain statutory provisions. Such an event could materially adversely affect Wells REIT s net income and net cash available for distribution to shareholders. However, Wells REIT believes that it is organized and operates in such a manner as to qualify for treatment as a REIT and intends to continue to operate in the foreseeable future in such a manner that Wells REIT will remain qualified as a REIT for federal income tax purposes. No provision for federal income taxes has been made in the accompanying consolidated financial statements, as Wells REIT made distributions in excess of its taxable income for the periods presented.

Recent Pronouncements

On January 1, 2002, Wells REIT adopted Statement of Financial Accounting Standards No. 141 *Business Combinations,* and Statement of Financial Accounting Standards No. 142 *Goodwill and Intangibles.* These standards govern business combinations, asset acquisitions and the accounting for acquired intangibles. Wells REIT determines whether an intangible asset or liability related to above or below market leases was acquired as part of the acquisition of real estate assets. The resulting intangible lease assets and liabilities are recorded at their estimated fair market values at the date of acquisition and amortized over the remaining term of the respective lease to rental income. Amortization of the intangible lease assets and liabilities resulted in a net increase in rental revenue of $0.6 million and $1.1 million for the three and six months ended June 30, 2003, respectively.

In January 2003, the Financial Accounting Standards Board issued Interpretation No. 46 (FIN 46), *Consolidation of Variable Interest Entities,* which clarifies the application of Accounting Research Bulletin (ARB) No. 51, *Consolidated Financial Statements,* relating to consolidation of certain entities. FIN 46 requires the identification of Wells REIT s participation in variable interest entities (VIEs), which are defined as entities with a level of invested equity that is not sufficient to fund future activities to permit them to operate on a stand alone basis, or whose equity holders lack certain characteristics of a controlling financial interest. For entities identified as VIEs, FIN 46 sets forth a model to evaluate potential consolidation based on an assessment of which party to the VIE, if any, bears a majority of the exposure to its expected losses, or stands to gain from a majority of its expected returns. FIN 46 is effective for all new VIEs created or acquired after January 31, 2003. For VIEs created or acquired prior to February 1, 2003, the provisions of FIN 46 must be applied for the first interim or annual period beginning after June 15, 2003. FIN 46 also sets forth certain disclosures regarding interests in VIEs that are deemed significant, even if consolidation is not required. As Wells REIT s joint ventures do not fall under the definition of VIEs provided above, we do not believe that the adoption of FIN 46 will result in the consolidation of any previously unconsolidated entities.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

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2. REAL ESTATE ASSETS

Acquisitions

During the six months ended June 30, 2003, Wells REIT acquired ownership interests in seven properties for a total purchase price of $871.9 million, exclusive of related closing costs and acquisition and advisory fees paid to the Advisor as described below.

East Point I & II

On January 9, 2003, Wells REIT purchased two three-story office buildings containing approximately 187,735 aggregate rentable square feet located in Mayfield Heights, Ohio, for a purchase price of approximately $22.0 million. Progressive Casualty Insurance; Austin, Danaher Power Solutions; and Moreland Management Company occupy approximately 92% of the rentable square feet in the two buildings. The remaining approximately 8% of the rentable square feet is vacant as of June 30, 2003. At closing, Wells REIT entered into an earn-out agreement with the seller with regard to the vacant space that requires Wells REIT to pay the seller certain amounts for each new, fully-executed lease after the date of acquisition but on or before March 31, 2004, relating to the vacant space. Payments are calculated by dividing the anticipated first year s annual rent less operating expenses 0.105, with the result being reduced by tenant improvement costs related to the space.

150 West Jefferson Detroit

On March 31, 2003, Wells REIT purchased a 25-story office building containing approximately 505,417 rentable square feet located at 150 West Jefferson Avenue, downtown Detroit, Michigan, for a purchase price of approximately $93.8 million. The building is 99% occupied under leases to various tenants with varying lease terms, including Miller, Canfield, Paddock, & Stone; Butzel Long PC; and MCN Energy Group, Inc., which collectively occupy approximately 62% of the building.

Citicorp Englewood Cliffs

On April 30, 2003, Wells REIT purchased the Citicorp Englewood Cliffs, NJ Building, a three-story office building containing approximately 410,000 rentable square feet located in Englewood Cliffs, New Jersey, for a purchase price of $70.5 million. The building is leased entirely to Citicorp North America, Inc., a wholly-owned subsidiary of Citicorp, Inc.

US Bancorp

On May 1, 2003, Wells REIT purchased the US Bancorp Minneapolis Building, a 32-story office building containing approximately 929,694 rentable square feet located in Minneapolis, Minnesota, for a purchase price of $174.0 million. The building is approximately 99% leased under leases to various tenants with varying terms, including US Bancorp Piper Jaffray Companies, Inc., which leases approximately 77% of the building.

AON Center Chicago

On May 9, 2003, Wells REIT purchased the AON Center Chicago Building, an 83-story office building containing approximately 2.6 million rentable square feet located in Chicago, Illinois, for a purchase price of approximately $465.2 million. The building is approximately 92% leased under leases to various tenants with varying lease terms, including BP Corporation North American, Inc., DDB Needham Chicago, Inc., and Kirkland & Ellis which collectively lease approximately 54% of the building.

GMAC Detroit

On May 9, 2003, Wells REIT acquired the GMAC Detroit Building, a three-story office building containing approximately 119,122 square feet located in Auburn Hills, Michigan, for a purchase price of approximately $17.8 million. The building is approximately 86% leased to the GMAC Corporation and Delmia Corporation. For the remaining approximately 14% of the building, Wells REIT is required to pay the seller certain amounts for each new, fully executed lease entered into after the date of acquisition of the building but on or before November 8, 2004. Payments are calculated by dividing the sum of the anticipated first year s annual rent less operating expenses by 0.095, with the result being reduced by tenant improvement costs related to the space.

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IBM Reston I & II

On June 30, 2003, Wells REIT purchased the IBM Reston Buildings, one six-story and one two-story office building containing approximately 140,994 aggregate rentable square feet located in Reston, Virgina for a purchase price of approximately $28.6 million. The buildings are 100% occupied by the IBM Corporation and Tellabs Reston, Inc.

Build-to-Suit Projects

During the six month period ended June 30, 2003, Wells REIT completed three build-to-suit projects with a total investment amount totaling approximately $76.8 million as discussed below.

Nissan

In March 2003, Wells REIT substantially completed the construction of the Nissan Building located in Dallas, Texas, and transferred total construction costs of approximately $41.8 million for the project from construction in progress to building and improvements. Nissan Motor Acceptance Corporation occupied the building under a lease commencing on April 1, 2003. The construction was financed through a loan that was paid off in March 2003, when the building was substantially complete.

AmeriCredit

In April 2003, Wells REIT substantially completed the construction of the AmeriCredit Building located in Phoenix, Arizona, and transferred total construction costs of approximately $23.5 million for the project from construction in progress to building and improvements. AmeriCredit Corporation occupied the building under a lease commencing on April 15, 2003. The entire construction was financed completely with investor proceeds.

Kerr-McGee

In June 2003, Wells REIT substantially completed the construction of the Kerr-McGee located in Houston, Texas, and transferred total construction costs of approximately $11.5 million for the project from construction in progress to building and improvements. Kerr-McGee Corporation will occupy the building under a lease commencing on July 1, 2003. The construction of this property was financed through a loan that was paid off in July 2003.

3. INVESTMENT IN JOINT VENTURES

The information below summarizes the operations of the seven unconsolidated joint ventures that Wells REIT, through Wells OP, had ownership interests as of June 30, 2003.

CONDENSED COMBINED STATEMENTS OF INCOME

	Three months ended June 30,		Six months ended June 30,	
	2003 (000s)	**2002 (000s)**	**2003 (000s)**	**2002 (000s)**
REVENUES:				
Rental income	$ 5,134	$ 4,859	$ 10,280	$ 9,587
Tenant reimbursements	551	373	1,021	1,015
Other income	3	12	11	24
Total revenues	5,688	5,244	11,312	10,626
EXPENSES:				
Depreciation	1,751	1,592	3,519	3,196
Operating expenses	1,107	513	1,934	1,344
Management and leasing fees	322	287	651	549
TOTAL EXPENSES	3,180	2,392	6,104	5,089
NET INCOME	$ 2,508	$ 2,852	$ 5,208	$ 5,537
NET INCOME ALLOCATED TO WELLS REIT	$ 1,131	$ 1,271	$ 2,392	$ 2,478

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

AND SUBSIDIARIES

4. BORROWINGS

Wells REIT has financed certain investments, acquisitions and developments through various borrowings as described below. On June 30, 2003, and December 31, 2002, Wells REIT had the following amounts outstanding:

Facility	June 30, 2003 (000s)	December 31, 2002 (000s)
$110 million line of credit; accruing interest at LIBOR plus 175 basis points; requiring interest payments monthly with principal due at maturity; collateralized by various buildings(1)	$	$ 58,000
$98.1 million line of credit; accruing interest at LIBOR plus 175 basis points (2.87 % at June 30, 2003); requiring interest payments monthly and principal due at maturity (September 2003); collateralized by various buildings	65,500	61,399
$500 million unsecured revolving line of credit; accruing interest at various rates of interest based on LIBOR plus up to 1.625% (2.43% at June 30, 2003); requiring interest payments monthly and principal payments due at maturity (May 2005) (2)	20,000	
$50 million line of credit; accruing interest at LIBOR plus 175 basis points; requiring interest payments monthly with principal due at maturity (May 2005); collateralized by various buildings(3)		
$90 million note payable; accruing interest at LIBOR plus 115 basis points; currently locked at 2.53% through July 2, 2003 (2.53% at June 30, 2003); requiring interest payments monthly, with principal due at maturity (December 2006); subject to certain prepayment penalties; collateralized by the Nestle Building	90,000	90,000
$112.3 million note payable; seller financed interest free loan incurred upon purchase of AON Center in May 2003; Principal balance due upon maturity (January 2004); collateralized by the AON Center Building	112,347	
$34.2 million construction loan payable; accruing interest at LIBOR plus 200 basis points; requiring interest payments monthly and principal due at maturity (July 2003); collateralized by the Nissan Building(4)		23,149
$13.7 million construction loan payable; accruing interest at LIBOR plus 200 basis points (3.12% at June 30, 2003); requiring interest payments monthly, with principal due at maturity (January 2004); collateralized by the Kerr-McGee Building(5)	9,426	4,038
$8.8 million note payable; accruing interest at 8%; requiring interest and principal payments monthly with any unamortized principal due at maturity (December 2003); subject to certain prepayment penalties; collateralized by the BMG Buildings	8,592	8,709
$2.9 million note payable; accruing interest at 8.5%; requiring interest payments monthly with principal due at maturity (December 2003); subject to certain prepayment penalties; collateralized by the BMG Buildings	2,900	2,900
Total borrowings	$ 308,765	$ 248,195

(1) Wells REIT terminated this credit facility upon execution of the $500 million line of credit in April 2003.
(2) Wells REIT entered into this revolving credit facility in April 2003. Additionally, Wells REIT is required to pay a quarterly facility fee of 0.25% per annum on the entire amount of the credit facility.
(3) Wells REIT entered into this credit agreement in June 2003.
(4) Wells REIT repaid this loan in March 2003, upon substantial completion of the construction of the property. At that time, Wells REIT terminated the interest rate swap at a cost of $0.3 million, which was reclassified from other comprehensive income to interest expense.

(5) Wells REIT has entered into an interest rate swap for this construction loan. The swap has the effect of fixing the interest rate at 4.27% through July 15, 2003.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

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5. RELATED-PARTY TRANSACTIONS

Advisory Agreement

Wells REIT has entered into an Advisory Agreement with the Advisor, which entitles the Advisor to specified fees in consideration for certain services with regard to the offering of shares to the public and investment of funds in real estate projects. The current Advisory Agreement expires January 30, 2004.

Under the terms of the agreement, the Advisor receives the following fees and reimbursements:

Acquisition and advisory fees and acquisitions expenses of 3.5% of gross offering proceeds, subject to certain limitations;

Reimbursement of organization and offering costs paid on behalf of Wells REIT, not to exceed 3% of gross offering proceeds;

Disposition fee of 50% of the lesser of a competitive real estate commission or 3% of the sales price of the property, subordinated to the payment of dividends to shareholders equal to the sum of the shareholders invested capital plus an 8% return on invested capital;

Incentive fee of 10% of net sales proceeds remaining after shareholders have received distributions equal to the sum of the shareholders invested capital plus an 8% return of invested capital; and

Listing fee of 10% of the excess by which the market value of the stock plus dividends paid prior to listing exceeds the sum of 100% of the invested capital plus an 8% return on invested capital.

The Advisor has elected, but is not obligated, to reduce the acquisition and advisory fees and organizational and offering costs by the amounts attributable to shares redeemed under the share redemption program for shares redeemed through June 30, 2003.

Acquisition and advisory fees and expenses incurred for the three months ended June 30, 2003 and 2002, totaled $21.0 million and $12.6 million, respectively. Organizational and offering costs incurred for the three months ended June 30, 2003 and 2002, totaled $5.7 million and $3.6 million, respectively.

Acquisition and advisory fees and acquisition expenses incurred for the six months ended June 30, 2003 and 2002, totaled $35.5 million and $21.4 million, respectively. Organizational and offering costs incurred for the six months ended June 30, 2003 and 2002, totaled $10.5 million and $5.4 million, respectively. Wells REIT incurred no disposition, incentive or listing fees during the six months ended June 30, 2003 or 2002.

Administrative Services Reimbursement

Wells REIT has no direct employees. The employees of the Advisor and Wells Management Company, Inc. (Wells Management), an affiliate of the Advisor, perform a full range of real estate services including leasing and property management, accounting, asset management and investor relations for Wells REIT. The related expenses are allocated among Wells REIT and the various Wells Real Estate Funds based on time spent on each entity by individual administrative personnel. These expenses are included in general and administrative expenses in the consolidated statements of income. These expenses totaled $1.0 million and $0.4 million for the three months ended June 30, 2003 and 2002, respectively. Administrative services reimbursements totaled $2.0 million and $0.7 million for the six months ended June 30, 2003 and 2002, respectively.

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Asset and Property Management Agreement

Wells REIT has entered into an asset and property management agreement with Wells Management. In consideration for asset management services and for supervising the management and leasing of Wells REIT s properties, Wells REIT will pay asset and property management fees to Wells Management equal to the lesser of (a) 4.5% of the gross revenues generally paid over the life of the lease or (b) 0.6% of the net asset value of the properties (excluding vacant properties) owned by Wells REIT. These asset and property management fees are calculated on an annual basis plus a separate competitive fee for the one-time initial lease-up of newly constructed properties generally paid in conjunction with the receipt of the first month s rent. These expenses totaled $2.9 million and $1.0 million for the three months ended June 30, 2003 and 2002, respectively, and $5.1 million and $1.9 million for the six months ended June 30, 2003 and 2002, respectively.

Dealer Manager Agreement

Wells REIT has entered into a dealer manager agreement with Wells Investment Securities, Inc. (WIS), an affiliate of the Advisor, whereby WIS performs the dealer manager function for Wells REIT. For these services, WIS earns fees of 7% of the gross proceeds from the sale of the shares of Wells REIT, most of which are reallowed to participating broker-dealers. Additionally, WIS earns a dealer manager fee of 2.5% of the gross offering proceeds at the time the shares are sold, of which up to 1.5% may be reallowed to participating broker-dealers. WIS has elected, although is not obligated, to reduce the dealer manager fee by 2.5% of the gross redemptions under Wells REIT s share redemption plan for shares redeemed through June 30, 2003. During the three months ended June 30, 2003 and 2002, Wells REIT incurred commissions of $43.2 million and $25.8 million, respectively, of which more than 99% was reallowed to participating broker-dealers. Dealer manager fees of $15.0 million and $9.0 million were incurred for the three months ended June 30, 2003 and 2002, respectively. Of these amounts, $7.1 million and $5.1 million were reallowed to participating broker-dealers for the three months ended June 30, 2003 and 2002, respectively. For the six months ended June 30, 2003 and 2002, Wells REIT incurred commissions of $73.1 million and $43.3 million, respectively, of which more than 99% was reallowed to participating broker-dealers. Dealer manager fees of $25.3 million and $15.3 million were incurred for the six months ended June 30, 2003 and 2002. Of these amounts, $12.1 million and $7.1 million were reallowed to participating broker-dealers.

Due From Affiliates

Due from affiliates included in the consolidated balance sheets primarily represents Wells REIT s share of the cash to be distributed from its joint venture investments and other amounts payable to Wells REIT from other related parties.

Conflicts of Interest

The Advisor also is a general partner in various Wells Real Estate Funds. As such, there are conflicts of interest where the Advisor, while serving in the capacity as general partner for Wells Real Estate Funds, may be in competition with Wells REIT in connection with property acquisitions or for tenants in similar geographic markets.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

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6. CONSOLIDATED STATEMENT OF CASH FLOWS SUPPLEMENTAL INFORMATION

	For the six months ended June 30,	
	2003	**2002**
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING ACTIVITIES:		
Deferred project costs applied to investments	$ 35,094	$ 10,068
Deferred project costs due to affiliate	$ 2,651	$ 512
Other offering expenses due to affiliate	$ 2,390	$ 1,595
Acquisition of intangible lease liability	$ 15,980	$
Dividends payable	$ 9,532	$ 4,539
Joint venture distributions applied to investment	$ 3,872	$ 3,799
Seller financed debt arrangement obtained at acquisition of property	$ 112,347	$
Other liabilities assumed at acquisition of property	$ 19,064	$
Capital expenditure accrued	$ 5,408	$

7. COMMITMENTS AND CONTINGENCIES

Take Out Purchase and Escrow Agreement

The Advisor and its affiliates have developed a program (the Wells Section 1031 Program) involving the acquisition by a subsidiary of Wells Management Company (Wells Exchange) of income-producing commercial properties and the formation of a series of single member limited liability companies for the purpose of facilitating the resale of co-tenancy interests in such real estate properties to be owned in co-tenancy arrangements with persons (1031 Participants) who are seeking to invest the proceeds from a sale of real estate held for investment in another real estate investment for purposes of qualifying for like-kind exchange treatment under Section 1031 of the Internal Revenue Service Code. The acquisition of each of the properties acquired by Wells Exchange will be financed by a combination of permanent first mortgage financing and interim loan financing obtained from institutional lenders.

Following the acquisition of each property, Wells Exchange will attempt to sell co-tenancy interests to 1031 Participants, the proceeds of which will be used to repay a prorata portion of the interim financing. In consideration for the payment of a take out fee to Wells REIT and following approval of the potential property acquisition by Wells REIT s board of directors, it is anticipated that Wells REIT will enter into a take out purchase and escrow agreement or similar contract providing that, if Wells Exchange is unable to sell all of the co-tenancy interests in that particular property to 1031 Participants, Wells REIT will purchase, at Wells Exchange s cost, any co-tenancy interests remaining unsold at the end of the offering period.

In consideration for the payment of a take out fee in the amount of approximately $0.2 million, on December 31, 2002, Wells OP entered into a take out purchase and escrow agreement providing, among other things, that Wells OP would be obligated to acquire, at Wells Exchange s cost ($0.4 million in cash plus $0.4 million of assumed debt for each 2.9994% interest of co-tenancy interest unsold), any unsold co-tenancy interests in two buildings known as Meadow Brook Corporate Park located in Birmingham, Alabama, which remain unsold at the expiration of the offering of Wells Exchange on September 30, 2003.

The obligations of Wells OP under the take out purchase and escrow agreement were secured by reserving against Well OP s existing line of credit with Bank of America, N.A. (the Interim Lender). However, in April 2003, Wells Exchange repaid the loan amount in full to the Interim Lender and now Wells OP is obligated to pay Wells Exchange for any unsold units. Wells OP s maximum economic exposure in the transaction was initially $14.0 million in cash plus assumption of the first mortgage financing in the amount of $13.9 million. As of June 30, 2003, due to the number of co-tenancy interests sold in Meadow Brook Corporate Park through such date, Wells OP s maximum exposure has been reduced to $2.8 million in cash plus the assumption of the first mortgage financing in the amount of $2.8 million.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

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Letters of Credit

At June 30, 2003, Wells REIT had three unused letters of credit totaling approximately $19.7 million outstanding from financial institutions, consisting of letters of credit of approximately $14.5 million, $4.8 million and $0.4 million with expiration dates of February 28, 2004; August 12, 2003; and February 2, 2004, respectively. These amounts are not recorded in the accompanying consolidated balance sheet as of June 30, 2003 or December 31, 2002. These letters of credit were required by three unrelated parties to ensure completion of Wells REIT s obligations under certain earn-out and construction agreements. Wells REIT does not anticipate a need to draw on these letters of credit.

Commitments Under Existing Lease Agreements

Certain lease agreements include provisions that, at the option of the tenant, Wells REIT may be obligated to expend certain amounts of capital to expand an existing property, construct on adjacent property or provide other expenditures for the benefit of the tenant, in favor of additional rental revenue. At June 30, 2003, no tenants have exercised such options.

Earn-out Agreements

As part of the acquisition of the IRS Building, Wells REIT entered into an agreement to pay the seller an additional $14.5 million if Wells REIT or the seller locates a suitable tenant and leases the vacant space of the building within 18 months after the date of acquisition of the property, or March 2004. If the space is not leased within this time, Wells REIT is released from any obligation to pay this additional purchase consideration. The 26% of the building that was vacant at the time of acquisition remains unleased at June 30, 2003. As of June 30, 2003, no payments have been made under this agreement.

In connection with the acquisition of the East Point I and II Buildings, Wells REIT entered into an earn-out agreement whereby Wells REIT is required to pay the seller certain amounts for each new, fully executed lease after the date of acquisition of the property but on or before June 30, 2004. Payments shall be the anticipated first year s annual rent less operating expenses with the sum divided by 0.105 and the result reduced by tenant improvement costs related to the space. As of June 30, 2003, no payments have been made under this agreement.

As part of the acquisition of the GMAC Detroit Building, Wells REIT entered into an agreement to pay the seller certain amounts for each new, fully executed lease entered into after the date of acquisition of the building but on or before November 8, 2004. Payments are calculated by dividing the sum of the anticipated first year s annual rent less operating expenses by 0.095, with the result being reduced by tenant improvement costs related to the space. As of June 30, 2003, no payments have been made under this agreement.

Leasehold Property Obligations

The ASML, Motorola Tempe, Avnet and Bellsouth Ft. Lauderdale Buildings are subject to certain ground leases with expiration dates of 2082, 2082, 2083 and 2049, respectively.

Pending Litigation

In the normal course of business, Wells REIT may become subject to litigation or claims. In November 2002, Wells REIT contracted to purchase an office building located in Ramsey County, Minnesota, from Shoreview Associates LLC (Shoreview), who filed a lawsuit against Wells REIT in Minnesota state court alleging that Shoreview was entitled to approximately $0.8 million in earnest money Wells REIT had deposited under the contract. Wells REIT has filed a counterclaim in the case asserting that Wells REIT is entitled to the earnest money deposit. Procedurally, Wells REIT had the case transferred to U.S. District Court in Minnesota, and Shoreview has moved to transfer the case back to state court. The dispute currently remains in litigation. After consultation with legal counsel, management does not believe that a reserve for a loss contingency is necessary.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

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NASD Enforcement Action

On June 6, 2003, the enforcement division of NASD, Inc. (NASD) informed Wells Investment Securities, the Wells REIT Dealer Manager, and Leo F. Wells, III, President and a director of Wells REIT, that the NASD has made a determination to institute disciplinary proceedings against both Wells Investment Securities and Mr. Wells, as registered principal of Wells Investment Securities, for alleged violations of various NASD Conduct Rules entirely related to providing non-cash compensation of more than $100 to associated persons of NASD member firms in connection with their attendance at the annual educational and due diligence conferences sponsored by Wells Investment Securities in 2001 and 2002.

Management is unable to predict at this time the potential outcome of any such enforcement action against Wells Investment Securities and Mr. Wells or the potential effect such an enforcement action may have on the operations of the Advisor, and, accordingly, on the operations of Wells REIT, if any.

8. SUBSEQUENT EVENTS

Sale of Shares of Common Stock

From July 1, 2003 through July 31, 2003, Wells REIT has raised approximately $233.5 million through the issuance of approximately 23.5 million shares of common stock of Wells REIT. At July 31, 2003 approximately 130.5 million shares remain available under the current offering of Wells REIT s stock.

Redemptions of Common Stock

Wells REIT s current share redemption plan allows for the redemption of approximately 4.0 million shares at an aggregate cost of $40.0 million for the year ending December 31, 2003. From January 1, 2003 through July 31, 2003, Wells REIT had redeemed 3.6 million shares of common stock available for redemption for the year at an aggregate cost of approximately $36.0 million. Wells REIT anticipates that the remaining shares eligible for redemption during the year ending December 31, 2003 will be exhausted in the very near future. All other requests for potential redemption will be eligible on a first come first serve basis beginning in the first quarter 2004, subject to the Board s ability to change or terminate the Wells REIT s share redemption program at any time in its discretion.

Property Acquisitions

Internet Security Systems Atlanta

On July 1, 2003, Wells REIT purchased the third Internet Security Systems (ISS) Building, a five-story building containing approximately 50,400 rentable square feet located in Atlanta, Georgia for a purchase price of approximately $10.0 million. The building is 100% leased to ISS. The first two ISS Buildings were purchased in July 2002. The three-building project now totals approximately 289,000 rentable square feet.

Lockheed Martin Rockville

On July 30, 2003, Wells REIT purchased all the membership interest in Meridian/Northwestern Shady Grove North, LLC, a Delaware limited liability company, which owns two four-story office buildings containing approximately 231,000 aggregate rentable square feet located in Rockville, Maryland, for a purchase price of approximately $51.6 million. The buildings are 100% leased by Lockheed Martin.

Cingular Atlanta

On August 1, 2003, Wells REIT purchased the Cingular Atlanta Building, a 19-story building containing approximately 413,279 rentable square feet located in Atlanta, Georgia, for a purchase price of $83.9 million. The building is 97% leased under leases to various tenants with varying terms, including Cingular Wireless, LLC, which leases 76% of the building.

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Report of Independent Auditors

Shareholders and Board of Directors

Wells Real Estate Investment Trust, Inc.

We have audited the accompanying statement of revenues over certain operating expenses of the Lockheed Martin Rockville Buildings for the year ended December 31, 2002. This statement is the responsibility of the Lockheed Martin Rockville Buildings management. Our responsibility is to express an opinion on this statement based on our audit.

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

The accompanying statement of revenues over certain operating expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission, as described in Note 2, and is not intended to be a complete presentation of the Lockheed Martin Rockville Buildings revenues and expenses.

In our opinion, the statement of revenues over certain operating expenses referred to above presents fairly, in all material respects, the revenues and certain operating expenses described in Note 2 of the Lockheed Martin Rockville Buildings for the year ended December 31, 2002 in conformity with accounting principles generally accepted in the United States.

Atlanta, Georgia
August 14, 2003

/s/ Ernst & Young LLP

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Lockheed Martin Rockville Buildings

Statements of Revenues Over Certain Operating Expenses

For the year ended December 31, 2002

and the six months ended June 30, 2003 (unaudited)

(in thousands)

	2003	2002
	(Unaudited)	
Revenues:		
Base rent	$ 2,739	$ 4,727
Tenant reimbursements	96	159
Total revenues	2,835	4,886
Expenses:		
Other operating expenses	224	519
Real estate taxes	199	398
Cleaning	105	208
Utilities	90	200
Management fees	90	177
Total expenses	708	1,502
Revenues over certain operating expenses	$ 2,127	$ 3,384

See accompanying notes.

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Lockheed Martin Rockville Buildings

Notes to Statements of Revenues Over Certain Operating Expenses

For the year ended December 31, 2002

and the six months ended June 30, 2003 (unaudited)

1. Description of Real Estate Property Acquired

On July 30, 2003, Wells Operating Partnership, L.P. (Wells OP) acquired all of the membership interest in Meridian/Northwestern Shady Grove North, LLC, a Delaware limited liability company, which owns the Lockheed Martin Rockville Buildings, two four-story office buildings containing approximately 230,000 square feet located in Rockville, Maryland, from Meridian/Northwestern Shady Grove Holdings, LLC (Holdings). Total consideration for the acquisition was approximately $51.6 million. Wells OP is a Delaware limited partnership formed to acquire, own, lease, operate, and manage real properties on behalf of Wells Real Estate Investment Trust, Inc., a Maryland corporation. As the sole general partner of Wells OP, Wells Real Estate Investment Trust, Inc. possesses full legal control and authority over the operations of Wells OP.

2. Basis of Accounting

The accompanying statements of revenues over certain operating expenses are presented in conformity with accounting principles generally accepted in the United States and in accordance with the applicable rules and regulations of the Securities and Exchange Commission for real estate properties acquired. Accordingly, the statements exclude certain historical expenses that are not comparable to the proposed future operations of the property such as certain ancillary income, amortization, depreciation, interest and corporate expenses. Therefore, the statements will not be comparable to the statements of operations of the Lockheed Martin Rockville Buildings after their acquisition by Wells OP.

3. Significant Accounting Policies

Rental Revenues

Rental revenue is recognized on a straight-line basis over the terms of the related leases. The excess of recognized rental income over amounts due pursuant to lease terms is recorded as straight-line rent receivable. The impact of the straight-line rent adjustment increased revenue by approximately $0 for the year ended December 31, 2002 and $375,000 for the six months ended June 30, 2003.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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Lockheed Martin Rockville Buildings

Notes to Statements of Revenues Over Certain Operating Expenses

(continued)

For the year ended December 31, 2002

and the six months ended June 30, 2003 (unaudited)

4. Description of Leasing Arrangements

The Lockheed Martin Rockville Buildings are 100% leased to Lockheed Martin Corporation (Lockheed) under leases (Lockheed Leases) that commenced in February 1999 and expire in January 2009. The Lockheed Leases were amended in March 2003 to extend the lease expiration dates to January 2009 and increase base rents. Under the Lockheed Leases, Lockheed is required to pay, as additional rent, any increases in operating expenses, excluding electricity, and real estate taxes over a base year amount. Lockheed will be billed directly by Wells OP for annual electrical costs. Holdings interests in all lease agreements were assigned to Wells OP upon its acquisition of the Lockheed Martin Rockville Buildings.

5. Future Minimum Rental Commitments

Future minimum rental commitments for the years ended December 31 are as follows (in thousands):

2003	$ 4,727
2004	5,573
2005	5,831
2006	6,036
2007	6,246
Thereafter	7,004
	$ 35,417

6. Interim Unaudited Financial Information

The statement of revenues over certain operating expenses for the six months ended June 30, 2003 is unaudited, however, in the opinion of management, all adjustments (consisting solely of normal, recurring adjustments) necessary for the fair presentation of the financial statement for the interim period have been included. The results of the interim period are not necessarily indicative of the results to be obtained for a full fiscal year.

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Report of Independent Auditors

Shareholders and Board of Directors

Wells Real Estate Investment Trust, Inc.

We have audited the accompanying statement of revenues over certain operating expenses of the Cingular Atlanta Building for the year ended December 31, 2002. This statement is the responsibility of the Cingular Atlanta Building s management. Our responsibility is to express an opinion on this statement based on our audit.

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

The accompanying statement of revenues over certain operating expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission, as described in Note 2, and is not intended to be a complete presentation of the Cingular Atlanta Building s revenues and expenses.

In our opinion, the statement of revenues over certain operating expenses referred to above presents fairly, in all material respects, the revenues and certain operating expenses described in Note 2 of the Cingular Atlanta Building for the year ended December 31, 2002 in conformity with accounting principles generally accepted in the United States.

Atlanta, Georgia
August 8, 2003

/s/ Ernst & Young LLP

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Cingular Atlanta Building

Statements of Revenues Over Certain Operating Expenses

For the year ended December 31, 2002

and the six months ended June 30, 2003 (unaudited)

(in thousands)

	2003	2002
	(Unaudited)	
Revenues:		
Base rent	$ 5,183	$ 10,364
Tenant reimbursements	87	137
Parking revenue	9	13
Total revenues	5,279	10,514
Expenses:		
Other operating expenses	485	912
Real estate taxes	515	908
Utilities	263	603
Cleaning	191	356
Management fees	125	250
Security	125	221
Total expenses	1,704	3,250
Revenues over certain operating expenses	$ 3,575	$ 7,264

See accompanying notes.

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Cingular Atlanta Building

Notes to Statements of Revenues Over Certain Operating Expenses

For the year ended December 31, 2002

and the six months ended June 30, 2003 (unaudited)

1. Description of Real Estate Property Acquired

On August 1, 2003, Wells Operating Partnership, L.P. (Wells OP) acquired the Cingular Atlanta Building, a 19-story office building containing approximately 413,000 square feet located in Atlanta, Georgia, from Teachers Insurance and Annuity Association of America (Teachers). Total consideration for the acquisition was approximately $84 million. Wells OP is a Delaware limited partnership formed to acquire, own, lease, operate, and manage real properties on behalf of Wells Real Estate Investment Trust, Inc., a Maryland corporation. As the sole general partner of Wells OP, Wells Real Estate Investment Trust, Inc. possesses full legal control and authority over the operations of Wells OP.

2. Basis of Accounting

The accompanying statements of revenues over certain operating expenses are presented in conformity with accounting principles generally accepted in the United States and in accordance with the applicable rules and regulations of the Securities and Exchange Commission for real estate properties acquired. Accordingly, the statements exclude certain historical expenses that are not comparable to the proposed future operations of the property such as certain ancillary income, amortization, depreciation, interest and corporate expenses. Therefore, the statements will not be comparable to the statements of operations of the Cingular Atlanta Building after its acquisition by Wells OP.

3. Significant Accounting Policies

Rental Revenues

Rental revenue is recognized on a straight-line basis over the terms of the related leases. The excess of recognized rental income over amounts due pursuant to lease terms is recorded as straight-line rent receivable. The impact of the straight-line rent adjustment increased revenue by approximately $1.9 million for the year ended December 31, 2002, due to recognition of rent abatements in the first two years of the lease which will not recur on an ongoing basis, and decreased revenue by approximately $0.2 million for the six months ended June 30, 2003.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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Cingular Atlanta Building

Notes to Statements of Revenues Over Certain Operating Expenses

(continued)

For the year ended December 31, 2002

and the six months ended June 30, 2003 (unaudited)

4. Description of Leasing Arrangements

The office and retail space is leased to tenants under leases with terms that vary in length. Certain leases contain reimbursement clauses and renewal options. Teachers interests in all lease agreements were assigned to Wells OP upon its acquisition of the Cingular Atlanta Building.

5. Future Minimum Rental Commitments

Future minimum rental commitments for the years ended December 31 are as follows (in thousands):

2003	$ 10,743
2004	10,927
2005	11,290
2006	11,491
2007	10,784
Thereafter	36,063
	$ 91,298

Two tenants, Cingular Wireless, LLC and Habif, Arogeti & Wynne, LLP contributed approximately 81% and 13%, respectively, of rental income for the year ended December 31, 2002. Subsequent to December 31, 2002, these tenants will contribute approximately 81% and 12%, respectively, of the future minimum rental income of those leases in place as of that date.

6. Interim Unaudited Financial Information

The statement of revenues over certain operating expenses for the six months ended June 30, 2003 is unaudited, however, in the opinion of management, all adjustments (consisting solely of normal, recurring adjustments) necessary for the fair presentation of the financial statement for the interim period have been included. The results of the interim period are not necessarily indicative of the results to be obtained for a full fiscal year.

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Report of Independent Auditors

Shareholders and Board of Directors

Wells Real Estate Investment Trust, Inc.

We have audited the accompanying statement of revenues over certain operating expenses of the Aventis Northern NJ Building for the year ended December 31, 2002. This statement is the responsibility of the Aventis Northern NJ Building s management. Our responsibility is to express an opinion on this statement based on our audit.

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

The accompanying statement of revenues over certain operating expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission, as described in Note 2, and is not intended to be a complete presentation of the Aventis Northern NJ Building s revenues and expenses.

In our opinion, the statement of revenues over certain operating expenses referred to above presents fairly, in all material respects, the revenues and certain operating expenses described in Note 2 of the Aventis Northern NJ Building for the year ended December 31, 2002 in conformity with accounting principles generally accepted in the United States.

Atlanta, Georgia
August 20, 2003

/s/ Ernst & Young LLP

Aventis Northern NJ Building

Statements of Revenues Over Certain Operating Expenses

For the year ended December 31, 2002

and the six months ended June 30, 2003 (unaudited)

(in thousands)

	2003	2002
	(Unaudited)	
Revenues:		
Base rent	$ 3,888	$ 7,129
Tenant reimbursements	1,167	2,264
Total revenues	5,055	9,393
Expenses:		
Other operating expenses	370	613
Real estate taxes	398	567
Utilities	245	561
Management fees	127	266
Salaries & wages	118	257
Total expenses	1,258	2,264
Revenues over certain operating expenses	$ 3,797	$ 7,129

See accompanying notes.

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Aventis Northern NJ Building

Notes to Statements of Revenues Over Certain Operating Expenses

For the year ended December 31, 2002

and the six months ended June 30, 2003 (unaudited)

1. Description of Real Estate Property Acquired

On August 14, 2003, Wells Bridgewater I, LLC (the Company) acquired the Aventis Northern NJ Building, an eight-story office building containing approximately 297,000 square feet located in Bridgewater, New Jersey, from PGC Bridgewater, LLC (PGC Bridgewater). Total consideration for the acquisition was approximately $96.3 million. The Company, a Georgia limited liability company, was created on August 8, 2003. Wells Operating Partnership, L.P. (Wells OP) is the sole member of the Company. Wells OP is a Delaware limited partnership formed to acquire, own, lease, operate, and manage real properties on behalf of Wells Real Estate Investment Trust, Inc., a Maryland corporation. As the sole general partner of Wells OP, Wells Real Estate Investment Trust, Inc. possesses full legal control and authority over the operations of Wells OP.

2. Basis of Accounting

The accompanying statements of revenues over certain operating expenses are presented in conformity with accounting principles generally accepted in the United States and in accordance with the applicable rules and regulations of the Securities and Exchange Commission for real estate properties acquired. Accordingly, the statements exclude certain historical expenses that are not comparable to the proposed future operations of the property such as certain ancillary income, amortization, depreciation, interest and corporate expenses. Therefore, the statements will not be comparable to the statements of operations of the Aventis Northern NJ Building after its acquisition by the Company.

3. Significant Accounting Policies

Rental Revenues

Rental revenue is recognized on a straight-line basis over the terms of the related leases. The excess of recognized rental income over amounts due pursuant to lease terms is recorded as straight-line rent receivable. The impact of the straight-line rent adjustment increased revenue by approximately $450,000 for the year ended December 31, 2002 and by approximately $246,000 for the six months ended June 30, 2003.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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Aventis Northern NJ Building

Notes to Statements of Revenues Over Certain Operating Expenses

(continued)

For the year ended December 31, 2002

and the six months ended June 30, 2003 (unaudited)

4. Description of Leasing Arrangements

The Aventis Northern NJ Building is 100% leased to Aventis, Inc. (Aventis) under a net lease (Aventis Lease) that commenced in February 2002 and expires in March 2012. Under the Aventis Lease, Aventis is required to pay, as additional rent, the costs of electrical energy consumed, its proportionate share of operating expenses and a management fee equal to 3% of gross revenue. PGC Bridgewater s interest in the Aventis lease agreement was assigned to the Company upon its acquisition of the Aventis Northern NJ Building.

5. Future Minimum Rental Commitments

Future minimum rental commitments for the years ended December 31 are as follows (in thousands):

2003	$ 7,286
2004	7,286
2005	7,286
2006	7,286
2007	8,171
Thereafter	35,072
	$ 72,387

6. Interim Unaudited Financial Information

The statement of revenues over certain operating expenses for the six months ended June 30, 2003 is unaudited, however, in the opinion of management, all adjustments (consisting solely of normal, recurring adjustments) necessary for the fair presentation of the financial statement for the interim period have been included. The results of the interim period are not necessarily indicative of the results to be obtained for a full fiscal year.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

SUMMARY OF UNAUDITED PRO FORMA FINANCIAL STATEMENTS

This pro forma information should be read in conjunction with the financial statements and notes of Wells Real Estate Investment Trust, Inc., a Maryland Corporation (the Wells REIT), included in its annual report on Form 10-K for the year ended December 31, 2002 and its quarterly report on Form 10-Q for the six months ended June 30, 2003. In addition, this pro forma information should be read in conjunction with the financial statements and notes of certain acquired properties included in various Form 8-Ks previously filed.

The following unaudited pro forma balance sheet as of June 30, 2003 has been prepared to give effect to the third quarter 2003 acquisitions of the ISS Atlanta III Building, the Lockheed Martin Rockville Buildings, the Cingular Atlanta Building by Wells Operating Partnership, L.P. (Wells OP) and the Aventis Northern NJ Building (collectively, the Recent Acquisitions) by Wells Bridgewater I, LLC, of which Wells OP is the sole member, as if the acquisitions occurred on June 30, 2003.

Wells OP is a Delaware limited partnership that was organized to own and operate properties on behalf of Wells REIT. As the sole general partner of Wells OP, Wells REIT possesses full legal control and authority over the operations of Wells OP. Accordingly, the accounts of Wells OP are consolidated with the accompanying pro forma financial statements of Wells REIT.

The following unaudited pro forma statement of income for the six months ended June 30, 2003 has been prepared to give effect to the first quarter 2003 acquisitions of the East Point Cleveland Buildings and the 150 West Jefferson Detroit Building, the second quarter 2003 acquisitions of the Citicorp Englewood Cliffs, NJ Building, the US Bancorp Minneapolis Building, the Aon Center Chicago Building, the GMAC Detroit Building and the IBM Reston Buildings (collectively, the 2003 Acquisitions) and the Recent Acquisitions as if the acquisitions occurred on January 1, 2002.

The following unaudited pro forma statement of income for the year ended December 31, 2002 has been prepared to give effect to the 2002 acquisition of the Vertex Sarasota Building (formerly, the Arthur Andersen Building), the Transocean Houston Building, the Novartis Atlanta Building, the Dana Corporation Buildings, the Travelers Express Denver Buildings, the Agilent Atlanta Building, the BellSouth Ft. Lauderdale Building, the Experian/TRW Buildings, the Agilent Boston Building, the TRW Denver Building, the MFS Phoenix Building, the ISS Atlanta Buildings, the PacifiCare San Antonio Building, the BMG Greenville Buildings, the Kraft Atlanta Building, the Nokia Dallas Buildings, the Harcourt Austin Building, the IRS Long Island Buildings, the KeyBank Parsippany Building, the Allstate Indianapolis Building, the Federal Express Colorado Springs Building, the EDS Des Moines Building, the Intuit Dallas Building, the Daimler Chrysler Dallas Building, the NASA Buildings, the Caterpillar Nashville Building, the Capital One Richmond Buildings, the John Wiley Indianapolis Building and the Nestle Los Angeles Building (collectively, the 2002 Acquisitions), the 2003 Acquisitions and the Recent Acquisitions as if the acquisitions occurred on January 1, 2002. The Kerr McGee Property, the AmeriCredit Phoenix Property and the ISS Atlanta III Building had no operations during the year ended December 31, 2002.

These unaudited pro forma financial statements are prepared for informational purposes only and are not necessarily indicative of future results or of actual results that would have been achieved had the acquisition of the 2002 Acquisitions, 2003 Acquisitions and the Recent Acquisitions been consummated as of January 1, 2002. In addition, the pro forma balance sheet includes allocations of the purchase price for certain acquisitions based upon preliminary estimates of the fair value of the assets and liabilities acquired. Therefore, these allocations may be adjusted in the future upon finalization of these preliminary estimates.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

PRO FORMA BALANCE SHEET

JUNE 30, 2003

(in thousands, except share amounts)

(Unaudited)

ASSETS

		Pro Forma Adjustments					
			Recent Acquisitions				
	Wells Real Estate Investment Trust, Inc. (a)	Other	ISS Atlanta III	Lockheed Martin Rockville	Cingular Atlanta	Aventis Northern NJ	Pro Forma Total
REAL ESTATE ASSETS, at cost:							
Land	$ 342,885	$ 0	$ 950 (d)	$ 5,800 (d)	$ 6,400 (d)	$ 8,000 (d)	$ 364,755
			39 (e)	237 (e)	262 (e)	182 (e)	
Buildings, less accumulated depreciation of $107,872	2,575,249	0	8,906 (d)	45,427 (d)	77,615 (d)	88,668 (d)	2,803,283
			365 (e)	1,860 (e)	3,178 (e)	2,015 (e)	
Construction in progress	532	0	0	0	0	0	532
Total real estate assets	2,918,666	0	10,260	53,324	87,455	98,865	3,168,570
INVESTMENT IN JOINT VENTURES	82,513	0	0	0	0	0	82,513
CASH AND CASH EQUIVALENTS	59,105	297,883 (b)	(9,856) (d)	(51,227) (d)	(52,015) (d)	(53,668) (d)	178,638
		(11,584) (c)					
RENT RECEIVABLE	26,814	0	0	0	0	0	26,814
DEFERRED PROJECT COSTS	1,864	11,584 (c)	(404) (e)	(2,097) (e)	(3,440) (e)	(2,197) (e)	5,310
DUE FROM AFFILIATES	1,807	0	0	0	0	0	1,807
PREPAID EXPENSES AND OTHER ASSETS, NET	12,656	0	0	0	0	0	12,656
DEFERRED LEASE ACQUISITION COSTS, NET	11,880	0	0	0	0	0	11,880
	22,839	0	0	0	0	0	22,839

INTANGIBLE LEASE ASSET							
INVESTMENT IN BONDS	54,500	0	0	0	0	0	54,500
Total assets	$ 3,192,644	$ 297,883	$ 0	$ 0	$ 32,000	$ 43,000	$ 3,565,527

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LIABILITIES AND SHAREHOLDERS EQUITY

(in thousands, except share amounts)

	Wells Real Estate Investment Trust, Inc. (a)	Other	ISS Atlanta III	Lockheed Martin Rockville	Cingular Atlanta	Aventis Northern NJ	Pro Forma Total
		Pro Forma Adjustments					
			Recent Acquisitions				
LIABILITIES:							
Borrowings	$ 308,765	$ 0	$ 0	$ 0	$ 32,000 (d)	$ 43,000 (d)	$ 383,765
Obligations under capital lease	54,500	0	0	0	0	0	54,500
Intangible lease liability	46,249	0	0	0	0	0	46,249
Accounts payable and accrued expenses	57,013	0	0	0	0	0	57,013
Due to affiliate	5,061	0	0	0	0	0	5,061
Dividends payable	9,532	0	0	0	0	0	9,532
Deferred rental income	9,379	0	0	0	0	0	9,379
Total liabilities	490,499	0	0	0	32,000	43,000	565,499
COMMITMENTS AND CONTINGENCIES							
MINORITY INTEREST OF UNIT HOLDER IN OPERATING PARTNERSHIP	200	0	0	0	0	0	200
SHAREHOLDERS EQUITY:							
Common shares, $.01 par value; 750,000,000 shares authorized, 322,219,052 shares issued and 317,026,812 outstanding at June 30, 2003	3,222	331 (b)	0	0	0	0	3,553
Additional paid-in capital	2,863,705	297,552 (b)	0	0	0	0	3,161,257
Cumulative distributions in excess of earnings	(113,052)	0	0	0	0	0	(113,052)
Treasury stock, at cost, 5,192,240 shares at June 30, 2003	(51,922)	0	0	0	0	0	(51,922)
Other comprehensive loss	(8)	0	0	0	0	0	(8)
Total shareholders equity	2,701,945	297,883	0	0	0	0	2,999,828
Total liabilities and shareholders equity	$ 3,192,644	$ 297,883	$ 0	$ 0	$ 32,000	$ 43,000	$ 3,565,527

(a) Historical financial information derived from quarterly report on Form 10-Q.

(b) Reflects capital raised through issuance of additional shares subsequent to June 30, 2003 through Aventis Northern NJ acquisition date, net of organizational and offering costs, commissions and dealer-manager fees.

(c) Reflects deferred project costs capitalized as a result of additional capital raised described in note (b) above.

(d) Reflects Wells Real Estate Investment Trust, Inc. s purchase price for the land, building and liabilities assumed, net of any purchase price adjustments.

(e) Reflects deferred project costs applied to the land and building at approximately 4.094% of the cash paid for purchase.

The accompanying notes are an integral part of this statement.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

PRO FORMA STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2002

(in thousands, except per share amounts)

(Unaudited)

		Pro Forma Adjustments					
				Recent Acquisitions			
	Wells Real Estate Investment Trust, Inc. (a)	2002 Acquisitions	2003 Acquisitions	Lockheed Martin Rockville	Cingular Atlanta	Aventis Northern NJ	Pro Forma Total
REVENUES:							
Rental income	$ 107,526	$ 98,599 (b)	$ 77,148 (b)	$ 4,727 (b)	$ 11,062 (b)	$ 7,129 (b)	$ 306,191
Tenant reimbursements	18,992	9,584 (c)	52,461 (c)	159 (c)	137 (c)	2,271 (c)	83,604
Equity in income of joint ventures	4,700	648 (d)	0	0	0	0	5,348
Lease termination income	1,409	0	0	0	0	0	1,409
Interest and other income	7,001	0	0	0	0	0	7,001
	139,628	108,831	129,609	4,886	11,199	9,400	403,553
EXPENSES:							
Depreciation	38,780	34,362 (e)	32,088 (e)	1,891 (e)	3,232 (e)	3,627 (e)	113,980
Interest expense	4,638	9,657 (f)	24,407 (f)	0	1,277 (f)	1,716 (f)	41,695
Property operating costs	26,949	25,244 (g)	65,996 (g)	1,326 (g)	3,001 (g)	1,998 (g)	124,514
Management and leasing fees	5,155	3,196 (h)	5,833 (h)	220 (h)	504 (h)	423 (h)	15,331
General and administrative	3,244	0	0	0	0	0	3,244
Legal and accounting	1,008	0	0	0	0	0	1,008
	79,774	72,459	128,324	3,437	8,014	7,764	299,772
NET INCOME	$ 59,854	$ 36,372	$ 1,285	$ 1,449	$ 3,185	$ 1,636	$ 103,781
EARNINGS PER SHARE, basic and diluted	$ 0.41						$ 0.30
WEIGHTED AVERAGE SHARES, basic and diluted	145,633						349,381

(a) Historical financial information derived from annual report on Form 10-K.
(b) Rental income is recognized on a straight-line basis.
(c) Consists of operating costs reimbursements.
(d) Reflects Wells Real Estate Investment Trust, Inc. s equity in income of the Wells Fund XIII-REIT Joint Venture related to the John Wiley Indianapolis Building. The pro forma adjustment results from rental revenues less operating expenses, management fees and depreciation.
(e) Depreciation expense is recognized using the straight-line method and a 25-year life.
(f) Represents interest expense on lines of credits used to acquire assets, which bore interest at approximately 3.99% for the year ended December 31, 2002, interest expense on loan used to acquire the Aon Center Chicago Building, which bore interest at approximately 4.858% for the year ended December 31, 2002 and assumed mortgages on the two BMG Greenville Buildings and the Nestle Los Angeles Building which bore interest at 8.5%, 8% and 3.39% for the year ended December 31, 2002, respectively.
(g) Consists of operating expenses.
(h) Management and leasing fees are generally calculated at 4.5% of rental income and tenant reimbursements.

The accompanying notes are an integral part of this statement.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

PRO FORMA STATEMENT OF INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2003

(in thousands, except per share amounts)

(Unaudited)

		Pro Forma Adjustments					
			Recent Acquisitions				
	Wells Real Estate Investment Trust, Inc. (a)	2003 Acquisitions	ISS Atlanta III	Lockheed Martin Rockville	Cingular Atlanta	Aventis Northern NJ	Pro Forma Total
REVENUES:							
Rental income	$ 122,312	$ 27,355 (b)	$ 43 (b)	$ 2,739 (b)	$ 5,534 (b)	$ 3,888 (b)	$ 161,871
Tenant reimbursements	26,058	17,050 (c)	0	96 (c)	87 (c)	1,188 (c)	44,479
Equity in income of joint ventures	2,392	0	0	0	0	0	2,392
Interest and other income	2,315	0	0	0	0	0	2,315
	153,077	44,405	43	2,835	5,621	5,076	211,057
EXPENSES:							
Depreciation	44,278	10,898 (d)	32 (d)	945 (d)	1,616 (d)	1,814 (d)	59,583
Property operating costs	41,039	21,206 (e)	24 (e)	619 (e)	1,579 (e)	1,131 (e)	65,598
Management and leasing fees	5,488	1,998 (f)	2 (f)	128 (f)	253 (f)	228 (f)	8,097
General and administrative	2,523	0	0	0	0	0	2,523
Interest expense	7,400	7,655 (g)	0	0	526 (g)	707 (g)	16,288
	100,728	41,757	58	1,692	3,974	3,880	152,089
NET INCOME	$ 52,349	$ 2,648	$ (15)	$ 1,143	$ 1,647	$ 1,196	$ 58,968
EARNINGS PER SHARE, basic and diluted	$ 0.20						$ 0.17
WEIGHTED AVERAGE SHARES, basic and diluted	258,575						349,381

(a) Historical financial information derived from quarterly report on Form 10-Q.
(b) Rental income is recognized on a straight-line basis.
(c) Consists of operating costs reimbursements.
(d) Depreciation expense is recognized using the straight-line method and a 25-year life.
(e) Consists of operating expenses
(f) Management and leasing fees are generally calculated at 4.5% of rental income and tenant reimbursements.
(g) Represents interest expense on lines of credits used to acquire assets, which bore interest at approximately 3.29% for the six months ended June 30, 2003 and interest expense on loan used to acquire the Aon Center Chicago Building, which bore interest at approximately 4.40% for the six months ended June 30, 2003

The accompanying notes are an integral part of this statement.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

SUPPLEMENT NO. 10 DATED SEPTEMBER 15, 2003 TO THE PROSPECTUS

DATED JULY 26, 2002

This document supplements, and should be read in conjunction with, the prospectus of Wells Real Estate Investment Trust, Inc. dated July 26, 2002, as supplemented and amended by Supplement No. 1 dated August 14, 2002, Supplement No. 2 dated August 29, 2002, Supplement No. 3 dated October 25, 2002, Supplement No. 4 dated December 10, 2002, Supplement No. 5 dated January 15, 2003, Supplement No. 6 dated April 14, 2003, Supplement No. 7 dated May 15, 2003, Supplement No. 8 dated June 15, 2003, and Supplement No. 9 dated August 27, 2003. When we refer to the prospectus in this supplement, we are also referring to any and all supplements to the prospectus. Unless otherwise defined in this supplement, capitalized terms used in this supplement shall have the same meanings as set forth in the prospectus.

The purpose of this supplement is to describe the following:

(1) Status of the offering of shares in Wells Real Estate Investment Trust, Inc. (Wells REIT);

(2) Revisions to the Description of Real Estate Investments section of the prospectus to describe the following real property acquisitions;

(A) Acquisition of a five-story office building in Pasadena, California (Applera Pasadena Building);

(B) Acquisition of a three-story office building in Brea, California (Continental Casualty Orange County Building); and

(C) Acquisition of a 10-story office building in Lyndhurst, New Jersey (Polo Ralph Lauren Newark Building); and

(3) Unaudited pro forma financial statements of the Wells REIT reflecting the acquisitions of the Applera Pasadena Building, the Continental Casualty Orange County Building and the Polo Ralph Lauren Newark Building.

Status of the Offering

We commenced our initial public offering of common stock on January 30, 1998. Our initial public offering was terminated on December 19, 1999. We received approximately $132.2 million in gross offering proceeds from the sale of approximately 13.2 million shares in our initial public offering. We commenced our second offering of common stock on December 20, 1999. Our second public offering was terminated on December 19, 2000. We received approximately $175.2 million in gross offering proceeds from the sale of approximately 17.5 million shares in our second public offering. We commenced our third public offering of common stock on December 20, 2000. Our third public offering was terminated on July 26, 2002. We received approximately $1.3 billion in gross offering proceeds from the sale of approximately 128.3 million shares in our third public offering.

Pursuant to the prospectus, we commenced our fourth public offering of common stock on July 26, 2002. As of September 10, 2003, we had received additional gross proceeds of approximately $2.2 billion from the sale of approximately 217.0 million shares in our fourth public offering. Therefore, there were approximately $914 million in shares (91.4 million shares) remaining available for sale to the public under the fourth public offering, which excludes shares available under our dividend reinvestment plan.

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Accordingly, as of September 10, 2003, we had received aggregate gross offering proceeds of approximately $3.8 billion from the sale of approximately 376.0 million shares in all of our public offerings. After payment of approximately $129.5 million in acquisition and advisory fees and acquisition expenses, payment of approximately $408.6 million in selling commissions and organization and offering expenses, and common stock redemptions of approximately $60.4 million pursuant to our share redemption program, as of September 10, 2003, we had raised aggregate net offering proceeds available for investment in properties of approximately $3.2 billion, out of which approximately $3.1 billion had been invested in real estate properties, and approximately $38.7 million remained available for investment in real estate properties.

Description of Properties

As of September 10, 2003, we had purchased interests in 86 real estate properties located in 24 states. Below is a description of our recent real property acquisitions.

Applera Pasadena Building

On August 21, 2003, Wells Operating Partnership, L.P. (Wells OP), a Delaware limited partnership formed to acquire, own, lease and operate real properties on behalf of the Wells REIT, through a wholly-owned subsidiary, purchased a five-story office building containing approximately 176,000 aggregate rentable square feet located on an approximately 1.9-acre tract of land at 1055 East Colorado Boulevard in Pasadena, California (Applera Pasadena Building) for a purchase price of approximately $37.9 million, plus closing costs. Wells OP formed Wells REIT Pasadena, CA, L.P., a Delaware limited partnership, to purchase the Applera Pasadena Building from KN Colorado, LLC, a Delaware limited liability company not in any way affiliated with the Wells REIT, Wells OP, Wells REIT Pasadena, CA, L.P. or Wells Capital, Inc., our advisor (Advisor). Wells OP previously purchased four buildings from an affiliate of KN Colorado, LLC (the Federal Express Colorado Springs Building, the EDS Des Moines Building, the Intuit Dallas Building and the GMAC Detroit Building).

The Applera Pasadena Building, which was built in 2001, is primarily leased to Paracel, Inc. (Paracel) (approximately 48%). Approximately 28% of the Applera Pasadena Building is leased to six additional tenants, and approximately 24% of the Applera Pasadena Building is currently vacant.

Paracel, a wholly-owed subsidiary of Applera Corporation (Applera), is a provider of high-performance genomic data and text analysis systems for the pharmaceutical, biotechnology, academic and government markets. Applera, the guarantor of the Paracel lease, is a worldwide life sciences and genomics company with headquarters in Norwalk, Connecticut. Applera provides technology and information solutions to scientists through its two business units, Applied Biosystems Group and Celera Genomics Group. Applera reported a net worth, as of March 31, 2003, of approximately $2.25 billion.

The current annual base rent payable under the Paracel lease, which expires in 2011, is approximately $2.6 million. Paracel is actively marketing a majority of its current space for sublease. Paracel and Applera will remain liable for any subleased space in the Applera Pasadena Building.

The current aggregate annual base rent for the remaining six tenants in the Applera Pasadena Building is approximately $1.5 million.

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Continental Casualty Orange County Building

On August 29, 2003, Wells OP purchased a three-story office building containing approximately 134,000 aggregate rentable square feet located on a approximately 7.8-acre tract of land at 675 Placentia Avenue in Brea, California (Continental Casualty Orange County Building) for a purchase price of approximately $25.6 million, plus closing costs. The Continental Casualty Orange County Building was purchased from Fairway II-VEF III, LLC, a Delaware limited liability company not in any way affiliated with the Wells REIT, Wells OP or our Advisor.

The Continental Casualty Orange County Building, which was built in 2003, is entirely leased to Continental Casualty Company (Continental Casualty) (approximately 84%) and Phoenix American Insurance Group, Inc. (Phoenix) (approximately 16%).

Continental Casualty, which has its corporate headquarters in Chicago, Illinois, is a subsidiary of CNA Financial Corporation (CNA). CNA is a global insurance organization providing businesses and individuals with a wide range of insurance products and insurance-related services. Continental Casualty, along with other CNA affiliates, conducts the property and casualty insurance operations of CNA.

The current annual base rent payable under the Continental Casualty lease, which expires in 2013, is approximately $2.7 million. Continental Casualty has the right to terminate the Continental Casualty lease in 2010 by paying a termination fee equal to various unamortized allowances, commissions, fees and concessions incurred by the landlord in connection with the Continental Casualty lease, which is currently estimated to be approximately $2.7 million. The Continental Casualty lease prohibits Wells OP from leasing any space in the Continental Casualty Orange County Building to 22 competitor insurance companies. In addition, Continental Casualty has various expansion options and a right of first refusal to lease additional space in the Continental Casualty Orange County Building.

Phoenix is an independent service contract and mechanical breakdown insurance administrator with corporate offices in Miami, Florida. Phoenix provides comprehensive insurance coverage for automobiles, motorcycles, recreational vehicles, travel trailers, and marine craft to individual consumers, car dealers, credit unions, and lending institutions.

The current annual base rent payable under the Phoenix lease, which expires in 2008, is approximately $0.5 million.

Polo Ralph Lauren Newark Building

On September 5, 2003, Wells OP purchased a 10-story office building containing approximately 268,000 aggregate rentable square feet located on an approximately 6.15-acre tract of land at 9 Polito Avenue in Lyndhurst, New Jersey (Polo Ralph Lauren Newark Building) for a purchase price of approximately $46.6 million, plus closing costs. The Polo Ralph Lauren Newark Building was purchased from Utah State Retirement Investment Fund, a Utah Common Trust Fund not in any way affiliated with the Wells REIT, Wells OP or our Advisor.

The Polo Ralph Lauren Newark Building, which was built in 1986, is primarily leased to Polo Ralph Lauren Corporation (Polo) (approximately 60%) and Scandinavian Airlines of North America, Inc. (Scandinavian) (approximately 13%). Approximately 19% of the Polo Ralph Lauren Newark Building is leased to nine additional tenants, and approximately 8% of the Polo Ralph Lauren Newark Building is currently vacant.

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Polo designs, manufactures, and distributes premium lifestyle products, including apparel, accessories, fragrances, and home products. Polo, a company whose shares are publicly traded on the New York Stock Exchange (NYSE), operates through numerous brand names, including Polo, Polo Sport, Ralph Lauren, and Chaps. Polo reported a net worth, as of June 28, 2003, of approximately $1.2 billion. Polo s senior unsecured debt is currently rated by S&P as BBB and by Moody s as Baa2. The current annual base rent payable under the Polo lease, which expires in 2008, is approximately $3.0 million. In addition, Polo has a right of first refusal to lease additional space in the Polo Ralph Lauren Newark Building should space become available.

Scandinavian is a wholly-owned subsidiary of Scandinavian Airlines System (SAS), which has its corporate headquarters in Stockholm, Sweden. SAS operates Scandinavian Airlines, as well as several affiliated airlines, and other airline-related businesses. Ownership interests of SAS are traded on stock exchanges in Stockholm, Oslo, and Copenhagen. SAS reported a net worth, as of June 30, 2003, of approximately $1.65 billion. The current annual base rent payable under the Scandinavian lease, which expires in 2007, is approximately $1.0 million.

The current aggregate annual base rent for the remaining nine tenants in the Polo Ralph Lauren Newark Building is approximately $1.3 million.

Property Management

Wells Management Company, Inc. (Wells Management), an affiliate of the Wells REIT and our Advisor, will manage the Applera Pasadena Building, the Continental Casualty Orange County Building and the Polo Ralph Lauren Newark Building on behalf of Wells OP. Wells Management will be paid asset and property management fees in the amount of up to 4.5% of the gross revenues from the Applera Pasadena Building, the Continental Casualty Orange County Building and the Polo Ralph Lauren Newark Building, subject to certain limitations.

Financial Statements

Unaudited Financial Statements

The pro forma balance sheet of the Wells REIT, as of June 30, 2003, the pro forma statement of income for the year ended December 31, 2002, and the pro forma statement of income for the six months ended June 30, 2003, which are included in this supplement, have not been audited.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

SUMMARY OF UNAUDITED PRO FORMA FINANCIAL STATEMENTS

This pro forma information should be read in conjunction with the financial statements and notes of Wells Real Estate Investment Trust, Inc., a Maryland Corporation (the Wells REIT), included in its annual report on Form 10-K for the year ended December 31, 2002 and its quarterly report on Form 10-Q for the six months ended June 30, 2003. In addition, this pro forma information should be read in conjunction with the financial statements and notes of certain acquired properties included in various Form 8-Ks previously filed.

The following unaudited pro forma balance sheet as of June 30, 2003 has been prepared to give effect to the third quarter 2003 acquisitions of the ISS Atlanta III Building, the Lockheed Martin Rockville Buildings and the Cingular Atlanta Building by Wells Operating Partnership, L.P. (Wells OP) and the Aventis Northern NJ Building by Wells Bridgewater I, LLC, of which Wells OP is the sole member, (collectively, the Other Recent Acquisitions) and the acquisitions of the Continental Casualty Orange County Building and the Polo Ralph Lauren Newark Building by Wells OP, and the Applera Pasadena Building by Wells REIT Pasadena, CA, L.P., a Delaware limited partnership wholly-owned by Wells OP, (collectively, the Recent Acquisitions) as if the acquisitions occurred on June 30, 2003.

Wells OP is a Delaware limited partnership that was organized to own and operate properties on behalf of Wells REIT. As the sole general partner of Wells OP, Wells REIT possesses full legal control and authority over the operations of Wells OP. Accordingly, the accounts of Wells OP are consolidated with the accompanying pro forma financial statements of Wells REIT.

The following unaudited pro forma statement of income for the six months ended June 30, 2003 has been prepared to give effect to the first quarter 2003 acquisitions of the East Point Cleveland Buildings and the 150 West Jefferson Detroit Building, the second quarter 2003 acquisitions of the Citicorp Englewood Cliffs, NJ Building, the US Bancorp Minneapolis Building, the Aon Center Chicago Building, the GMAC Detroit Building and the IBM Reston Buildings (collectively, the 2003 Acquisitions) and the Recent Acquisitions as if the acquisitions occurred on January 1, 2002.

The following unaudited pro forma statement of income for the year ended December 31, 2002 has been prepared to give effect to the 2002 acquisition of the Vertex Sarasota Building (formerly, the Arthur Andersen Building), the Transocean Houston Building, the Novartis Atlanta Building, the Dana Corporation Buildings, the Travelers Express Denver Buildings, the Agilent Atlanta Building, the BellSouth Ft. Lauderdale Building, the Experian/TRW Buildings, the Agilent Boston Building, the TRW Denver Building, the MFS Phoenix Building, the ISS Atlanta Buildings, the PacifiCare San Antonio Building, the BMG Greenville Buildings, the Kraft Atlanta Building, the Nokia Dallas Buildings, the Harcourt Austin Building, the IRS Long Island Buildings, the KeyBank Parsippany Building, the Allstate Indianapolis Building, the Federal Express Colorado Springs Building, the EDS Des Moines Building, the Intuit Dallas Building, the Daimler Chrysler Dallas Building, the NASA Buildings, the Caterpillar Nashville Building, the Capital One Richmond Buildings, the John Wiley Indianapolis Building and the Nestle Los Angeles Building (collectively, the 2002 Acquisitions), the 2003 Acquisitions and the Recent Acquisitions as if the acquisitions occurred on January 1, 2002. The Kerr McGee Property, the AmeriCredit Phoenix Property, the ISS Atlanta III Building and the Continental Casualty Orange County Building had no operations during the year ended December 31, 2002.

These unaudited pro forma financial statements are prepared for informational purposes only and are not necessarily indicative of future results or of actual results that would have been achieved had the acquisition of the 2002 Acquisitions, 2003 Acquisitions and the Recent Acquisitions been consummated as of January 1, 2002. In addition, the pro forma balance sheet includes allocations of the purchase price for certain acquisitions based upon preliminary estimates of the fair value of the assets and liabilities acquired. Therefore, these allocations may be adjusted in the future upon finalization of these preliminary estimates.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

PRO FORMA BALANCE SHEET

JUNE 30, 2003

(in thousands, except share amounts)

(Unaudited)

ASSETS

	Wells Real Estate Investment Trust, Inc. (a)	Pro Forma Adjustments Other	Recent Acquisitions Applera Pasadena	Continental Casualty Orange County	Polo Ralph Lauren Newark	Pro Forma Total
REAL ESTATE ASSETS, at cost:						
Land	$ 342,885	$ 21,150(b)	$ 6,240(b)	$ 6,830(b)	$ 6,700(b)	$ 385,334
		720(c)	255(c)	280(c)	274(c)	
Buildings, less accumulated depreciation of $107,872	2,575,249	220,616(b)	31,470(b)	18,849(b)	39,956(b)	2,897,253
		7,418(c)	1,288(c)	771(c)	1,636(c)	
Construction in progress	532	0	0	0	0	532
Total real estate assets	2,918,666	249,904	39,253	26,730	48,566	3,283,119
INVESTMENT IN JOINT VENTURES	82,513	0	0	0	0	82,513
CASH AND CASH EQUIVALENTS	59,105	(141,766)(b)	(37,710)(b)	(25,679)(b)	(46,656)(b)	236,858
		447,148(d)				
		(17,584)(e)				
RENT RECEIVABLE	26,814	0	0	0	0	26,814

DEFERRED PROJECT COSTS	1,864	(8,138)(c) 17,584(e)	(1,543)(c)	1,051(c)	(1,910)(c)	6,806
DUE FROM AFFILIATES	1,807	0	0	0	0	1,807
PREPAID EXPENSES AND OTHER ASSETS, NET	12,656	0	0	0	0	12,656
DEFERRED LEASE ACQUISITION COSTS, NET	11,880	0	0	0	0	11,880
INTANGIBLE LEASE ASSET	22,839	0	0	0	0	22,839
INVESTMENT IN BONDS	54,500	0	0	0	0	54,500
Total assets	$ 3,192,644	$ 547,148	$ 0	$ 0	$ 0	$ 3,739,792

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LIABILITIES AND SHAREHOLDERS EQUITY

(in thousands, except share amounts)

	Wells Real Estate Investment Trust, Inc. (a)	Pro Forma Adjustments: Other	Recent Acquisitions: Applera Pasadena	Continental Casualty Orange County	Polo Ralph Lauren Newark	Pro Forma Total
LIABILITIES:						
Borrowings	$ 308,765	$ 100,000(b)	$ 0	$ 0	$ 0	$ 408,765
Obligations under capital lease	54,500	0	0	0	0	54,500
Intangible lease liability	46,249	0	0	0	0	46,249
Accounts payable and accrued expenses	57,013	0	0	0	0	57,013
Due to affiliate	5,061	0	0	0	0	5,061
Dividends payable	9,532	0	0	0	0	9,532
Deferred rental income	9,379	0	0	0	0	9,379
Total liabilities	490,499	100,000	0	0	0	590,499
COMMITMENTS AND CONTINGENCIES						
MINORITY INTEREST OF UNIT HOLDER IN OPERATING PARTNERSHIP	200	0	0	0	0	200
SHAREHOLDERS EQUITY:						
Common shares, $.01 par value; 750,000,000 shares authorized, 322,219,052 shares issued and 317,026,812 outstanding at June 30, 2003	3,222	502(d)	0	0	0	3,724
Additional paid-in capital	2,863,705	446,646(d)	0	0	0	3,310,351
Cumulative distributions in excess of earnings	(113,052)	0	0	0	0	(113,052)
Treasury stock, at cost, 5,192,240 shares at June 30, 2003	(51,922)	0	0	0	0	(51,922)
Other comprehensive loss	(8)	0	0	0	0	(8)
Total shareholders equity	2,701,945	447,148	0	0	0	3,149,093
Total liabilities and shareholders equity	$ 3,192,644	$ 547,148	$ 0	$ 0	$ 0	$ 3,739,792

(a) Historical financial information derived from quarterly report on Form 10-Q.
(b) Reflects Wells Real Estate Investment Trust, Inc. s purchase price for the land, building and liabilities assumed, net of any purchase price adjustments.
(c) Reflects deferred project costs applied to the land and building at approximately 4.094% of the cash paid for purchase.
(d) Reflects capital raised through issuance of additional shares subsequent to June 30, 2003 through Polo Ralph Lauren Newark acquisition date, net of organizational and offering costs, commissions and dealer-manager fees.
(e) Reflects deferred project costs capitalized as a result of additional capital raised described in note (d) above.

The accompanying notes are an integral part of this statement.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

PRO FORMA STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2002

(in thousands, except per share amounts)

(Unaudited)

	Wells Real Estate Investment Trust, Inc. (a)	Pro Forma Adjustments			Recent Acquisitions		Pro Forma Total
		2002 Acquisitions	2003 Acquisitions	Other	Applera Pasadena	Polo Ralph Lauren Newark	
REVENUES:							
Rental income	$ 107,526	$ 98,599(b)	$ 77,148(b)	$ 22,918(b)	$ 3,457(b)	$ 5,253(b)	$ 314,901
Tenant reimbursements	18,992	9,584(c)	52,461(c)	2,567(c)	50(c)	1,608(c)	85,262
Equity in income of joint ventures	4,700	648(d)	0(d)	0(d)	0	0	5,348
Lease termination income	1,409	0	0	0	0	0	1,409
Interest and other income	7,001	0	0	0	0	0	7,001
	139,628	108,831	129,609	25,485	3,507	6,861	413,921
EXPENSES:							
Depreciation	38,780	34,362(e)	32,088(e)	8,750(e)	1,310(e)	1,664(e)	116,954
Interest expense	4,638	9,657(f)	24,407(f)	3,990(f)	0	0	42,692
Property operating costs	26,949	25,244(g)	65,996(g)	6,325(g)	1,029(g)	2,235(g)	127,778
Management and leasing fees	5,155	3,196(h)	5,833(h)	1,147(h)	158(h)	309(h)	15,798
General and administrative	3,244	0	0	0	0	0	3,244
Legal and accounting	1,008	0	0	0	0	0	1,008
	79,774	72,459	128,324	20,212	2,497	4,208	307,474
NET INCOME	$ 59,854	$ 36,372	$ 1,285	$ 5,273	$ 1,010	$ 2,653	$ 106,447
EARNINGS PER SHARE, basic and diluted	$ 0.41						$ 0.29
	145,633						366,418

WEIGHTED AVERAGE SHARES, basic and diluted		

(a) Historical financial information derived from annual report on Form 10-K.
(b) Rental income is recognized on a straight-line basis.
(c) Consists of operating costs reimbursements.
(d) Reflects Wells Real Estate Investment Trust, Inc. s equity in income of the Wells Fund XIII-REIT Joint Venture related to the John Wiley Indianapolis Building. The pro forma adjustment results from rental revenues less operating expenses, management fees and depreciation.
(e) Depreciation expense is recognized using the straight-line method and a 25-year life.
(f) Represents interest expense on lines of credits used to acquire assets, which bore interest at approximately 3.99% for the year ended December 31, 2002, interest expense on loan used to acquire the Aon Center Chicago Building, which bore interest at approximately 4.858% for the year ended December 31, 2002 and assumed mortgages on the BMG Greenville Buildings and Nestle Los Angeles Building, which bore interest at 8.5%, 8% and 3.39% for the year ended December 31, 2002, respectively.
(g) Consists of operating expenses.
(h) Management and leasing fees are generally calculated at 4.5% of rental income and tenant reimbursements.

The accompanying notes are an integral part of this statement.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

PRO FORMA STATEMENT OF INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2003

(in thousands, except per share amounts)

(Unaudited)

	Wells Real Estate Investment Trust, Inc. (a)	Pro Forma Adjustments: 2003 Acquisitions	Pro Forma Adjustments: Other	Recent Acquisitions: Applera Pasadena	Recent Acquisitions: Continental Casualty Orange County	Recent Acquisitions: Polo Ralph Lauren Newark	Pro Forma Total
REVENUES:							
Rental income	$ 122,312	$ 27,355(b)	$ 12,204(b)	$ 1,952(b)	$ 1,044(b)	$ 2,662(b)	$ 167,529
Tenant reimbursements	26,058	17,050(c)	1,371(c)	23(c)	0	987(c)	45,489
Equity in income of joint ventures	2,392	0	0	0	0	0	2,392
Interest and other income	2,315	0	0	0	0	0	2,315
	153,077	44,405	13,575	1,975	1,044	3,649	217,725
EXPENSES:							
Depreciation	44,278	10,898(d)	4,407(d)	655(d)	392(d)	832(d)	61,462
Property operating costs	41,039	21,206(e)	3,353(e)	669(e)	416(e)	1,202(e)	67,885
Management and leasing fees	5,488	1,998(f)	611(f)	89(f)	47(f)	164(f)	8,397
General and administrative	2,523	0	0	0	0	0	2,523
Interest expense	7,400	7,655(g)	1,645(g)	0	0	0	16,700
	100,728	41,757	10,016	1,413	855	2,198	156,967
NET INCOME	$ 52,349	$ 2,648	$ 3,559	$ 562	$ 189	$ 1,451	$ 60,758
EARNINGS PER SHARE, basic and	$ 0.20						$ 0.17

diluted		
WEIGHTED AVERAGE SHARES, basic and diluted	258,575	366,418

(a) Historical financial information derived from quarterly report on Form 10-Q.
(b) Rental income is recognized on a straight-line basis.
(c) Consists of operating costs reimbursements.
(d) Depreciation expense is recognized using the straight-line method and a 25-year life.
(e) Consists of operating expenses.
(f) Management and leasing fees are generally calculated at 4.5% of rental income and tenant reimbursements.
(g) Represents interest expense on lines of credits used to acquire assets, which bore interest at approximately 3.29% for the six months ended June 30, 2003 and interest expense on loan used to acquire the Aon Center Chicago Building, which bore interest at approximately 4.40% for the six months ended June 30, 2003.

The accompanying notes are an integral part of this statement.

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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Items 31 through 35 and Item 37 of Part II are incorporated by reference to the Registrant s Registration Statement, as amended to date, Commission File No. 333-85848

Item 36 Financial Statements and Exhibits.

(a) Financial Statements:

The following financial statements of Registrant are filed as part of this Registration Statement and included in the Prospectus:

Audited Financial Statements

(1) Report of Independent Public Accountants,

(2) Consolidated Balance Sheets as of December 31, 2001 and December 31, 2000,

(3) Consolidated Statements of Income for the years ended December 31, 2001, 2000 and 1999,

(4) Consolidated Statements of Shareholders Equity for the years ended December 31, 2001, 2000 and 1999,

(5) Consolidated Statements of Cash Flows for the years ended December 31, 2001, 2000 and 1999,

(6) Notes to Consolidated Financial Statements, and

(7) Schedule III Real Estate Investments and Accumulated Depreciation as of December 31, 2001.

Unaudited Financial Statements

(1) Consolidated Balance Sheets as of March 31, 2002 and December 31, 2001,

(2) Consolidated Statements of Income for the three months ended March 31, 2002 and March 31, 2001,

(3) Consolidated Statements of Shareholders Equity for the year ended December 31, 2001 and for the three months ended March 31, 2002,

(4) Consolidated Statements of Cash Flows for the three months ended March 31, 2002 and March 31, 2001, and

(5) Condensed Notes to Consolidated Financial Statements.

The following financial statements of the Registrant are filed as part of this Registration Statement and included in Supplement No. 1 to the Prospectus:

Unaudited Financial Statements

(1) Consolidated Balance Sheets as of June 30, 2002 and December 31, 2001,

(2) Consolidated Statements of Income for the three months ended June 30, 2002 and June 30, 2001 and for the six months ended June 30, 2002 and June 30, 2001,

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(3) Consolidated Statements of Shareholders Equity for the year ended December 31, 2001 and for the six months ended June 30, 2002,

(4) Consolidated Statements of Cash Flows for the six months ended June 30, 2002 and June 30, 2001, and

(5) Condensed Notes to Consolidated Financial Statements.

The following unaudited pro forma financial statements of the Registrant are filed as part of this Registration Statement and included in Supplement No. 1 to the Prospectus:

(1) Summary of Unaudited Pro Forma Financial Statements,

(2) Pro Forma Balance Sheet as of June 30, 2002,

(3) Pro Forma Statement of Income for the year ended December 31, 2001, and

(4) Pro Forma Statement of Income for the six months ended June 30, 2002.

The following unaudited pro forma financial statements of the Registrant are filed as part of this Registration Statement and included in Supplement No. 2 to the Prospectus:

(1) Summary of Unaudited Pro Forma Financial Statements,

(2) Pro Forma Balance Sheet as of June 30, 2002,

(3) Pro Forma Statement of Income for the year ended December 31, 2001, and

(4) Pro Forma Statement of Income for the six months ended June 30, 2002.

The following financial statements relating to the acquisition of the Harcourt Austin Building are filed as part of this Registration Statement and included in Supplement No. 3 to the Prospectus:

(1) Report of Independent Auditors,

(2) Statements of Revenues over Certain Operating Expenses for the year ended December 31, 2001 (audited) and the six months ended June 30, 2002 (unaudited), and

(3) Notes to Statements of Revenues over Certain Operating Expenses for the year ended December 31, 2001 (audited) and the six months ended June 30, 2002 (unaudited).

The following financial statements relating to the acquisition of the IRS Long Island Buildings are filed as part of this Registration Statement and included in Supplement No. 3 to the Prospectus:

(1) Report of Independent Auditors,

(2) Statements of Revenues over Certain Operating Expenses for the year ended December 31, 2001 (audited) and the six months ended June 30, 2002 (unaudited), and

(3) Notes to Statements of Revenues over Certain Operating Expenses for the year ended December 31, 2001 (audited) and the six months ended June 30, 2002 (unaudited).

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The following financial statements relating to the acquisition of the KeyBank Parsippany Building are filed as part of this Registration Statement and included in Supplement No. 3 to the Prospectus:

(1) Report of Independent Auditors,

(2) Statements of Revenues over Certain Operating Expenses for the year ended December 31, 2001 (audited) and the six months ended June 30, 2002 (unaudited), and

(3) Notes to Statements of Revenues over Certain Operating Expenses for the year ended December 31, 2001 (audited) and the six months ended June 30, 2002 (unaudited).

The following unaudited pro forma financial statements of the Registrant are filed as part of this Registration Statement and included in Supplement No. 3 to the Prospectus:

(1) Summary of Unaudited Pro Forma Financial Statements,

(2) Pro Forma Balance Sheet as of June 30, 2002,

(3) Pro Forma Statement of Income for the year ended December 31, 2001, and

(4) Pro Forma Statement of Income for the six months ended June 30, 2002.

The following financial statements of the Registrant are filed as part of this Registration Statement and included in Supplement No. 4 to the Prospectus:

Unaudited Financial Statements

(1) Consolidated Balance Sheets as of September 30, 2002 and December 31, 2001,

(2) Consolidated Statements of Income for the three months ended September 30, 2002 and September 30, 2001 and for the nine months ended September 30, 2002 and September 30, 2001,

(3) Consolidated Statements of Shareholders Equity for the year ended December 31, 2001 and for the nine months ended September 30, 2002,

(4) Consolidated Statements of Cash Flows for the nine months ended September 30, 2002 and September 30, 2001, and

(5) Condensed Notes to Consolidated Financial Statements.

The following financial statements relating to the acquisition of the NASA Buildings are filed as part of this Registration Statement and included in Supplement No. 4 to the Prospectus:

(1) Report of Independent Auditors,

(2) Statements of Revenues over Certain Operating Expenses for the year ended December 31, 2001 (audited) and the nine months ended September 30, 2002 (unaudited), and

(3) Notes to Statements of Revenues over Certain Operating Expenses for the year ended December 31, 2001 (audited) and the nine months ended September 30, 2002 (unaudited).

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The following financial statements relating to the acquisition of the Caterpillar Nashville Building are filed as part of this Registration Statement and included in Supplement No. 4 to the Prospectus:

(1) Report of Independent Auditors,

(2) Statements of Revenues over Certain Operating Expenses for the year ended December 31, 2001 (audited) and the nine months ended September 30, 2002 (unaudited), and

(3) Notes to Statements of Revenues over Certain Operating Expenses for the year ended December 31, 2001 (audited) and the nine months ended September 30, 2002 (unaudited).

The following unaudited pro forma financial statements of the Registrant are filed as part of this Registration Statement and included in Supplement No. 4 to the Prospectus:

(1) Summary of Unaudited Pro Forma Financial Statements,

(2) Pro Forma Balance Sheet as of September 30, 2002,

(3) Pro Forma Statement of Income for the year ended December 31, 2001, and

(4) Pro Forma Statement of Income for the nine months ended September 30, 2002.

The following revised financial statements of the Registrant are filed as part of this Registration Statement and included in Supplement No. 5 to the Prospectus:

(1) Consolidated Balance Sheets as of September 30, 2002 (unaudited) and December 31, 2001 (audited),

(2) Consolidated Statements of Income for the three months ended September 30, 2002 and September 30, 2001 (unaudited) and for the nine months ended September 30, 2002 and September 30, 2001 (unaudited),

(3) Consolidated Statements of Shareholders Equity for the year ended December 31, 2001 (audited) and for the nine months ended September 30, 2002 (unaudited),

(4) Consolidated Statements of Cash Flows for the nine months ended September 30, 2002 and September 30, 2001 (unaudited), and

(5) Condensed Notes to Consolidated Financial Statements (unaudited).

The following financial statements relating to the acquisition of the Nestle Building are filed as part of this Registration Statement and included in Supplement No. 5 to the Prospectus:

(1) Report of Independent Auditors,

(2) Statements of Revenues over Certain Operating Expenses for the year ended December 31, 2001 (audited) and the nine months ended September 30, 2002 (unaudited), and

(3) Notes to Statements of Revenues over Certain Operating Expenses for the year ended December 31, 2001 (audited) and the nine months ended September 30, 2002 (unaudited).

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The following unaudited pro forma financial statements of the Registrant are filed as part of this Registration Statement and included in Supplement No. 5 to the Prospectus:

(1) Summary of Unaudited Pro Forma Financial Statements,

(2) Pro Forma Balance Sheet as of September 30, 2002,

(3) Pro Forma Statement of Income for the year ended December 31, 2001, and

(4) Pro Forma Statement of Income for the nine months ended September 30, 2002.

The following audited financial statements of Registrant are filed as part of this Registration Statement and included in Supplement No. 6 to the Prospectus:

Audited Financial Statements

(1) Report of Independent Auditors,

(2) Report of Independent Public Accountants,

(3) Consolidated Balance Sheets as of December 31, 2002 and December 31, 2001,

(4) Consolidated Statements of Income for the years ended December 31, 2002, 2001 and 2000,

(5) Consolidated Statements of Shareholders Equity for the years ended December 31, 2002, 2001 and 2000,

(6) Consolidated Statements of Cash Flows for the years ended December 31, 2002, 2001 and 2000,

(7) Notes to Consolidated Financial Statements, and

(8) Schedule III Real Estate Assets and Accumulated Depreciation as of December 31, 2002.

The following unaudited pro forma financial statements of the Registrant are filed as part of this Registration Statement and included in Supplement No. 6 to the Prospectus:

(1) Summary of Unaudited Pro Forma Financial Statements,

(2) Pro Forma Balance Sheet as of December 31, 2002, and

(3) Pro Forma Statement of Income for the year ended December 31, 2002.

The following financial statements of the Registrant are filed as part of this Registration Statement and included in Supplement No. 7 to the Prospectus:

(1) Consolidated Balance Sheets as of March 31, 2003 (unaudited) and December 31, 2002,

(2) Consolidated Statements of Income for the three months ended March 31, 2003 and March 31, 2002 (unaudited),

(3) Consolidated Statements of Shareholders Equity for the year ended December 31, 2002 and for the three months ended March 31, 2003 (unaudited),

(4) Consolidated Statements of Cash Flows for the three months ended March 31, 2003 and March 31, 2002 (unaudited), and

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(5) Condensed Notes to Consolidated Financial Statements March 31, 2003 (unaudited).

The following financial statements relating to the acquisition of the US Bancorp Minneapolis Building are filed as part of this Registration Statement and included in Supplement No. 7 to the Prospectus:

(1) Report of Independent Auditors,

(2) Statements of Revenues over Certain Operating Expenses for the year ended December 31, 2002 (audited), and

(3) Notes to Statement of Revenues over Certain Operating Expenses for the year ended December 31, 2002 (audited).

The following financial statements relating to the acquisition of the Aon Center Chicago Building are filed as part of this Registration Statement and included in Supplement No. 7 to the Prospectus:

(1) Report of Independent Auditors,

(2) Statement of Revenues over Certain Operating Expenses for the year ended December 31, 2002 (audited) and the three months ended March 31, 2003 (unaudited), and

(3) Notes to Statements of Revenues over Certain Operating Expenses for the year ended December 31, 2002 (audited) and the three months ended March 31, 2003 (unaudited).

The following unaudited pro forma financial statements of the Registrant are filed as part of this Registration Statement and included in Supplement No. 7 to the Prospectus:

(1) Summary of Unaudited Pro Forma Financial Statements,

(2) Pro Forma Balance Sheet as of March 31, 2003,

(3) Pro Forma Statement of Income for the year ended December 31, 2002, and

(4) Pro Forma Statement of Income for the three months ended March 31, 2003.

The following financial statements of the Registrant are filed as part of this Registration Statement and included in Supplement No. 9 to the Prospectus:

(1) Consolidated Balance Sheets as of June 30, 2003 (unaudited) and December 31, 2002,

(2) Consolidated Statements of Income for the six months ended June 30, 2003 and June 30, 2002 (unaudited),

(3) Consolidated Statements of Shareholders Equity for the year ended December 31, 2002 and for the six months ended June 30, 2003 (unaudited),

(4) Consolidated Statements of Cash Flows for the six months ended June 30, 2003 and June 30, 2002 (unaudited), and

(5) Condensed Notes to Consolidated Financial Statements June 30, 2003 (unaudited).

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The following financial statements relating to the acquisition of the Lockheed Martin Rockville Buildings are filed as part of this Registration Statement and included in Supplement No. 9 to the Prospectus:

(1) Report of Independent Auditors,

(2) Statements of Revenues over Certain Operating Expenses for the year ended December 31, 2002 (audited) and for the six months ended June 30, 2003 (unaudited), and

(3) Notes to Statement of Revenues over Certain Operating Expenses for the year ended December 31, 2002 (audited) and for the six months ended June 30, 2003 (unaudited).

The following financial statements relating to the acquisition of the Cingular Atlanta Building are filed as part of this Registration Statement and included in Supplement No. 9 to the Prospectus:

(1) Report of Independent Auditors,

(2) Statement of Revenues over Certain Operating Expenses for the year ended December 31, 2002 (audited) and the six months ended June 30, 2003 (unaudited), and

(3) Notes to Statements of Revenues over Certain Operating Expenses for the year ended December 31, 2002 (audited) and the six months ended June 30, 2003 (unaudited).

The following financial statements relating to the acquisition of the Aventis Northern NJ Building are filed as part of this Registration Statement and included in Supplement No. 9 to the Prospectus:

(1) Report of Independent Auditors,

(2) Statement of Revenues over Certain Operating Expenses for the year ended December 31, 2002 (audited) and the six months ended June 30, 2003 (unaudited), and

(3) Notes to Statements of Revenues over Certain Operating Expenses for the year ended December 31, 2002 (audited) and the six months ended June 30, 2003 (unaudited).

The following unaudited pro forma financial statements of the Registrant are filed as part of this Registration Statement and included in Supplement No. 9 to the Prospectus:

(1) Summary of Unaudited Pro Forma Financial Statements,

(2) Pro Forma Balance Sheet as of June 30, 2003,

(3) Pro Forma Statement of Income for the year ended December 31, 2002, and

(4) Pro Forma Statement of Income for the six months ended June 30, 2003.

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The following unaudited pro forma financial statements of the Registrant are filed as part of this Registration Statement and included in Supplement No. 10 to the Prospectus:

(1) Summary of Unaudited Pro Forma Financial Statements,

(2) Pro Forma Balance Sheet as of June 30, 2003,

(3) Pro Forma Statement of Income for the year ended December 31, 2002, and

(4) Pro Forma Statement of Income for the six months ended June 30, 2003.

(b) Exhibits (See Exhibit Index):

Exhibit No.	Description
1.1	Form of Dealer Manager Agreement (previously filed in and incorporated by reference to Amendment No. 1 to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on June 10, 2002)
1.2	Form of Warrant Purchase Agreement (previously filed in and incorporated by reference to Amendment No. 1 to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on June 10, 2002)
3.1	Amended and Restated Articles of Incorporation dated as of July 1, 2000 (previously filed in and incorporated by reference to Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on August 31, 2000)
3.2	Articles of Amendment to Amended and Restated Articles of Incorporation dated as June 26, 2002 (previously filed in and incorporated by reference to Amendment No. 2 to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on July 15, 2002)
3.3	Bylaws (previously filed in and incorporated by reference to Amendment No. 4 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-32099, filed on January 23, 1998)
3.4	Amendment No. 1 to Bylaws (previously filed in and incorporated by reference to Post-Effective Amendment No. 5 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-32099, filed on April 15, 1999)
4.1	Form of Subscription Agreement and Subscription Agreement Signature Page (included as Exhibit A to Prospectus)
5.1	Opinion of Holland & Knight LLP as to legality of securities (previously filed in and incorporated by reference to Amendment No. 2 to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on July 15, 2002)
8.1	Opinion of Holland & Knight LLP as to tax matters (previously filed in and incorporated by reference to Amendment No. 2 to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on July 15, 2002)
8.2	Opinion of Holland & Knight LLP as to ERISA matters (previously filed in and incorporated by reference to Amendment No. 2 to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on July 15, 2002)
10.1	Advisory Agreement dated January 30, 2003

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10.2	Asset/Property Management Agreement among Registrant, Wells Operating Partnership, L.P. and Wells Management Company, Inc.
10.3	Amended and Restated Joint Venture Agreement of The Fund IX, Fund X, Fund XI and REIT Joint Venture (previously filed in and incorporated by reference to Post-Effective Amendment No. 2 of the Registrant s Registration Statement on Form S-11, Commission File No. 333-32099, filed on July 9, 1998)
10.4	Joint Venture Agreement of Wells/Fremont Associates (previously filed in and incorporated by reference to Post-Effective Amendment No. 3 of the Registrant s Registration Statement on Form S-11, Commission File No. 333-32099, filed on August 14, 1998)
10.5	Joint Venture Agreement of Wells/Orange County Associates (previously filed in and incorporated by reference to Post-Effective Amendment No. 3 of the Registrant s Registration Statement on Form S-11, Commission File No. 333-32099, filed on August 14, 1998)
10.6	Amended and Restated Joint Venture Partnership Agreement of The Wells Fund XI-Fund XII REIT Joint Venture (previously filed in and incorporated by reference to Amendment No. 1 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-83933, filed on November 17, 1999)
10.7	Joint Venture Partnership Agreement of Wells Fund XII-REIT Joint Venture Partnership (previously filed as Exhibit 10.11 and incorporated by reference to Post-Effective Amendment No. 2 to Form S-11 Registration Statement of Wells Real Estate Fund XII, L.P. on Form S-11, Commission File No. 33-66657, filed on April 25, 2000)
10.8	Joint Venture Partnership Agreement of Fund VIII-IX-REIT Joint Venture (previously filed in and incorporated by reference to Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on August 31, 2000)
10.9	Joint Venture Partnership Agreement of Wells Fund XIII-REIT Joint Venture Partnership (previously filed in and incorporated by reference to Post-Effective Amendment No. 3 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on July 23, 2001)
10.10	Agreement of Limited Partnership of Wells Operating Partnership, L.P. as Amended and Restated as of January 1, 2000 (previously filed in and incorporated by reference to Form 10-K of Registrant for the fiscal year ended December 31, 2000, Commission File No. 0-25739)
10.11	Amended and Restated Promissory Note for $15,500,000 for the SouthTrust Loan (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 of the Registrant s Registration Statement on Form S-11, Commission File No. 333-32099, filed on January 15, 1999)
10.12	Amendment No. 1 to Mortgage and Security Agreement and other Loan Documents for the PwC Building securing the SouthTrust Loan (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 of the Registrant s Registration Statement on Form S-11, Commission File No. 333-32099, filed on January 15, 1999)
10.13	Loan Agreement with SouthTrust Bank, N.A. for a $35,000,000 revolving line of credit dated May 3, 2000 (previously filed in and incorporated by reference to Post-Effective Amendment No. 3 to Registrant s Registration Statement on Form S-11, Commission File No. 333-83933, filed on September 8, 2000)

10.14	Promissory Note for $35,000,000 to SouthTrust Bank, N.A. (previously filed in and incorporated by reference to Post-Effective Amendment No. 3 to Registrant s Registration Statement on Form S-11, Commission File No. 333-83933, filed on September 8, 2000)
10.15	Allonge to Revolving Note relating to the SouthTrust Bank N.A. $32,393,000 revolving line of credit (previously filed in and incorporated by reference to Amendment No. 2 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on December 18, 2000)
10.16	First Amendment to Revolving Loan Agreement and Other Loan Documents relating to the SouthTrust Bank N.A. $32,393,000 revolving line of credit (previously filed in and incorporated by reference to Amendment No. 2 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on December 18, 2000)
10.17	Second Note Modification Agreement relating to the SouthTrust Bank N.A. $12,844,000 revolving line of credit (previously filed in and incorporated by reference to Amendment No. 2 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on December 18, 2000)
10.18	Second Amendment to Amended and Restated Loan Agreement and Other Loan Documents relating to the SouthTrust Bank N.A. $12,844,000 revolving line of credit (previously filed in and incorporated by reference to Amendment No. 2 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on December 18, 2000)
10.19	Revolving Note relating to the SouthTrust Bank N.A. $19,003,000 revolving line of credit (previously filed in and incorporated by reference to Amendment No. 2 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on December 18, 2000)
10.20	Revolving Loan Agreement relating to the SouthTrust Bank N.A. $19,003,000 revolving line of credit (previously filed in and incorporated by reference to Amendment No. 2 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on December 18, 2000)
10.21	Amended and Restated Revolving Note relating to the SouthTrust Bank N.A. $7,900,000 revolving line of credit (previously filed in and incorporated by reference to Amendment No. 2 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on December 18, 2000)
10.22	Amended and Restated Loan Agreement relating to the SouthTrust Bank N.A. $7,900,000 revolving line of credit (previously filed in and incorporated by reference to Amendment No. 2 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on December 18, 2000)
10.23	Revolving Credit Agreement relating to the Bank of America, N.A. $85,000,000 revolving line of credit (previously filed in and incorporated by reference to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on April 8, 2002)
10.24	Construction Loan Agreement relating to the Bank of America, N.A. $34,200,000 construction loan (previously filed in and incorporated by reference to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on April 8, 2002)

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10.25	Lease for the Eisenhower Blvd Tampa Building (formerly the PwC Building) (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 of the Registrant s Registration Statement on Form S-11, Commission File No. 333-32099, filed on January 15, 1999)
10.26	Office Lease for the Matsushita Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 5 of the Registrant s Registration Statement on Form S-11, Commission File No. 333-32099, filed on April 15, 1999)
10.27	Guaranty of Lease for the Matsushita Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 5 of the Registrant s Registration Statement on Form S-11, Commission File No. 333-32099, filed on April 15, 1999)
10.28	Lease Agreement with Cinemark USA, Inc. for a portion of the Cinemark Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to Registrant s Registration Statement on Form S-11, Commission File No. 333-83933, filed on March 15, 2000)
10.29	Lease Agreement with The Coca-Cola Company for a portion of the Cinemark Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to Registrant s Registration Statement on Form S-11, Commission File No. 333-83933, filed on March 15, 2000)
10.30	Lease Agreement for the Motorola Tempe Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 2 to Registrant s Registration Statement on Form S-11, Commission File No. 333-83933, filed on June 9, 2000)
10.31	First Amendment to Lease Agreement for the Motorola Tempe Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 2 to Registrant s Registration Statement on Form S-11, Commission File No. 333-83933, filed on June 9, 2000)
10.32	Ground Lease Agreement for the Motorola Tempe Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 2 to Registrant s Registration Statement on Form S-11, Commission File No. 333-83933, filed on June 9, 2000)
10.33	Lease Agreement for the Motorola Plainfield Building (previously filed in and incorporated by reference to Amendment No. 1 to Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on December 1, 2000)
10.34	Lease Agreement with Stone & Webster, Inc. for a portion of the Stone & Webster Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on February 9, 2001)
10.35	Lease Agreement with Sysco Corporation for a portion of the Stone & Webster Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on February 9, 2001)
10.36	Lease Agreement for the Metris Minnesota Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on February 9, 2001)

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10.37	Fourth Amendment to Lease Agreement for the Metris Minnesota Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on February 9, 2001)
10.38	Guaranty of Lease for the Metris Minnesota Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on February 9, 2001)
10.39	Lease Agreement for the Comdata Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 3 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on July 23, 2001)
10.40	First Amendment to Lease Agreement for the Comdata Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 3 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on July 23, 2001)
10.41	Lease Agreement for the State Street Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)
10.42	Lease Agreement for the IKON Buildings (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)
10.43	First Amendment to Lease Agreement for the IKON Buildings (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)
10.44	Reinstatement of and Second Amendment to Lease Agreement for the IKON Buildings (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)
10.45	Agreement of Sale for the Nissan Property (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)
10.46	Lease Agreement for the Nissan Property (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)
10.47	Guaranty of Lease for the Nissan Property (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)
10.48	Development Agreement for the Nissan Property (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)
10.49	Design and Build Construction Agreement for the Nissan Property (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)

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10.50	Indenture of Lease Agreement for Ingram Micro Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)
10.51	Guaranty of Lease Agreement for Ingram Micro Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)
10.52	Absolute Assignment of Lease and Assumption Agreement for Ingram Micro Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)
10.53	Bond Real Property Lease Agreement for the Ingram Micro Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)
10.54	Second Amendment to Lease Agreement for Matsushita Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)
10.55	Lease Agreement with TCI Great Lakes, Inc. for a portion of the Windy Point I Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 5 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on January 23, 2002)
10.56	First Amendment to Office Lease with TCI Great Lakes, Inc. (previously filed in and incorporated by reference to Post-Effective Amendment No. 5 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on January 23, 2002)
10.57	Lease Agreement with Zurich American Insurance Company for the Windy Point II Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 5 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on January 23, 2002)
10.58	Third Amendment to Office Lease with Zurich American Insurance Company (previously filed in and incorporated by reference to Post-Effective Amendment No. 5 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on January 23, 2002)
10.59	Lease Agreement with Arthur Andersen LLP for the Vertex Sarasota Building (formerly the Arthur Andersen Building) (previously filed in and incorporated by reference to Post-Effective Amendment No. 5 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on January 23, 2002)
10.60	Lease Agreement with Transocean Deepwater Offshore Drilling, Inc. for a portion of the Transocean Houston Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 6 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on April 22, 2002)

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10.61	Lease Agreement with Newpark Drilling Fluids, Inc. for a portion of the Transocean Houston Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 6 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on April 22, 2002)
10.62	Lease Agreement for the Dana Detroit Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 6 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on April 22, 2002)
10.63	Second Amendment to Lease Agreement for the Dana Detroit Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 6 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on April 22, 2002)
10.64	Lease Agreement for the Dana Kalamazoo Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 6 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on April 22, 2002)
10.65	Second Amendment to Lease Agreement for the Dana Kalamazoo Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 6 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on April 22, 2002)
10.66	Purchase and Sale Agreement for the Experian/TRW Buildings (previously filed in and incorporated by reference to Amendment No. 1 to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on June 10, 2002)
10.67	Lease Agreement for the Experian/TRW Buildings (previously filed in and incorporated by reference to Amendment No. 1 to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on June 10, 2002)
10.68	Lease Amendment to Lease Agreement for the Experian/TRW Buildings (previously filed in and incorporated by reference to Amendment No. 1 to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on June 10, 2002)
10.69	Purchase and Sale Agreement and Escrow Instructions for the Agilent Boston Building (previously filed in and incorporated by reference to Amendment No. 1 to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on June 10, 2002)
10.70	Lease Agreement for the Agilent Boston Building (previously filed in and incorporated by reference to Amendment No. 1 to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on June 10, 2002)
10.71	Purchase and Sale Agreement for the TRW Denver Building (previously filed in and incorporated by reference to Amendment No. 2 to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on July 15, 2002)
10.72	Lease Agreement for the TRW Denver Building (previously filed in and incorporated by reference to Amendment No. 2 to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on July 15, 2002)
10.73	Purchase and Sale Agreement for the MFS Phoenix Building (previously filed in and incorporated by reference to Amendment No. 2 to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on July 15, 2002)

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10.74	Lease Agreement for the MFS Phoenix Building (previously filed in and incorporated by reference to Amendment No. 2 to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on July 15, 2002)
10.75	Purchase and Sale Agreement for the ISS Atlanta Buildings (previously filed in and incorporated by reference to Amendment No. 2 to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on July 15, 2002)
10.76	Lease Agreement for the ISS Atlanta Buildings (previously filed in and incorporated by reference to Amendment No. 2 to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on July 15, 2002)
10.77	Amendment No. 5 to Lease Agreement for the ISS Atlanta Buildings (previously filed in and incorporated by reference to Amendment No. 2 to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on July 15, 2002)
10.78	Ground Lease Agreement for ISS Atlanta Buildings (previously filed in and incorporated by reference to Amendment No. 2 to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on July 15, 2002)
10.79	Purchase and Sale Agreement for the Nokia Dallas Buildings (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on October 25, 2002)
10.80	Lease Agreement for Building No. 1 of the Nokia Dallas Buildings (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on October 25, 2002)
10.81	Amendment to Lease Agreement for Building No. 1 of the Nokia Dallas Buildings (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on October 25, 2002)
10.82	Lease Agreement for Building No. 2 of the Nokia Dallas Buildings (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on October 25, 2002)
10.83	Amendment to Lease Agreement for Building No. 2 of the Nokia Dallas Buildings (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on October 25, 2002)
10.84	Lease Agreement for Building No. 3 of the Nokia Dallas Buildings (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on October 25, 2002)
10.85	Amendment to Lease Agreement for Building No. 3 of the Nokia Dallas Buildings (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on October 25, 2002)

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10.86	Agreement of Sale for the KeyBank Parsippany Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on October 25, 2002)
10.87	Lease Agreement with KeyBank U.S.A., N.A. for a portion of the KeyBank Parsippany Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on October 25, 2002)
10.88	Lease Agreement with Gemini Technology Services for a portion of the KeyBank Parsippany Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on October 25, 2002)
10.89	Amendment to Lease Agreement with Gemini Technology Services for a portion of the KeyBank Parsippany Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on October 25, 2002)
10.90	Purchase and Sale Agreement for NASA Buildings (previously filed in and incorporated by reference to Post-Effective Amendment No. 2 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on January 24, 2003)
10.91	Lease Agreement with the Office of the Comptroller of the Currency and amendments thereto (previously filed in and incorporated by reference to Post-Effective Amendment No. 2 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on January 24, 2003)
10.92	Lease Agreement with the United States of America (NASA) and amendments thereto (previously filed in and incorporated by reference to Post-Effective Amendment No. 2 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on January 24, 2003)
10.93	Agreement of Purchase and Sale for Nestle Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 2 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on January 24, 2003)
10.94	Loan Agreement for $90,000,000 loan assumed with Landesbank Schleswig-Holstein Gironzentrale, Kiel (previously filed in and incorporated by reference to Post-Effective Amendment No. 2 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on January 24, 2003)
10.95	Lease Agreement for Nestle Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 2 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on January 24, 2003)
10.96	Various amendments to Lease Agreement for Nestle Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 2 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on January 24, 2003)
10.97	Agreement of Purchase and Sale for 150 West Jefferson Detroit Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 3 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on April 14, 2003)

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10.98	$500,000,000 Credit Agreement for an unsecured line of credit with Bank of America, N.A. and a consortium of other banks (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on June 20, 2003)
10.99	Real Estate Sale Agreement for US Bancorp Minneapolis Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on June 20, 2003)
10.100	Lease Agreement with US Bancorp Piper Jaffray Companies, Inc. and amendments thereto for a portion of US Bancorp Minneapolis Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on June 20, 2003)
10.101	Agreement of Purchase and Sale for Aon Center Chicago Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on June 20, 2003)
10.102	Lease Agreement with BP Corporation North America, Inc. and amendments thereto for a portion of the Aon Center Chicago Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on June 20, 2003)
10.103	Lease Agreement for Cingular Atlanta Building
10.104	Lease Agreement for Aventis Northern NJ Building
23.1	Consent of Holland & Knight LLP (included in exhibits 5.1 and 8.1)
23.2	Consent of Arthur Andersen LLP (previously filed in and incorporated by reference to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on April 8, 2002)
23.3	Consent of Ernst & Young LLP
23.4	Consent of Ernst & Young LLP
24.1	Power of Attorney
24.2	Power of Attorney

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all the requirements for filing on Form S-11 and has duly caused this Post-Effective Amendment No. 5 to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Norcross, and State of Georgia, on the 18th day of September, 2003.

WELLS REAL ESTATE INVESTMENT TRUST, INC.
A Maryland corporation
(Registrant)

By: /s/ Leo F. Wells, III

Leo F. Wells, III, President

Pursuant to the requirements of the Securities Act of 1933, this Post-Effective Amendment No. 5 to Registration Statement has been signed below on September 18, 2003 by the following persons in the capacities indicated.

Name	Title
/s/ Leo F. Wells, III	President and Director
Leo F. Wells, III	(Principal Executive Officer)
/s/ Douglas P. Williams	Executive Vice President and Director
Douglas P. Williams	(Principal Financial and Accounting Officer)
/s/ John L. Bell *	Director
John L. Bell (By Douglas P. Williams, as Attorney-in-fact)	
/s/ Michael R. Buchanan *	Director
Michael R. Buchanan (By Douglas P. Williams, as Attorney-in-fact)	
/s/ Richard W. Carpenter *	Director
Richard W. Carpenter (By Douglas P. Williams, as Attorney-in-fact)	
/s/ Bud Carter *	Director
Bud Carter (By Douglas P. Williams, as Attorney-in-fact)	
/s/ William H. Keogler, Jr. *	Director
William H. Keogler, Jr. (By Douglas P. Williams, as Attorney-in-fact)	

/s/ Donald S. Moss *	Director
Donald S. Moss (By Douglas P. Williams, as Attorney-in-fact)	
/s/ Walter W. Sessoms *	Director
Walter W. Sessoms (By Douglas P. Williams, as Attorney-in-fact)	
/s/ Neil H. Strickland *	Director
Neil H. Strickland (By Douglas P. Williams, as Attorney-in-fact)	
/s/ W. Wayne Woody **	Director
W. Wayne Woody (By Douglas P. Williams, as Attorney-in-fact)	

* By Douglas P. Williams, as Attorney-in-fact, pursuant to Power of Attorney dated April 20, 2003 and included as Exhibit 24.1 herein.

** By Douglas P. Williams, as Attorney-in-fact, pursuant to Power of Attorney dated July 25, 2003 and included as Exhibit 24.2 herein.

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EXHIBIT INDEX

Exhibit No.	Description
1.1	Form of Dealer Manager Agreement (previously filed in and incorporated by reference to Amendment No. 1 to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on June 10, 2002)
1.2	Form of Warrant Purchase Agreement (previously filed in and incorporated by reference to Amendment No. 1 to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on June 10, 2002)
3.1	Amended and Restated Articles of Incorporation dated as of July 1, 2000 (previously filed in and incorporated by reference to Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on August 31, 2000)
3.2	Articles of Amendment to Amended and Restated Articles of Incorporation dated as June 26, 2002 (previously filed in and incorporated by reference to Amendment No. 2 to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on July 15, 2002)
3.3	Bylaws (previously filed in and incorporated by reference to Amendment No. 4 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-32099, filed on January 23, 1998)
3.4	Amendment No. 1 to Bylaws (previously filed in and incorporated by reference to Post-Effective Amendment No. 5 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-32099, filed on April 15, 1999)
4.1	Form of Subscription Agreement and Subscription Agreement Signature Page (included as Exhibit A to Prospectus)
5.1	Opinion of Holland & Knight LLP as to legality of securities (previously filed in and incorporated by reference to Amendment No. 2 to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on July 15, 2002)
8.1	Opinion of Holland & Knight LLP as to tax matters (previously filed in and incorporated by reference to Amendment No. 2 to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on July 15, 2002)
8.2	Opinion of Holland & Knight LLP as to ERISA matters (previously filed in and incorporated by reference to Amendment No. 2 to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on July 15, 2002)
10.1	Advisory Agreement dated January 30, 2003, filed herewith
10.2	Asset/Property Management Agreement among Registrant, Wells Operating Partnership, L.P. and Wells Management Company, Inc., filed herewith
10.3	Amended and Restated Joint Venture Agreement of The Fund IX, Fund X, Fund XI and REIT Joint Venture (previously filed in and incorporated by reference to Post-Effective Amendment No. 2 of the Registrant s Registration Statement on Form S-11, Commission File No. 333-32099, filed on July 9, 1998)
10.4	Joint Venture Agreement of Wells/Fremont Associates (previously filed in and incorporated by reference to Post-Effective Amendment No. 3 of the Registrant s Registration Statement on Form S-11, Commission File No. 333-32099, filed on August 14, 1998)

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10.5	Joint Venture Agreement of Wells/Orange County Associates (previously filed in and incorporated by reference to Post-Effective Amendment No. 3 of the Registrant s Registration Statement on Form S-11, Commission File No. 333-32099, filed on August 14, 1998)
10.6	Amended and Restated Joint Venture Partnership Agreement of The Wells Fund XI-Fund XII REIT Joint Venture (previously filed in and incorporated by reference to Amendment No. 1 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-83933, filed on November 17, 1999)
10.7	Joint Venture Partnership Agreement of Wells Fund XII-REIT Joint Venture Partnership (previously filed as Exhibit 10.11 and incorporated by reference to Post-Effective Amendment No. 2 to Form S-11 Registration Statement of Wells Real Estate Fund XII, L.P. on Form S-11, Commission File No. 33-66657, filed on April 25, 2000)
10.8	Joint Venture Partnership Agreement of Fund VIII-IX-REIT Joint Venture (previously filed in and incorporated by reference to Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on August 31, 2000)
10.9	Joint Venture Partnership Agreement of Wells Fund XIII-REIT Joint Venture Partnership (previously filed in and incorporated by reference to Post-Effective Amendment No. 3 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on July 23, 2001)
10.10	Agreement of Limited Partnership of Wells Operating Partnership, L.P. as Amended and Restated as of January 1, 2000 (previously filed in and incorporated by reference to Form 10-K of Registrant for the fiscal year ended December 31, 2000, Commission File No. 0-25739)
10.11	Amended and Restated Promissory Note for $15,500,000 for the SouthTrust Loan (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 of the Registrant s Registration Statement on Form S-11, Commission File No. 333-32099, filed on January 15, 1999)
10.12	Amendment No. 1 to Mortgage and Security Agreement and other Loan Documents for the PwC Building securing the SouthTrust Loan (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 of the Registrant s Registration Statement on Form S-11, Commission File No. 333-32099, filed on January 15, 1999)
10.13	Loan Agreement with SouthTrust Bank, N.A. for a $35,000,000 revolving line of credit dated May 3, 2000 (previously filed in and incorporated by reference to Post-Effective Amendment No. 3 to Registrant s Registration Statement on Form S-11, Commission File No. 333-83933, filed on September 8, 2000)
10.14	Promissory Note for $35,000,000 to SouthTrust Bank, N.A. (previously filed in and incorporated by reference to Post-Effective Amendment No. 3 to Registrant s Registration Statement on Form S-11, Commission File No. 333-83933, filed on September 8, 2000)
10.15	Allonge to Revolving Note relating to the SouthTrust Bank N.A. $32,393,000 revolving line of credit (previously filed in and incorporated by reference to Amendment No. 2 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on December 18, 2000)
10.16	First Amendment to Revolving Loan Agreement and Other Loan Documents relating to the SouthTrust Bank N.A. $32,393,000 revolving line of credit (previously filed in and incorporated by reference to Amendment No. 2 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on December 18, 2000)

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10.17	Second Note Modification Agreement relating to the SouthTrust Bank N.A. $12,844,000 revolving line of credit (previously filed in and incorporated by reference to Amendment No. 2 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on December 18, 2000)
10.18	Second Amendment to Amended and Restated Loan Agreement and Other Loan Documents relating to the SouthTrust Bank N.A. $12,844,000 revolving line of credit (previously filed in and incorporated by reference to Amendment No. 2 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on December 18, 2000)
10.19	Revolving Note relating to the SouthTrust Bank N.A. $19,003,000 revolving line of credit (previously filed in and incorporated by reference to Amendment No. 2 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on December 18, 2000)
10.20	Revolving Loan Agreement relating to the SouthTrust Bank N.A. $19,003,000 revolving line of credit (previously filed in and incorporated by reference to Amendment No. 2 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on December 18, 2000)
10.21	Amended and Restated Revolving Note relating to the SouthTrust Bank N.A. $7,900,000 revolving line of credit (previously filed in and incorporated by reference to Amendment No. 2 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on December 18, 2000)
10.22	Amended and Restated Loan Agreement relating to the SouthTrust Bank N.A. $7,900,000 revolving line of credit (previously filed in and incorporated by reference to Amendment No. 2 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on December 18, 2000)
10.23	Revolving Credit Agreement relating to the Bank of America, N.A. $85,000,000 revolving line of credit (previously filed in and incorporated by reference to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on April 8, 2002)
10.24	Construction Loan Agreement relating to the Bank of America, N.A. $34,200,000 construction loan (previously filed in and incorporated by reference to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on April 8, 2002)
10.25	Lease for the Eisenhower Blvd Tampa Building (formerly the PwC Building) (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 of the Registrant s Registration Statement on Form S-11, Commission File No. 333-32099, filed on January 15, 1999)
10.26	Office Lease for the Matsushita Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 5 of the Registrant s Registration Statement on Form S-11, Commission File No. 333-32099, filed on April 15, 1999)
10.27	Guaranty of Lease for the Matsushita Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 5 of the Registrant s Registration Statement on Form S-11, Commission File No. 333-32099, filed on April 15, 1999)
10.28	Lease Agreement with Cinemark USA, Inc. for a portion of the Cinemark Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to Registrant s Registration Statement on Form S-11, Commission File No. 333-83933, filed on March 15, 2000)

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10.29	Lease Agreement with The Coca-Cola Company for a portion of the Cinemark Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to Registrant s Registration Statement on Form S-11, Commission File No. 333-83933, filed on March 15, 2000)
10.30	Lease Agreement for the Motorola Tempe Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 2 to Registrant s Registration Statement on Form S-11, Commission File No. 333-83933, filed on June 9, 2000)
10.31	First Amendment to Lease Agreement for the Motorola Tempe Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 2 to Registrant s Registration Statement on Form S-11, Commission File No. 333-83933, filed on June 9, 2000)
10.32	Ground Lease Agreement for the Motorola Tempe Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 2 to Registrant s Registration Statement on Form S-11, Commission File No. 333-83933, filed on June 9, 2000)
10.33	Lease Agreement for the Motorola Plainfield Building (previously filed in and incorporated by reference to Amendment No. 1 to Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on December 1, 2000)
10.34	Lease Agreement with Stone & Webster, Inc. for a portion of the Stone & Webster Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on February 9, 2001)
10.35	Lease Agreement with Sysco Corporation for a portion of the Stone & Webster Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on February 9, 2001)
10.36	Lease Agreement for the Metris Minnesota Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on February 9, 2001)
10.37	Fourth Amendment to Lease Agreement for the Metris Minnesota Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on February 9, 2001)
10.38	Guaranty of Lease for the Metris Minnesota Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on February 9, 2001)
10.39	Lease Agreement for the Comdata Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 3 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on July 23, 2001)
10.40	First Amendment to Lease Agreement for the Comdata Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 3 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on July 23, 2001)
10.41	Lease Agreement for the State Street Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)

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10.42	Lease Agreement for the IKON Buildings (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)
10.43	First Amendment to Lease Agreement for the IKON Buildings (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)
10.44	Reinstatement of and Second Amendment to Lease Agreement for the IKON Buildings (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)
10.45	Agreement of Sale for the Nissan Property (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)
10.46	Lease Agreement for the Nissan Property (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)
10.47	Guaranty of Lease for the Nissan Property (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)
10.48	Development Agreement for the Nissan Property (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)
10.49	Design and Build Construction Agreement for the Nissan Property (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)
10.50	Indenture of Lease Agreement for Ingram Micro Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)
10.51	Guaranty of Lease Agreement for Ingram Micro Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)
10.52	Absolute Assignment of Lease and Assumption Agreement for Ingram Micro Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)
10.53	Bond Real Property Lease Agreement for the Ingram Micro Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)
10.54	Second Amendment to Lease Agreement for Matsushita Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)

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10.55	Lease Agreement with TCI Great Lakes, Inc. for a portion of the Windy Point I Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 5 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on January 23, 2002)
10.56	First Amendment to Office Lease with TCI Great Lakes, Inc. (previously filed in and incorporated by reference to Post-Effective Amendment No. 5 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on January 23, 2002)
10.57	Lease Agreement with Zurich American Insurance Company for the Windy Point II Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 5 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on January 23, 2002)
10.58	Third Amendment to Office Lease with Zurich American Insurance Company (previously filed in and incorporated by reference to Post-Effective Amendment No. 5 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on January 23, 2002)
10.59	Lease Agreement with Arthur Andersen LLP for the Vertex Sarasota Building (formerly the Arthur Andersen Building) (previously filed in and incorporated by reference to Post-Effective Amendment No. 5 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on January 23, 2002)
10.60	Lease Agreement with Transocean Deepwater Offshore Drilling, Inc. for a portion of the Transocean Houston Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 6 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on April 22, 2002)
10.61	Lease Agreement with Newpark Drilling Fluids, Inc. for a portion of the Transocean Houston Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 6 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on April 22, 2002)
10.62	Lease Agreement for the Dana Detroit Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 6 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on April 22, 2002)
10.63	Second Amendment to Lease Agreement for the Dana Detroit Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 6 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on April 22, 2002)
10.64	Lease Agreement for the Dana Kalamazoo Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 6 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on April 22, 2002)
10.65	Second Amendment to Lease Agreement for the Dana Kalamazoo Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 6 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-44900, filed on April 22, 2002)
10.66	Purchase and Sale Agreement for the Experian/TRW Buildings (previously filed in and incorporated by reference to Amendment No. 1 to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on June 10, 2002)
10.67	Lease Agreement for the Experian/TRW Buildings (previously filed in and incorporated by reference to Amendment No. 1 to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on June 10, 2002)

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10.68	Lease Amendment to Lease Agreement for the Experian/TRW Buildings (previously filed in and incorporated by reference to Amendment No. 1 to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on June 10, 2002)
10.69	Purchase and Sale Agreement and Escrow Instructions for the Agilent Boston Building (previously filed in and incorporated by reference to Amendment No. 1 to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on June 10, 2002)
10.70	Lease Agreement for the Agilent Boston Building (previously filed in and incorporated by reference to Amendment No. 1 to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on June 10, 2002)
10.71	Purchase and Sale Agreement for the TRW Denver Building (previously filed in and incorporated by reference to Amendment No. 2 to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on July 15, 2002)
10.72	Lease Agreement for the TRW Denver Building (previously filed in and incorporated by reference to Amendment No. 2 to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on July 15, 2002)
10.73	Purchase and Sale Agreement for the MFS Phoenix Building (previously filed in and incorporated by reference to Amendment No. 2 to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on July 15, 2002)
10.74	Lease Agreement for the MFS Phoenix Building (previously filed in and incorporated by reference to Amendment No. 2 to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on July 15, 2002)
10.75	Purchase and Sale Agreement for the ISS Atlanta Buildings (previously filed in and incorporated by reference to Amendment No. 2 to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on July 15, 2002)
10.76	Lease Agreement for the ISS Atlanta Buildings (previously filed in and incorporated by reference to Amendment No. 2 to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on July 15, 2002)
10.77	Amendment No. 5 to Lease Agreement for the ISS Atlanta Buildings (previously filed in and incorporated by reference to Amendment No. 2 to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on July 15, 2002)
10.78	Ground Lease Agreement for the ISS Atlanta Buildings (previously filed in and incorporated by reference to Amendment No. 2 to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on July 15, 2002)
10.79	Purchase and Sale Agreement for the Nokia Dallas Buildings (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on October 25, 2002)
10.80	Lease Agreement for Building No. 1 of the Nokia Dallas Buildings (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on October 25, 2002)
10.81	Amendment to Lease Agreement for Building No. 1 of the Nokia Dallas Buildings (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on October 25, 2002)

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10.82	Lease Agreement for Building No. 2 of the Nokia Dallas Buildings (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on October 25, 2002)
10.83	Amendment to Lease Agreement for Building No. 2 of the Nokia Dallas Buildings (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on October 25, 2002)
10.84	Lease Agreement for Building No. 3 of the Nokia Dallas Buildings (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on October 25, 2002)
10.85	Amendment to Lease Agreement for Building No. 3 of the Nokia Dallas Buildings (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on October 25, 2002)
10.86	Agreement of Sale for the KeyBank Parsippany Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on October 25, 2002)
10.87	Lease Agreement with KeyBank U.S.A., N.A. for a portion of the KeyBank Parsippany Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on October 25, 2002)
10.88	Lease Agreement with Gemini Technology Services for a portion of the KeyBank Parsippany Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on October 25, 2002)
10.89	Amendment to Lease Agreement with Gemini Technology Services for a portion of the KeyBank Parsippany Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on October 25, 2002)
10.90	Purchase and Sale Agreement for NASA Buildings (previously filed in and incorporated by reference to Post-Effective Amendment No. 2 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on January 24, 2003)
10.91	Lease Agreement with the Office of the Comptroller of the Currency and amendments thereto (previously filed in and incorporated by reference to Post-Effective Amendment No. 2 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on January 24, 2003)
10.92	Lease Agreement with the United States of America (NASA) and amendments thereto (previously filed in and incorporated by reference to Post-Effective Amendment No. 2 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on January 24, 2003)
10.93	Agreement of Purchase and Sale for Nestle Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 2 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on January 24, 2003)

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10.94	Loan Agreement for $90,000,000 loan assumed with Landesbank Schleswig-Holstein Gironzentrale, Kiel (previously filed in and incorporated by reference to Post-Effective Amendment No. 2 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on January 24, 2003)
10.95	Lease Agreement for Nestle Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 2 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on January 24, 2003)
10.96	Various amendments to Lease Agreement for Nestle Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 2 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on January 24, 2003)
10.97	Agreement of Purchase and Sale for 150 West Jefferson Detroit Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 3 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on April 14, 2003)
10.98	$500,000,000 Credit Agreement for an unsecured line of credit with Bank of America, N.A. and a consortium of other banks (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on June 20, 2003)
10.99	Real Estate Sale Agreement for US Bancorp Minneapolis Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on June 20, 2003)
10.100	Lease Agreement with US Bancorp Piper Jaffray Companies, Inc. and amendments thereto for a portion of US Bancorp Minneapolis Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on June 20, 2003)
10.101	Agreement of Purchase and Sale for Aon Center Chicago Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on June 20, 2003)
10.102	Lease Agreement with BP Corporation North America, Inc. and amendments thereto for a portion of the Aon Center Chicago Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on June 20, 2003)
10.103	Lease Agreement for Cingular Atlanta Building, filed herewith
10.104	Lease Agreement for Aventis Northern NJ Building, filed herewith
23.1	Consent of Holland & Knight LLP (included in exhibits 5.1 and 8.1)
23.2	Consent of Arthur Andersen LLP (previously filed in and incorporated by reference to Registrant s Registration Statement on Form S-11, Commission File No. 333-85848, filed on April 8, 2002)
23.3	Consent of Ernst & Young LLP, filed herewith
23.4	Consent of Ernst & Young LLP, filed herewith
24.1	Power of Attorney, filed herewith
24.2	Power of Attorney, filed herewith