
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q/A

Amendment No. 1

(Mark One)

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended September 30, 2002 or

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission file number 0-25739

**WELLS REAL ESTATE INVESTMENT
TRUST, INC.**

(Exact name of registrant as specified in its charter)

Georgia

(State of other jurisdiction of incorporation)

58-2328421

(I.R.S. Employer Identification No.)

6200 The Corners Parkway, Suite 250, Norcross, Georgia
(Address of principal executive offices)

30092
(Zip Code)

(770) 449-7800

Registrant's telephone number, including area code

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Explanatory Note: This Amendment No. 1 to the Form 10-Q of Wells Real Estate Investment Trust, Inc. (the “Company”) for the period ended September 30, 2002 amends the Form 10-Q previously filed, by amending the Consolidated Statements of Income for the three and nine months ended September 30, 2002 and Notes 1(k) and 2 to the Condensed Notes to Financial Statements and the “Results of Operations” subsection of the Management’s Discussion and Analysis of Financial Condition and Results of Operations. This amendment is necessary in order to restate the presentation of certain operating costs of the Company reimbursed by tenants as revenue and the gross property operating costs as expenses pursuant to a FASB Emerging Issues Task Force release issued in November 2001. In addition, interest income and interest expense related to certain bonds held by the Company have been restated to reflect such amounts on a gross basis consistent with this revised presentation. The comparative financial information for prior periods has been reclassified to conform with this revised presentation. Since this presentation does not impact the amount of reimbursements or interest income received by the Company or the property operating costs or interest expense 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.

Item 1. Financial Statements

Following is the amended and restated Consolidated Statements of Income for the three and nine months ended September 30, 2002:

**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 |
| | <u>34,913</u> | <u>13,839</u> | <u>87,923</u> | <u>38,539</u> |
| 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 |
| | <u>19,628</u> | <u>7,730</u> | <u>48,102</u> | <u>24,116</u> |
| NET INCOME | <u>\$ 15,285</u> | <u>\$ 6,109</u> | <u>\$ 39,821</u> | <u>\$ 14,423</u> |
| BASIC AND DILUTED EARNINGS PER SHARE | <u>\$ 0.09</u> | <u>\$ 0.11</u> | <u>\$ 0.31</u> | <u>\$ 0.33</u> |
| BASIC AND DILUTED WEIGHTED AVERAGE SHARES | <u>163,395</u> | <u>54,112</u> | <u>128,541</u> | <u>43,726</u> |

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).

Condensed Notes to Financial Statements

1. Summary of Significant Accounting Policies

Following is new Note 1(k) to be inserted immediately following Note 1(j) in the Condensed Notes to Consolidated Financial Statements:

(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. Investments in Joint Ventures

Following is the amended and restated Note 2(b) to the Condensed Notes to Consolidated Financial Statements:

(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.

| | 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 |
| | <u>\$ 5,134</u> | <u>\$ 4,899</u> | <u>\$ 2,623</u> | <u>\$ 2,607</u> | <u>\$ 1,259</u> | <u>\$ 1,102</u> |

| | 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 |
| | <u>\$ 15,784</u> | <u>\$ 13,268</u> | <u>\$ 8,158</u> | <u>\$ 6,832</u> | <u>\$ 3,738</u> | <u>\$ 2,622</u> |

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

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Following is the amended and restated "Results of Operations" section of Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations:

Results of Operations

Gross revenues were \$87.9 million and \$38.5 million for the nine months ended September 30, 2002 and 2001, respectively. Gross revenues for the nine months ended September 30, 2002 and 2001 were attributable to rental income, operating cost reimbursements, interest income earned on funds held by the Company prior to the investment in properties, and income earned from joint ventures. The increase in revenues in 2002 was primarily attributable to the purchase of \$805.5 million in additional properties during 2002 and the purchase of \$114.1 million in additional properties during the fourth quarter of 2001 which were not owned for the first three quarters of 2001. The purchase of additional properties also resulted in an increase in expenses, which totaled \$48.1 million for the nine months ended September 30, 2002, as compared to \$24.1 million for the nine months ended September 30, 2001. Expenses in 2002 and 2001 consisted primarily of depreciation, operating costs, interest expense, management and leasing fees and general and administrative costs. As a result, the Company's net income also increased from \$14.4 million for the nine months ended September 30, 2001 to \$39.8 million for the nine months ended September 30, 2002.

Earnings per share for the nine months ended September 30, 2002 decreased from \$0.33 per share for the nine months ended September 30, 2001 to \$0.31 per share for the nine months ended September 30, 2002. Earnings per share for the third quarter decreased from \$0.11 per share for the three months ended September 30, 2001 to \$0.09 per share for the three months ended September 30, 2002. These decreases were primarily due to the substantial increase in the number of shares outstanding as a result of capital raised in 2002 which was not completely matched by a corresponding increase in net income because such capital proceeds were not fully invested in properties.

CERTIFICATIONS

I, Leo F. Wells, III, certify that:

1. I have reviewed this Amendment No. 1 to Quarterly Report on Form 10-Q/A and the Quarterly Report on Form 10-Q previously filed (collectively, this "Report") of the registrant;
2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;
3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared,
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this Report (the "Evaluation Date"); and
 - c) presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors:
 - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this Report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Dated: January 15, 2003

By: /s/ LEO F. WELLS, III

Leo F. Wells, III
Principal Executive Officer

CERTIFICATIONS

I, Douglas P. Williams, certify that:

1. I have reviewed this Amendment No. 1 to Quarterly Report on Form 10-Q/A and the Quarterly Report on Form 10-Q previously filed (collectively, this "Report") of the registrant;
2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;
3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared,
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this Report (the "Evaluation Date"); and
 - c) presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors:
 - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this Report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Dated: January 15, 2003

By: /s/ DOUGLAS P. WILLIAMS

Douglas P. Williams
Principal Financial Officer

EXHIBIT INDEX
TO
THIRD QUARTER AMENDMENT NO. 1 TO FORM 10-Q/A
OF
WELLS REAL ESTATE INVESTMENT TRUST, INC.

| Exhibit No. | Description |
|------------------------|--|
| 99.1 | Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 99.2 | Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |

EXHIBIT 99.1

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. 1350)**

In connection with the Quarterly Report of Wells Real Estate Investment Trust, Inc. (the "Registrant") on Form 10-Q for the three and nine month periods ended September 30, 2002, as amended by this Amendment No. 1 filed with the Securities and Exchange Commission on the date hereof (collectively, the "Report"), the undersigned, Leo F. Wells, III, Chief Executive Officer of the corporate General Partner of the Registrant, hereby certifies, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350), that, to the best of his knowledge and belief:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ LEO F. WELLS, III

Leo F. Wells, III
Chief Executive Officer
January 15, 2003

EXHIBIT 99.2

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. 1350)**

In connection with the Quarterly Report of Wells Real Estate Investment Trust, Inc. (the "Registrant") on Form 10-Q for the three and nine month periods ended September 30, 2002, as amended by Amendment No. 1 filed with the Securities and Exchange Commission on the date hereof (collectively, the "Report"), the undersigned, Douglas P. Williams, Chief Financial Officer of the corporate General Partner of the Registrant, hereby certifies, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350) that, to the best of his knowledge and belief:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ DOUGLAS P. WILLIAMS

Douglas P. Williams
Chief Financial Officer
January 15, 2003