CEO CFO

WEINGARTEN REALTY

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Over A 60-Year History, Weingarten Realty Investors Has Managed To Stay True To Their Vision To Own, Manage, Develop, Redevelop And Acquire Principally Supermarket Anchored Shopping Centers Across A Dynamic Geographic Area

Financial
REIT - Retail
(WRI-NYSE)

Weingarten Realty Investors

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Andrew M. Alexander
President and CEO

BIO: Drew Alexander is President and CEO of Weingarten Realty Investors, a Houston based REIT with 404 properties and over 73 million square feet under management.

Mr. Alexander graduated from the University of Texas (Austin) with highest honors majoring in real estate. Drew joined WRI in 1978 as a Leasing Executive in the Retail Division. He was appointed Director of the Industrial Division in 1982, and was made Vice President of WRI in 1984. In 1985, Drew was promoted to Director of Leasing and was named Senior Vice President in 1990. In 1995, Drew was appointed President of Weingarten Realty Management Company while still serving as Senior Vice President for WRI. He was named President of WRI in 1997 and was appointed the Company's Chief Executive Officer in 2001.

Mr. Alexander is active in a number of civic and charitable organizations. He serves as a Director of Weingarten Realty Investors, Academy Sports and Outdoors, Inc., the Houston region of JPMorgan/Chase & Co., The Texas Medical Center and The Greater Houston Partnership. Civic interests include serving on the Boards of Rebuilding Together Houston, United Way of the Texas Gulf Coast and the Houston Food Bank. Further, he is a member of several committees at Congregation Emanu El and the Jewish Federation of Greater Houston. He has previously served on a number of Boards including Houston Achievement Place and The Gladney Center. He also serves on the Board of the National Association of Real Estate Investment Trust, our trade association and is a Trustee and past Chairman of The International Council of Shopping Centers.

Company Profile: As one of the largest real estate investment trusts listed on the New York Stock Exchange, Weingarten Realty (NYSE:WRI) is celebrating its 60th anniversary as a commercial real estate owner, manager and developer, formed in 1948. Focused on delivering solid returns to shareholders, Weingarten is actively developing, acquiring, and intensively managing properties in 23 states that span the United States from coast-to-coast. The Company's portfolio of 404 properties includes 323 neighborhood and community shopping centers and 81 industrial properties. Including tenant-owned square footage, the Company's portfolio currently totals approximately 73 million square feet under management. Weingarten has one of the most diversified tenant bases of any major REIT in its sector, with the largest of its 5,300 tenants comprising less than 3% of its rental revenues.

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFOinterviews.com

CEOCFO: Mr. Alexander, Weingarten has a long history; what is the vision today?
Mr. Alexander: "The vision today is very consistent with what it has been over that sixty year period: to own, manage, develop, redevelop, and acquire principally supermarket anchored shopping centers across a dynamic geographic area. Obviously in this economy a lot of the more minor things have changed, but I would say the basic niche and vision of the company has been pretty consistent over the sixty-year period."

CEOCFO: Would you please tell us about your geographic footprint?
Mr. Alexander: "We run from Virginia basically across the country through Missouri, Kansas, Colorado through California and everywhere south of there. We are also in Oregon and Washington, so we are basically in about two-thirds of the United States. We believe that over an extended period of time the markets that we are in will show favorable growth patterns. These are areas that have the business climate, areas that will benefit from long-term trends, and as the baby boomers retire, areas that will benefit from foreign trade and the increased globalization of our society and immigration to the US. While it is a coincidence that my great grandfather ended up in the Texas area about 120 years ago, we are big believers in a sun-belt strategy that the southern and western US will benefit from long-term demographic growth."

CEOCFO: What is your strategy and how do you populate your centers?
Mr. Alexander: "The real estate company grew out of a supermarket company that was started by my great grandfather in 1901, and I would say that we stick to the basic vision from when the real estate company was founded in the late 1940's. We lease to tenants who provide basic goods and services primarily in an open-center environment. Today, while we branched into many different things and our shopping center portfolio, which is about 90% of our NOI, 73% of that net operating income comes from shopping centers that have a supermarket component to them, either a traditional supermarket or a Super Target or a Super Wal-Mart. A comfortable majority of our income comes from shopping centers that service the supermarket industry. As you mentioned in terms of our top tenant, we see a lot of other basic goods and services too; people like Ross Stores, and TJX Companies, which owns Marshalls, Inc. So while these are very challenging economic times, the vast majority of our tenants sell more basic goods and services. We have said many times that it is a very recession resilient portfolio. We do have some exposure to some trouble spots, one Mervin that is in a joint venture, so effectively half of Mervin and Linens and Things and Circuit City. We are not immune, but generally these are very small. Linens and Circuit City represent less than ¾ of 1% of our minimum rent in each case. Generally it is an extremely diversified portfolio and it comes from basic goods and services, so it is quite recession resilient."

CEOCFO: How is your occupancy these days?
Mr. Alexander: "Our occupancy when we reported 3rd Quarter 2008 results was around 93%. We haven't reported year-end numbers yet, but it unquestionably will be down some when one looks at the liquidations of the Circuit City chain, the Linens and Things chain, and the other problems in the economy. One of the facts that we are quite proud of is that our occupancy has never been below 90%, even in the tremendous depression that hit Texas and other oil-related areas in the middle of the late 1980's. Basically our entire portfolio was in an oil-dependent area. This is clearly a severe and deep recession. It is possible that we will test that 90% metric, but it is something that we are much more recession resilient and have longer term leases than when you look at office buildings or hotels or some other parts of real estate. We think supermarket anchored shopping centers is a great place to be in, during challenging times."

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CEOCFO: What is new in the shopping center industry?
Mr. Alexander: "There are so many different things. I have been doing this on a full-time basis for thirty years and what is interesting is how many of the new things are the whole 'everything old is new again', and that trends come back. So you see a lot of new concepts, people trying to get services and other draws into the shopping centers; a lot of day spas, a lot of health clinics coming into

shopping centers. Store sizes change, as you saw the supermarkets increase store size and add lots of departments and now you see a lot of people shrinking their store size, giving up some of those services and wanting to be a lot more efficient in these challenging times. There is some debate about store hours and perhaps especially in some of the big malls, which again is not really the space that we play in, but there has been some discussions about possibly curtailing hours which would have some energy efficiency as well as some labor cost efficiency.

There is a tremendous amount of globalization throughout the shopping center world with those developers here looking at opportunities in a number of different markets, both in Europe and emerging markets. People are scouring the world for the new tenant concepts and a lot of these retail concepts have a soaring flair to them. It has been interesting. I was chairman of the shopping center trade association about eleven years ago and one of the themes of my state of the industry methods was consolidation between the major factors of our industry, the developers, the retailers and the lenders. While I gave that speech eleven years ago I think that trend is very true today and it is one of the things that we will see with this downturn. We have already seen it pretty strongly in the financial sector. We will see more in the financial sector and in other sectors as well. So unquestionably as we come out of this recession, which we will, we will see consolidation and we will see tighter standards, more financial discipline and we won't see as much new space filled. One of the fun things about this industry is there is always a lot going on and that doesn't mean you can't be frustrated day to day, but it does keep it interesting and keeps us engaged and passionate about what we do."

CEOCFO: Do you do much new development or turnover of properties?
Mr. Alexander: "Two and a half years ago we announced a new strategy that was really just an evolution of our ongoing strategy that had four principles to it, but first and foremost we were focused on our existing assets and secondly we would continue to buy properties and manage our portfolio. Often that is selling properties, so that we had very good shopping centers with good barriers to entry, with good tenants and good income in metropolitan areas. Thirdly, we would source a lot of supply, doing joint ventures with institutions who wanted our expertise and real estate knowledge. Fourthly, we would put a lot of emphasis on new development. I would say that strategically those four pillars are still in place. Obviously, in today's world our focus on new development is very much curtailed from what it was two years ago. We are finishing up projects in our pipeline, we are looking to save different opportunities, we have put other opportunities on hold and while we are evaluating new opportunities and staying in touch with our tenants, we absolutely believe there will be opportunities to partner and take advantage of the opportunities that were always created in this kind of turmoil. However, we don't see doing much of that brand-new stuff in fiscal 2009. Strategically we continue to focus on the four elements I outlined, with the reduction of new developments. We have always taken good care of our existing properties and we sold a number of properties in one-off dispositions and continue to look at sales of non-core properties. We did two very nice joint ventures last year, one with AEW, the big pension fund advisor out of Boston and one with the Hines Private REIT, also based here in Houston. We are going into the market shortly with an industrial joint venture and will see how that plays out and we should also be in the market with another retail joint venture in the next couple of months. The focus is very much strategically on the same basic level with the understanding in these times that development is very much curtailed."

CEOCFO: How do you make sure that people in the different areas are doing things the way Weingarten wants them done?
Mr. Alexander: "First off, you have to be sensitive in terms of your culture that there are certain bedrocks in terms of the values, ethics, honesty, long-term creation of shareholder value, treating people fairly and keeping that long-term view. These are non-negotiable core values of the company. That said, we do operate from coast-to-coast and deal with certain regional and stylistic across people and we try to empower them, set goals, and hold them accountable for results. We do a tremendous amount of training both formally and on the job, have a tremendous amount of cultural material that is on video and written, which people can study and understand. We manage and supervise our folks pretty closely following the big money items and where the money is spent. We do a lot of video conferencing, which is a pretty effective technology to communicate with people, but we still do a reasonable amount of travel as well. I don't think there is any great secret; it is challenging to manage a business across some 22 or so states. Working through people and coaching them through taking advantage of great internal systems that are very much real-time, gives us exposure to deals being worked on, and let things get done very quickly, so that we can get leases approved and leases in front our tenants in a matter of just days. Therefore, we can be extremely responsive in these challenging times, but still have very good transparency that people can see the kind of deals we are doing. Again I think we set good boundaries and people know what their boundaries are, but there is also good transparency if somebody had a question or wondered why a particular decision has been made. Like any other company of the same size, you work through this and you aren't perfect at it, but you strive to be good about it and you strive to execute it well. We have always been known as very hands-on managers of our property and especially in challenging times like we are in now, I think it is very valuable and very necessary."

CEOCFO: What is the financial picture for the company?
Mr. Alexander: "The financial picture for us is quite good. We talked about the diversification of the tenant base and the fact that the vast majority of our tenants sell basic goods and services. So our top ten or twenty-five tenants are very diversified, dominated by grocers like Kroger and Safeway and TJ Maxx. We feel very comfortable with the majority of our rent and cash flow continuing. Our debt maturity for this year and next year are quite manageable; the banking relationships are quite strong. We have over $2 billion

assets, which are pledge-able to the extent we want them to raise additional capital to take advantage of opportunities. We are generally in very good shape. That said, we have a board meeting coming up and dividends, and what to do about dividends, and possible paying dividends in stock. It is certainly very much in discussion across that industry. It is something that everybody is looking at very closely and we are no exception; how they spend any amount of cash at all and most people feel that watching ones cash in these times is paramount. You probably have heard the expression "cash is king," many times, but it is certainly fundamentally accurate where I think all CEOs and CFOs are focused these days."

CEOCFO: In closing, investors are looking for good companies; why should they have Weingarten on their radar screen?
Mr. Alexander: "I think real estate investment trusts are half the opportunity generally. Real estate investment trusts were created by congress in the 1960's as a way for individuals to access real estate and the basic deal that was made in 1960 is still valid. Today, if you meet certain rules such as paying out a lot of dividends, which are taxed, then you don't pay taxes at the corporate level. It is a fantastic vehicle in my opinion for individuals, foundations, endowments, pension funds, etc. to access a quality real estate management team with liquidity, transparency, with FDC filings. I think it is a generally fabulous vehicle. When you turn to all the different types of real estate, I have been partial to opening shopping centers and supermarket anchored centers, which are to me among the most stable long-term investment. We can focus on hotel REITS, or apartment REITS or many other things, but I like the stability of shopping center REITS and grocery store REITS in particular. When it comes to our company, I think we have an outstanding track record of doing what we say we are going to do. We went fully public on the NYSE in 1985, so we have a very long track record through a number of economic cycles including when Texas and the other oil-dependent areas were still bad in the mid and late 1980's. Our management board and their families have a very large position in the company representing about 14% of the value of the company, so we had very strong alignment of interest between the board management and their families. We talked about the strong demographic trends. We have been doing this for a long time, so we have a good idea of what the real estate is. I think REITS are a good investment generally and Open Air Center REITS are a good investment as well. I think Weingarten Realty in particular is a very good long-term investment for either individuals or institutions."

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