


Duke-Weeks Realty Corporation

A time-tested strategy that works.

 2000 Annual Report



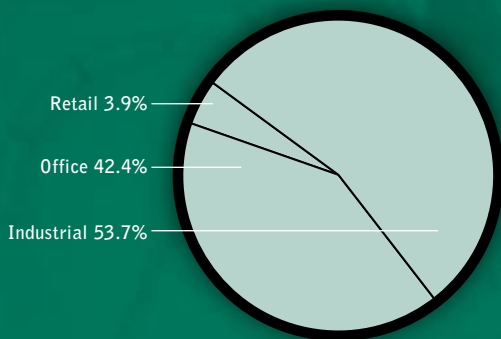
2000 Achievements

- Total return to shareholders of 36.2%
- Funds from operations (FFO) growth of 12.3% per share
- Industry-leading double-digit FFO growth extended to 21 consecutive quarters
- Net Income growth of 25.8% per share
- 10.3% dividend increase, the fourth double-digit increase in as many years
- Same-store growth of 4.2%, up from 3.2% in 1999
- Approximately \$600 million of development starts with an 11.7% stabilized return
- \$765 million of capital recycled at a 9.2% capitalization rate

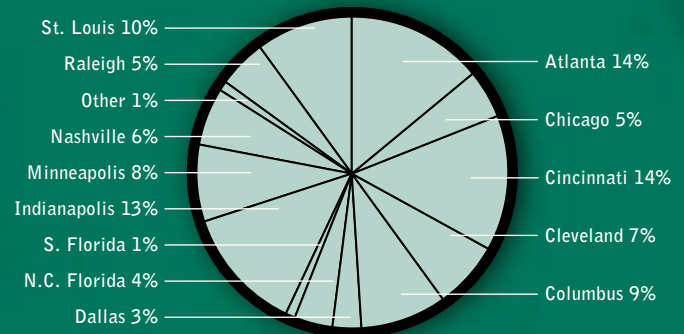
Portfolio Analysis (shown in thousands)

	Properties In-Service				Properties In-Service and Under Development			
	December 31, 2000		December 31, 1999		December 31, 2000		December 31, 1999	
	Square Feet	% Leased	Square Feet	% Leased	Square Feet	% Leased	Square Feet	% Leased
Industrial	76,973	94.2%	71,190	91.8%	82,275	91.8%	77,161	88.0%
Office	21,505	91.3%	18,628	91.6%	24,258	86.8%	22,499	82.6%
Retail	2,484	97.8%	2,684	95.1%	2,484	97.8%	2,718	94.2%
Total	100,962	93.6%	92,502	91.9%	109,017	90.8%	102,378	87.0%

Net Effective Rent by Property Type
December 31, 2000



Net Effective Rent by Market
December 31, 2000



(includes Company's prorata share of joint ventures)

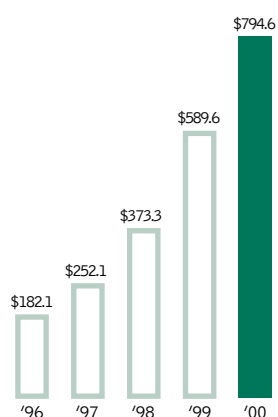


Duke-Weeks Realty Corporation

Duke-Weeks Realty Corporation is the largest mixed office/industrial real estate company in the United States. Duke-Weeks provides a full range of in-house services, backs them with nearly 30 years experience, and delivers valuable real estate

solutions to completely satisfied customers across the Midwest and Southeast. At Duke-Weeks, experienced people provide superior products and superior operating performance.

Total Revenues
(In millions)



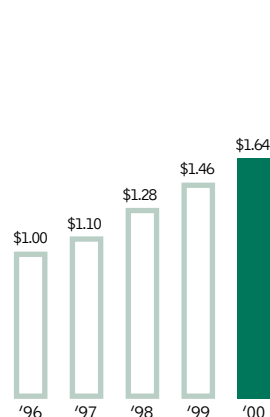
Average Growth Rate: **44.5%**

Diluted Funds From Operations (FFO) Per Common Share



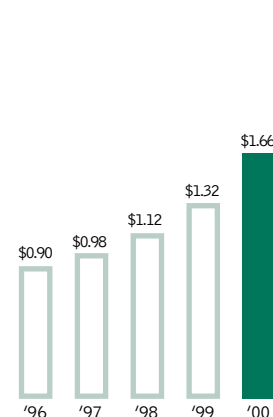
Average Growth Rate: **16.2%**

Dividends Paid Per Common Share



Average Growth Rate: **13.2%**

Diluted Net Income Per Common Share



Average Growth Rate: **16.5%**

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Selected Consolidated Financial Data

(In thousands, except per share amounts)

	2000	1999	1998	1997	1996
Total Revenues	\$ 794,625	\$ 589,594	\$ 373,341	\$ 252,080	\$ 182,089
Funds From Operations (FFO)—Basic	317,360	234,273	154,074	107,256	76,079
Diluted FFO per Common Share ⁽¹⁾	2.46	2.19	1.89	1.60	1.35
Dividends Paid per Common Share ⁽¹⁾	1.64	1.46	1.28	1.10	1.00
Net Income Available for Common Shares	212,958	139,636	90,871	65,999	50,872
Diluted Net Income per Common Share ⁽¹⁾	1.66	1.32	1.12	.98	.90
Total Assets	5,460,036	5,486,238	2,853,653	2,176,214	1,361,142
Total Shareholders' Equity	\$ 2,712,890	\$ 2,668,596	\$ 1,570,112	\$ 1,234,681	\$ 754,932
FFO Payout Ratio	68.3%	68.9%	69.8%	71.9%	74.8%

Senior Unsecured Debt Ratings

	2000	1999	1998	1997	1996
Standard & Poor's	BBB+	BBB+	BBB+	BBB	BBB
Moody's	Baa1	Baa1	Baa2	Baa2	Baa2
Fitch	BBB+	BBB+	BBB+	BBB+	BBB

(1) As adjusted for the two-for-one stock split effected in August 1997.

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To Our Shareholders:

The Duke-Weeks formula for success employs a time-tested strategy based on creating value for our more than 5,000 corporate customers by providing vertically integrated real estate services that are within a risk profile where we are both very experienced and very comfortable. Each year we gauge our success by measuring the Company's growth in funds from operations (FFO) per share, return on assets, and return on equity. We also look at the total return that we deliver to our shareholders, which, of course, includes the substantial dividends that the Company pays. Based on these criteria, here is how we performed in 2000:

- **FFO Per Share** grew 12.3 percent for the year and we extended our industry-leading record of consecutive quarters of double-digit growth to 21. According to data obtained from First Call, less than one percent of all companies in Corporate America have a similar record of consecutive earnings growth. With a year-end dividend yield of 7.0 percent, Duke-Weeks is the only company in this select group with a dividend yield higher than 2.7 percent.
- **Return on Assets and Return on Equity** grew to 10.1 percent and 13.4 percent, respectively, for the year, up from 9.8 percent and 12.7 percent in 1999. We think the positive changes in these ratios are important indicators of how well we are investing our shareholders' capital.
- **Total Return** to Duke-Weeks shareholders for 2000 was 36.2 percent compared to 26.4 percent for the real estate industry (NAREIT Equity Index) and -9.1 percent for the S&P 500 Index. Our 18.1 percent annualized total return since our 1993 public offering was more than double the industry average and was even slightly better than the 17.9 percent return of the S&P 500. A significant portion of our total return in 2000 came from dividends, and we raised our common stock dividend by more than 10 percent for the fourth

year in a row. We believe that the size of our dividend, combined with the Company's track record of ongoing dividend increases, makes Duke-Weeks one of the premier dividend growth stocks in America.

These accomplishments in 2000, especially the continuation of the Company's record of double-digit earnings growth, were particularly significant as we instituted a large-scale asset "recycling" program to meet the Company's ongoing capital needs with internally generated funds. We almost doubled our original goal of \$400 million of asset dispositions for the year by selling or joint venturing \$765 million of assets, or more than the total asset value of half the public companies in the real estate business.

This was one of our most significant accomplishments in 2000 as it allowed us to de-leverage and further strengthen our balance sheet. While our stronger financial position will certainly benefit Duke-Weeks in the future, our operating performance would have been even better in 2000 had it not been for the short-term dilution caused by selling mature assets and reinvesting the proceeds in our development pipeline. Taking the long-term view, however, is a cornerstone of our strategy to maximize shareholder value.

A Time-Tested Strategy That Works

Pages six and seven of this report provide a detailed analysis of the Duke-Weeks business model. While we don't claim that this strategy is the *only* way to prosper in the real estate industry, it has certainly worked well for us over time.

Central to our business model is value creation. Value creation, in turn, leads to superior earnings and dividend growth, and ultimately to superior performance for Duke-Weeks shareholders. Apart from maximizing the performance of our in-service portfolio, the Company creates value primarily by developing projects that we

Total Return to Shareholders
December 31, 2000

	1 Year	3 Year	5 Year	Since 10/93 Offering
Duke-Weeks	36.2%	7.5%	16.6%	18.1%
NAREIT Equity Index	26.4%	-0.2%	10.1%	8.3%
S&P 500 Index	-9.1%	12.3%	18.3%	17.9%





Rich Horn, President



In 2000, Rich Horn was named Duke-Weeks' President. Rich joined Duke-Weeks in 1984 and most recently headed the Company's Midwest Office Group that encompasses more than one-third of the Company's assets. In his new role, Rich is responsible for Duke-Weeks' income-producing activities.

One of Rich's focus areas in 2001 is a new program that isolates the bottom-line profitability of each of the Company's 26 business units after considering all relevant variables including overhead and cost of capital allocations. Based on this approach, Rich's goal is to materially improve the profitability of each business unit and consequently the overall profitability of the Company.



either own or sell upon completion, and by providing our construction and development expertise to third-parties for a fee. We calculate that in 2000, more than \$1.30 of value per share was created through these activities. Going forward, we believe that, on average, we can add at least a similar amount of value for our shareholders every year. This is how Duke-Weeks can grow its earnings at a much faster pace than companies or institutions that are primarily passive real estate owners.

Outlook

We think we have a good plan that has stood the test of time so we are staying with it. This includes funding the business primarily with recycled capital. We also pledge to continue to be a leader in the boardroom by establishing a corporate governance committee of our Board of Directors, based on our belief that corporations should be managed for the interest of shareholders. This belief is one reason we have perhaps the broadest insider ownership in the industry—if our shareholders prosper, so will our associates.

Having reduced our debt-to-total market capitalization from 38.2 percent at the end of 1999 to 31.4 percent at the end of 2000, Duke-Weeks is prepared for a potentially slower economy in 2001. But that is not the only reason why we think that Duke-Weeks is positioned well for the future. Our business model, outlined below, is the key to our positioning against both our competitors and the economy:

- **Vertical Integration** — Our associates provide the key real estate services of design-build construction, land/building development, asset/property management, leasing, and supplemental services through a seamless delivery system. Duke-Weeks professionals perform virtually every aspect of each real estate transaction.
- **Size** — As one of the largest REITs, Duke-Weeks is large enough to enjoy the benefits of diversification, economies of scale, and institutional investor demand, but still small enough to be entrepreneurial so that we can continue to grow at a superior pace.
- **Access to Capital** — With low leverage and one of the best credit ratings in the industry, Duke-Weeks has a cost of capital advantage over its competitors.

- **Liquidity** — Our shares are plentiful enough to attract both large institutional investors and individual shareholders.
- **Midwest/Southeast Focus** — We believe that the Company's markets will continue to significantly outperform the national averages for job growth and therefore afford us excellent profit opportunities. Moreover, our overall market dominance gives us a distinct advantage over our competition.
- **Same-Store Growth** — Expected same-store growth of 3-5 percent annually provides a firm foundation to our ongoing goal of maintaining a long-term growth rate in FFO per share of at least 10 percent.
- **Capital Recycling** — Recycling existing assets will usually prove to be our most efficient source of capital and will mitigate the effects of often fickle capital markets on our Company.
- **Build-to-Suits** — As a vertically integrated design-build developer, Duke-Weeks has a distinct competitive advantage when pursuing large and often complicated transactions for major corporations like Chase Manhattan Bank, Nationwide Insurance, and Gap Inc.

Finally, to our directors, associates, suppliers and real estate partners, thank you again for your confidence in our Company. You have my heartfelt gratitude.



Thomas L. Hefner
Chairman and
Chief Executive Officer





Duke-Weeks' Time, Talents & Treasures

"Dignity is not negotiable." —Vartan Gregorian

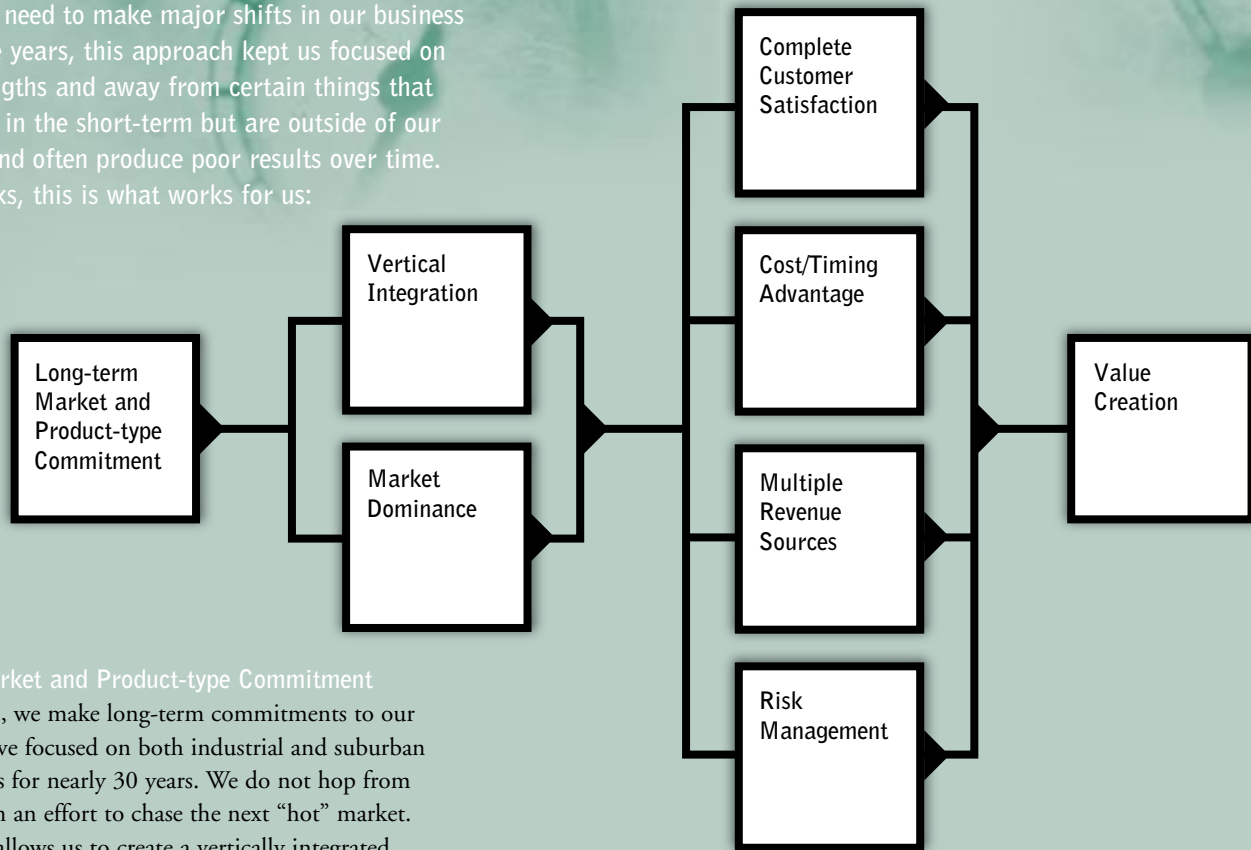
In Indianapolis a dynamic public-private partnership is showing promise as a pilot program for Duke-Weeks' communities throughout the Midwest and Southeast. It is a program combining the technical and human qualities of Duke-Weeks' associates and using that combination to profoundly impact the lives of children. The current project is the Children's Guardian Home, where more than 3,000 neglected and abused children come in search of shelter and hope. Duke-Weeks is donating more than \$1 million in construction



services to the project. Similar efforts in Cincinnati and several other cities are scheduled over the next five years as Duke-Weeks continues to follow our mission statement to "make the communities where we do business better places to live."



Many companies seem to constantly strive toward achieving a competitive advantage in their industry. At Duke-Weeks, we are already there and have been there for some time. While we routinely make minor adjustments to meet changing business conditions, we rarely see the need to make major shifts in our business plan. Over the years, this approach kept us focused on our core strengths and away from certain things that seem exciting in the short-term but are outside of our risk-profile, and often produce poor results over time. At Duke-Weeks, this is what works for us:



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Long-term Market and Product-type Commitment
 At Duke-Weeks, we make long-term commitments to our markets and have focused on both industrial and suburban office properties for nearly 30 years. We do not hop from place to place in an effort to chase the next “hot” market. This approach allows us to create a vertically integrated delivery system in each of our markets that is unmatched by our competitors. Our long-term approach also has allowed us to build dominant market positions over time in most of our markets.

Vertical Integration — As a design-build contractor, we control all of the aspects of the development, operation and leasing of our properties. This provides a seamless delivery system of services that results in numerous benefits for our clients and shareholders.

Market Dominance — According to data from REIT Source, we believe that Duke-Weeks is the largest competitor in nearly 80% of our markets. Often, we are several times larger than our next largest competitor. Benefits of market dominance include: economies of scale, price leadership and barriers to entry.

Complete Customer Satisfaction — Being a full service real estate firm provides superior service to our customers. This consistently results in Duke-Weeks being ranked as either “very good” or “outstanding” by our tenants in surveys conducted by CEL & Associates, an independent firm that is recognized as the “official survey” for the commercial real estate industry.

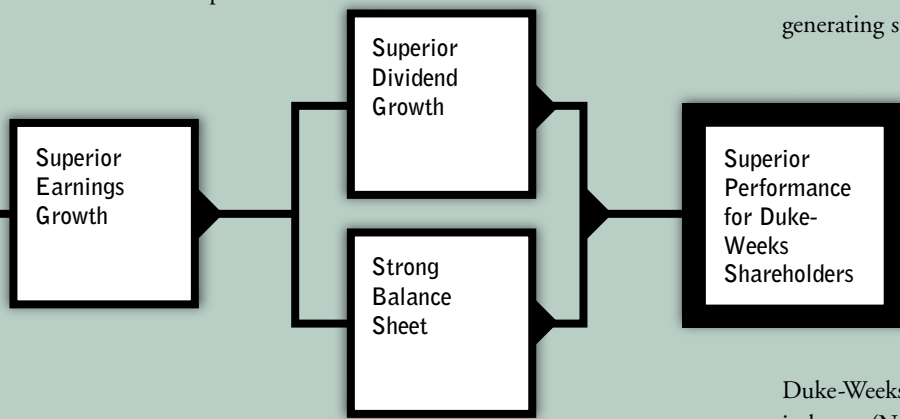
Cost/Timing Advantage — By providing services ourselves we don’t have to pay someone else to do it. This provides a cost advantage but also gives us better control over our customer response time and project completion dates.

Multiple Revenue Sources — Through vertical integration, Duke-Weeks can profit through numerous sources that are unavailable to many of our competitors: core rental income, traditional development, development for sale, 3rd party construction, land sales, 3rd party leasing, tenant finish construction, and property management.



Risk Management — Development is a risky business if you are inexperienced and are not vertically integrated. The Duke-Weeks track record, however, of \$2.25 billion of completed developments since our public offering in 1993 is as follows:

- Our average stabilized return was 11.8% versus an original budget of 11.4%
- More than 80% of our projects were completed at or ahead of budget
- Our average project size was only \$7.6 million
- Our lowest return was 9.3% on a project that we sold for a \$700,000 profit
- Over seven years, all of these nearly 300 projects were profitable.



Value Creation — “Value Creation” is an often-used phrase. At Duke-Weeks, value creation means we are producing risk adjusted returns on our invested capital that are higher than what a passive investor could achieve. For example, in 2000, Duke-Weeks completed \$772 million of developments at an 11.43% stabilized return. Based on a 9.25% cap rate, we calculate that this activity resulted in \$182 million of net value creation for our shareholders.

Superior Earnings Growth — In 2000, we grew our funds from operations (FFO) per share by 12.3% and have a 13.0% long-term growth rate since our 1993 public offering. We also are the only company in the real estate industry with 21 consecutive quarters of double-digit growth in FFO per share. Across corporate America, according to data that we obtained from First Call, less than 1% of all companies have a similar record of earnings growth. Of this group, Duke-Weeks, with a year-end dividend yield of 7.0%, is the only company with a dividend yield higher than 2.7%.

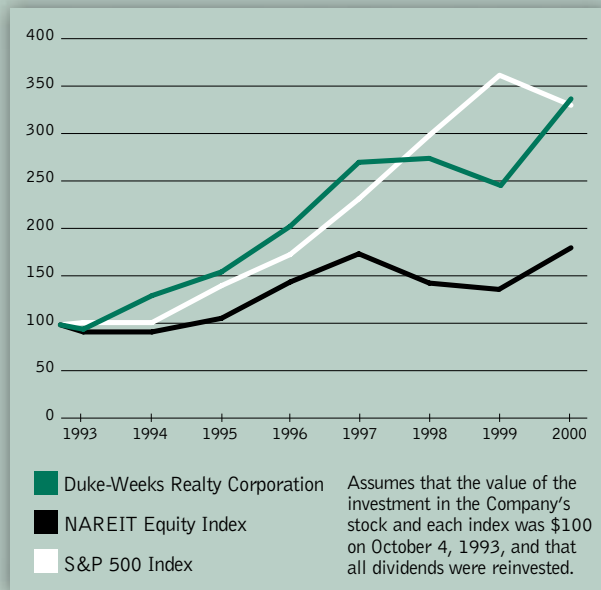
Superior Dividend Growth — As a real estate investment trust (REIT), Duke-Weeks is required to grow its dividend at a pace approximately in line with taxable income growth. Since 1997, Duke-Weeks has increased its dividend by more than 10% each year, and we have raised our dividend in every year since our 1993 public offering. We believe that our high dividend yield combined with our track record of dividend increases and double digit FFO growth make Duke-Weeks one of the premier dividend growth stocks in America.

Strong Balance Sheet — Over the years, our underlying profitability and capital strategy have given us the luxury of maintaining a conservative balance sheet while still generating superior earnings growth. At year-end, our debt-to-total market capitalization ratio was one of the most conservative in the industry at 31.4%. Reflecting this strength, Duke-Weeks enjoys some of the most efficient access in the industry to the debt markets.

Superior Performance for Duke-Weeks Shareholders

The bottom-line result of our strategy is the rewards that our shareholders receive.

Duke-Weeks has consistently outperformed the real estate industry (NAREIT Equity Index) by a wide margin over almost any period measurable. With brick and mortar assets and real customers, we have even exceeded the technology-driven performance of the S&P 500 since our 1993 public offering.



Selected Consolidated Financial Data

(In thousands, except per share data)	2000	1999	1998	1997	1996
Results of Operations:					
Revenues:					
Rental Operations	\$ 711,826	\$ 535,563	\$ 348,625	\$ 229,702	\$ 162,160
Service Operations	82,799	54,031	24,716	22,378	19,929
Total Revenues	\$ 794,625	\$ 589,594	\$ 373,341	\$ 252,080	\$ 182,089
Net Income Available for					
Common Shares	\$ 212,958	\$ 139,636	\$ 90,871	\$ 65,999	\$ 50,872
Per Share Data⁽¹⁾:					
Net Income per Common Share					
Basic	\$ 1.68	\$ 1.33	\$ 1.13	\$.99	\$.91
Diluted	1.66	1.32	1.12	.98	.90
Dividends Paid per Common Share	1.64	1.46	1.28	1.10	1.00
Weighted Average Common Shares					
Outstanding	126,836	104,884	80,704	66,427	56,134
Weighted Average Common and Dilutive Potential Common Shares					
	147,441	120,511	92,468	74,993	64,398
Balance Sheet Data (at December 31):					
Total Assets	\$ 5,460,036	\$ 5,486,238	\$ 2,853,653	\$ 2,176,214	\$ 1,361,142
Total Debt	1,973,215	2,113,476	1,007,317	720,119	525,815
Total Preferred Equity	608,874	609,998	360,000	225,000	75,000
Total Shareholders' Equity	2,712,890	2,668,596	1,570,112	1,234,681	754,932
Total Common Shares Outstanding ⁽¹⁾	127,932	125,823	86,053	76,065	58,972
Other Data:					
Funds From Operations ⁽²⁾	\$ 317,360	\$ 234,273	\$ 154,074	\$ 107,256	\$ 76,079
Cash Flow Provided by (used by):					
Operating activities	\$ 449,130	\$ 315,635	\$ 221,188	\$ 159,195	\$ 95,135
Investing activities	(97,752)	(740,264)	(703,814)	(597,324)	(276,748)
Financing activities	(330,952)	436,449	479,223	443,148	181,220

(1) Information for all five years reflects the two-for-one stock split effected in August 1997.

(2) Funds From Operations is defined by the National Association of Real Estate Investment Trusts as net income or loss, excluding gains or losses from debt restructuring and sales of depreciated property, plus operating property depreciation and amortization and adjustments for minority interest and unconsolidated companies on the same basis. Funds From Operations does not represent cash flow from operations as defined by generally accepted accounting principles, should not be considered as an alternative to net income as an indicator of the Company's operating performance, and is not indicative of cash available to fund all cash flow needs.



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

Overview

The Company's income from rental operations is substantially influenced by the supply and demand for the Company's rental space in its primary markets, its ability to maintain occupancy rates and increase rental rates on its in-service portfolio and to continue development and acquisition of additional rental properties.

The Company's primary markets have continued to offer strong and stable local economies and have provided attractive new development opportunities because of their central location, established manufacturing base, skilled work force and moderate labor costs. The Company's occupancy rate of its in-service portfolio was 93.6% at December 31, 2000. The Company expects to continue to maintain its overall occupancy levels and also expects to be able to increase rental rates as leases are renewed or new leases are executed. This combination should improve the Company's results of operations from its in-service properties. The Company's strategy for continued growth includes developing and acquiring additional rental properties in its primary markets.

The Company tracks same property performance which compares those properties that were in-service for all of a two-year period. In 2000, net operating income from the same property portfolio increased 4.2% over 1999, compared to 3.2% growth in 1999 over 1998.

The following table sets forth information regarding the Company's in-service portfolio of rental properties as of December 31, 2000 (square feet in thousands):

Type	Total Square Feet		Percent of Total Square Feet		Percent Occupied	
	2000	1999	2000	1999	2000	1999
Industrial						
Service Centers	13,519	12,762	13.4%	13.8%	92.3%	93.5%
Bulk	63,454	58,428	62.8	63.2	94.6	91.4
Office						
Suburban	20,644	17,767	20.4	19.2	91.1	91.5
CBD	861	861	.9	.9	95.2	92.4
Retail	2,484	2,684	2.5	2.9	97.8	95.1
Total	100,962	92,502	100.0%	100.0%	93.6%	91.9%

The following table reflects the Company's in-service lease expiration schedule as of December 31, 2000, by product type indicating square footage and annualized net effective rents under expiring leases (in thousands, except per square foot amounts):

Year of Expiration	Total Portfolio		Industrial Portfolio		Office Portfolio		Retail Portfolio	
	Square Feet	Rent	Square Feet	Rent	Square Feet	Rent	Square Feet	Rent
2001	9,857	\$ 60,459	7,736	\$ 34,965	2,018	\$ 24,339	103	\$ 1,155
2002	9,917	61,757	7,999	38,268	1,846	22,474	72	1,015
2003	10,844	71,011	8,684	42,909	2,041	26,659	119	1,443
2004	10,531	71,259	8,203	39,552	2,239	30,471	89	1,236
2005	14,143	99,360	10,723	51,804	3,085	44,233	335	3,323
2006	8,570	53,264	7,022	31,350	1,517	21,523	31	391
2007	6,250	40,410	5,286	26,458	915	13,362	49	590
2008	5,590	34,918	4,489	20,016	1,044	14,269	57	633
2009	6,418	40,276	5,243	23,206	1,092	15,859	83	1,211
2010	5,859	47,653	3,923	19,250	1,649	25,939	287	2,464
Thereafter	6,551	59,837	3,170	16,112	2,178	32,265	1,203	11,460
Total	94,530	\$ 640,204	72,478	\$ 343,890	19,624	\$ 271,393	2,428	\$ 24,921
Total Portfolio	100,962		76,973		21,505		2,484	
Annualized net effective rent per square foot leased		\$ 6.77		\$ 4.74		\$ 13.83		\$ 10.26



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

The Company also expects to realize growth in earnings from rental operations through the development and acquisition of additional rental properties in its primary markets and the completion of the 8.1 million square feet of properties under development by the Company at December 31, 2000, over the next three quarters and thereafter. These properties under development should provide future earnings through Service Operations income upon sale or from rental operations growth as they are placed in service as follows (in thousands, except percent leased and stabilized returns):

Anticipated In-Service Date	Square Feet	Percent Pre-Leased	Estimated Project Costs	Anticipated Stabilized Return
Held for Rental:				
1st Quarter 2001	1,659	52%	\$ 93,159	11.4%
2nd Quarter 2001	1,421	6%	98,334	11.9%
3rd Quarter 2001	1,021	6%	44,518	11.6%
Thereafter	109	0%	12,781	11.4%
	4,210	24%	\$248,792	11.6%
Build-to-Suit for Sale:				
1st Quarter 2001	799	83%	\$ 37,275	
2nd Quarter 2001	973	76%	49,546	
3rd Quarter 2001	1,150	100%	84,901	
Thereafter	924	100%	68,044	
	3,846	90%	\$239,766	
Total	8,056	56%	\$488,558	

Merger With Weeks Corporation

In July 1999, Weeks Corporation ("Weeks"), a self-administered, self-managed geographically focused Real Estate Investment Trust ("REIT") which operated primarily in the southeastern United States, was merged with and into Duke Realty Investments, Inc. ("Duke"). The combined company has continued under the name Duke-Weeks Realty Corporation ("the Company"). The total purchase price of Weeks aggregated approximately \$1.9 billion, which included the assumption of the outstanding debt and liabilities of Weeks of approximately \$775 million. The transaction was structured as a tax-free merger and was accounted for under the purchase method.

The following summarized pro forma unaudited information represents the combined historical operating results of Weeks and Duke with the appropriate purchase accounting adjustments, assuming the merger had occurred on January 1, 1998. The pro forma financial information presented is not necessarily indicative of what the Company's actual operating results would have been had Weeks and Duke constituted a single entity during such periods (in thousands, except per share amounts):

Years Ended December 31	2000 (Actual)	1999 (Pro Forma)	1998 (Pro Forma)
Rental income	\$ 711,826	\$ 626,803	\$ 502,030
Net income available for shareholders	\$ 212,958	\$ 158,156	\$ 116,675
Weighted average common shares outstanding:			
Basic	126,836	118,565	107,277
Diluted	147,441	139,373	128,761
Net income per common share:			
Basic	\$ 1.68	\$ 1.33	\$ 1.09
Diluted	\$ 1.66	\$ 1.32	\$ 1.07



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

Results of Operations

A summary of the Company's operating results and property statistics for each of the years in the three-year period ended December 31, 2000, is as follows (in thousands, except number of properties and per share amounts):

	2000	1999	1998
Rental Operations Revenues	\$ 711,826	\$ 535,563	\$ 348,625
Service Operations Revenues	82,799	54,031	24,716
Earnings from Rental Operations	228,987	197,474	125,967
Earnings from Service Operations	32,760	17,872	7,195
Operating Income	240,603	198,790	121,589
Net Income Available for Common Shares	212,958	139,636	90,871
Weighted Average Common Shares Outstanding	126,836	104,884	80,704
Weighted Average Common and Dilutive Potential Common Shares	147,441	120,511	92,468
Basic Net Income Per Common Share	\$ 1.68	\$ 1.33	\$ 1.13
Diluted Net Income Per Common Share	\$ 1.66	\$ 1.32	\$ 1.12
Number of In-service Properties at end of year	913	865	453
In-service Square Footage at end of year	100,962	92,502	52,028
Under Development Square Footage at end of year	8,056	9,876	7,241

Comparison of Year Ended December 31, 2000 to Year Ended December 31, 1999

Rental Operations – Rental Operations revenue increased to \$711.8 million from \$535.6 million for the year ended December 31, 2000, compared to the same period in 1999. This increase is primarily due to the increase in the number of in-service properties during the respective periods. As of December 31, 2000, the Company had 913 properties in service compared to 865 properties at December 31, 1999. The following is a summary of the Company's acquisition and development activity since January 1, 1999:

	Buildings	Square Feet (in thousands)
Properties owned as of:		
January 1, 1999	453	52,028
Weeks merger	335	28,569
Acquisitions	30	2,867
Developments placed in service	68	10,928
Dispositions	(21)	(1,890)
December 31, 1999	865	92,502
Acquisitions	2	169
Developments placed in service	75	11,546
Dispositions	(53)	(6,586)
Contributions from joint venture partners	24	3,331
December 31, 2000	913	100,962

Rental property, real estate tax and depreciation and amortization expenses increased for the year ended December 31, 2000, compared to the same period in 1999, due to the increase in the number of in-service properties during the respective periods.

The \$47.2 million increase in interest expense is primarily attributable to higher outstanding debt balances associated with the financing of the Company's investment activities. The increased balances include \$450 million of unsecured debt issued in 1999, the assumption of \$185 million of secured debt and \$287 million of unsecured debt in the merger with Weeks Corporation in July 1999, and increased borrowings on the Company's lines of credit. These higher borrowing costs were partially offset by the capitalization of interest on increased property development activities.

As a result of the above-mentioned items, earnings from Rental Operations increased \$31.5 million from \$197.5 million for the year ended December 31, 1999, to \$229.0 million for the year ended December 31, 2000.



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

Service Operations – Service Operations revenues increased by \$28.8 million from \$54.0 million for the year ended December 31, 1999, to \$82.8 million for the year ended December 31, 2000, primarily as a result of increases in construction and development income from increased third-party construction and revenues from the development and sale profits of build-to-suit properties.

Service Operations operating expenses increased from \$36.2 million in 1999 to \$50.0 million for the year ended December 31, 2000, due to the overall growth of the Company and the increased portfolio of buildings associated with this growth, and the significant increase in construction and development activity in 2000.

As a result, earnings from Service Operations increased from \$17.9 million for the year ended December 31, 1999, to \$32.8 million for the year ended December 31, 2000.

General and Administrative Expense – General and Administrative Expense increased from \$16.6 million in 1999 to \$21.1 million for the year ended December 31, 2000, due to an increase in corporate expenses associated with overall growth of the Company and effects of a full year's operations resulting from the merger with Weeks Corporation in July 1999.

Other Income and Expenses – Interest income increased from \$2.7 million for the year ended December 31, 1999, to \$6.9 million for the same period in 2000 primarily through earnings on funds deposited in tax deferred exchange escrows of \$3.6 million.

The Company has a disposition strategy to pursue favorable opportunities to dispose of real estate assets that no longer meet long-term investment objectives of the Company, which resulted in net sales proceeds of \$413.8 million and a net gain of \$58.1 million for the year ended December 31, 2000.

In conjunction with this disposition strategy, included in net real estate investments are 28 buildings with a net book value of \$112.0 million which were classified as held for sale by the Company at December 31, 2000. The Company expects to complete these and other dispositions and use the proceeds to fund future investments in real estate assets.

Net Income Available for Common Shareholders – Net income available for common shareholders for the year ended December 31, 2000 was \$213.0 million compared to \$139.6 million for the year ended December 31, 1999. This increase results primarily from the operating result fluctuations in rental and service operations and earnings from sales of real estate assets explained above.

Comparison of Year Ended December 31, 1999 to Year Ended December 31, 1998

Rental Operations – The Company increased its in-service portfolio of rental properties from 453 properties comprising 52.0 million square feet at December 31, 1998 to 865 properties comprising 92.5 million square feet at December 31, 1999 through the acquisition of 365 properties totaling 31.4 million square feet and the placement in service of 68 properties and four building expansions totaling 10.9 million square feet. Of these additional acquisition properties, 335 properties totaling 28.6 million square feet relate to the Weeks Merger.

The Company also disposed of 21 properties totaling 1.9 million square feet. These 412 net additional rental properties primarily account for the \$186.9 million increase in revenues from Rental Operations from 1998 to 1999. The increase from 1998 to 1999 in rental expenses, real estate taxes and depreciation and amortization expense is also a result of the additional 412 in-service rental properties.

The \$26.5 million increase in interest expense is primarily attributed to higher outstanding debt balances associated with the financing of the Company's investment activities. The increased balances include \$450 million of unsecured debt issued in 1999, the assumption of \$185 million of secured debt and \$287 million of unsecured debt in the Weeks Merger, and increased borrowings on the Company's unsecured lines of credit. These higher borrowing costs were partially offset by the capitalization of interest on increased property development activities which increased in 1999 compared to 1998.

As a result of the above-mentioned items, earnings from Rental Operations increased \$71.5 million from \$126.0 million for 1998 to \$197.5 million for 1999.



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

Service Operations – Service Operations revenues increased from \$24.7 million to \$54.0 million for the year ended 1999 as compared to 1998 primarily as a result of increases in construction management fee revenue because of an increase in third-party construction volume. Service Operations expenses increased from \$17.5 million to \$36.1 million for the year ended 1999, as compared to 1998, as a result of (i) payroll increasing from \$12.5 million in 1998 to \$17.2 million in 1999 due to the Weeks Merger and additional personnel added to existing regional offices due to the overall growth of the Company; (ii) income tax expenses increasing by \$5.2 million as a result of increased activity in properties constructed for sale; and (iii) maintenance expenses increasing from \$2.5 million in 1998 to \$9.7 million in 1999 through the addition of substantial landscape operations in the Weeks Merger and the growth of the Company in Midwest markets.

As a result of the above-mentioned items, earnings from Service Operations increased \$10.7 million from \$7.2 million in 1998 to \$17.9 million for the year ended 1999.

General and Administrative Expense – General and administrative expense increased from \$11.6 million for the year ended 1998 to \$16.6 million for 1999 primarily due to an overall increase in corporate expenses associated with the Weeks Merger and the overall growth of the Company.

Other Income and Expenses – During 1999, the Company developed a disposition strategy to pursue favorable opportunities to dispose of real estate assets that no longer meet long-term investment objectives of the Company, which resulted in net sales proceeds of \$76.4 million and a net gain of \$10.0 million in 1999.

Net Income Available for Common Shareholders – Net income available for common shareholders for the year ended December 31, 1999, was \$139.6 million compared to \$90.9 million for 1998. This increase results primarily from the increases in the operating results of rental and service operations explained above.

Liquidity and Capital Resources

Financial Flexibility – During 1999 and continuing into 2000, the real estate industry experienced a reduced supply of favorably priced equity and debt capital, which generally decreased the level of new investment activity by real estate companies. While the Company has been subject to the same capital market conditions as other real estate companies, management believes the Company's financial and liquidity position are relatively strong. Over the years, the Company has carefully managed its balance sheet in an effort to avoid liquidity issues in any given quarter or year. In management's view, this should provide a competitive advantage in the current capital constrained market over many of its competitors. Following are three key indicators that demonstrate the overall strength of the Company's financial position. First, the Company believes that its strong balance sheet and expected real estate asset disposition proceeds will provide the Company with sufficient capital to fund its investment activities. Second, the Company has maintained a conservative balance sheet with a debt-to-market capitalization of 31.4% at December 31, 2000. Third, as of December 31, 2000, the Company has a total of \$627.3 million of undrawn capacity on its existing lines of credit to meet its short-term obligations. Management believes that these key factors will provide the Company with substantial financial flexibility to capitalize on investment opportunities which may not be available to other real estate companies with more limited financial resources.

Operating Activities – Net cash flow provided by operating activities increased by \$133.5 million in 2000 as compared to 1999 and by \$94.4 million in 1999 as compared to 1998. These increases are due primarily to the Weeks Merger in July 1999, the development and acquisition of additional rental properties, and cash flow from existing real estate assets.

Investing and Financing Activities – During 2000, 1999 and 1998, the Company invested net cash of \$97.8 million, \$740.3 million, and \$703.8 million, respectively, into real estate investing activities. In 2000, the Company used the proceeds received from the disposal of real estate assets identified as result of its capital disposition strategy to fund its future development. During 2000, the Company received approximately \$413.8 million of proceeds from land and depreciated property sales and a \$158.4 million capital distribution from an unconsolidated company, which were used to fund development activities and reduce amounts outstanding on the Company's line of credit.

The \$740.3 million invested in real estate in 1999 was financed primarily from the borrowings under the Company's unsecured lines of credit. These unsecured lines of credit were partially repaid with proceeds from the issuance of \$450.0 million of long-term unsecured debt, \$214.8 million in net proceeds from the sale of common shares, and \$96.5 million of net proceeds from the sale of preferred shares. The \$703.8 million invested in real estate during 1998 was financed primarily from borrowings under the Company's line of credit. These borrowings were partially repaid with proceeds from the issuance of \$250.0 million of long-term unsecured debt, \$211.5 million in net proceeds from the sale of common shares, and \$129.5 million of net proceeds from the sale of preferred shares.



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

Other significant financing activity included the payment of \$256.9 million, \$196.7 million, and \$123.1 million in common and preferred share distributions in 2000, 1999 and 1998, respectively. The increases are primarily attributable to (i) an increase in the overall number of common shares and Series F Preferred Shares outstanding resulting from the Weeks Merger in 1999; and (ii) annual increases in the cash distributions paid per common share.

The Company currently has on file a Form S-3 Registration Statement (the "Shelf Registration") with the Securities and Exchange Commission which has remaining availability as of December 31, 2000, of \$792.9 million to issue additional common stock, preferred stock and unsecured debt securities. The Company intends to issue additional securities under this Shelf Registration to fund the development and acquisition of additional rental properties. The Company also has a Shelf Registration on file for at-the-market offerings of 1.5 million shares of common stock. The Company completed a \$75.0 million preferred stock offering in February 2001.

The recurring capital needs of the Company are funded primarily through the undistributed net cash provided by operating activities. A summary of the Company's recurring capital expenditures is as follows (in thousands):

	2000	1999	1998
Tenant improvements	\$ 31,955	\$ 21,144	\$ 10,785
Leasing costs	17,530	12,326	6,655
Building improvements	6,804	3,751	2,206
Total	\$ 56,289	\$ 37,221	\$ 19,646

The Company has the following lines of credit available (in thousands):

Description	Borrowing Capacity	Maturity Date	Interest Rate	Outstanding at December 31, 2000
Unsecured Line of Credit	\$ 450,000	April 2001	LIBOR + .70%	\$ 220,000
Unsecured Line of Credit	\$ 300,000	June 2001	LIBOR + .775%	\$ -
Secured Line of Credit	\$ 150,000	January 2003	LIBOR + 1.05%	\$ 52,657

The lines of credit are used to fund development and acquisition of additional rental properties and to provide working capital.

The \$450 million line of credit allows the Company an option to obtain borrowings from the financial institutions that participate in the line of credit at rates lower than the stated interest rate, subject to certain restrictions. Amounts outstanding on the line of credit at December 31, 2000 are at LIBOR + .55% to .70%. In February 2001, the Company renewed the \$450 million line of credit. The borrowing capacity was increased to \$500 million, the interest rate was lowered to LIBOR + .65% and the maturity date was extended to March 1, 2004.

The debt outstanding at December 31, 2000 totals \$2.0 billion with a weighted average interest rate of 7.32% maturing at various dates through 2028. The Company has \$1.5 billion of unsecured debt and \$466.6 million of secured debt outstanding at December 31, 2000. Scheduled principal amortization of such debt totaled \$10.7 million for the year ended December 31, 2000.

Following is a summary of the scheduled future amortization and maturities of the Company's indebtedness at December 31, 2000 (in thousands):

Year	Scheduled Amortization	Repayments		Weighted Average Interest Rate of Future Repayments
		Maturities	Total	
2001	\$ 11,584	\$ 399,431	\$ 411,015	7.33%
2002	11,810	55,037	66,847	7.36%
2003	11,612	333,869	345,481	7.72%
2004	9,947	176,186	186,133	7.41%
2005	8,636	213,662	222,298	7.25%
2006	7,705	146,178	153,883	7.12%
2007	5,967	116,555	122,522	7.13%
2008	4,749	100,000	104,749	6.77%
2009	5,093	150,000	155,093	7.73%
Thereafter	30,194	175,000	205,194	6.88%
Total	\$ 107,297	\$ 1,865,918	\$ 1,973,215	7.32%



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

Shareholder Dividend/Distribution Requirements

The Company intends to pay regular quarterly dividends from net cash provided by operating activities. A quarterly dividend of \$.43 per common share was declared on January 31, 2001, which represents an annualized dividend of \$1.72 per share.

Funds From Operations

Management believes that Funds From Operations ("FFO"), which is defined by the National Association of Real Estate Investment Trusts as net income or loss, excluding gains or losses from debt restructuring and sales of depreciated property, plus operating property depreciation and amortization and adjustments for minority interest and unconsolidated companies on the same basis, is the industry standard for reporting the operations of real estate investment trusts.

The following reflects the calculation of the Company's FFO for the years ended December 31 (in thousands):

	2000	1999	1998
Net income available for common shares	\$ 212,958	\$ 139,636	\$ 90,871
Add back (deduct):			
Depreciation and amortization	159,888	108,683	68,766
Share of adjustments for unconsolidated companies	9,104	5,268	4,302
Earnings from depreciated property sales	(48,892)	(6,155)	(1,351)
Minority interest share of add-backs	(15,698)	(13,159)	(8,514)
Funds From Operations	\$ 317,360	\$ 234,273	\$ 154,074
Cash flow provided by (used by):			
Operating activities	\$ 449,130	\$ 315,635	\$ 221,188
Investing activities	(97,752)	(740,269)	(703,814)
Financing activities	(330,952)	436,449	479,223

The increase in FFO during the three-year period results primarily from the increased in-service rental property portfolio as discussed above under "Results of Operations."

While management believes that FFO is the most relevant and widely used measure of the Company's operating performance, such amount does not represent cash flow from operations as defined by generally accepted accounting principles, should not be considered as an alternative to net income as an indicator of the Company's operating performance, and is not indicative of cash available to fund all cash flow needs.

Accounting Changes

In June 1998, the Financial Accounting Standards Board issued Statement No. 133, "Accounting for Derivative Instruments and for Hedging Activities," as amended by Statement No. 138, effective for fiscal years beginning after June 15, 2000. These statements will require the Company to recognize all derivatives on the balance sheet at fair value. Derivatives that are not hedges must be adjusted to fair value through income. If the derivative is a hedge, then depending on the nature of the hedge, changes in the fair value will either be offset through earnings, against the change in fair value of hedged assets, liabilities or firm commitments or recognized in other comprehensive income until the hedged item is recognized in income. The ineffective portion of a hedge's change in fair value will be immediately recognized in income. The adoption of these statements will not have a material impact on the Company's financial statements.



Management's Statement on Responsibilities for Accounting, Auditing, and Financial Reporting

The information contained in the financial review section as well as other financial information contained in this annual report to shareholders has been prepared by management of the Company. Management has consulted with the Company's independent auditors, where appropriate, to secure their professional advice.

The financial statements have been prepared on the basis of the most appropriate generally accepted accounting principles in the circumstances. The primary objective of financial reporting is to provide users of financial statements with sufficient, relevant information.

The financial statements and other financial information are based on the accrual method of accounting, which requires a certain amount of estimating and informed judgement. Management has made these estimates and judgements based on extensive experience and substantive understanding of events and transactions regarding the Company's past and prospective operations.

In fulfilling its responsibility for the reliability and integrity of financial information, management has established and maintains accounting procedures and related control systems. Management believes that these systems and controls provide reasonable assurance that assets are safeguarded; transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of reliable financial statements in conformity with generally accepted accounting principles; and material errors or irregularities are prevented or detected within a timely period.

Independent Auditors' Report

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The Shareholders and Directors of Duke-Weeks Realty Corporation:

We have audited the consolidated financial statements of Duke-Weeks Realty Corporation and Subsidiaries as of December 31, 2000 and 1999, and the related consolidated statements of operations, cash flows and shareholders' equity for each of the years in the three-year period ended December 31, 2000. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Duke-Weeks Realty Corporation and Subsidiaries as of December 31, 2000 and 1999, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States of America.

KPMG LLP



Indianapolis, Indiana
January 31, 2001



DUKE-WEEKS REALTY CORPORATION

Consolidated Balance Sheets

As of December 31 (In thousands, except per share amounts)

	2000	1999
Assets:		
Real estate investments:		
Land and improvements	\$ 581,530	\$ 602,789
Buildings and tenant improvements	3,989,033	4,124,117
Construction in progress	216,938	327,944
Investments in unconsolidated companies	367,581	145,587
Land held for development	257,779	246,533
	5,412,861	5,446,970
Accumulated depreciation	(338,426)	(254,574)
Net real estate investments	5,074,435	5,192,396
Cash and cash equivalents	39,191	18,765
Accounts receivable, net of allowance of \$1,540 and \$1,775	19,454	26,844
Straight-line rent receivable, net of allowance of \$1,460 and \$841	34,512	29,770
Receivables on construction contracts	45,394	29,537
Deferred financing costs, net of accumulated amortization of \$13,288 and \$9,082	12,540	16,651
Deferred leasing and other costs, net of accumulated amortization of \$31,522 and \$21,287	102,413	83,153
Escrow deposits and other assets	132,097	89,122
	\$5,460,036	\$ 5,486,238
Liabilities and Shareholders' Equity:		
Indebtedness:		
Secured debt	\$ 466,624	\$ 528,665
Unsecured notes	1,286,591	1,326,811
Unsecured line of credit	220,000	258,000
	1,973,215	2,113,476
Construction payables and amounts due subcontractors	70,105	89,985
Accounts payable	4,312	3,179
Accrued expenses:		
Real estate taxes	51,328	47,604
Interest	28,780	20,658
Other	61,341	42,295
Other liabilities	88,540	30,544
Tenant security deposits and prepaid rents	34,208	36,156
Total liabilities	2,311,829	2,383,897
Minority interest	435,317	433,745
Shareholders' equity:		
Preferred shares (\$.01 par value); 5,000 shares authorized	608,874	609,998
Common shares (\$.01 par value); 250,000 shares authorized; 127,932 and 125,823 shares issued and outstanding	1,279	1,258
Additional paid-in capital	2,180,120	2,139,772
Distributions in excess of net income	(77,383)	(82,432)
Total shareholders' equity	2,712,890	2,668,596
	\$5,460,036	\$ 5,486,238

See accompanying Notes to Consolidated Financial Statements.



Consolidated Statements of Operations

Years ended December 31 (In thousands, except per share amounts)

	2000	1999	1998
Rental Operations:			
Revenues:			
Rental income	\$ 697,270	\$ 523,950	\$ 337,768
Equity in earnings of unconsolidated companies	14,556	11,613	10,857
	711,826	535,563	348,625
Operating expenses:			
Rental expenses	118,040	88,403	59,769
Real estate taxes	70,963	54,246	33,906
Interest expense	133,948	86,757	60,217
Depreciation and amortization	159,888	108,683	68,766
	482,839	338,089	222,658
Earnings from rental operations	228,987	197,474	125,967
Service Operations:			
Revenues:			
Property management, maintenance and leasing fees	25,477	21,941	13,189
Construction and development activity income	55,863	30,928	10,417
Other income	1,459	1,162	1,110
	82,799	54,031	24,716
Operating expenses	50,039	36,159	17,521
Earnings from service operations	32,760	17,872	7,195
General and administrative expense	(21,144)	(16,556)	(11,573)
Operating income	240,603	198,790	121,589
Other Income (Expense):			
Interest income	6,866	2,674	1,562
Earnings from sales of land and depreciable property dispositions	58,057	7,932	1,351
Other expense	(963)	(1,091)	(305)
Other minority interest in earnings of subsidiaries	(2,145)	(2,050)	(1,252)
Minority interest in earnings of common unitholders	(32,071)	(19,811)	(12,241)
Minority interest in earnings of preferred unitholders	(8,408)	(4,204)	-
Net income	261,939	182,240	110,704
Dividends on preferred shares	(48,981)	(42,604)	(19,833)
Net income available for common shares	\$ 212,958	\$ 139,636	\$ 90,871
Net income per common share:			
Basic	\$ 1.68	\$ 1.33	\$ 1.13
Diluted	\$ 1.66	\$ 1.32	\$ 1.12
Weighted average number of common shares outstanding	126,836	104,884	80,704
Weighted average number of common and dilutive potential common shares	147,441	120,511	92,468

See accompanying Notes to Consolidated Financial Statements.



Consolidated Statements of Cash Flows

Years ended December 31 (In thousands, except per share amounts)

	2000	1999	1998
Cash flows from operating activities:			
Net income	\$ 261,939	\$ 182,240	\$ 110,704
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation of buildings and tenant improvements	141,989	97,982	61,414
Amortization of deferred leasing and other costs	17,899	10,701	7,352
Amortization of deferred financing costs	3,527	1,879	1,362
Minority interest in earnings	42,624	26,065	13,493
Straight-line rent adjustment	(14,519)	(10,676)	(5,794)
Earnings from land and depreciated property sales	(58,057)	(7,932)	(1,351)
Construction contracts, net	3,252	2,252	7,764
Other accrued revenues and expenses, net	52,987	13,312	31,765
Equity in earnings in excess of operating distributions received from unconsolidated companies	(2,511)	(188)	(5,521)
Net cash provided by operating activities	449,130	315,635	221,188
Cash flows from investing activities:			
Development of real estate investments	(392,127)	(479,642)	(279,391)
Acquisition of real estate investments	(5,932)	(159,917)	(301,151)
Acquisition of land held for development and infrastructure costs	(99,470)	(72,877)	(53,736)
Recurring tenant improvements	(31,955)	(21,144)	(10,785)
Recurring leasing costs	(17,530)	(12,326)	(6,655)
Recurring building improvements	(6,804)	(3,751)	(2,206)
Other deferred leasing costs	(39,018)	(31,360)	(19,180)
Other deferred costs and other assets	(12,042)	(19,412)	(11,047)
Tax deferred exchange escrow, net	(16,207)	-	-
Proceeds from land and depreciated property sales, net	413,752	76,401	9,071
Capital distributions from unconsolidated companies	158,351	16,802	-
Net investment in and advances to unconsolidated companies	(48,770)	(33,043)	(28,734)
Net cash used by investing activities	(97,752)	(740,269)	(703,814)
Cash flows from financing activities:			
Proceeds from issuance of common shares, net	31,090	214,778	211,478
Proceeds (payments) from issuance (repurchase) of preferred shares, net	(1,124)	96,519	129,460
Proceeds from indebtedness	-	450,000	250,000
Payments on indebtedness including principal amortization	(75,689)	(259,891)	(49,997)
Borrowings on lines of credit, net	14,658	167,000	78,000
Distributions to common shareholders	(207,909)	(154,069)	(103,223)
Distributions to preferred shareholders	(48,981)	(42,604)	(19,833)
Distributions to preferred unitholders	(8,408)	(4,204)	-
Distributions to minority interest	(33,229)	(23,457)	(15,018)
Deferred financing costs	(1,360)	(7,623)	(1,644)
Net cash provided by (used for) financing activities	(330,952)	436,449	479,223
Net increase (decrease) in cash and cash equivalents	20,426	11,815	(3,403)
Cash and cash equivalents at beginning of year	18,765	6,950	10,353
Cash and cash equivalents at end of year	\$ 39,191	\$ 18,765	\$ 6,950
Other non-cash items:			
Assumption of debt for real estate acquisitions	\$ -	\$ 26,186	\$ 9,195
Contributions of property to unconsolidated companies	\$ 245,502	\$ -	\$ 1,040
Conversion of Limited Partner Units to shares	\$ 8,347	\$ 49,472	\$ 6,598
Issuance of Limited Partner Units for real estate acquisitions	\$ 7,615	\$ 3,146	\$ 2,038
Transfer of mortgage debt in sale of depreciated property	\$ 72,650	\$ -	\$ -

See accompanying Notes to Consolidated Financial Statements.



Consolidated Statements of Shareholders' Equity

Years ended December 31 (In thousands, except per share data)

	Preferred Stock	Common Stock	Additional Paid-in Capital	Distributions in Excess of Net Income	Total
Balance at December 31, 1997	\$ 225,000	\$ 761	\$ 1,064,567	\$ (55,647)	\$ 1,234,681
Issuance of common shares, net of underwriting discounts and related costs of \$8,325	-	97	211,628	-	211,725
Issuance of preferred shares, underwriting discounts and related costs	135,000	-	(5,540)	-	129,460
Acquisition of minority interest	-	3	6,595	-	6,598
Net income	-	-	-	110,704	110,704
Distributions to preferred shareholders	-	-	-	(19,833)	(19,833)
Distributions to common shareholders (\$1.28 per share)	-	-	-	(103,223)	(103,223)
Balance at December 31, 1998	360,000	861	1,277,250	(67,999)	1,570,112
Issuance of common shares, net of underwriting discounts and related costs of \$100	-	102	215,573	-	215,675
Issuance of preferred shares, underwriting discounts and related costs	100,000	-	(3,481)	-	96,519
Acquisition of minority interest	-	21	49,451	-	49,472
Merger with Weeks Corporation	150,000	274	600,979	-	751,253
Repurchase of Preferred D Series shares	(2)	-	-	-	(2)
Net income	-	-	-	182,240	182,240
Distributions to preferred shareholders	-	-	-	(42,604)	(42,604)
Distributions to common shareholders (\$1.46 per share)	-	-	-	(154,069)	(154,069)
Balance at December 31, 1999	609,998	1,258	2,139,772	(82,432)	2,668,596
Issuance of common shares	-	17	32,005	-	32,022
Acquisition of minority interest	-	4	8,343	-	8,347
Repurchase of Preferred D Series shares	(1,124)	-	-	-	(1,124)
Net income	-	-	-	261,939	261,939
Distributions to preferred shareholders	-	-	-	(48,981)	(48,981)
Distributions to common shareholders (\$1.64 per share)	-	-	-	(207,909)	(207,909)
Balance at December 31, 2000	\$ 608,874	\$ 1,279	\$ 2,180,120	\$ (77,383)	\$ 2,712,890

See accompanying Notes to Consolidated Financial Statements.



Notes to Consolidated Financial Statements

1. The Company

The Company's rental operations are conducted through Duke-Weeks Realty Limited Partnership ("DWRLP"), of which the Company owns 86.9% at December 31, 2000. The remaining interests in DWRLP are exchangeable for shares of the Company's common stock on a one-for-one basis. The Company conducts service operations through Duke Realty Services Limited Partnership and Duke Construction Limited Partnership, in which the Company's wholly-owned subsidiary, Duke Services, Inc., is the sole general partner. The consolidated financial statements include the accounts of the Company and its majority-owned or controlled subsidiaries. The equity interests in these majority-owned or controlled subsidiaries not owned by the Company are reflected as minority interests in the consolidated financial statements.

2. Summary of Significant Accounting Policies

Principles of Consolidation – The consolidated financial statements include the accounts of the Company and its majority-owned or controlled subsidiaries. The equity interests in these majority-owned or controlled subsidiaries not owned by the Company are reflected as minority interests in the consolidated financial statements. All significant intercompany balances and transactions have been eliminated in the consolidated financial statements.

Reclassifications – Certain 1998 and 1999 balances have been reclassified to conform to 2000 presentation.

Real Estate Investments – Real estate investments to be held and used are stated at the lower of cost less accumulated depreciation or fair value if impairment is identified. Real estate investments to be disposed of are reported at the lower of their carrying amount or fair value less cost to sell. Buildings and land improvements are depreciated on the straight-line method over their estimated life not to exceed 40 and 15 years, respectively, and tenant improvement costs are depreciated on the straight-line method over the term of the related lease.

All direct and indirect costs, including interest and real estate taxes clearly associated with the development, construction or expansion of real estate investments are capitalized as a cost of the property. All external costs associated with the acquisition of real estate investments are capitalized as a cost of the property.

The Company evaluates its real estate investments to be held and used upon occurrence of significant changes in the operations, but not less than annually, to assess whether any impairment indications are present, including recurring operating losses and significant adverse changes in legal factors or business climate that affect the recovery of the recorded value. If any real estate investment is considered impaired, a loss is provided to reduce the carrying value of the property to its estimated fair value.

The acquisitions of minority interests for the Company's common shares are recorded under the purchase method with assets acquired reflected at the fair market value of the Company's common stock on the date of acquisition, net of the retirement of any minority interest liabilities. The acquisition amounts are allocated to rental property based on their estimated fair values.

The Company has equity interests in unconsolidated partnerships and joint ventures which own and operate rental properties and hold land for development. The equity method of accounting is used for these investments in which the Company has the ability to exercise significant influence over operating and financial policies. Any difference between the carrying amount of these investments and the underlying equity in net assets is amortized to equity in earnings of unconsolidated companies over the depreciable life of the property, generally 40 years.

Cash Equivalents – Highly liquid investments with a maturity of three months or less when purchased are classified as cash equivalents.

Deferred Costs – Costs incurred in connection with obtaining financing are amortized to interest expense on the straight-line method over the term of the related loan. All direct and indirect costs associated with the rental of real estate investments owned by the Company are amortized over the term of the related lease. Unamortized costs are charged to expense upon the early termination of the lease or upon early payment of the financing.

Revenues

Rental Operations – Rental income from leases with scheduled rental increases during their terms is recognized on a straight-line basis.

Service Operations – Management fees are based on a percentage of rental receipts of properties managed and are recognized as the rental receipts are collected. Maintenance fees are based upon established hourly rates and are recognized as the services are performed. Construction management and development fees for third party contracts are generally based on a percentage of costs and are recognized based upon percentage of completion.

Duke Construction Limited Partnership ("DCLP") provides traditional construction services to third parties and develops and constructs properties intended for resale with profits recognized as additional service operations income at the time of sale. Duke Realty Services Limited Partnership ("DRSLP") is the sole general partner of DCLP and the operations of DCLP are included in the consolidated



Notes to Consolidated Financial Statements

financial statements of the Company. The sole limited partner of DCLP is Duke Realty Construction, Inc. ("DRCI"), of which DWRLP owns 100% of the preferred stock and realizes substantially all economic benefits of its activities. DRCI is not a qualified Real Estate Investment Trust ("REIT") subsidiary of the Company. Accordingly, provisions for federal income taxes are recognized as appropriate.

Net Income Per Common Share – Basic net income per common share is computed by dividing net income available for common shares by the weighted average number of common shares outstanding for the period. Diluted net income per share is computed by dividing the sum of net income available for common shares and minority interest in earnings of unitholders, by the sum of the weighted average number of common shares and dilutive potential common shares for the period.

The following table reconciles the components of basic and diluted net income per share:

	2000	1999	1998
Basic net income available for common shares	\$ 212,958	\$ 139,636	\$ 90,871
Minority interest in earnings of common unitholders	32,071	19,811	12,241
Diluted net income available for common shares and dilutive potential common shares	\$ 245,029	\$ 159,447	\$ 103,112
Weighted average number of common shares outstanding	126,836	104,884	80,704
Weighted average partnership common units outstanding	19,070	14,583	10,872
Dilutive shares for long-term compensation plans	1,535	1,044	892
Weighted average number of common shares and dilutive potential common shares	147,441	120,511	92,468

All convertible preferred stock, convertible preferred limited partner units, and put options (see footnote 5) were anti-dilutive in 2000 and 1999; therefore, no conversion to common shares is assumed in weighted dilutive potential common shares at December 31, 2000 and 1999, respectively.

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Federal Income Taxes – As a REIT, the Company is allowed to reduce taxable income by all or a portion of its distributions to shareholders. As deductible distributions have exceeded taxable income, no provision for federal income taxes has been made in the accompanying consolidated financial statements.

Earnings and profits, which determine the taxability of dividends to shareholders, differ from reported net income primarily because of different depreciable lives and bases of rental properties and differences in the timing of recognition of earnings upon disposition of properties.

A summary of the taxable nature of the Company's dividends for the three years ended December 31 is as follows:

	2000	1999	1998
Total dividends paid per share	\$ 1.64	\$ 1.46	\$ 1.28
Percent taxable as ordinary income	85.59%	94.88%	96.33%
Percent taxable as long-term capital gains	3.52%	1.30%	-
Percent non-taxable as return of capital	10.89%	3.82%	3.67%
	100.00%	100.00%	100.00%

Dividends per share of \$1.26, \$1.23 and \$1.09 were required for the Company to maintain its REIT status in 2000, 1999 and 1998, respectively.

Federal income tax expense of \$8.0 million, \$5.4 million, and \$170,000 was recorded in 2000, 1999 and 1998, respectively, related to DRCI. There were no significant deferred income tax items.

Fair Value of Financial Instruments – The fair values of the Company's financial instruments are generally calculated as the present value of estimated future cash flows using a discount rate commensurate with the risks involved and approximate their carrying or contract values.

Derivative Financial Instruments – The Company may enter into derivative financial instruments such as interest rate swaps and treasury locks in order to mitigate its interest rate risk on a related financial instrument. These derivative financial instruments are designated as hedges and deferral accounting is applied as the derivative financial instrument reduces exposure to interest rate risk. Gains and losses on derivative financial instruments are amortized to interest expense over the term of the hedged instrument. Amounts paid or received on interest rate swaps are included in interest expense.



Notes to Consolidated Financial Statements

Use of Estimates – The preparation of the consolidated financial statements in conformity with generally accepted accounting principles 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.

3. Merger With Weeks Corporation

In July 1999, Weeks Corporation (“Weeks”), a self-administered, self-managed geographically focused REIT which operated primarily in the southeastern United States, was merged with and into Duke Realty Investments, Inc. (“Duke”). The combined company has continued under the name Duke-Weeks Realty Corporation (“the Company”). The total purchase price of Weeks aggregated approximately \$1.9 billion, which included the assumption of the outstanding debt and liabilities of Weeks of approximately \$775 million. The transaction was structured as a tax-free merger and was accounted for under the purchase method.

The following summarized pro forma unaudited information represents the combined historical operating results of Weeks and Duke with the appropriate purchase accounting adjustments, assuming the merger had occurred on January 1, 1998. The pro forma financial information presented is not necessarily indicative of what the Company’s actual operating results would have been had Weeks and Duke constituted a single entity during such periods (in thousands, except per share amounts):

Years Ended December 31	2000 (Actual)	1999 (Pro Forma)	1998 (Pro Forma)
Rental income	\$ 711,826	\$ 626,803	\$ 502,030
Net income available for common shareholders	\$ 212,958	\$ 158,156	\$ 116,675
Weighted average common shares outstanding:			
Basic	126,836	118,565	107,277
Diluted	147,441	139,373	128,761
Net income per common share:			
Basic	\$ 1.68	\$ 1.33	\$ 1.09
Diluted	\$ 1.66	\$ 1.32	\$ 1.07

4. Related Party Transactions

The Company provides management, leasing, construction and other tenant related services to partnerships in which certain executive officers have continuing ownership interests. The Company was paid fees totaling \$1.9 million, \$2.4 million and \$2.3 million for such services in 2000, 1999 and 1998, respectively. Management believes the terms for such services are equivalent to those available in the market. The Company has an option to purchase the executive officers’ interest in each of these properties which expires October 2003. The option price of each property was established at the date the options were granted.

At December 31, 2000, other assets included outstanding loan advances totaling \$2.4 million due from a related party, under a \$5.7 million demand loan agreement. The loan bears interest at LIBOR plus 2.10% and is secured by real estate assets held by the related entity, for which the Company has arrangements to acquire in future periods. Interest earned under the agreement and included in the accompanying consolidated statements of operations totaled \$226,853 in the year ended December 31, 2000.

5. Investments in Unconsolidated Companies

In October 2000, the Company sold or contributed \$469 million of industrial properties and \$18 million of undeveloped land to a joint venture (Dugan Realty LLC) in which the Company has a 50% interest. This transaction expands an existing joint venture with an institutional real estate investor. Upon completion of the transaction, the joint venture owns 129 buildings totaling more than 21 million square feet with a value of approximately \$800 million at December 31, 2000. The venture properties are secured by \$383 million of first mortgage debt. The Company received \$363.9 million of proceeds and recorded a net gain of \$35.2 million as a result of the transaction. In connection with this transaction, the joint venture partners were given an option to put up to \$50 million interest in the joint venture to the Company in exchange for common stock of the Company or cash, subject to timing and other restrictions. As a result of this put option, the Company deferred \$10.2 million of gain on sale of property to the joint venture and recorded a \$50 million liability. The Company provides real estate related services to the venture through its Service Operations.

In December 2000, the Company contributed 14 industrial properties, including five under development, totaling approximately three million square feet to a joint venture (Dugan Texas LLC) in which the Company has a 50% interest. The Company also contributed 145 acres of undeveloped land. Following the Company’s contribution and that of the other joint venture partner, the joint venture owns 29 buildings totaling 4.6 million square feet and approximately 165 acres of undeveloped land. The Company received \$33.1 million of proceeds and recorded a net gain of \$686,000 as a result of the transaction. The Company provides real estate related services to the venture through its Service Operations.



Notes to Consolidated Financial Statements

Combined summarized financial information of the companies which are accounted for by the equity method as of December 31, 2000 and 1999, and for the years ended December 31, 2000, 1999, and 1998, are as follows (in thousands):

	2000	1999	1998
Land, buildings and tenant improvements, net	\$ 1,159,198	\$ 393,853	
Land held for development	54,951	29,150	
Other assets	83,534	66,127	
	\$ 1,297,683	\$ 489,130	
Property indebtedness	\$ 436,914	\$ 128,794	
Other liabilities	65,554	29,682	
	502,468	158,476	
Owners' equity	795,215	330,654	
	\$ 1,297,683	\$ 489,130	
Rental income	\$ 80,686	\$ 54,662	\$ 52,703
Net income	\$ 28,299	\$ 20,515	\$ 19,753

6. Real Estate Held for Sale

The Company has a capital recycling program through which it is continually pursuing favorable opportunities to dispose of real estate assets that no longer meet long-term investment objectives of the Company in order to redeploy capital. At December 31, 2000, the Company had 15 office, 12 industrial and one retail property comprising approximately 3.3 million square feet held for sale. Of these properties, four build-to-suit office, seven build-to-suit industrial and one build-to-suit retail property were under development at December 31, 2000. Net operating income (defined as total property revenues, less property expenses, which include real estate taxes, repairs and maintenance, property management, utilities, insurance and other expenses) of the properties held for sale for the years ended December 31, 2000, 1999 and 1998 is approximately \$5.8 million, \$5.5 million, and \$5.3 million, respectively. Net book value of the properties held for sale at December 31, 2000 is approximately \$112.0 million. There can be no assurance that such properties held for sale will be sold.

7. Indebtedness

Indebtedness at December 31 consists of the following (in thousands):

	2000	1999
Fixed rate secured debt, weighted average interest rate of 8.02% at December 31, 2000 and 7.98% at December 31, 1999, maturity dates ranging from 2001 to 2017	\$ 357,199	\$ 451,080
Variable rate secured debt, weighted average interest rate of 7.36% at December 31, 2000 and 6.32% at December 31, 1999, maturity dates ranging from 2003 to 2025	109,425	77,585
Unsecured notes, weighted average interest rate of 7.13% at December 31, 2000 and 7.16% at December 31, 1999, maturity dates ranging from 2001 to 2028	1,286,591	1,326,811
Unsecured line of credit, interest rate of 7.35% at December 31, 2000 and 6.47% at December 31, 1999, maturity date of 2001	220,000	258,000
	\$1,973,215	\$ 2,113,476

As of December 31, 2000, the \$466.6 million of secured debt is collateralized by rental properties with a net carrying value of \$782.0 million.

The Company has the following lines of credit available (in thousands):

Description	Borrowing Capacity	Maturity Date	Interest Rate	Outstanding at December 31, 2000
Unsecured Line of Credit	\$ 450,000	April 2001	LIBOR + .70%	\$ 220,000
Unsecured Line of Credit	\$ 300,000	June 2001	LIBOR + .775%	\$ -
Secured Line of Credit	\$ 150,000	January 2003	LIBOR + 1.05%	\$ 52,657



Notes to Consolidated Financial Statements

The lines of credit are used to fund development and acquisition of additional rental properties and to provide working capital.

The \$450 million line of credit allows the Company an option to obtain borrowings from the financial institutions that participate in the line of credit at rates lower than the stated interest rate, subject to certain restrictions. Amounts outstanding on the line of credit at December 31, 2000 are at LIBOR + .55% to .70%.

In July 1999 in conjunction with the Weeks Merger, the Company assumed an \$85 million unsecured syndicated bank term loan (the "Term Loan"). Interest accrues on the Term Loan at LIBOR + 1.10% and the Term Loan matures on December 31, 2001. The Company also assumed three interest rate swap agreements with three commercial banks that effectively changes the interest costs on the entire \$85 million Term Loan from its variable rate to a fixed rate. The interest rate swap agreements, with notational principal amounts of \$35 million, \$25 million and \$25 million, mature on December 31, 2001, and effectively convert interest costs on the Term Loan to a fixed rate of approximately 6.1% through maturity. The estimated fair market value of the swap agreements was \$780,904 at December 31, 2000.

The Company has an interest rate swap agreement (the "Agreement") on \$40.0 million of the Company's outstanding mortgage debt to effectively fix the interest rate. Under the Agreement, the Company pays or receives the difference between a fixed rate of 5.99% and a floating rate of 30-day LIBOR plus 1.75% based on the notational principal amount of \$40.0 million. The amount paid or received under the Agreement is included in interest expense on a monthly basis. The Agreement matures along with the related mortgage loan in January 2003. The Agreement will stay in place until maturity unless the 30-day LIBOR rate on the date of monthly repricing exceeds 6.51% which will cause a termination of the Agreement until such time the monthly repricing is lower than 6.51%. The 30-day LIBOR rate at December 31, 2000, was 6.56%. The estimated fair value of the Agreement at December 31, 2000, was (\$383,143). The Company also has an interest rate cap on the same \$40 million of mortgage debt which limits the Company's floating interest rate expense to no more than 10.16% for the term of the loan.

At December 31, 2000, scheduled amortization and maturities of all indebtedness for the next five years and thereafter are as follows (in thousands):

Year	Amount
2001	\$ 411,015
2002	66,847
2003	345,481
2004	186,133
2005	222,298
Thereafter	741,441
	<u>\$ 1,973,215</u>

Cash paid for interest in 2000, 1999, and 1998 was \$156.5 million, \$100.3 million and \$63.6 million, respectively. Total interest capitalized in 2000, 1999 and 1998 was \$33.0 million, \$26.0 million and \$8.5 million, respectively.

8. Segment Reporting

The Company is engaged in four operating segments, the ownership and rental of office, industrial, and retail real estate investments and the providing of various real estate services such as property management, maintenance, landscaping, leasing, and construction management to third-party property owners ("Service Operations"). The Company's reportable segments offer different products or services and are managed separately because each requires different operating strategies and management expertise. There are no material intersegment sales or transfers.

Non-segment revenue to reconcile to total revenue consists mainly of equity in earnings of joint ventures. Non-segment assets to reconcile to total assets consists of corporate assets including cash, deferred financing costs and investments in unconsolidated subsidiaries.

The accounting policies of the segments are the same as those described in Note 2.

The Company assesses and measures segment operating results based on a performance measure referred to as Funds From Operations ("FFO"). The National Association of Real Estate Investment Trusts defines FFO as net income or loss, excluding gains or losses from debt restructurings and sales of depreciated property, plus operating property depreciation and amortization and adjustments for minority interest and unconsolidated companies on the same basis. FFO is not a measure of operating results or cash flows from operating activities as measured by generally accepted accounting principles, is not necessarily indicative of cash available to fund cash needs and should not be considered an alternative to cash flows as a measure of liquidity. Interest expense and other non-property specific revenues and expenses are not allocated to individual segments in determining the Company's performance measure.



Notes to Consolidated Financial Statements

The revenues and FFO for each of the reportable segments are summarized as follows for the years ended December 31, 2000, 1999, and 1998, and the assets of each reportable segment as of December 31, 2000 and 1999 (in thousands):

	2000	1999	1998
Revenues			
Rental Operations:			
Office	\$ 336,271	\$ 272,009	\$ 211,638
Industrial	328,302	220,295	104,658
Retail	28,935	26,467	21,102
Service Operations	82,799	54,031	24,716
Total Segment Revenues	776,307	572,802	362,114
Non-Segment Revenue	18,318	16,792	11,227
Consolidated Revenue	\$ 794,625	\$ 589,594	\$ 373,341
Funds From Operations			
Rental Operations:			
Office	\$ 229,427	\$ 187,541	\$ 146,545
Industrial	256,813	172,629	82,327
Retail	23,368	21,506	17,414
Service Operations	32,760	17,872	7,195
Total Segment FFO	542,368	399,548	253,481
Non-Segment FFO:			
Interest expense	(133,948)	(86,757)	(60,217)
Interest income	6,866	2,674	1,562
General and administrative expense	(21,144)	(16,556)	(11,573)
Gain on land sales	9,165	1,777	-
Other expenses	(2,826)	(1,540)	(2,498)
Minority interest in earnings of common unitholders	(32,071)	(19,811)	(12,241)
Minority interest in earnings of preferred unitholders	(8,408)	(4,204)	-
Other minority interest in earnings of subsidiaries	(2,145)	(2,050)	(1,252)
Minority interest share of FFO adjustments	(15,698)	(13,159)	(8,514)
Joint Venture FFO	24,182	16,955	15,159
Dividends on preferred shares	(48,981)	(42,604)	(19,833)
Consolidated FFO	317,360	234,273	154,074
Depreciation and amortization	(159,888)	(110,764)	(68,766)
Share of joint venture adjustments	(9,104)	(5,268)	(4,302)
Earnings from depreciated property sales	48,892	8,236	1,351
Minority interest share of adjustments	15,698	13,159	8,514
Net income available for common shareholders	\$ 212,958	\$ 139,636	\$ 90,871
Assets			
Rental Operations:			
Office	\$ 2,473,191	\$ 2,252,795	
Industrial	2,265,237	2,707,028	
Retail	186,389	205,993	
Service Operations	128,249	62,335	
Total Segment Assets	5,053,066	5,228,151	
Non-Segment Assets	406,970	258,087	
Consolidated Assets	\$ 5,460,036	\$ 5,486,238	



Notes to Consolidated Financial Statements

9. Leasing Activity

Future minimum rents due to the Company under non-cancelable operating leases at December 31, 2000 are as follows (in thousands):

Year	Amount
2001	\$ 538,366
2002	490,194
2003	434,868
2004	363,205
2005	286,733
Thereafter	921,455
	<u>\$ 3,034,821</u>

In addition to minimum rents, certain leases require reimbursements of specified operating expenses which amounted to \$114.2 million, \$85.1 million, and \$56.5 million for the years ended December 31, 2000, 1999 and 1998, respectively.

10. Employee Benefit Plans

The Company maintains a 401(k) plan for the benefit of its full-time employees. The Company matches the employees' contributions up to three percent of the employees' salary and may also make annual discretionary contributions. Total expense recognized by the Company was \$3.2 million, \$2.3 million and \$1.5 million for the years ended 2000, 1999 and 1998, respectively.

The Company makes contributions to a contributory health and welfare plan as necessary to fund claims not covered by employee contributions. Total expense recognized by the Company related to this plan was \$6.0 million, \$2.7 million and \$2.2 million for 2000, 1999 and 1998, respectively. Included in total expense is an estimate based on historical experience of the effect of claims incurred but not reported as of year-end.

11. Shareholders' Equity

The Company periodically accesses the public equity markets to fund the development and acquisition of additional rental properties. The proceeds of these offerings are contributed to DWRLP in exchange for additional interest in the partnership.

The following series of preferred stock are outstanding as of December 31, 2000 (in thousands, except percentages):

Description	Shares Outstanding	Dividend Rate	Redemption Date	Liquidation Preference	Convertible
Preferred A Series	300	9.100%	August 31, 2001	\$ 75,000	No
Preferred B Series	300	7.990%	September 30, 2007	\$ 150,000	No
Preferred D Series	535	7.375%	December 31, 2003	\$ 133,874	Yes
Preferred E Series	400	8.250%	January 20, 2004	\$ 100,000	No
Preferred F Series	600	8.000%	October 10, 2002	\$ 150,000	No

All series of preferred shares require cumulative distributions, have no stated maturity date, and the redemption price of each series may only be paid from the proceeds of other capital shares of the Company, which may include other classes or series of preferred shares.

The Preferred Series D shares are convertible at a conversion rate of 9.3677 common shares for each preferred share outstanding.

The dividend rate on the Preferred B Series shares increases to 9.99% after September 12, 2012.

Under a shareholder rights plan ("Rights Agreement"), each common shareholder has one right for each share of common stock prior to the occurrence of certain triggering events which would in effect execute the Rights Agreement. Upon the occurrence of such events, each right entitles the registered holder to purchase from the Company one one-thousandth of a share of Series C Junior Preferred Stock which has substantially the same economic attributes and carries substantially the same voting rights as one share of common stock. As of December 31, 2000, no events have triggered execution of the Rights Agreement.

In August 1998, members of management and unaffiliated members of the Company's Board of Directors purchased approximately \$37 million of common stock of the Company. In November 1999, an additional \$32 million of common stock was purchased by management and members of the Board of Directors. Both purchases were financed by five-year personal loans at market interest rates from a financial institution. Participants are personally responsible for repaying the interest, principal balance, and other obligations as defined in the Executive and Senior Officer Stock Purchase Plan. As a condition of the financing agreement with the financial institution, the Company has guaranteed repayment of principal, interest and other obligations for each participant, but is fully indemnified by the participants. In the opinion of management, it is not probable that the Company will be required to satisfy this guarantee.



Notes to Consolidated Financial Statements

12. Stock Based Compensation

The Company has eight stock based compensation plans, including fixed stock option plans and performance based stock plans, which are described below. The Company is authorized to issue up to 12,084,000 shares of Company stock under these plans. The Company applies APB Opinion No. 25 and related interpretations in accounting for its plans. Accordingly, no compensation cost has been recognized for its fixed stock option plans as the exercise price of each option equals the market price of the Company's stock on the date of grant. The Company charges compensation costs against its income for its performance based stock plans. If compensation cost for the Company's fixed stock option plans had been determined consistent with SFAS Statement No. 123, the Company's net income and net income per share for the years ended December 31 would have been reduced to the pro forma amounts indicated below (in thousands, except earnings per share amounts):

		2000	1999	1998
Net income	As reported	\$ 212,958	\$ 139,636	\$ 90,871
	Pro forma	\$ 212,365	\$ 139,121	\$ 90,564
Basic net income per share	As reported	\$ 1.68	\$ 1.33	\$ 1.13
	Pro forma	\$ 1.67	\$ 1.33	\$ 1.12
Diluted net income per share	As reported	\$ 1.66	\$ 1.32	\$ 1.12
	Pro forma	\$ 1.65	\$ 1.32	\$ 1.11

Because the Statement does not apply to awards prior to 1995, and the options have up to a 5-year vesting period, the pro forma effect was not fully reflected until 2000.

The fair values of the options were determined using the Black-Scholes option-pricing model with the following assumptions:

	2000	1999	1998
Dividend yield	7.0%	7.0%	7.0%
Volatility	20.2%	20.1%	19.9%
Risk-free interest rate	5.8%	4.9%	5.7%
Expected life	6 years	6.5 years	6.5 years

Fixed Stock Option Plans – The Company had options outstanding under six fixed stock option plans as of December 31, 2000. Additional grants may be made under three of those plans. In 1999, upon the merger of Weeks Corporation into the Company, the Company assumed all obligations under two Weeks Corporation stock incentive plans.

A summary of the status of the Company's fixed stock option plans as of December 31, 2000, 1999 and 1998 and changes during the years ended on those dates follows:

	2000		1999		1998	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding, beginning of year	5,043,965	\$ 19.00	2,047,972	\$ 16.70	1,927,380	\$ 14.26
Granted	958,786	20.04	615,003	22.96	1,681,611	22.32
Weeks Corporation options	-	-	2,617,076	20.01	-	-
Exercised	(440,924)	13.66	(56,371)	14.11	(1,543,026)	19.72
Forfeited	(326,363)	20.95	(179,715)	22.79	(17,993)	21.50
Outstanding, end of year	5,235,464	\$ 19.52	5,043,965	\$ 19.00	2,047,972	\$ 16.70
Options exercisable, end of year	3,112,706		2,596,660		1,067,753	
Weighted-average fair value of options granted during the year	\$ 2.18		\$ 2.20		\$.836	



Notes to Consolidated Financial Statements

The options outstanding at December 31, 2000, under the fixed stock option plans have a range of exercise prices from \$11.87 to \$24.44 with a weighted average exercise price of \$19.52 and a weighted average remaining contractual life of 6.72 years. The options exercisable at December 31, 2000 have a weighted average exercise price of \$18.39.

Each option's maximum term is ten years. Excluding the Weeks Corporation plans and with other limited exceptions, options vest at 20% per year, or, if earlier, upon the death, retirement or disability of the optionee or a change in control of the Company. The vesting period of the Weeks Corporation plans was generally 33 1/3% per year.

Performance Based Stock Plans – The Company has three types of performance based equity compensation plans: Dividend Increase Unit Plans (“DIU Plans”), a Shareholder Value Plan and a Performance Share Plan. Under the Company's DIU Plans, Dividend Increase Units (“DIUs”) are granted to key employees and directors. The value of DIUs exercised by participants is payable in Company stock. The maximum term of all DIUs granted is ten years.

The value of each DIU when exercised is equal to the increase in the Company's annualized dividend per share from the date of grant to the date of exercise, divided by the “dividend yield.” Dividend yield is the annualized dividend per share divided by the market price per share of the Company's common stock at the date of grant. DIUs are generally subject to a 20% per year vesting schedule.

Under the 1995 Shareholder Value Plan (the “SV Plan”), the Company may grant awards in specified dollar amounts to key employees. The award is payable to the employee on the third anniversary of the date of grant. One-half of the award is payable in common stock of the Company, and one-half is payable in cash. The initial dollar amount of each award granted under the SV Plan is adjusted upward or downward based on a comparison of the Company's cumulative total shareholder return for the three year period as compared to the cumulative total return of the S&P 500 and the NAREIT Equity REIT Total Return indices. The award is not payable upon the employee's termination of employment for any reason other than retirement, death, disability or a change in control of the Company.

Awards made under the 2000 Performance Share Plan vest 20% per year if the Company attains a certain predefined levels of earnings growth for such vesting period. The payments are made in the form of “performance shares,” with each performance share economically equivalent to one share of Company common stock. Performance shares will ultimately be paid to the participants in the form of cash or Company common stock upon the retirement or termination of employment of the participant. At December 31, 2000, plan participants had the right to receive up to 90,571 performance shares, contingent upon earnings achievement.

The Company believes that it is not possible to reasonably estimate the fair value of the awards to be paid under these performance compensation plans and, therefore, computes compensation cost for these plans based on the intrinsic value of the awards as if they were exercised at the end of each applicable reporting period. The compensation cost that has been charged against income for these plans was \$7.7 million, \$5.9 million and \$4.1 million for 2000, 1999 and 1998, respectively.

13. Commitments and Contingencies

The Company has guaranteed \$382.4 million of mortgage loans of unconsolidated companies of which the Company is a 50% partner. The mortgage loans are collateralized by rental properties of joint ventures which have a net carrying value substantially in excess of the mortgage loans. The Company does not anticipate that it will be required to satisfy these guarantees.

The Company has entered into agreements, subject to the completion of due diligence requirements, resolution of certain contingencies and completion of customary closing conditions, for the future acquisition of land totaling \$40.3 million. The acquisitions are scheduled to close periodically through 2008 and will be paid for through a combination of cash and DWRLP Limited Partner Unit issuance.



Selected Quarterly Financial Information (Unaudited)

Selected quarterly information for the years ended December 31, 2000 and 1999 is as follows (in thousands, except per share amounts):

2000	Quarter Ended			
	December 31	September 30	June 30	March 31
Revenues from Rental Operations	\$ 172,924	\$ 185,760	\$ 178,408	\$ 174,734
Revenues from Service Operations	21,790	21,903	25,041	14,065
Net income available for common shares	73,425	45,149	45,525	48,859
Basic net income per share	0.58	0.36	0.36	0.39
Diluted net income per share	0.57	0.35	0.36	0.39
Weighted average common shares	127,654	127,010	126,597	126,070
Weighted average common and dilutive potential common shares	154,793	147,916	147,181	146,326
Funds From Operations ⁽¹⁾	\$ 81,873	\$ 81,667	\$ 78,790	\$ 75,030
Cash flow provided (used by):				
Operating activities	\$ 148,075	\$ 126,913	\$ 96,607	\$ 77,535
Investing activities	145,809	14,421	(97,321)	(160,661)
Financing activities	(295,980)	(141,764)	4,518	102,274

1999	Quarter Ended			
	December 31	September 30	June 30	March 31
Revenues from Rental Operations	\$ 166,155	\$ 160,273	\$ 107,148	\$ 101,987
Revenues from Service Operations	17,469	15,402	8,893	12,267
Net income available for common shares	41,184	41,462	29,596	27,394
Basic net income per share	0.33	0.35	0.33	0.32
Diluted net income per share	0.32	0.35	0.33	0.32
Weighted average common shares	125,412	118,820	88,353	86,370
Weighted average common and dilutive potential common shares	145,457	138,923	98,855	98,094
Funds From Operations ⁽¹⁾	\$ 72,017	\$ 68,772	\$ 48,624	\$ 44,860
Cash flow provided (used by):				
Operating activities	\$ 57,916	\$ 175,233	\$ 50,160	\$ 32,326
Investing activities	(170,086)	(251,822)	(150,741)	(167,620)
Financing activities	85,653	(50,873)	238,329	163,340

(1) Funds From Operations is defined by the National Association of Real Estate Investment Trusts as net income or loss, excluding gains or losses from debt restructuring and sales of depreciated property, plus operating property depreciation and amortization and adjustments for minority interest and unconsolidated companies on the same basis. Funds From Operations does not represent cash flow from operations as defined by generally accepted accounting principles, should not be considered as an alternative to net income as an indicator of the Company's operating performance, and is not indicative of cash available to fund all cash flow needs.

Market Price and Dividends

The Company's common shares are listed for trading on the New York Stock Exchange, symbol DRE. The following table sets forth the high and low sales prices of the common stock for the periods indicated and the dividend paid per share during each such period. Comparable cash dividends are expected in the future.

Quarter Ended	2000			1999		
	High	Low	Dividend	High	Low	Dividend
December 31	\$ 25.56	\$ 22.00	\$.43	\$ 20.00	\$ 16.63	\$.39
September 30	25.75	22.63	.43	22.94	18.25	.39
June 30	23.88	18.63	.39	24.25	20.13	.34
March 31	20.75	17.75	.39	23.69	20.50	.34

On January 31, 2001, the Company declared a quarterly cash dividend of \$.43 per share payable on February 28, 2001, to common shareholders of record on February 12, 2001.



Shareholder Information

Corporate Headquarters

600 East 96th Street, Suite 100
Indianapolis, IN 46240
317-808-6000

Transfer Agent

For Dividend Payments, Address Changes, and/or
Registration Changes:

American Stock Transfer & Trust Company
59 Maiden Lane
New York, NY 10038
800-937-5449 or 212-936-5100

Common Stock Information

Symbol: DRE
Exchange: NYSE

Shareholder Contact

For Shareholder Mailings and Company Information:

Duke-Weeks Realty Corporation
Attn: Investor Relations
600 East 96th Street, Suite 100
Indianapolis, IN 46240
317-808-6005 or 800-875-3366
317-808-6786 FAX
IR@dukereit.com

Shareholder Services

Direct Stock Purchase and Dividend Reinvestment Plan

The Duke-Weeks Direct Stock Purchase Plan offers participants a convenient and economical method to purchase the Company's common stock, and to reinvest their dividends.

Specific features of the Plan include:

- 3% discount on dividend reinvestment
- Optional cash investment availability twice per month
- Automatic purchase program
- Available to first-time investors
- Available to street-name shareholders
- Certificate safekeeping
- No commissions or fees on purchases.

Shares sold through this Plan are offered through a prospectus which can be obtained by writing to Investor Relations at the Corporate Headquarters address or by calling American Stock Transfer & Trust Company at 1-800-278-4353 or 1-800-937-5449, or by visiting the Investor Information section of the Company's website at www.dukereit.com.

Shares may also be purchased on-line by visiting the Investor Information section of the Company's website or by visiting www.investpower.com.

Direct Deposit of Dividends

Shareholders who hold their Duke-Weeks shares in registered or certificate form can have their common stock dividends automatically deposited into their bank accounts. Information about this direct deposit program can be obtained by contacting the Company's Investor Relations department or American Stock Transfer & Trust Company.

Interim Reports/Financial Information

Other information such as press releases, 10Q, 10K and other SEC filings, may be accessed via the Company's website at www.dukereit.com. Those interested in being placed on a mailing list for such information should either contact Shona Bedwell, Manager – Investor Relations at 317-808-6005, submit a written request to Investor Relations at the Corporate Headquarters address, or e-mail IR@dukereit.com.

When used in this Annual Report, the word "believes," "expects," "estimates" and similar expressions are intended to identify forward-looking statements. Such statements are subject to certain risks and uncertainties, which could cause actual results to differ materially. In particular, among the factors that could cause actual results to differ materially are continued qualification as a real estate investment trust, general business and economic conditions, competition, increases in real estate construction costs, interest rates, accessibility of debt and equity capital markets and other risks inherent in the real estate business including tenant defaults, potential liability relating to environmental matters and illiquidity of real estate investments. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Company undertakes no obligation to publicly release the results of any revisions to these forward-looking statements which may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of anticipated events. Readers are also advised to refer to the Company's Form 8-K Report as filed with the U.S. Securities and Exchange Commission on March 28, 1996 for additional information concerning these risks.



Management Committee

Thomas Hefner
Chairman and
Chief Executive Officer

A. Ray Weeks
Vice Chairman

Richard Horn
President

Gary Burk
Executive Vice President,
Construction

Robert Chapman
Regional Executive
Vice President,
Atlanta/Dallas/Florida

Howard Feinsand
Executive Vice President,
Acquisitions/Dispositions
and General Counsel

William Linville
Regional Executive
Vice President,
Midwest Industrial

Dennis Oklak
Executive Vice President
and Chief Administrative
Officer

Gene Zink
Executive Vice President
and Chief Financial Officer

Jay Archer
Senior Vice President,
Indiana Industrial

Kerry Armstrong
Senior Vice President,
Atlanta Office

Jennifer Burk
Senior Vice President,
Tenant Services

Philip Cobb
Senior Vice President,
Construction

Matthew Cohoat
Senior Vice President
and Corporate Controller

John Coleman
Senior Vice President,
Tampa/Orlando Office

James Connor
Senior Vice President,
Chicago Industrial

William DeBoer
Senior Vice President,
Construction

J. Kurt Dehner
Senior Vice President,
Columbus Industrial

Robert Fessler
Senior Vice President,
Cincinnati Industrial

Mark Flowers
Senior Vice President,
Landscape Services

John Gaskin
Senior Vice President,
Deputy General Counsel and
Secretary

James Gray
Senior Vice President,
Minneapolis Industrial

Darryle Henry
Senior Vice President,
Minneapolis Office

Steven Holmberg
Senior Vice President,
Chicago Office

Donald Hunter
Senior Vice President,
Columbus Office

Robert Johnson
Senior Vice President,
St. Louis Industrial

Andrew Kelton
Senior Vice President,
Raleigh Operations

Steven Kennedy
Senior Vice President,
Construction

Wayne Lingafelter
Senior Vice President,
Cleveland Office

Ramsey Maune
Senior Vice President,
St. Louis Office

M. Larry Myrvold
Senior Vice President,
Retail Group

John Nelley
Managing Director,
Nashville Operations

John Nemecek
Senior Vice President,
Property and Asset
Management

Thomas Peck
Senior Vice President,
Investor Relations

Spencer Piszczak
Senior Vice President,
Cleveland Industrial

Kevin Rogus
Senior Vice President,
Construction

Moses Salcido
Senior Vice President,
Tampa/Orlando Industrial

Kenneth Schuermann
Senior Vice President,
Cincinnati Office

Christopher Seger
Senior Vice President,
Florida Operations

Gregory Thurman
Senior Vice President,
Atlanta Industrial

Jeffrey Turner
Senior Vice President,
Dallas Group

James Windmiller
Senior Vice President,
Corporate Taxation

Denise Dank
Vice President,
Human Resources

Douglas Greer
Vice President,
Deputy General Counsel
and Assistant Secretary

Donna Hovey
Vice President,
Marketing

Jeffrey Behm
Assistant Vice President,
Financial Analysis



2000 Board of Directors



Board of Directors

(From left to right)

John Wynne
 Ngaire Cuneo
 Jay Strauss
 Charles Eitel
 Barrington Branch
 Thomas Hefner
 William McCoy
 A. Ray Weeks
 Philip Nicely
 Gene Zink
 John Nelley
 Howard Feinsand
 Geoffrey Button
 William Cavanaugh III

Not Pictured:
 L. Ben Lytle
 James Rogers

Unaffiliated Directors

Barrington Branch
 President
 The Branch-Shelton Company

Geoffrey Button
 Independent Real Estate
 and Financing Consultant

William Cavanaugh, III
 Chairman, President and
 Chief Executive Officer
 Progress Energy

Ngaire Cuneo
 Executive Vice President
 Conseco, Inc.

Charles Eitel
 Chairman and
 Chief Executive Officer
 Simmons Company

L. Ben Lytle
 Chairman
 Anthem, Inc.

William McCoy
 Partner
 Franklin Street Trust

James Rogers
 Chairman, President and
 Chief Executive Officer
 CInergy Corporation

Jay Strauss
 Chairman and
 Chief Executive Officer
 Regent Realty Group, Inc.

Affiliated Directors

Thomas Hefner
 Chairman and
 Chief Executive Officer

A. Ray Weeks
 Vice Chairman

Howard Feinsand
 Executive Vice President,
 Acquisitions/Dispositions and
 General Counsel

John Nelley, Jr.
 Managing Director,
 Nashville Operations

Gene Zink
 Executive Vice President
 and Chief Financial Officer

Others

Philip Nicely
 Counsel to the Board

John Wynne
 Chairman Emeritus

Board Committees

Asset Committee
 Barrington Branch
 Ngaire Cuneo
 Charles Eitel
 Jay Strauss (Chair)
 Gene Zink

Audit Committee
 Barrington Branch
 William Cavanaugh, III
 Ngaire Cuneo (Chair)
 L. Ben Lytle
 William McCoy

Corporate Governance Committee
 William Cavanaugh, III (Chair)
 L. Ben Lytle
 William McCoy
 James Rogers

Executive Compensation Committee
 Geoffrey Button (Chair)
 William Cavanaugh, III
 L. Ben Lytle
 William McCoy
 James Rogers

Finance Committee
 Geoffrey Button
 Charles Eitel
 Howard Feinsand
 John Nelley
 James Rogers (Chair)
 Jay Strauss
 Gene Zink



Mission Statement

It is the mission of Duke-Weeks Realty Corporation to be the preeminent provider of real estate services. Through the development, construction, acquisition, asset and property management, leasing and landscaping of industrial, office and retail properties, we will provide the highest standard of service and product execution in the industry, completely satisfying our customers. We will conduct our business in a manner that produces exceptional shareholder value and will challenge every member of our team to reach for the highest levels of integrity, creativity, drive and focus. Finally, we will make the communities where we do business, better places to live.



Indianapolis
Headquarters
600 East 96th Street
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317-808-6000

Park 100
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Jay Archer – Industrial
317-808-6813
Christopher Seger – Office
317-808-6153
Larry Myrvold – Retail
317-808-6173

Atlanta
3950 Shackleford Road
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Duluth, GA 30096
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Gregory Thurman – Industrial
770-717-3206
Kerry Armstrong – Office
770-717-3212

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Lisle, IL 60532
630-577-7900

James Connor – Industrial
630-577-7914
Steven Holmberg – Office
630-577-7910

Cincinnati
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Cincinnati, OH 45242
513-956-4400

Robert Fessler – Industrial
513-956-4451
Kenneth Schuermann – Office
513-956-4422

Cleveland
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Spencer Piszczak – Industrial
216-643-6210
Wayne Lingafelter – Office
216-643-6200

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614-932-6000

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614-932-6013
Donald Hunter – Office
614-932-6014

Dallas
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972-361-6700

Jeffrey Turner –
Industrial & Office
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Minneapolis
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952-543-2900

James Gray – Industrial
952-543-2926
Darryle Henry – Office
952-543-2914

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615-884-2300

John Nelley –
Industrial & Office
614-884-2320

Orlando/Tampa
1025 Greenwood Boulevard
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407-805-9620

10150 Highland Manor Drive
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Tampa, FL 33610
813-635-8500

Christopher Seger
407-805-9620
Moses Salcido – Industrial
813-635-8511
John Coleman – Office
407-805-9639

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1800 Perimeter Park Drive
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Morrisville, NC 27560
919-461-8000

Andrew Kelton –
Industrial & Office
919-461-8003

St. Louis
635 Maryville Centre Drive
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St. Louis, MO 63141
314-212-8000

Robert Johnson – Industrial
314-212-8118
Ramsey Maune – Office
314-212-8004

Investor Relations
600 East 96th Street
Suite 100
Indianapolis, IN 46240
317-808-6005 or
800-875-3366

Additional information
about Duke-Weeks Realty
Corporation can be found
on the Company's website at
www.dukereit.com.