



First Industrial Reports Second Quarter Results

July 25, 2002

CHICAGO, July 24 /PRNewswire-FirstCall/ -- First Industrial Realty Trust, Inc. (NYSE: FR), the nation's largest provider of diversified industrial real estate, announced results for the quarter ended June 30, 2002. Fully-diluted earnings per share, including income from discontinued operations and before extraordinary items (EPS), was \$0.64 compared to \$0.75 per share for the same quarter last year, representing a decrease of 14.7 percent. Earnings in the quarter were \$25.3 million, before extraordinary items, compared to \$29.7 million for the same quarter last year, representing a decrease of 14.7 percent year over year. For the six months ended June 30, 2002, EPS decreased 13.3 percent to \$1.24 from \$1.43.

"We remain committed to optimizing our portfolio and our stable occupancy demonstrates our focus on portfolio fundamentals and strengthening our business during this difficult operating environment," said Mike Brennan, President and Chief Executive Officer. "The prolonged weakness in corporate profits continues to impact capital spending and, in turn, the demand for industrial real estate. Despite the difficult economic environment, we are seeing significant opportunities to work with Corporate America and we have the operating platform and corporate real estate program to deliver the solutions they require."

The highlights of the Company's results are listed below:

Portfolio Performance

- Leased 5.9 million square feet during the quarter, including development properties sold.
- Actual cash-on-cash rental increases were 2.0%.
- Same property net operating income (NOI) declined 2.0%.
- Occupancy increased to 90.9% and tenant retention was 66.6%.

Profitable Capital Recycling and Strategic Reinvestment

- For the quarter, sold 27 properties and 1 parcel of land for \$98.6 million at an average 8.8% capitalization (cap) rate and an average 19.2% unleveraged internal rate of return (IRR). Year-to-date, sold 49 properties and 3 parcels of land for \$195.5 million at an average 9.0% cap rate and an average 17.7% unleveraged IRR.
- For the quarter, acquired \$87.6 million of property, comprising 2.5 million square feet, and placed in service \$13.7 million of new developments, comprising 156,687 square feet, with aggregate first-year stabilized yields of approximately 11.3%. Year-to-date, acquired \$129.3 million of property, comprising 3.4 million square feet, and placed in service \$37.9 million of new developments, comprising 939,479 square feet, with aggregate first-year stabilized yields of approximately 11.1%.
- Development under construction at the end of the quarter stood at \$214.9 million with an expected aggregate first-year stabilized yield of 10.4%.

Successfully Expanded the Company's Corporate Real Estate Program

- Integrated Industrial Solutions (IIS(TM)) profits increased by 12.0% in the second quarter.
- For the quarter, generated IIS(TM) income of \$10.2 million, comprised of \$1.7 million from single tenant/user sales, \$8.3 million from merchant development/redevelopment and \$0.2 million from land sales. Year-to-date, generated IIS(TM) income of \$20.5 million, comprised of \$3.4 million from single tenant/user sales, \$16.6 million from merchant development/redevelopment and \$0.5 million from land sales.
- For the quarter, IIS(TM) sales constituted \$69.8 million and generated a 21.0% unleveraged IRR.
- Completed a 1.8 million square-foot sale/leaseback transaction with General Motors involving four facilities in Chicago, Los Angeles, Philadelphia and Reno.
- Completed a 1.1 million square-foot East Coast supply-chain reconfiguration transaction with Maytag involving three facilities in Pennsylvania and Georgia.

Strong Financial Position

- Fixed-charge coverage is 2.4 times and interest coverage is 3.1 times.
- Executed on the Company's self-funding strategy, completely funding new investments with internally generated funds.
- Redeemed the Company's 8 3/4% Series B Cumulative Preferred Stock on May 14, 2002, and a portion of the Company's 7.15% notes on May 15, 2002, using proceeds from the April 2002 issuance of \$200 million of 6 7/8% notes with a 10-year maturity and \$50 million of 7 3/4% notes with a 30-year maturity.

Supplemental Reporting Measure

FFO per share decreased 14.0 percent to \$0.86 per share/unit on a fully-diluted basis, compared to \$1.00 per share/unit on a fully-diluted basis for the same quarter last year. FFO totaled \$40.2 million for the quarter compared to \$47.0 million for the second quarter 2001. For the six months ended June 30, 2002, FFO per share decreased 10.1 percent to \$1.78 from \$1.98. The Company calculates FFO to be equal to net income, excluding gains/losses from debt restructuring and sales of depreciated property (other than net economic gains/losses from sales of properties related to the Company's Integrated Industrial Solutions(TM) activities), plus depreciation and amortization (other than amortization of deferred financing costs and interest rate protection agreements), and after adjustments for unconsolidated partnerships and joint ventures.

Outlook for 2002

Brennan continued, "We continue to see significant opportunity in our corporate real estate program, IIS(TM), as Corporate America develops a greater emphasis on real estate sales for cash generation. However, because a return to more traditional levels of capital spending by Corporate America is unlikely in the near term, we believe real estate fundamentals will remain subdued this year. As a result, we are lowering our 2002 EPS to a range of \$2.10 to \$2.30. This estimate assumes flat same property NOI in 2002. Sales volume in 2002 is assumed to be approximately \$500 million to \$600 million with a 9% to 10% average cap rate, with book gains from property sales of between \$50 million and \$60 million. Investment volume assumptions for 2002, which include both new developments and acquisitions, are approximately \$450 million to \$550 million with a 10% to 11% average cap rate. We assume no significant changes in relative G&A or capital expenditures, nor do we assume any significant changes in our balance sheet structure. We expect to deliver FFO per share in the range of \$3.70 to \$3.80 for 2002, with estimate ranges of: \$0.93 to \$0.99 for the third quarter and \$0.99 to \$1.03 for the fourth quarter. Our estimate for IIS(TM) income for 2002 is between \$40 million and \$45 million. A number of factors could impact our ability to deliver results in line with our assumptions, such as interest rates, the overall economy, the supply and demand of industrial real estate, the timing and yields for divestment and investment, and numerous other variables. There can be no assurance that First Industrial can achieve such results for 2002. However, I strongly believe that First Industrial has the proper strategic and tactical design to deliver such results. We believe our I-N-D-L infrastructure - with its offensive and defensive characteristics - will continue to support our efforts and prove its value."

Company Information

First Industrial Realty Trust, Inc., the nation's largest provider of diversified industrial real estate, serves every aspect of Corporate America's industrial real estate needs, including customized supply chain solutions, through its unique I-N-D-L operating platform, which utilizes a pure Industrial focus and National scope to provide Diverse facility types, while offering Local, full-service management and expertise. Building, buying, selling, leasing and managing industrial property in major markets nationwide, First Industrial develops long-term relationships with corporate real estate directors, tenants and brokers to better serve customers with creative, flexible industrial real estate solutions.

Forward-Looking Information

This press release contains forward-looking information about the Company. A number of factors could cause the Company's actual results to differ materially from those anticipated, including changes in: economic conditions generally and the real estate market specifically, legislative/regulatory changes (including changes to laws governing the taxation of real estate investment trusts), availability of financing, interest rate levels, competition, supply and demand for industrial properties in the Company's current and proposed market areas, potential environmental liabilities, slippage in development or lease-up schedules, tenant credit risks, higher-than-expected costs and changes in general accounting principles, policies and guidelines applicable to real estate investment trusts. For further information on these and other factors that could impact the Company and the statements contained herein, reference should be made to the Company's filings with the Securities and Exchange Commission.

A schedule of selected financial information is attached.

First Industrial will host a quarterly conference call at 10 a.m. Central time, 11 a.m. Eastern time, on Thursday, July 25, 2002. The call-in number is (800) 865-4460 and the passcode is "First Industrial." The conference call will also be available live on First Industrial's web site, <http://www.firstindustrial.com>, under the "Investor Relations" tab. Replay will also be available on the web site.

The company's first quarter supplemental information can be viewed by the end of this week on First Industrial's website, <http://www.firstindustrial.com>, under the "Financials" tab. For a hard copy of the company's quarterly supplemental information report or other investor materials, please contact:

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FIRST INDUSTRIAL REALTY TRUST, INC.

Selected Financial Data

(In thousands, except for per share/unit and property data)

(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,	June 30,	June 30,	June 30,
	2002	2001	2002	2001
Statement of Operations and				
FFO Data:				
Total Operating Revenues	\$92,819	\$98,953	\$184,404	\$200,035
Property Expenses	(29,125)	(27,544)	(56,436)	(57,839)
Net Operating Income	63,694	71,409	127,968	142,196

Equity in FFO of Joint Ventures (a)	418	337	774	664
IIS Services Income	10,168	9,079	20,465	17,601
Write-Off of Technology Investment	-	(666)	-	(666)
General & Administrative Expense	(4,139)	(3,631)	(8,626)	(7,479)
EBITDA	70,141	76,528	140,581	152,316
Interest Expense	(22,920)	(21,431)	(42,704)	(42,633)
Dividends on Preferred Stock	(6,113)	(7,328)	(13,344)	(15,539)
Amortization of Deferred Financing Costs	(497)	(456)	(959)	(898)
Depreciation and Other Amortization	(19,153)	(17,120)	(38,120)	(34,474)
Equity in Depreciation and Other Amortization of Joint Ventures (a)	(64)	(87)	(198)	(228)
Gain on Sale of Property	8,368	4,974	12,225	8,558
Income Allocable to Minority Interest	(4,300)	(3,790)	(8,477)	(8,824)
Extraordinary Loss (b)	(888)	(10,309)	(888)	(10,309)
Net Income Available to Common Stockholders	24,574	20,981	48,116	47,969
Add: Extraordinary Loss (b), net of Minority Interest	754	8,712	754	8,712
Net Income Available to Common Stockholders Before Extraordinary Loss (b)	25,328	29,693	48,870	56,681
Add: Real Estate Depreciation and Other Amortization	18,737	16,817	37,296	33,873
Less: Gain on Sale of Property	(8,368)	(4,974)	(12,225)	(8,558)
Add: Equity in Depreciation and Other Amortization of Joint Ventures (a)	64	87	198	228
Add: Income Allocable to Minority Interest	4,300	3,790	8,477	8,824
Add: Minority Interest Allocable to Extraordinary Loss (b)	134	1,597	134	1,597
Funds From Operations ("FFO")	\$40,195	\$47,010	\$82,750	\$92,645
Net Income Available to Common Stockholders Before Extraordinary Loss (b)	25,328	29,693	48,870	56,681
Less: Gain on Sale of Property from Discontinued Operations	(17,211)	-	(32,239)	-
Less: Net Operating Income from Discontinued Operations	(1,860)	(3,954)	(5,514)	(7,875)
Add: Depreciation and Amortization from Discontinued Operations	347	699	1,196	1,350
Add: Minority Interest Allocable to Discontinued Operations	2,804	499	5,509	1,011
Net Income Available to				

Common Stockholders Before Discontinued Operations (c) and Extraordinary Loss	9,408	26,937	17,822	51,167
Additional Information for Funds Available for Distribution ("FAD"):				
Straight-Line Rental Income	\$3	\$963	\$684	\$1,277
Non-Incremental Capital Expenditures	\$8,116	\$5,689	\$13,643	\$12,356
Restricted Stock Amortization	\$1,367	\$1,323	\$2,525	\$2,905
Weighted Avg. Number of Shares/Units Outstanding- Basic	46,346	46,581	46,148	46,384
Weighted Avg. Number of Shares/Units Outstanding- Diluted	46,769	46,870	46,494	46,758
Weighted Avg. Number of Shares Outstanding- Basic	39,407	39,440	39,194	39,197
Weighted Avg. Number of Shares Outstanding- Diluted	39,830	39,729	39,540	39,571
Per Share/Unit Data:				
FFO :				
- Basic	\$0.87	\$1.01	\$1.79	\$2.00
- Diluted	\$0.86	\$1.00	\$1.78	\$1.98
Net Income Available to Common Stockholders Before Discontinued Operations and Extraordinary Loss Per Weighted Average Common Share Outstanding:				
- Basic	\$0.24	\$0.68	\$0.45	\$1.31
- Diluted	\$0.24	\$0.68	\$0.45	\$1.29
Net Income Available to Common Stockholders Before Extraordinary Loss Per Weighted Average Common Share Outstanding:				
- Basic	\$0.64	\$0.75	\$1.25	\$1.45
- Diluted	\$0.64	\$0.75	\$1.24	\$1.43
Net Income Available to Common Stockholders per Weighted Average Common Share Outstanding:				
- Basic	\$0.62	\$0.53	\$1.23	\$1.22
- Diluted	\$0.62	\$0.53	\$1.22	\$1.21
Dividends/Distributions	\$0.6800	\$0.6575	\$1.3600	\$1.3150
FFO Payout Ratio	78.4%	65.1%	75.8%	65.8%
FAD Payout Ratio	91.7%	72.2%	86.3%	73.1%

Balance Sheet Data (end of
period):
Real Estate Before

Accumulated		
Depreciation	\$2,773,550	\$2,702,018
Total Assets	2,671,437	2,616,919
Debt	1,465,288	1,279,230
Total Liabilities	1,584,447	1,412,109
Stockholders' Equity and		
Minority Interest	\$1,086,990	\$1,204,810

Property Data (end of period):

Total Properties	906	947
Total Gross Leasable Area		
(in sq ft)	63,276,527	65,780,354
Occupancy	90.9%	93.2%

- (a) Represents the Company's share of FFO and depreciation and other amortization from three real estate joint ventures in which it owns minority equity interests.
- (b) Represents an extraordinary loss from the early retirement of debt.
- (c) In August 2001, the Financial Accounting Standards Board issued

Statement of Financial Accounting Standard No. 144 "Accounting for the Impairment or Disposal of Long-Lives Assets" ("FAS 144"). FAS 144 requires that the operations and gain (loss) on sale of all properties sold subsequent to December 31, 2001 that were not held for sale at December 31, 2001 and properties that were classified as held for sale subsequent to December 31, 2001 be presented in discontinued operations. FAS 144 also requires that prior periods be restated.

SOURCE First Industrial Realty Trust, Inc.

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