

## UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 1998
- Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

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Commission File Number 1-13102  
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FIRST INDUSTRIAL REALTY TRUST, INC.  
(Exact Name of Registrant as Specified in its Charter)

MARYLAND  
(State or Other Jurisdiction of  
Incorporation or Organization)

36-3935116  
(I.R.S. Employer  
Identification No.)

311 S. WACKER DRIVE, SUITE 4000, CHICAGO, ILLINOIS 60606  
(Address of Principal Executive Offices)

(312) 344-4300  
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Number of shares of Common Stock, \$.01 par value, outstanding as of November 6, 1998: 37,928,836

FIRST INDUSTRIAL REALTY TRUST, INC.  
 FORM 10-Q  
 FOR THE NINE AND THREE MONTHS ENDED SEPTEMBER 30, 1998

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PART I. FINANCIAL INFORMATION  
ITEM 1. FINANCIAL STATEMENTS  
FIRST INDUSTRIAL REALTY TRUST, INC.  
CONSOLIDATED BALANCE SHEETS  
(DOLLARS IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)  
(UNAUDITED)

	September 30, 1998	December 31, 1997
ASSETS		
Assets:		
Investment in Real Estate:		
Land .....	\$ 408,951	\$ 299,020
Buildings and Improvements .....	2,159,667	1,663,731
Furniture, Fixtures and Equipment .....	1,437	1,437
Construction in Progress .....	22,777	30,158
Less: Accumulated Depreciation .....	(161,423)	(121,030)
Net Investment in Real Estate .....	2,431,409	1,873,316
Cash and Cash Equivalents .....	5,612	13,222
Restricted Cash .....	5,254	313,060
Tenant Accounts Receivable, Net .....	10,480	6,280
Deferred Rent Receivable .....	13,005	10,144
Deferred Financing Costs, Net .....	12,279	8,594
Prepaid Expenses and Other Assets, Net .....	85,217	47,547
Total Assets .....	\$ 2,563,256	\$ 2,272,163
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Mortgage Loans Payable, Net .....	\$ 107,676	\$ 101,198
Defeased Mortgage Loan Payable .....	--	300,000
Senior Unsecured Debt, Net .....	948,572	648,994
Acquisition Facility Payable .....	128,800	129,400
Accounts Payable and Accrued Expenses .....	68,390	50,373
Rents Received in Advance and Security Deposits .....	19,820	14,104
Dividends/Distributions Payable .....	23,735	22,010
Total Liabilities .....	1,296,993	1,266,079
Minority Interest .....	191,682	151,494
Commitments and Contingencies .....	--	--
Stockholders' Equity:		
Preferred Stock (\$01 par value, 10,000,000 shares authorized, 1,650,000, 40,000, 20,000, 50,000 and 30,000 shares of Series A, B, C, D and E Cumulative Preferred Stock, respectively, issued and outstanding at September 30, 1998 having a liquidating preference of \$25 per share (\$41,250), \$2,500 per share (\$100,000), \$2,500 per share (\$50,000), \$2,500 per share (\$125,000) and \$2,500 per share (\$75,000), respectively; and 1,650,000, 40,000 and 20,000 shares of Series A, B and C Cumulative Preferred Stock, respectively, issued and outstanding at December 31, 1997 having a liquidation preference of \$25 per share (\$41,250), \$2,500 per share (\$100,000) and \$2,500 per share (\$50,000), respectively) .....	18	17
Common Stock (\$01 par value, 100,000,000 shares authorized; 37,922,954 and 36,433,859 shares issued and outstanding at September 30, 1998 and December 31, 1997, respectively) .....	379	364
Additional Paid-in-Capital .....	1,171,675	934,622
Distributions in Excess of Accumulated Earnings .....	(92,726)	(76,996)
Unamortized Value of Restricted Stock Grants .....	(4,765)	(3,417)
Total Stockholders' Equity .....	1,074,581	854,590
Total Liabilities and Stockholders' Equity .....	\$ 2,563,256	\$ 2,272,163

The accompanying notes are an integral part of the financial statements.

FIRST INDUSTRIAL REALTY TRUST, INC.  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)  
(UNAUDITED)

	Nine Months Ended September 30, 1998	Nine Months Ended September 30, 1977
	-----	-----
Revenues:		
Rental Income .....	\$ 206,583	\$ 115,530
Tenant Recoveries and Other Income .....	49,275	31,117
Interest Income on US Government Securities .....	--	8,521
	-----	-----
Total Revenues .....	255,858	155,168
	-----	-----
Expenses:		
Real Estate Taxes .....	40,528	24,192
Repairs and Maintenance .....	11,115	6,134
Property Management .....	10,006	5,075
Utilities .....	7,084	4,095
Insurance .....	693	389
Other .....	4,280	1,209
General and Administrative .....	9,824	4,264
Interest .....	51,593	34,788
Amortization of Interest Rate Protection Agreements and Deferred Financing Costs .....	659	2,093
Depreciation and Other Amortization .....	46,969	27,468
	-----	-----
Total Expenses .....	182,751	109,707
	-----	-----
Income from Operations Before Income Allocated to Minority Interest and Disposition of Interest Rate Protection Agreements .....		
	73,107	45,461
Income Allocated to Minority Interest .....	(7,656)	(3,502)
Disposition of Interest Rate Protection Agreements .....	--	1,430
	-----	-----
Income from Operations .....	65,451	43,389
Gain on Sales of Real Estate, Net .....	3,069	4,186
	-----	-----
Income Before Extraordinary Loss and Cumulative Effect of Change in Accounting Principle .....	68,520	47,575
Extraordinary Loss .....	--	(12,563)
Cumulative Effect of Change in Accounting Principle .....	(1,976)	--
	-----	-----
Net Income .....	66,544	35,012
Less: Preferred Stock Dividends .....	(22,399)	(7,610)
	-----	-----
Net Income Available to Common Stockholders .....	\$ 44,145	\$ 27,402
	=====	=====
Net Income Available to Common Stockholders Before Extraordinary Loss and Cumulative Effect of Change in Accounting Principle per Weighted Average Common Share Outstanding:		
Basic .....	\$ 1.24	\$ 1.33
	=====	=====
Diluted .....	\$ 1.23	\$ 1.31
	=====	=====
Net Income Available to Common Stockholders Per Weighted Average Common Share Outstanding:		
Basic .....	\$ 1.18	\$ .91
	=====	=====
Diluted .....	\$ 1.18	\$ .90
	=====	=====

The accompanying notes are an integral part of the financial statements.

FIRST INDUSTRIAL REALTY TRUST, INC.  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)  
(UNAUDITED)

	Three Months Ended September 30, 1998	Three Months Ended September 30, 1997
	-----	-----
Revenues:		
Rental Income.....	\$ 74,456	\$ 40,821
Tenant Recoveries and Other Income.....	17,883	11,192
Interest Income on U.S. Government Securities.....	---	4,364
	-----	-----
Total Revenues.....	92,339	56,377
	-----	-----
Expenses:		
Real Estate Taxes.....	14,607	8,545
Repairs and Maintenance.....	3,894	1,848
Property Management.....	3,582	1,556
Utilities.....	2,601	1,270
Insurance.....	241	113
Other.....	1,582	355
General and Administrative.....	3,525	1,574
Interest.....	19,580	13,467
Amortization of Interest Rate Protection Agreements and Deferred Financing Costs.....	258	713
Depreciation and Other Amortization.....	16,641	9,756
	-----	-----
Total Expenses.....	66,511	39,197
	-----	-----
Income from Operations Before Income Allocated to Minority Interest .....	25,828	17,180
Income Allocated to Minority Interest.....	(2,813)	(1,552)
	-----	-----
Income from Operations.....	23,015	15,628
Gain on Sales of Real Estate, Net.....	693	187
	-----	-----
Net Income.....	23,708	15,815
Less: Preferred Stock Dividends.....	(8,211)	(4,245)
	-----	-----
Net Income Available to Common Stockholders.....	\$ 15,497	\$ 11,570
	=====	=====
Net Income Available to Common Stockholders Per Weighted Average Common Share Outstanding:		
Basic.....	\$ .41	\$ .38
	=====	=====
Diluted.....	\$ .41	\$ .38
	=====	=====

The accompanying notes are an integral part of the financial statements.

FIRST INDUSTRIAL REALTY TRUST, INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(DOLLARS IN THOUSANDS)  
(UNAUDITED)

	Nine Months Ended September 30, 1998	Nine Months Ended September 30, 1997
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Income .....	\$ 66,544	\$ 35,012
Income Allocated to Minority Interest .....	7,656	3,502
	74,200	38,514
Income Before Minority Interest .....		
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation .....	42,238	24,461
Amortization of Interest Rate Protection Agreements and Deferred Financing Costs .....	659	2,093
Other Amortization .....	5,194	2,893
Disposition of Interest Rate Protection Agreements .....	-	(1,430)
Gain on Sales of Real Estate, Net .....	(3,069)	(4,186)
Cumulative Effect of Change in Accounting Principle .....	1,976	-
Extraordinary Loss .....	-	12,563
Provision for Bad Debts .....	550	150
Increase in Tenant Accounts Receivable and Prepaid Expenses and Other Assets .....	(36,903)	(20,495)
Increase in Deferred Rent Receivable .....	(3,033)	(1,582)
Increase in Accounts Payable and Accrued Expenses and Rents Received in Advance and Security Deposits .....	23,800	11,716
Increase in Organization Costs .....	(396)	(62)
Decrease in Restricted Cash .....	3,677	3,243
	108,893	67,878
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases and Additions to Investment in Real Estate and Closing Costs of Sales of Real Estate .....	(573,697)	(313,540)
Proceeds from Sales of Investment in Real Estate .....	35,780	23,411
Repayment of Mortgage Loans Receivable .....	1,075	3,865
Funding of Mortgage Loans Receivable .....	-	(18,552)
(Increase) Decrease in Restricted Cash .....	(1,871)	1,831
	(538,713)	(302,985)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from Sale of Common Stock .....	36,300	20,000
Common Stock Underwriting Discounts/Offering Costs .....	(3,159)	(1,688)
Proceeds from Exercise of Employee Stock Options .....	2,430	1,711
Proceeds from Sale of Preferred Stock .....	200,000	150,000
Preferred Stock Offering Costs .....	(7,300)	(5,263)
Repayments on Mortgage Loans Payable .....	(301,437)	(793)
Repayment of Promissory Notes Payable .....	-	(9,919)
Proceeds from Acquisition Facilities Payable .....	505,000	280,400
Repayments on Acquisition Facilities Payable .....	(505,600)	(192,200)
Proceeds from Senior Unsecured Debt .....	299,517	349,150
Proceeds from Defeasance Loan .....	-	309,800
Repayment of Defeasance Loan .....	-	(309,800)
Other Proceeds from Senior Unsecured Debt .....	2,760	2,246
Other Costs of Senior Unsecured Debt .....	(11,890)	-
Purchase of Interest Rate Protection Agreements .....	-	(150)
Proceeds from Sale of Interest Rate Protection Agreements .....	-	9,950
Purchase of US Government Securities .....	-	(300,000)
Decrease (Increase) in Restricted Cash .....	306,000	(6,000)
Dividends/Distributions .....	(68,057)	(50,404)
Preferred Stock Dividends .....	(22,399)	(7,610)
Debt Issuance Costs and Prepayment Fees .....	(9,955)	(8,098)
	422,210	231,332
Net Decrease in Cash and Cash Equivalents .....	(7,610)	(3,775)
Cash and Cash Equivalents, Beginning of Period .....	13,222	7,646
	\$ 5,612	\$ 3,871
	=====	=====

The accompanying notes are an integral part of the financial statements.

FIRST INDUSTRIAL REALTY TRUST, INC.  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 (DOLLARS IN THOUSANDS, EXCEPT FOR PER SHARE DATA)  
 (UNAUDITED)

1. ORGANIZATION AND FORMATION OF COMPANY

First Industrial Realty Trust, Inc. (the "Company") was organized in the state of Maryland on August 10, 1993. The Company is a real estate investment trust ("REIT") as defined in the Internal Revenue Code. The Company's operations are conducted primarily through First Industrial, L.P. (the "Operating Partnership") of which the Company is the sole general partner with an approximate 84.1% ownership interest at September 30, 1998. As of September 30, 1998, the Company owned 1,000 in-service properties located in 25 states, containing an aggregate of approximately 69.9 million square feet of gross leasable area ("GLA"). Of the 1,000 properties owned by the Company, 854 are held by the Operating Partnership, 101 are held by limited partnerships in which the Operating Partnership is the 99% limited partner and wholly owned subsidiaries of the REIT are the 1% general partners and 45 are held by limited liability companies of which the Operating Partnership is the sole member. Minority interest in the Company at September 30, 1998 represents the approximate 15.9% aggregate partnership interest in the Operating Partnership held by the limited partners thereof.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying interim financial statements have been prepared in accordance with the accounting policies described in the financial statements and related notes included in the Company's 1997 Form 10-K and should be read in conjunction with such financial statements and related notes. The following notes to these interim financial statements highlight significant changes to the notes included in the December 31, 1997 audited financial statements included in the Company's 1997 Form 10-K and present interim disclosures as required by the Securities and Exchange Commission.

In order to conform with generally accepted accounting principles, management, in preparation of the Company's financial statements, is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

In the opinion of management, all adjustments consist of normal recurring adjustments necessary to present fairly the financial position of the Company as of September 30, 1998, the results of its operations for each of the nine months and three months ended September 30, 1998 and 1997 and its cash flows for the nine months ended September 30, 1998 and 1997.

Tenant Accounts Receivable, Net:

The Company provides an allowance for doubtful accounts against the portion of tenants accounts receivable which is estimated to be uncollectible. Tenant accounts receivable in the consolidated balance sheets are shown net of an allowance for doubtful accounts of \$2,000 and \$1,450 as of September 30, 1998 and December 31, 1997, respectively.

FIRST INDUSTRIAL REALTY TRUST, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)  
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Recent Accounting Pronouncements:

In June 1997, the Financial Accounting Standards Board (the "FASB") issued Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income". This statement, effective for fiscal years beginning after December 15, 1997, requires the Company to report components of comprehensive income in a financial statement that is displayed with the same prominence as other financial statements. Comprehensive income is defined by Concepts Statement No. 6, "Elements of Financial Statements" as the change in the equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. It includes all changes in equity during a period except those resulting from investments by owners and distributions to owners. The Company's net income available to common stockholders approximates its comprehensive income as defined in Concepts Statement No. 6, "Elements of Financial Statements".

In June 1997, the FASB issued Statement of Financial Accounting Standards No. 131, "Disclosures about Segments of an Enterprise and Related Information". This statement, effective for financial statements for fiscal years beginning after December 15, 1997, requires that a public business enterprise report financial and descriptive information about its reportable operating segments. Generally, financial information is required to be reported on the basis that it is used internally for evaluating segment performance and deciding how to allocate resources to segments. The Company will disclose this information in its 1998 Form 10-K.

In March 1998, the FASB's Emerging Issues Task Force (the "Task Force") issued Emerging Issues Task Force Issue No. 97-11, "Accounting for Internal Costs Relating to Real Estate Property Acquisitions" ("EITF 97-11"). EITF 97-11, effective March 19, 1998, requires that internal costs of preacquisition activities incurred in connection with the acquisition of an operating property should be expensed as incurred. The Task Force concluded that a property is considered operating if, at the date of acquisition, major construction activity is substantially completed on the property and (a) it is held available for occupancy upon completion of tenant improvements by the acquirer or (b) it is already income producing. The Company adopted EITF 97-11 as of March 19, 1998. Prior to March 19, 1998, the Company capitalized internal costs of preacquisition activities incurred in connection with the acquisition of operating properties. The Company estimates that the adoption of EITF 97-11 will result in a cumulative increase of approximately \$2,500 to \$3,000 in the amount of general and administrative expense reflected in the Company's consolidated statement of operations in 1998.

In April 1998, the Accounting Standards Executive Committee of the American Institute of Certified Public Accountants issued Statement of Position 98-5, "Reporting on the Costs of Start-Up Activities" ("SOP 98-5"). SOP 98-5 requires that the net unamortized balance of all start-up costs and organizational costs be written off as a cumulative effect of a change in accounting principle and all future start-up costs and organizational costs be expensed. In the second quarter of 1998, the Company reported a cumulative effect of a change in accounting principle of approximately \$1,976 to reflect the write-off of the unamortized balance of organizational costs on the Company's balance sheet.

During the second quarter of 1998, the FASB issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities". This statement, effective for fiscal years beginning after June 15, 1999, establishes accounting and reporting standards requiring that every derivative instrument, including certain derivative instruments imbedded in other contracts, be recorded in the balance sheet as either an asset or liability measured at its fair value. The statement also requires that the changes in the derivative's fair value be recognized in earnings unless specific hedge accounting



FIRST INDUSTRIAL REALTY TRUST, INC.  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 (DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)  
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

criteria are met. The Company is currently assessing the impact of this new statement on its consolidated financial position, liquidity, and results of operations.

3. MORTGAGE LOANS, NET, SENIOR UNSECURED DEBT, NET AND ACQUISITION FACILITY PAYABLE

Mortgage Loans, Net:

On April 16, 1998, the Company, through the Operating Partnership, assumed a mortgage loan in the principal amount of \$2,525 (the "Acquisition Mortgage Loan IV"). The Acquisition Mortgage Loan IV is collateralized by one property in Baltimore, Maryland, bears interest at a fixed rate of 8.95% and provides for monthly principal and interest payments based on a 20-year amortization schedule. The Acquisition Mortgage Loan IV matures on October 1, 2006. The Acquisition Mortgage Loan IV may be prepaid only after October 2001 in exchange for the greater of a 1% prepayment fee or a yield maintenance premium.

On July 16, 1998, the Company, through the Operating Partnership, assumed a mortgage loan in the principal amount of \$2,566 (the "Acquisition Mortgage Loan V"). The Acquisition Mortgage Loan V is collateralized by one property in Tampa, Florida, bears interest at a fixed rate of 9.01% and provides for monthly principal and interest payments based on a 30-year amortization schedule. The Acquisition Mortgage Loan V matures on September 1, 2006. The Acquisition Mortgage Loan V may be prepaid only after August 2002 in exchange for the greater of a 1% prepayment fee or a yield maintenance premium.

On August 31, 1998, the Company, through the Operating Partnership, assumed a mortgage loan in the principal amount of \$965 (the "Acquisition Mortgage Loan VI"). The Acquisition Mortgage Loan VI is collateralized by one property in Portland, Oregon, bears interest at a fixed rate of 8.875% and provides for monthly principal and interest payments based on a 20-year amortization schedule. The Acquisition Mortgage Loan VI matures on November 1, 2006. The Acquisition Mortgage Loan VI may be prepaid only after September 2001 in exchange for a 3% prepayment fee.

On August 31, 1998, the Company, through the Operating Partnership, assumed a mortgage loan in the principal amount of \$1,367 (the "Acquisition Mortgage Loan VII"). The Acquisition Mortgage Loan VII is collateralized by one property in Milwaukie, Oregon, bears interest at a fixed rate of 9.75% and provides for monthly principal and interest payments based on a 25-year amortization schedule. The Acquisition Mortgage Loan VII matures on March 15, 2002. The Acquisition Mortgage Loan VII may be prepaid only after December 2001.

Senior Unsecured Debt, Net:

On March 31, 1998, the Company, through the Operating Partnership, issued \$100,000 of Dealer remarketable securities which mature on April 5, 2011 and bear a coupon interest rate of 6.50% (the "2011 Drs."). The issue price of the 2011 Drs. was 99.753%. Interest is paid semi-annually in arrears on April 5 and October 5. The 2011 Drs. are callable (the "Call Option"), at the option of J.P. Morgan Securities, Inc., as Remarketing Dealer (the "Remarketing Dealer"), on April 5, 2001 (the "Remarketing Date"). The Company received approximately \$2,760 of proceeds from the Remarketing Dealer as consideration for the Call Option. The Company will amortize these proceeds over the life of the Call Option as an adjustment to interest expense. If the holder of the Call Option calls the 2011 Drs. and elects to remarket the 2011 Drs., then after the Remarketing Date, the interest rate on the 2011 Drs. will be reset at a fixed rate until April 5, 2011 based upon a predetermined formula as disclosed in the related Prospectus

FIRST INDUSTRIAL REALTY TRUST, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)  
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3. MORTGAGE LOANS, NET, SENIOR UNSECURED DEBT, NET AND ACQUISITION FACILITY PAYABLE, CONTINUED

Supplement. If the Remarketing Dealer elects not to remarket the 2011 Drs., then the Operating Partnership will be required to repurchase, on the Remarketing Date, any 2011 Drs. that have not been purchased by the Remarketing Dealer at 100% of the principal amount thereof, plus accrued and unpaid interest, if any. The Company also settled an interest rate protection agreement, in the notional amount of \$100,000, which was used to fix the interest rate on the 2011 Drs. prior to issuance. The debt issue discount and the settlement amount of the interest rate protection agreement are being amortized over the life of the 2011 Drs. as an adjustment to interest expense. The 2011 Drs. contain certain covenants including limitations on incurrence of debt and debt service coverage.

On July 14, 1998, the Company, through the Operating Partnership, issued \$200,000 of senior unsecured debt which matures on July 15, 2028 and bears a coupon interest rate of 7.60% (the "2028 Notes"). The issue price of the 2028 Notes was 99.882%. Interest is paid semi-annually in arrears on January 15 and July 15. The Company also settled interest rate protection agreements, in the notional amount of \$150,000, which were used to fix the interest rate on the 2028 Notes prior to issuance. The debt issue discount and the settlement amount of the interest rate protection agreements are being amortized over the life of the 2028 Notes as an adjustment to the interest expense. The 2028 Notes contain certain covenants including limitation on incurrence of debt and debt service coverage. Approximately \$50,000 of the 2028 Notes was purchased, through a broker/dealer, by an entity in which a Director of the Company owns greater than a ten percent interest.

FIRST INDUSTRIAL REALTY TRUST, INC.  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 (DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)  
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3. MORTGAGE LOANS, NET, SENIOR UNSECURED DEBT, NET AND ACQUISITION FACILITY PAYABLE, CONTINUED

The following table discloses certain information regarding the Company's mortgage loans, senior unsecured debt and acquisition facility payable:

	OUTSTANDING BALANCE AT		ACCRUED INTEREST PAYABLE AT		INTEREST RATE AT	MATURITY DATE
	SEPTEMBER 30, 1998	DECEMBER 31, 1997	SEPTEMBER 30, 1998	DECEMBER 31, 1997	SEPTEMBER 30, 1998	
<b>MORTGAGE LOANS PAYABLE, NET</b>						
1995 Mortgage Loan .....	\$ 39,681	\$ 40,000	\$ 159	\$ 168	7.220%	1/11/26
CIGNA Loan .....	35,372	35,813	--	--	7.500%	4/01/03
Assumed Loans .....	8,736	8,950	--	--	9.250%	1/01/13
LB Mortgage Loan II .....	705	705	--	--	8.000%	(1)
Acquisition Mortgage Loan I .....	3,929	4,135	--	29	8.500%	8/01/08
Acquisition Mortgage Loan II .....	7,871	7,997	51	52	7.750%	4/01/06
Acquisition Mortgage Loan III .....	3,514	3,598	26	27	8.875%	6/01/03
Acquisition Mortgage Loan IV .....	2,502	--	19	--	8.950%	10/01/06
Acquisition Mortgage Loan V .....	2,870(2)	--	19	--	9.010%	9/01/06
Acquisition Mortgage Loan VI .....	1,031(2)	--	7	--	8.875%	11/01/06
Acquisition Mortgage Loan VII .....	1,465(2)	--	11	--	9.750%	3/15/02
Total .....	\$107,676	\$101,198	\$ 292	\$ 276		
<b>DEFEASED MORTGAGE LOAN</b>						
1994 Mortgage Loan .....	\$ --	\$300,000	\$ --	\$ 1,831	(3)	(3)
<b>SENIOR UNSECURED DEBT, NET</b>						
2005 Notes .....	\$ 50,000	\$ 50,000	\$ 1,246	\$ 393	6.900%	11/21/05
2006 Notes .....	150,000	150,000	3,500	671	7.000%	12/01/06
2007 Notes .....	149,954(4)	149,951	4,307	1,457	7.600%	5/15/07
2011 Notes .....	99,412(4)	99,377	2,786	942	7.375%	5/15/11(5)
2017 Notes .....	99,816(4)	99,809	2,500	479	7.500%	12/01/17
2027 Notes .....	99,861(4)	99,857	2,701	914	7.150%	5/15/27(6)
2028 Notes .....	199,766(4)	--	3,251	--	7.600%	7/15/28
2011 Drs .....	99,763(4)	--	3,250	--	6.500%(8)	4/05/11(7)
Total .....	\$948,572	\$648,994	\$ 23,541	\$ 4,856		
<b>ACQUISITION FACILITY PAYABLE</b>						
1997 Unsecured Acquisition Facility ....	\$128,800	\$129,400	\$ 579	\$ 297	6.493%	4/30/01

- (1) The maturity date of the LB Mortgage Loan II is based on a contingent event relating to the environmental status of the property collateralizing the loan.
- (2) The Acquisition Mortgage Loan V, the Acquisition Mortgage Loan VI and the Acquisition Mortgage Loan VII are net of unamortized premiums of \$307, \$68 and \$100, respectively.
- (3) The 1994 Defeased Mortgage Loan was paid off and retired on January 2, 1998.
- (4) The 2007 Notes, 2011 Notes, 2017 Notes, 2027 Notes, 2028 Notes and the 2011 Drs. are net of unamortized discounts of \$46, \$588, \$184, \$139, \$234 and \$237, respectively.
- (5) The 2011 Notes are redeemable at the option of the holder thereof, on May 15, 2004.
- (6) The 2027 Notes are redeemable at the option of the holders thereof, on May 15, 2002.
- (7) The 2011 Drs. are required to be redeemed by the Operating Partnership on April 5, 2001 if the Remarketing Dealer elects not to remarket the 2011 Drs.
- (8) The 2011 Drs. bear interest at an annual rate of 6.50% to the Remarketing Date. If the holder of the Call Option calls the 2011 Drs. and elects to remarket the 2011 Drs., then after the Remarketing Date, the interest rate on the 2011 Drs. will be reset at a fixed rate until April 5, 2011 based on a predetermined formula as disclosed in the related Prospectus Supplement.

The following is a schedule of the stated maturities of the mortgage loans, senior unsecured debt and acquisition facility payable for the next five years ending December 31, and thereafter:

	Amount
1998	\$ 538
1999	2,162
2000	2,342
2001	131,336
2002	3,970

Thereafter	1,044,948
	=====
Total	\$1,185,296
	=====

FIRST INDUSTRIAL REALTY TRUST, INC.  
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3. MORTGAGE LOANS, NET, SENIOR UNSECURED DEBT, NET AND ACQUISITION FACILITY PAYABLE, CONTINUED

The maturity date of the LB Mortgage Loan II is based on a contingent event. As a result, this loan is not included in the preceding table.

The Company, through the Operating Partnership, from time to time, enters into interest rate protection agreements which are used to lock into a fixed interest rate on anticipated offerings of senior unsecured debt. At September 30, 1998, the following interest rate protection agreement was outstanding:

Notional Amount	Origination Date	Interest Rate	Valuation Basis	Settlement Date
\$ 100,000	December 19, 1997	5.994%	30-Year Treasury	January 4, 1999

4. STOCKHOLDERS' EQUITY

Preferred Stock:

On February 4, 1998, the Company issued 5,000,000 Depositary Shares, each representing 1/100th of a share of the Company's 7.95%, \$.01 par value, Series D Cumulative Preferred Stock (the "Series D Preferred Stock"), at an initial offering price of \$25 per Depositary Share. Dividends on the Series D Preferred Stock represented by the Depositary Shares are cumulative from the date of initial issuance and are payable quarterly in arrears. With respect to the dividends and amounts upon liquidation, dissolution or winding up, the Series D Preferred Stock ranks senior to payments on the Company's \$.01 par value common stock ("Common Stock") and pari passu with the Company's 9 1/2%, \$.01 par value, Series A Cumulative Preferred Stock (the "Series A Preferred Stock"), 83/4%, \$.01 par value, Series B Cumulative Preferred Stock (the "Series B Preferred Stock"), 85/8%, \$.01 par value, Series C Cumulative Preferred Stock (the "Series C Preferred Stock") and Series E Preferred Stock (defined below); however, the Series A Preferred Stock has the benefit of a guarantee by First Industrial Securities, L.P. The Series D Preferred Stock is not redeemable prior to February 4, 2003. On and after February 4, 2003, the Series D Preferred Stock is redeemable for cash at the option of the Company, in whole or part, at a redemption price equivalent to \$25 per Depositary Share, or \$125,000 in the aggregate, plus dividends accrued and unpaid to the redemption date. The Series D Preferred Stock has no stated maturity and is not convertible into any other securities of the Company.

On March 18, 1998, the Company issued 3,000,000 Depositary Shares, each representing 1/100th of a share of the Company's 7.90%, \$.01 par value, Series E Cumulative Preferred Stock (the "Series E Preferred Stock"), at an initial offering price of \$25 per Depositary Share. Dividends on the Series E Preferred Stock represented by the Depositary Shares are cumulative from the date of initial issuance and are payable quarterly in arrears. With respect to the payment of dividends and amounts upon liquidation, dissolution or winding up, the Series E Preferred Stock ranks senior to payments on the Company's Common Stock and pari passu with the Company's Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and Series D Preferred Stock; however, the Series A Preferred Stock has the benefit of a guarantee by First Industrial Securities, L.P. The Series E Preferred Stock is not redeemable prior to March 18, 2003. On and after March 18, 2003, the Series E Preferred Stock is redeemable for cash at the option of the Company, in whole or in part, at a redemption price equivalent to \$25 per Depositary Share, or \$75,000 in the aggregate, plus dividends accrued and unpaid to the redemption date. The Series E Preferred Stock has no stated maturity and is not convertible into any other securities of the Company.

FIRST INDUSTRIAL REALTY TRUST, INC.  
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## 4. STOCKHOLDERS' EQUITY, CONTINUED

## Common Stock:

On April 23, 1998, the Company issued, in a private placement, 1,112,644 shares of \$.01 par value Common Stock (the "April 1998 Equity Offering"). The price per share in the April 1998 Equity Offering was \$32.625, resulting in gross offering proceeds of \$36,300. Proceeds to the Company, net of purchaser's discount and total offering expenses, were approximately \$34,100.

## Restricted Stock:

During the nine months ended September 30, 1998, the Company awarded 51,850 shares of restricted Common Stock to certain employees and 1,887 shares of restricted Common Stock to certain Directors. Other employees of the Company converted certain employee stock options to 13,602 shares of restricted Common Stock. These shares of restricted Common Stock had a fair value of \$2,324 on the date of grant. The restricted Common Stock vests over a period from five to ten years. Compensation expense will be charged to earnings over the respective vesting period.

## Non-Qualified Employee Stock Options:

On January 2, 1998, the Company granted 4,370,000 non-qualified employee stock options. These stock options vest over three years based upon certain performance measures. The stock options have a strike price of \$35.8125 per share and expire ten years from the date of grant.

On May 14, 1998, the Company granted 899,000 non-qualified employee stock options. These stock-options vest over one year and have a strike price of \$31.13 per share. These stock options expire between seven and ten years from the date of grant.

## Dividends/Distributions:

The following table summarizes dividends/distributions for the nine months ended September 30, 1998:

## COMMON STOCK/OPERATING PARTNERSHIP UNITS

	Record Date -----	Payable Date -----	Dividend/Distribution per Share/Unit -----	Total Dividend/Distribution -----
Fourth Quarter 1997	December 31, 1997	January 20, 1998	\$ .53000	\$ 22,010
First Quarter 1998	March 31, 1998	April 20, 1998	\$ .53000	\$ 22,492
Second Quarter 1998	June 30, 1998	July 20, 1998	\$ .53000	\$ 23,553
Third Quarter 1998	September 30, 1998	October 19, 1998	\$ .53000	\$ 23,735

## SERIES A PREFERRED STOCK

	Record Date -----	Payable Date -----	Dividend per Share -----	Total Dividend -----
First Quarter 1998	March 13, 1998	March 31, 1998	\$ .59375	\$ 980
Second Quarter 1998	June 15, 1998	June 30, 1998	\$ .59375	\$ 980
Third Quarter 1998	September 15, 1998	September 30, 1998	\$ .59375	\$ 980

## SERIES B PREFERRED STOCK

	Record Date -----	Payable Date -----	Dividend per Share -----	Total Dividend -----
First Quarter 1998	March 13, 1998	March 31, 1998	\$ 54.68750	\$ 2,188
Second Quarter 1998	June 15, 1998	June 30, 1998	\$ 54.68750	\$ 2,188
Third Quarter 1998	September 15, 1998	September 30, 1998	\$ 54.68750	\$ 2,188

FIRST INDUSTRIAL REALTY TRUST, INC.  
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## 4. STOCKHOLDERS' EQUITY, CONTINUED

## SERIES C PREFERRED STOCK

	Record Date	Payable Date	Dividend per Share	Total Dividend
First Quarter 1998	March 13, 1998	March 31, 1998	\$ 53.90600	\$ 1,078
Second Quarter 1998	June 15, 1998	June 30, 1998	\$ 53.90600	\$ 1,078
Third Quarter 1998	September 15, 1998	September 30, 1998	\$ 53.90600	\$ 1,078

## SERIES D PREFERRED STOCK

	Record Date	Payable Date	Dividend per Share	Total Dividend
First Quarter 1998	March 13, 1998	March 31, 1998	\$ 30.36500	\$ 1,518
Second Quarter 1998	June 15, 1998	June 30, 1998	\$ 49.68700	\$ 2,484
Third Quarter 1998	September 15, 1998	September 30, 1998	\$ 49.68700	\$ 2,484

## SERIES E PREFERRED STOCK

	Record Date	Payable Date	Dividend per Share	Total Dividend
First Quarter 1998	June 15, 1998	June 30, 1998	\$ 7.13194	\$ 214
Second Quarter 1998	June 15, 1998	June 30, 1998	\$ 49.37500	\$ 1,480
Third Quarter 1998	September 15, 1998	September 30, 1998	\$ 49.37500	\$ 1,480

## 5. ACQUISITION OF REAL ESTATE

During the nine months ended September 30, 1998, the Company acquired 234 existing industrial properties and several land parcels. The aggregate purchase price for these acquisitions totaled approximately \$519,479, excluding costs incurred in conjunction with the acquisition of the properties.

Of the 234 existing industrial properties and several land parcels purchased by the Company during the nine months ended September 30, 1998, four existing industrial properties were purchased from Western Suburban Industrial Investments Limited Partnership ("Western") in which the sole general partner, having a 5% interest, was Tomasz/Shidler Investment Corporation, of which the sole shareholders were a Director and Director/Officer of the Company who also had a 53% and 32% limited partnership interest in Western, respectively. Further, an additional Director/Officer of the Company was a limited partner in Western having an interest of 2%. The aggregate purchase price for this acquisition totaled approximately \$7,900, excluding costs incurred in conjunction with the acquisition of the properties.

During the second quarter of 1998, the Company, through the Operating Partnership, completed an acquisition of a real estate firm for which an officer and an employee of the Company owned a 77.5% interest. Gross proceeds to the real estate firm totaled approximately \$2,349.

## 6. SALES OF REAL ESTATE

During the nine months ended September 30, 1998, the Company sold twelve existing industrial properties and five land parcels. Gross proceeds from these sales were approximately \$35,780. The gain on sales of real estate was approximately \$3,069, net of federal income taxes.

FIRST INDUSTRIAL REALTY TRUST, INC.  
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## 7. SUPPLEMENTAL INFORMATION TO STATEMENTS OF CASH FLOWS

## SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

	Nine Months Ended	
	September 30, 1998	September 30, 1997
Interest paid, net of capitalized interest .....	\$ 34,441	\$ 24,638
	=====	=====
Interest capitalized .....	\$ 2,628	\$ 595
	=====	=====
 SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:		
Dividend/Distribution payable on Common Stock/Units .....	\$ 23,735	\$ 17,706
 IN CONJUNCTION WITH THE PROPERTY ACQUISITIONS, THE FOLLOWING ASSETS AND LIABILITIES WERE ASSUMED AND OPERATING PARTNERSHIP UNITS WERE EXCHANGED:		
Purchase of real estate .....	\$ 519,479	\$ 336,180
Accrued real estate taxes and security deposits .....	(4,803)	(3,585)
Mortgage loans, Net .....	(7,926)	(4,505)
Operating Partnership		
Units .....	(47,507)	(58,518)
	-----	-----
	\$ 459,243	\$ 269,572
	=====	=====



FIRST INDUSTRIAL REALTY TRUST, INC.  
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## 8. EARNINGS PER SHARE

Earnings per share amounts are based on the weighted average amount of Common Stock and Common Stock equivalents (employee stock options) outstanding. The outstanding units in the Operating Partnership (the "Units") have been excluded from the diluted earnings per share calculation as there would be no effect on the earnings per share amounts since the minority interests' share of income would also be added back to net income. The computation of basic and diluted EPS is presented below:

	Nine Months Ended September 30, 1998 -----	Nine Months Ended September 30, 1997 -----	Three Months Ended September 30, 1998 -----	Three Months Ended September 30 1997 -----
Numerator:				
Income Before Extraordinary Loss and Cumulative Effect of Change in Accounting Principle .....	\$ 68,520	\$ 47,575	\$ 23,708	\$ 15,815
Less: Preferred Dividends .....	(22,399)	(7,610)	(8,211)	(4,245)
Net Income Available to Common Stockholders Before Extraordinary Loss and Cumulative Effect of Change in Accounting Principle - For Basic and Diluted EPS .....	46,121	39,965	15,497	11,570
Extraordinary Loss .....	--	(12,563)	--	--
Cumulative Effect of Change in Accounting Principle .....	(1,976)	--	--	--
Net Income Available to Common Stockholders - For Basic and Diluted EPS .....	<u>\$ 44,145</u>	<u>\$ 27,402</u>	<u>\$ 15,497</u>	<u>\$ 11,570</u>
Denominator:				
Weighted Average Shares - Basic .....	37,282	30,140	37,872	30,257
Effect of Dilutive Securities:				
Employee and Director Common Stock Options .....	235	286	116	298
Weighted Average Shares - Diluted .....	<u>37,517</u>	<u>30,426</u>	<u>37,988</u>	<u>30,555</u>
Basic EPS:				
Net Income Available to Common Stockholders Before Extraordinary Loss and Cumulative Effect of Change in Accounting Principle .....	<u>\$ 1.24</u>	<u>\$ 1.33</u>	<u>\$ .41</u>	<u>\$ .38</u>
Extraordinary Loss .....	<u>\$ --</u>	<u>\$ (.42)</u>	<u>\$ --</u>	<u>\$ --</u>
Cumulative Effect of Change in Accounting Principle .....	<u>\$ .05</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Net Income Available to Common Stockholders .....	<u>\$ 1.18</u>	<u>\$ .91</u>	<u>\$ .41</u>	<u>\$ .38</u>
Diluted EPS:				
Net Income Available to Common Stockholders Before Extraordinary Loss and Cumulative Effect of Change in Accounting Principle .....	<u>\$ 1.23</u>	<u>\$ 1.31</u>	<u>\$ .41</u>	<u>\$ .38</u>
Extraordinary Loss .....	<u>\$ --</u>	<u>\$ (.41)</u>	<u>\$ --</u>	<u>\$ --</u>
Cumulative Effect of Change in Accounting Principle .....	<u>\$ .05</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Net Income Available to Common Stockholders .....	<u>\$ 1.18</u>	<u>\$ .90</u>	<u>\$ .41</u>	<u>\$ .38</u>

FIRST INDUSTRIAL REALTY TRUST, INC.  
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9. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Company is involved in legal actions arising from the operation of its business. In management's opinion, the liabilities, if any, that may ultimately result from such legal actions are not expected to have a materially adverse effect on the consolidated financial position, operations or liquidity of the Company.

The Company has committed to the construction of 15 development projects totaling approximately 1.7 million square feet of GLA. The estimated total construction costs are approximately \$63,894. These developments are expected to be funded with cash flow from operations as well as borrowings under the Company's \$300,000 unsecured revolving credit facility.

10. SUBSEQUENT EVENTS

From October 1, 1998 to November 6, 1998, the Company acquired 15 industrial properties. The aggregate purchase price for these acquisitions totaled approximately \$14,847, excluding costs incurred in conjunction with the acquisition of the properties.

On September 28, 1998, the Company, through the Operating Partnership entered into a joint venture arrangement (the "September 1998 Joint Venture") with an institutional investor to invest in industrial properties. The Company, through wholly owned subsidiaries of the Operating Partnership, will own a 10% equity interest in the September 1998 Joint Venture and will provide property and asset management services to the September 1998 Joint Venture. On October 9, 1998, October 23, 1998 and November 6, 1998, the September 1998 Joint Venture acquired approximately \$100,000, \$37,000 and \$62,000, respectively, of industrial properties and expects to acquire approximately an additional \$101,000 of industrial properties. The acquisition of additional industrial properties is subject to, among other contingencies, due diligence and the negotiation of definitive documentation. There can be no assurance that such acquisitions will be completed. The Company will account for the September 1998 Joint Venture under the equity method of accounting. The Company's investment in the September 1998 Joint Venture relating to these transactions approximates \$4,000.

On October 19, 1998, the Company and the Operating Partnership paid a third quarter 1998 dividend/distribution of \$.53 per common share/Unit, totaling approximately \$23,735.

On November 5, 1998 the Company, through the Operating Partnership, settled its remaining interest rate protection agreement which was scheduled to expire on January 4, 1999. This agreement was entered into in December 1997 in anticipation of 1998 senior unsecured debt offerings. Due to the changing market conditions and the Company's expectation that it will not issue debt securities associated with the interest rate protection agreement, it is the Company's belief that the interest rate protection agreement no longer qualifies for hedge accounting treatment under generally accepted accounting principles. As a result, the Company will recognize an expense of approximately \$8,500 associated with the termination of this interest rate protection agreement in the fourth quarter of 1998.

11. RELATED PARTY TRANSACTIONS

From time to time, the Company utilizes leasing services from an entity for which one of the Company's Officers owns a 62.5% ownership interest. From January 1, 1998 through September 30, 1998, the Company has paid approximately \$200 of leasing commissions to this entity.

12. PRO FORMA FINANCIAL INFORMATION

The pro forma financial information will be filed in an amendment to the Company's Form 8-K dated November 6, 1998 as filed on November 12, 1998.

FIRST INDUSTRIAL REALTY TRUST, INC.  
 ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION  
 AND RESULTS OF OPERATIONS

The following discussion and analysis of First Industrial Realty Trust, Inc.'s (the "Company") financial condition and results of operations should be read in conjunction with the financial statements and notes thereto appearing elsewhere in this Form 10-Q.

RESULTS OF OPERATIONS

At September 30, 1998, the Company owned 1,000 in-service properties with approximately 69.9 million square feet of gross leasable area ("GLA"), compared to 494 in-service properties with approximately 41.6 million square feet of GLA at September 30, 1997. The addition of 522 properties acquired or developed between October 1, 1997 and September 30, 1998 included the acquisitions of 507 properties totaling approximately 26.1 million square feet of GLA and the completed development of 15 properties totaling approximately 3.0 million square feet of GLA. The Company also completed the expansion of two properties totaling approximately .1 million square feet of GLA and the sales of 16 in-service properties totaling approximately .9 million square feet of GLA, one property held for redevelopment and several land parcels.

COMPARISON OF NINE MONTHS ENDED SEPTEMBER 30, 1998 TO NINE MONTHS ENDED  
 SEPTEMBER 30, 1997

Rental income and tenant recoveries and other income increased by approximately \$109.2 million or 74.5% due primarily to the properties acquired or developed after December 31, 1996 (between January 1, 1997 and September 30, 1998, the Company acquired approximately \$1.4 billion of industrial properties, of which, approximately \$1.0 billion was acquired subsequent to September 30, 1997). Rental income and tenant recoveries and other income from properties owned prior to January 1, 1997, increased by approximately \$1.0 million or .9% due primarily to general rent increases offset by a decrease in tenant recovery income charges related to the decrease in operating expenses as discussed below.

Interest income on U.S. Government securities for the nine months ended September 30, 1997 represents interest income earned on U.S. Government securities that were pledged as collateral to legally defease the Company's \$300.0 million mortgage loan (the "1994 Defeased Mortgage Loan").

Property expenses, which include real estate taxes, repairs and maintenance, property management, utilities, insurance and other expenses, increased by approximately \$32.6 million or 79.4% due primarily to the properties acquired or developed after December 31, 1996 (between January 1, 1997 and September 30, 1998, the Company acquired approximately \$1.4 billion of industrial properties, of which, approximately \$1.0 billion was acquired subsequent to September 30, 1997). Expenses from properties owned prior to January 1, 1997, decreased by approximately \$.1 million or .2% due primarily to a decrease in snow removal and related expenses incurred for properties located in certain of the Company's metropolitan areas during the nine months ended September 30, 1998 as compared to the nine months ended September 30, 1997.

General and administrative expense increased by approximately \$5.6 million, of which, approximately \$3.7 million is due primarily to the additional expenses associated with managing the Company's growing operations including additional professional fees relating to additional properties owned and additional personnel to manage and expand the Company's business. Approximately \$1.9 million of the increase is the result of the adoption of Emerging Issues Task Force Issue No. 97-11, "Accounting for Internal Costs Relating to Real Estate Property Acquisitions" ("EITF 97-11"), which requires that internal costs of preacquisition activities incurred in connection with the acquisition of an operating property should be expensed as incurred. The Company adopted EITF 97-11 on March 19, 1998.

Interest expense increased by approximately \$16.8 million for the nine months ended September 30, 1998 compared to the nine months ended September 30, 1997 due primarily to a higher average debt

balance outstanding resulting from the issuance of unsecured debt to fund the acquisition and development of additional properties (between January 1, 1997 and September 30, 1998, the Company acquired approximately \$1.4 billion of industrial properties, of which, approximately \$1.0 billion was acquired subsequent to September 30, 1997).

Amortization of interest rate protection agreements and deferred financing costs decreased by approximately \$1.4 million due primarily to the full amortization of the deferred financing costs relating to the Company's 1994 Defeased Mortgage Loan which was paid off and retired on January 2, 1998, offset by amortization of deferred financing costs relating to the issuance of additional senior unsecured debt.

Depreciation and other amortization increased by approximately \$19.5 million due primarily to the additional depreciation and amortization related to the properties acquired or developed after December 31, 1996 (between January 1, 1997 and September 30, 1998, the Company acquired approximately \$1.4 billion of industrial properties, of which, approximately \$1.0 billion was acquired subsequent to September 30, 1997).

The \$1.4 million gain on disposition of interest rate protection agreements for the nine months ended September 30, 1997 represents the sale of the Company's interest rate protection agreements.

The \$3.1 million gain on sales of properties, net of federal income tax, for the nine months ended September 30, 1998 resulted from the sale of twelve existing industrial properties and five land parcels. Gross proceeds from these sales were approximately \$35.8 million.

The \$4.2 million gain on sales of properties for the nine months ended September 30, 1997 resulted from the sale of six existing industrial properties and one land parcel. Gross proceeds from these sales were approximately \$23.4 million.

The \$12.6 million extraordinary loss for the nine months ended September 30, 1997 consists of a prepayment fee on the 1994 Defeased Mortgage Loan and the write-off of unamortized deferred financing fees, legal costs and other expenses incurred in committing to retire the 1994 Defeased Mortgage Loan and in retiring the Company's \$309.8 million unsecured loan from an institutional investor (the "Defeasance Loan").

The \$2.0 million cumulative effect of change in accounting principle for the nine months ended September 30, 1998 is the result of the write-off of the unamortized balance of organizational costs on the Company's balance sheet due to the early adoption of Statement of Position 98-5, "Reporting on the Costs of Start-Up Activities" ("SOP 98-5"), as further discussed later in this Management's Discussion and Analysis.

#### COMPARISON OF THREE MONTHS ENDED SEPTEMBER 30, 1998 TO THREE MONTHS ENDED SEPTEMBER 30, 1997

Rental income and tenant recoveries and other income increased by approximately \$40.3 million or 77.5%, due primarily to the properties acquired or developed after June 30, 1997 (between July 1, 1997 and September 30, 1998, the Company acquired approximately \$1.1 billion of industrial properties, of which, approximately \$1.0 billion was acquired subsequent to September 30, 1997). Rental income and tenant recoveries and other income from properties owned prior to April 1, 1997, increased by approximately \$1.6 million or 3.2% due to general rent increases and an increase in tenant recovery income charges due to an increase in property operating expenses as discussed below.

Interest income on U.S. government securities for the three months ended September 30, 1997 represents interest income earned on U.S. Government securities that were pledged as collateral to legally defease the 1994 Defeased Mortgage Loan.

Property expenses, which include real estate taxes, repairs and maintenance, property management, utilities, insurance and other expenses, increased by approximately \$12.8 million or 93.7% due primarily

to the properties acquired or developed after June 30, 1997 (between July 1, 1997 and September 30, 1998, the Company acquired approximately \$1.1 billion of industrial properties, of which, approximately \$1.0 billion was acquired subsequent to September 30, 1997). Expenses from properties owned prior to April 1, 1997, increased by approximately \$0.7 million or 5.2% due to an increase in real estate tax expense and utilities expense in the majority of the Company's geographical markets.

General and administrative expense increased by approximately \$2.0 million, of which, approximately \$1.2 million is due primarily to the additional expenses associated with managing the Company's growing operations including additional professional fees relating to additional properties owned and additional personnel to manage and expand the Company's business. Approximately \$0.8 million of the increase is the result of the adoption of EITF 97-11 which requires that internal costs of preacquisition activities incurred in connection with the acquisition of an operating property should be expensed as incurred. The Company adopted EITF 97-11 on March 19, 1998.

Interest expense increased by approximately \$6.1 million for the three months ended September 30, 1998 compared to the three months ended September 30, 1997 due primarily to a higher average debt balance outstanding resulting from the issuance of unsecured debt to fund the acquisition and development of additional properties (between July 1, 1997 and September 30, 1998, the Company acquired approximately \$1.1 billion of industrial properties, of which, approximately \$1.0 billion was acquired subsequent to September 30, 1997).

Amortization of interest rate protection agreements and deferred financing costs decreased by approximately \$0.5 million due primarily to the full amortization of the deferred financing costs relating to the Company's 1994 Defeased Mortgage Loan which was paid off and retired on January 2, 1998, offset by amortization of deferred financing costs relating to the issuance of additional senior unsecured debt.

Depreciation and other amortization increased by approximately \$6.9 million due primarily to the additional depreciation and amortization related to the properties acquired or developed after June 30, 1997 (between July 1, 1997 and September 30, 1998, the Company acquired approximately \$1.1 billion of industrial properties, of which, approximately \$1.0 billion was acquired subsequent to September 30, 1997).

The \$0.7 million gain on sales of properties, net of federal income tax, for the three months ended September 30, 1998 resulted from the sale of five existing industrial properties and two land parcels. Gross proceeds from these sales were approximately \$6.5 million.

The \$0.2 million gain on sales of properties for the three months ended September 30, 1997 resulted from the sale of one existing industrial property and one land parcel. Gross proceeds from these sales were approximately \$1.5 million.

#### LIQUIDITY AND CAPITAL RESOURCES

At September 30, 1998, the Company's cash and cash equivalents was approximately \$5.6 million and restricted cash was approximately \$5.3 million. Included in restricted cash are approximately \$3.2 million of cash reserves required to be set aside under the Company's \$40.0 million mortgage loan (the "1995 Mortgage Loan") for payments of security deposit refunds, tenant improvements, capital expenditures, interest, real estate taxes, and insurance. The portion of the cash reserve relating to payments for capital expenditures, interest, real estate taxes, and insurance for properties collateralizing the 1995 Mortgage Loan is established monthly, distributed to the Company as such expenditures are made and is replenished to a level adequate to make the next periodic payment of such expenditures. The portion of the cash reserve relating to security deposit refunds for the tenants occupying the properties collateralizing the 1995 Mortgage Loan is adjusted as tenants turn over. Also included in restricted cash is approximately \$2.1 million of net proceeds from the sale of a property. These sales proceeds will be disbursed as the Company exchanges into properties under Section 1031 of the Internal Revenue Code.

## NINE MONTHS ENDED SEPTEMBER 30, 1998

Net cash provided by operating activities of approximately \$108.9 million for the nine months ended September 30, 1998 was comprised primarily of net income before minority interest of approximately \$74.2 million and adjustments for non-cash items of approximately \$44.5 million, offset by the net change in operating assets and liabilities of approximately \$9.8 million. The adjustments for the non-cash items are primarily comprised of depreciation and amortization, a provision for bad debts and the cumulative effect of a change in accounting principle due to the adoption of SOP 98-5 (as further discussed later in this Management's Discussion and Analysis), offset by the gain on sales of real estate and the effect of the straight-lining of rental income.

Net cash used in investing activities of approximately \$538.7 million for the nine months ended September 30, 1998 was comprised primarily of the acquisition of real estate, development of real estate, capital expenditures related to the expansion and improvement of existing real estate, closing costs from the sales of real estate and an increase in restricted cash due to a Section 1031 exchange, offset by the proceeds from the sales of real estate and the repayment of mortgage loans receivable.

Net cash provided by financing activities of approximately \$422.2 million for the nine months ended September 30, 1998 was comprised primarily of the net proceeds from the issuance of common stock, preferred stock and senior unsecured debt and a decrease in restricted cash, offset by repayments of mortgage loans and net repayments under the Company's \$300 million unsecured revolving credit facility (the "1997 Unsecured Acquisition Facility") and common and preferred stock dividends and distributions.

## NINE MONTHS ENDED SEPTEMBER 30, 1997

Net cash provided by operating activities of approximately \$67.9 million for the nine months ended September 30, 1997 was comprised primarily of net income before minority interest of approximately \$38.5 million and adjustments for non-cash items of approximately \$35.0 million, offset by the net change in operating assets and liabilities of approximately \$5.6 million. The adjustments for the non-cash items are primarily comprised of depreciation and amortization, extraordinary loss and a provision for bad debts, offset by the gain on disposition of interest rate protection agreements, the gain on sales of real estate and the effect of the straight-lining of rental income.

Net cash used in investing activities of approximately \$303.0 million for the nine months ended September 30, 1997 was comprised primarily of the acquisition of real estate, development of real estate, capital expenditures related to the expansion and improvement of existing real estate, closing costs from the sales of real estate and the funding of mortgage loans receivable, offset by the proceeds from the sales of real estate and the repayment of mortgage loans receivable.

Net cash provided by financing activities of approximately \$231.3 million for the nine months ended September 30, 1997 was comprised primarily of the net proceeds from the issuance of common stock, preferred stock and senior unsecured debt, net borrowings under the Company's \$200.0 million unsecured revolving credit facility and proceeds from the Defeasance Loan, offset by repayments of the Defeasance loan, the purchase of U.S. Government securities to defease the 1994 Defeased Mortgage Loan and common and preferred stock dividends and distributions.

## FUNDS FROM OPERATIONS AND RATIO OF EARNINGS TO FIXED CHARGES

Funds from operations for the nine months ended September 30, 1998 were \$97.1 million, as compared to \$65.1 million for the nine months ended September 30, 1997, as a result of the factors discussed in the analysis of operating results above. Management considers funds from operations to be one measure of the financial performance of an equity REIT that provides a relevant basis for comparison among REITs, and it is presented to assist investors in analyzing the performance of the Company. In accordance with the National Association of Real Estate Investment Trusts' definition of funds from operations, the Company calculates funds from operations to be equal to net income, excluding gains (or

losses) from debt restructuring and sales of property, plus depreciation and amortization, excluding amortization of deferred financing costs and interest rate protection agreements, and after adjustments for unconsolidated partnerships and joint ventures. Funds from operations do not represent cash generated from operating activities in accordance with generally accepted accounting principles and is not necessarily indicative of cash available to fund cash needs, including the payment of dividends and distributions. Funds from operations should not be considered as a substitute for net income as a measure of results of operations or for cash flow from operating activities calculated in accordance with generally accepted accounting principles as a measure of liquidity. Funds from operations as calculated by the Company may not be comparable to similarly titled, but differently calculated, measures of other REITs.

The following is a reconciliation of net income to funds from operations:

	Nine Months Ended September 30, 1998	Nine Months Ended September 30, 1997
	-----	-----
Net Income Available to Common Stockholders .....	\$ 44,145	\$ 27,402
Adjustments:		
Depreciation and Other Amortization .....	46,367	27,274
Extraordinary Items .....	--	12,563
Cumulative Effect of Change in Accounting Principle .....	1,976	--
Minority Interest .....	7,656	3,502
Gain on Sales of Properties .....	(3,069)	(4,186)
Gain on disposition of IRPA .....	--	(1,430)
	-----	-----
Funds From Operations .....	\$ 97,075	\$ 65,125
	=====	=====

The ratio of earnings to fixed charges and preferred stock dividends was 1.62 for the nine months ended September 30, 1998 compared to 1.83 for the nine months ended September 30, 1997. The decrease is primarily due to additional interest expense and preferred stock dividends incurred during the nine months ended September 30, 1998 from additional debt and preferred stock, respectively, issued to fund property acquisitions and developments, which is partially offset by higher net operating income from property acquisitions as discussed in the "Results of Operations" above.

#### INVESTMENT IN REAL ESTATE, DEVELOPMENT OF REAL ESTATE AND SALES OF REAL ESTATE

During the nine months ended September 30, 1998, the Company purchased 234 industrial properties and several land parcels, for an aggregate purchase price of approximately \$519.5 million, excluding costs incurred in conjunction with the acquisition of the properties.

Of the 234 existing industrial properties and several land parcels purchased by the Company during the nine months ended September 30, 1998, four existing industrial properties were purchased from Western Suburban Industrial Investments Limited Partnership ("Western") in which the sole general partner, having a 5% interest, was Tomasz/Shidler Investment Corporation, the sole shareholders of which were a Director of the Company and a Director/Officer of the Company who also had a 53% and 32% limited partnership interest in Western, respectively. Further, an additional Director/Officer of the Company was a limited partner in Western having an interest of 2%. The aggregate purchase price for this acquisition totaled approximately \$7.9 million, excluding costs incurred in conjunction with the acquisition of the properties.

During the second quarter of 1998, the Company, through the Operating Partnership, completed an acquisition of a real estate firm for which an officer and an employee of the Company owned a 77.5% interest. Gross proceeds to the real estate firm totaled approximately \$2.3 million.

During the nine months ended September 30, 1998, the Company sold twelve existing industrial properties and five land parcels. Gross proceeds from these sales were approximately \$35.8 million. The gain on sales of real estate was approximately \$3.1 million, net of federal income taxes.

The Company has committed to the construction of 15 development projects totaling approximately 1.7 million square feet of GLA. The estimated total construction costs are approximately \$63.9 million. These developments are expected to be funded with cash flow from operations as well as borrowings under the Company's 1997 Unsecured Acquisition Facility.

From October 1, 1998 to November 6, 1998, the Company acquired 15 industrial properties. The aggregate purchase price for these acquisitions totaled approximately \$14.8 million, excluding costs incurred in conjunction with the acquisition of the properties.

#### INVESTMENT IN JOINT VENTURES

On September 28, 1998, the Company, through the Operating Partnership entered into a joint venture arrangement (the "September 1998 Joint Venture") with an institutional investor to invest in industrial properties. The Company, through wholly owned subsidiaries of the Operating Partnership, will own a 10% equity interest in the September 1998 Joint Venture and will provide property and asset management services to the September 1998 Joint Venture. On October 9, 1998, October 23, 1998 and November 6, 1998, the September 1998 Joint Venture acquired approximately \$100 million, \$37 million and \$62 million, respectively, of industrial properties and expects to acquire approximately an additional \$101 million of industrial properties. The acquisition of additional industrial properties is subject to, among other contingencies, due diligence and the negotiation of definitive documentation. There can be no assurance that such acquisitions will be completed. The Company will account for the September 1998 Joint Venture under the equity method of accounting. The Company's investment in the September 1998 Joint Venture relating to these transactions approximates \$4 million.

#### MORTGAGE LOANS AND SENIOR UNSECURED DEBT

On April 16, 1998, the Company, through the Operating Partnership, assumed a mortgage loan in the principal amount of \$2.5 million (the "Acquisition Mortgage Loan IV"). The Acquisition Mortgage Loan IV is collateralized by one property in Baltimore, Maryland, bears interest at a fixed rate of 8.95% and provides for monthly principal and interest payments based on a 20-year amortization schedule. The Acquisition Mortgage Loan IV matures on October 1, 2006. The Acquisition Mortgage Loan IV may be prepaid only after October 2001 in exchange for the greater of a 1% prepayment fee or a yield maintenance premium.

On July 16, 1998, the Company, through the Operating Partnership, assumed a mortgage loan in the principal amount of \$2.6 million (the "Acquisition Mortgage Loan V"). The Acquisition Mortgage Loan V is collateralized by one property in Tampa, Florida, bears interest at a fixed rate of 9.01% and provides for monthly principal and interest payments based on a 30-year amortization schedule. The Acquisition Mortgage Loan V matures on September 1, 2006. The Acquisition Mortgage Loan V may be prepaid only after August 2002 in exchange for the greater of a 1% prepayment fee or a yield maintenance premium.

On August 31, 1998, the Company, through the Operating Partnership, assumed a mortgage loan in the principal amount of \$1.0 million (the "Acquisition Mortgage Loan VI"). The Acquisition Mortgage Loan VI is collateralized by one property in Portland, Oregon, bears interest at a fixed rate of 8.875% and provides for monthly principal and interest payments based on a 20-year amortization schedule. The



Acquisition Mortgage Loan VI matures on November 1, 2006. The Acquisition Mortgage Loan VI may be prepaid only after September 2001 in exchange for a 3% prepayment fee.

On August 31, 1998, the Company, through the Operating Partnership, assumed a mortgage loan in the principal amount of \$1.4 million (the "Acquisition Mortgage Loan VII"). The Acquisition Mortgage Loan VII is collateralized by one property in Milwaukie, Oregon, bears interest at a fixed rate of 9.75% and provides for monthly principal and interest payments based on a 25-year amortization schedule. The Acquisition Mortgage Loan VII matures on March 15, 2002. The Acquisition Mortgage Loan VII may be prepaid only after December 2001.

On March 31, 1998, the Company, through the Operating Partnership, issued \$100.0 million of Dealer remarketable securities which mature on April 5, 2011 and bear a coupon interest rate of 6.50% (the "2011 Drs."). The issue price of the 2011 Drs. was 99.753%. Interest is paid semi-annually in arrears on April 5 and October 5. The 2011 Drs. are callable (the "Call Option"), at the option of J.P. Morgan Securities, Inc., as Remarketing Dealer (the "Remarketing Dealer"), on April 5, 2001 (the "Remarketing Date"). The Company received approximately \$2.8 million of proceeds from the Remarketing Dealer as consideration for the Call Option. The Company will amortize these proceeds over the life of the Call Option as an adjustment to interest expense. If the holder of the Call Option calls the 2011 Drs. and elects to remarket the 2011 Drs., then after the Remarketing Date, the interest rate on the 2011 Drs. will be reset at a fixed rate until April 5, 2011 based upon a predetermined formula as disclosed in the related Prospectus Supplement. If the Remarketing Dealer elects not to remarket the 2011 Drs., then the Operating Partnership will be required to repurchase, on the Remarketing Date, any 2011 Drs. that have not been purchased by the Remarketing Dealer at 100% of the principal amount thereof, plus accrued and unpaid interest, if any. The Company also settled an interest rate protection agreement, in the notional amount of \$100.0 million, which was used to fix the interest rate on the 2011 Drs. prior to issuance. The debt issue discount and the settlement amount of the interest rate protection agreement are being amortized over the life of the 2011 Drs. as an adjustment to interest expense. The 2011 Drs. contain certain covenants including limitations on incurrence of debt and debt service coverage.

On July 14, 1998, the Company, through the Operating Partnership, issued \$200.0 million of senior unsecured debt which matures on July 15, 2028 and bears a coupon interest rate of 7.60% (the "2028 Notes"). The issue price of the 2028 Notes was 99.882%. Interest is paid semi-annually in arrears on January 15 and July 15. The Company also settled interest rate protection agreements, in the notional amount of \$150.0 million, which were used to fix the interest rate on the 2028 Notes prior to issuance. The debt issue discount and the settlement amount of the interest rate protection agreements are being amortized over the life of the 2028 Notes as an adjustment to the interest expense. The 2028 Notes contain certain covenants including limitation on incurrence of debt and debt service coverage. Approximately \$50.0 million of the 2028 Notes was purchased, through a broker/dealer, by an entity in which a Director of the Company owns greater than a ten percent interest.

On November 5, 1998 the Company, through the Operating Partnership, settled its remaining interest rate protection agreement which was scheduled to expire on January 4, 1999. This agreement was entered into in December 1997 in anticipation of 1998 senior unsecured debt offerings. Due to the changing market conditions and the Company's expectation that it will not issue debt securities associated with the interest rate protection agreement, it is the Company's belief that the interest rate protection agreement no longer qualifies for hedge accounting treatment under generally accepted accounting principles. As a result, the Company will recognize an expense of approximately \$8.5 million associated with the termination of this interest rate protection agreement in the fourth quarter of 1998.

#### ISSUANCE OF PREFERRED AND COMMON STOCK

On February 4, 1998, the Company issued 5,000,000 Depositary Shares, each representing 1/100th of a share of the Company's 7.95%, \$.01 par value, Series D Cumulative Preferred Stock (the "Series D

Preferred Stock"), at an initial offering price of \$25 per Depositary Share. Dividends on the Series D Preferred Stock represented by the Depositary Shares are cumulative from the date of initial issuance and are payable quarterly in arrears. With respect to the dividends and amounts upon liquidation, dissolution or winding up, the Series D Preferred Stock ranks senior to payments on the Company's \$.01 par value common stock ("Common Stock") and pari passu with the Company's 9 1/2%, \$.01 par value, Series A Cumulative Preferred Stock (the "Series A Preferred Stock"), 8 3/4%, \$.01 par value, Series B Cumulative Preferred Stock (the "Series B Preferred Stock"), 8 5/8%, \$.01 par value, Series C Cumulative Preferred Stock (the "Series C Preferred Stock") and Series E Preferred Stock (defined below); however, the Series A Preferred Stock has the benefit of a guarantee by First Industrial Securities, L.P. The Series D Preferred Stock is not redeemable prior to February 4, 2003. On and after February 4, 2003, the Series D Preferred Stock is redeemable for cash at the option of the Company, in whole or part, at a redemption price equivalent to \$25 per Depositary Share, or \$125.0 million in the aggregate, plus dividends accrued and unpaid to the redemption date. The Series D Preferred Stock has no stated maturity and is not convertible into any other securities of the Company.

On March 18, 1998, the Company issued 3,000,000 Depositary Shares, each representing 1/100th of a share of the Company's 7.90%, \$.01 par value, Series E Cumulative Preferred Stock (the "Series E Preferred Stock"), at an initial offering price of \$25 per Depositary Share. Dividends on the Series E Preferred Stock represented by the Depositary Shares are cumulative from the date of initial issuance and are payable quarterly in arrears. With respect to the payment of dividends and amounts upon liquidation, dissolution or winding up, the Series E Preferred Stock ranks senior to payments on the Company's Common Stock and pari passu with the Company's Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and Series D Preferred Stock; however, the Series A Preferred Stock has the benefit of a guarantee by First Industrial Securities, L.P. The Series E Preferred Stock is not redeemable prior to March 18, 2003. On and after March 18, 2003, the Series E Preferred Stock is redeemable for cash at the option of the Company, in whole or in part, at a redemption price equivalent to \$25 per Depositary Share, or \$75.0 million in the aggregate, plus dividends accrued and unpaid to the redemption date. The Series E Preferred Stock has no stated maturity and is not convertible into any other securities of the Company.

On April 23, 1998, the Company issued, in a private placement, 1,112,644 shares of \$.01 par value Common Stock (the "April 1998 Equity Offering"). The price per share in the April 1998 Equity Offering was \$32.625, resulting in gross offering proceeds of \$36.3 million. Proceeds to the Company, net of purchaser's discount and total offering expenses, were approximately \$34.1 million.

During the nine months ended September 30, 1998, the Company awarded 51,850 shares of restricted Common Stock to certain employees and 1,887 shares of restricted Common Stock to certain Directors. Other employees of the Company converted certain employee stock options to 13,602 shares of restricted Common Stock. These shares of restricted Common Stock had a fair value of \$2.3 million on the date of grant. The restricted Common Stock vests over a period from five to ten years. Compensation expense will be charged to earnings over the respective vesting period.

On January 2, 1998, the Company granted 4,370,000 non-qualified employee stock options. These stock options vest over three years based upon certain performance measures. The stock options have a strike price of \$35.8125 per share and expire ten years from the date of grant.

On May 14, 1998, the Company granted 899,000 non-qualified employee stock options. These stock-options vest over one year and have a strike price of \$31.13 per share. These stock options expire between seven and ten years from the date of grant.

#### DIVIDENDS/DISTRIBUTIONS

On January 20, 1998, the Company and the Operating Partnership paid a fourth quarter 1997 distribution of \$.53 per common share/Unit, totaling approximately \$22.0 million. On April 20, 1998, the

Company and Operating Partnership paid a first quarter 1998 distribution of \$.53 per common share/Unit, totaling approximately \$22.5 million. On July 20, 1998, the Company and the Operating Partnership paid a second quarter 1998 distribution of \$.53 per common share/Unit, totaling approximately \$23.6 million. On October 19, 1998, the Company and the Operating Partnership paid a third quarter 1998 distribution of \$.53 per common share/Unit, totaling approximately \$23.7 million.

On March 31, 1998, the Company paid first quarter preferred stock dividends of \$.59375 per share on its Series A Preferred Stock, \$54.688 per share (equivalent to \$.54688 per Depositary Share) on its Series B Preferred Stock, \$53.906 per share (equivalent to \$.53906 per Depositary Share) on its Series C Preferred Stock and a period prorated first quarter preferred stock dividend of \$30.365 per share (equivalent to \$.30365 per Depositary Share) on its Series D Preferred Stock. The preferred stock dividends paid on March 31, 1998 totaled, in the aggregate, approximately \$5.8 million. On March 31, 1998, the Company accrued a first quarter period prorated preferred stock dividend of \$.713194 per share (equivalent to \$.0713194 per Depositary Share), totaling \$.2 million, on its Series E Preferred Stock.

On June 30, 1998, the Company paid second quarter preferred stock dividends of \$.59375 per share on its Series A Preferred Stock, \$54.688 per share (equivalent to \$.54688 per Depositary Share) on its Series B Preferred Stock, \$53.906 per share (equivalent to \$.53906 per Depositary Share) on its Series C Preferred Stock and \$49.687 per share (equivalent to \$.49687 per Depositary Share) on its Series D Preferred Stock and a period prorated first quarter dividend and a second quarter dividend totaling \$56.5069 per share (equivalent to \$.565069 per Depositary Share) on its Series E Preferred Stock. The preferred stock dividends paid on June 30, 1998 totaled, in the aggregate, approximately \$8.4 million.

On September 30, 1998, the Company paid third quarter preferred stock dividends of \$.59375 per share on its Series A Preferred Stock, \$54.688 per share (equivalent to \$.54688 per Depositary Share) on its Series B Preferred Stock, \$53.906 per share (equivalent to \$.53906 per Depositary Share) on its Series C Preferred Stock and \$49.687 per share (equivalent to \$.49687 per Depositary Share) on its Series D Preferred Stock and \$49.375 per share (equivalent to \$.49375 per Depositary Share) on its Series E Preferred Stock. The preferred stock dividends paid on September 30, 1998 totaled, in the aggregate, approximately \$8.2 million.

#### SHORT-TERM AND LONG-TERM LIQUIDITY NEEDS

The Company has considered its short-term (one year or less) liquidity needs and the adequacy of its estimated cash flow from operations and other expected liquidity sources to meet these needs. The Company believes that its principal short-term liquidity needs are to fund normal recurring expenses, debt service requirements and the minimum distribution required to maintain the Company's REIT qualification under the Internal Revenue Code. The Company anticipates that these needs will be met with cash flows provided by operating activities.

The Company expects to meet long-term (greater than one year) liquidity requirements such as property acquisitions, scheduled debt maturities, major renovations, expansions and other nonrecurring capital improvements through long-term secured and unsecured indebtedness and the issuance of additional equity securities. As of September 30, 1998 and November 6, 1998, \$589.2 million of common stock, preferred stock and depositary shares and \$100.0 million of debt securities were registered and unissued under the Securities Act of 1933, as amended. The Company may finance the development or acquisition of additional properties through borrowings under the 1997 Unsecured Acquisition Facility. At September 30, 1998, borrowings under the 1997 Unsecured Acquisition Facility bore interest at a weighted average interest rate of 6.49%. As of November 6, 1998, the Company had approximately \$153.2 million available in additional borrowings under the 1997 Unsecured Acquisition Facility. Along with the Company's current strategy of meeting long-term liquidity requirements through the issuance, from time to time, of long-term secured and unsecured indebtedness and additional equity securities, the

Company is actively considering joint ventures with various institutional partners and the disposition of select assets as additional financing strategies. On September 28, 1998, the Company, through the Operating Partnership, entered into the September 1998 Joint Venture. On October 9, 1998, October 23, 1998 and November 6, 1998, the September 1998 Joint Venture obtained financing for the acquisition of approximately \$100 million, \$37 million and \$62 million of industrial properties, respectively. The Company expects the September 1998 Joint Venture to obtain financing for the acquisition of an additional approximately \$101 million of industrial properties. Such additional financing of acquisitions by the September 1998 Joint Venture is subject to, among other contingencies, due diligence and the negotiation of definitive documentation. There can be no assurance that the September 1998 Joint Venture will be successful in obtaining such additional financing.

#### RELATED PARTY TRANSACTIONS

From time to time, the Company utilizes leasing services from an entity for which one of the Company's Officers owns a 62.5% ownership interest. From January 1, 1998 through September 30, 1998, the Company has paid approximately \$.2 million of leasing commissions to this entity.

#### YEAR 2000 COMPLIANCE

The Year 2000 compliance issue concerns the inability of computerized information systems and non-information systems to accurately calculate, store or use a date after 1999. This could result in computer systems failures or miscalculations causing disruptions of operations. The Year 2000 issue affects almost all companies and organizations.

The Company has discussed its software applications and internal operational programs with its current information systems' vendor and, based on such discussions, believes that such applications and programs will properly recognize calendar dates beginning in the year 2000. The Company is discussing with its material third-party service providers, such as its banks, payroll processor and telecommunications provider, their Year 2000 compliance and is assessing what effect their possible non-compliance might have on the Company. In addition, the Company is discussing with its material vendors the possibility of any interface difficulties and/or electrical or mechanical problems relating to the year 2000 which may affect properties owned by the Company. The Company has also surveyed substantially all of its tenants to determine the status of their Year 2000 compliance and what effect their possible non-compliance might have on the Company. The Company is currently processing the information obtained from such tenant surveys and remains in discussions with its material vendors and third-party service providers. Of the tenant surveys processed to date, all have stated that they are Year 2000 compliant or will be Year 2000 compliant by the end of 1999. The Company plans to complete its assessment of Year 2000 compliance by such parties by March 31, 1999. Until such time the Company cannot estimate any potential adverse impact resulting from the failure of tenants, vendors or third-party service providers to address their Year 2000 issues; however, to date, no significant Year 2000-related conditions have been identified.

Because the Company's evaluation of its Year 2000 issues has been conducted by its own personnel or by its vendors in connection with their servicing operations, the Company believes that its expenditures for assessing its Year 2000 issues, though difficult to quantify, to date have not been material. In addition, the Company is not aware of any Year 2000-related conditions that it believes would likely require any material expenditures by the Company in the future.

Based on its current information, the Company believes that the risk posed by any foreseeable Year 2000-related problem with its internal systems and the systems at its properties (including both information and non-information systems) or with its vendors or tenants is minimal. Year 2000-related problems with the Company's software applications and internal operational programs or with the

electrical or mechanical systems at its properties are unlikely to cause more than minor disruptions in the Company's operations. The Company believes that the risk posed by Year 2000-related problems at certain of its third-party service providers, such as its banks, payroll processor and telecommunications provider is marginally greater, though, based on its current information, the Company does not believe any such problems would have a material effect on its operations. Any Year 2000 related problems at such third-party service providers could delay the processing of financial transactions and the Company's payroll and could disrupt the Company's internal and external communications. At this time, the Company has not developed and does not anticipate developing any contingency plans with respect to Year 2000 issues. In addition, the Company has no plans to seek independent verification or review of its assessment of its Year 2000 issues. The Company does intend to complete its assessment of, and to continue to monitor, its Year 2000 issues and will develop contingency plans if, and to the extent, deemed necessary.

While the Company believes that it will be Year 2000 compliant by December 31, 1999, there can be no assurance that the Company has been or will be successful in identifying and assessing Year 2000 issues, or that, to the extent identified, the Company's efforts to remediate such issues will be effective such that Year 2000 issues will not have a material adverse effect on the Company's business, financial condition or results of operation.

#### OTHER

In June 1997, the Financial Accounting Standards Board (the "FASB") issued Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income". This statement, effective for fiscal years beginning after December 15, 1997, requires the Company to report components of comprehensive income in a financial statement that is displayed with the same prominence as other financial statements. Comprehensive income is defined by Concepts Statement No. 6, "Elements of Financial Statements" as the change in the equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. It includes all changes in equity during a period except those resulting from investments by owners and distributions to owners. The Company's net income available to common stockholders approximates its comprehensive income as defined in Concepts Statement No. 6, "Elements of Financial Statements".

In June 1997, the FASB issued Statement of Financial Accounting Standards No. 131, "Disclosures about Segments of an Enterprise and Related Information". This statement, effective for financial statements for fiscal years beginning after December 15, 1997, requires that a public business enterprise report financial and descriptive information about its reportable operating segments. Generally, financial information is required to be reported on the basis that it is used internally for evaluating segment performance and deciding how to allocate resources to segments. The Company will disclose this information in its 1998 Form 10-K.

In March 1998, the FASB's Emerging Issues Task Force (the "Task Force") issued Emerging Issues Task Force Issue No. 97-11, "Accounting for Internal Costs Relating to Real Estate Property Acquisitions" ("EITF 97-11"). EITF 97-11, effective March 19, 1998, requires that internal costs of preacquisition activities incurred in connection with the acquisition of an operating property should be expensed as incurred. The Task Force concluded that a property is considered operating if, at the date of acquisition, major construction activity is substantially completed on the property and (a) it is held available for occupancy upon completion of tenant improvements by the acquirer or (b) it is already income producing. The Company adopted EITF 97-11 as of March 19, 1998. Prior to March 19, 1998, the Company capitalized internal costs of preacquisition activities incurred in connection with the acquisition of operating properties. The Company estimates that the adoption of EITF 97-11 will result in a

cumulative increase of approximately \$2.5 million to \$3.0 million in the amount of general and administrative expense reflected in the Company's consolidated statement of operations in 1998.

In April 1998, the Accounting Standards Executive Committee of the American Institute of Certified Public Accountants issued Statement of Position 98-5, "Reporting on the Costs of Start-Up Activities" ("SOP 98-5"). SOP 98-5 requires that the net unamortized balance of all start up costs and organizational costs be written off as a cumulative effect of a change in accounting principle and all future start-up costs and organizational costs be expensed. In the second quarter of 1998, the Company reported a cumulative effect of a change in accounting principle in the amount of approximately \$2.0 million to reflect the write-off of the unamortized balance of organizational costs on the Company's balance sheet.

During the second quarter of 1998, the FASB issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities". This statement, effective for fiscal years beginning after June 15, 1999, establishes accounting and reporting standards requiring that every derivative instrument, including certain derivative instruments imbedded in other contracts, be recorded in the balance sheet as either an asset or liability measured at its fair value. The statement also requires that the changes in the derivative's fair value be recognized in earnings unless specific hedge accounting criteria are met. The Company is currently assessing the impact of this new statement on its consolidated financial position, liquidity, and results of operations.

## PART II. OTHER INFORMATION

## ITEM 1. LEGAL PROCEEDINGS

None.

## ITEM 2. CHANGES IN SECURITIES

None.

## ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

## ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

## ITEM 5. OTHER INFORMATION

On November 11, 1998, First Industrial Realty Trust, Inc. announced that Michael T. Tomasz resigned as the Company's President and Chief Executive Officer and as a Director to pursue other personal and business interests. On November 11, 1998, the Board of Directors appointed Michael W. Brennan as President and Chief Executive Officer.

## ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

Exhibit No.	Description
-----	-----
4.1	Supplemental Indenture No. 5, dated as of July 14, 1998, between First Industrial, L.P. and U.S. Bank Trust National Association relating to First Industrial, L.P.'s 7.60% Notes due July 15, 2008 (incorporated by reference to Exhibit 4.1 of the Form 8-K of First Industrial, L.P. dated July 15, 1998, File No. 333-21873)
10.1	Sixth Amended and Restated Limited Partnership Agreement of First Industrial, L.P. (the "L.P. Agreement"), dated March 18, 1998 (incorporated by reference to Exhibit 10.1 of the Company's Annual Report on Form 10-K for the year ended December 31, 1997, File No. 1- 13102)
10.2*	Sixth Amendment to the L.P. Agreement dated August 31, 1998
10.3*	Seventh Amendment to the L.P. Agreement dated October 21, 1998
10.4*	Eighth Amendment to the L.P. Agreement dated October 30, 1998
10.5*	Ninth Amendment to the L.P. Agreement dated November 5, 1998
27.1*	Financial Data Schedule for the Nine Months Ended September 30, 1998
27.2*	Financial Data Schedule for the Nine Months Ended September 30, 1997 (Restated)
99 *	Press Release dated November 11, 1998
*	Filed herewith.

## Reports on Form 8-K:

Report on Form 8-K dated November 6, 1998, filed November 12, 1998, relating to the acquisition of 74 industrial properties.

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The Company has prepared supplemental financial and operating information which is available without charge upon request to the Company. Please direct requests as follows:

First Industrial Realty Trust, Inc.  
311 S. Wacker, Suite 4000  
Chicago, IL 60606  
Attention: Investor Relations



SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FIRST INDUSTRIAL REALTY TRUST, INC.

Date: November 12, 1998

By: /s/ Michael J. Havala

-----  
Michael J. Havala  
Chief Financial Officer  
(Principal Financial and Accounting  
Officer)

## EXHIBIT INDEX

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SIXTH AMENDMENT TO  
SIXTH AMENDED AND RESTATED  
LIMITED PARTNERSHIP AGREEMENT OF  
FIRST INDUSTRIAL, L.P.

As of August 31, 1998, the undersigned, being the sole general partner of First Industrial, L.P. (the "PARTNERSHIP"), a limited partnership formed under the Delaware Revised Uniform Limited Partnership Act and pursuant to the terms of that certain Sixth Amended and Restated Limited Partnership Agreement, dated March 18, 1998 (as amended by the first amendment thereto dated April 1, 1998 and the second amendment thereto dated April 3, 1998, the third amendment thereto dated April 16, 1998, the fourth amendment thereto dated June 24, 1998, and the fifth amendment thereto dated July 16, 1998) (collectively, the "PARTNERSHIP AGREEMENT"), does hereby amend the Partnership Agreement as follows:

Capitalized terms used but not defined in this Sixth Amendment shall have the same meanings that are ascribed to them in the Partnership Agreement.

1. ADDITIONAL LIMITED PARTNERS. The Persons identified on EXHIBIT 1A hereto are hereby admitted to the Partnership as Additional Limited Partners owning the number of Units and having made the Capital Contributions set forth on such EXHIBIT 1A. Such persons hereby adopt the Partnership Agreement. The undersigned acknowledges that those of the Persons identified on EXHIBIT 1A hereto that are Substituted Limited Partners have received their Partnership Interests from various Additional Limited Partners, and the undersigned hereby consents to such transfers.

2. SCHEDULE OF PARTNERS. EXHIBIT 1B to the Partnership Agreement is hereby deleted in its entirety and replaced by EXHIBIT 1B hereto which identifies the Partners following consummation of the transactions referred to in Section 1 hereof.

3. PROTECTED AMOUNTS. In connection with the transactions consummated pursuant to that certain Contribution Agreement (the "CONTRIBUTION AGREEMENT"), dated as of August 31, 1998, by and between FR Acquisitions, Inc., a Maryland corporation (it having assigned its entire right, title and interest in and to the Contribution Agreement to the Partnership), and D.W. Sivvers Co., an Oregon corporation, Sivvers Investment Partnership, an Oregon general partnership, Sivvers Family Real Property L.L.C., an Oregon limited liability company, Wendell C. Sivvers Marital Trust, u/w/d February 20, 1981, and Dennis W. Sivvers, certain Protected Amounts are being established for the Additional Limited Partners admitted pursuant to this Amendment, which Protected Amounts are reflected on EXHIBIT 1D attached hereto and shall be incorporated as part of EXHIBIT 1D of the Partnership Agreement.

4. RATIFICATION. Except as expressly modified by this Sixth Amendment, all of the provisions of the Partnership Agreement are affirmed and ratified and remain in full force and effect.

IN WITNESS WHEREOF, the undersigned has executed this amendment as of the date first written above.

FIRST INDUSTRIAL REALTY TRUST, INC., as  
sole general partner of the Partnership

By: /s/ Michael W. Brennan  
-----  
Name: Michael W. Brennan  
-----  
Title: Chief Operating Officer  
-----

EXHIBIT 1A  
SCHEDULE OF ADDITIONAL LIMITED PARTNERS

----- ADDITIONAL LIMITED PARTNERS -----	NUMBER OF UNITS	CAPITAL CONTRIBUTION
D.W. Sivers Co.	118,265	\$3,547,950.95
Sivers Investment Partnership	283,500	8,505,000.63
Sivers Family Real Property Limited Liability Company	12,062	361,860.37
Wendell C. Sivers Marital Trust u/w/d February 20, 1981	14,020	420,600.40
Dennis W. Sivers	27,636	829,080.65

EXHIBIT 1B  
SCHEDULE OF PARTNERS

GENERAL PARTNER -----	NUMBER OF UNITS -----
First Industrial Realty Trust, Inc.	30,892,739
LIMITED PARTNERS -----	NUMBER OF UNITS -----
Aimee Freyer Lifetime Trust dated 11/1/65	2,384
Daniel R. Andrew, TR of the Daniel R. Andrew Trust UA Dec 29 92	137,489
Charles T. Andrews	754
Gordon E. Atkins	6,767
William J. Atkins	22,381
E. Donald Bafford	3,374
William Baloh	8,582
Edward N. Barad	2,283
UA dated April 11, 1996 Blurton 1996 Revocable Family Trust	598
James Bolt	5,587
Harriett Bonn	28,804
Michael W. Brennan	3,806
Robert Brown	2,123
Henry D. Bullock & Terri D. Bullock & Shawn Stevenson TR of the Bullock Childrens Education Trust UA Dec 20 94, FBO Benjamin Dure Bullock	1,970
Henry D. Bullock & Terri D. Bullock & Shawn Stevenson TR of the Bullock Childrens Education Trust UA Dec 20 94, FBO Christine Laurel Bullock	1,970
Henry D. Bullock & Terri D. Bullock TR of the Henry D. & Terri D. Bullock Trust UA Aug 28 92	9,126
Edward Burger	9,261
Calamer Inc.	1,233
Perry C. Caplan	1,388
Irwin Carasso	17,192
Carol P. Freyer Lifetime Trust dated 11/1/72	2,384
The Carthage Partners LLC	34,939
Cliffwood Development Company	64,823

LIMITED PARTNERS -----	NUMBER OF UNITS -----
Collins Family Trust dated 5/6/69	137,808
Kelly Collins	11,116
Michael Collins	17,369
Charles S. Cook and Shelby H. Cook, tenants in the entirety	634
Caroline Atkins Coutret	7,327
David Cleborne Crow	5,159
Gretchen Smith Crow	2,602
Michael G. Damone, TR of the Michael G. Damone Trust UA Nov 4 69	144,296
Myrna R. Debilak	5,447
Robert L. Denton	6,286
C G Property Development	27,975
W Allen Doane, trustee of the W Allen Doane Trust U-A 05-31-91	4,416
Timonthy Donohue	1,000
Darwin B. Dosch	1,388
Charles F. Downs	1,508
Greg and Christina Downs, joint tenants	474
Gregory Downs	48
Draizin Family Partnership, LP	357,896
Joseph S. Dresner	149,531
Ethel Road Associates	29,511
James Kozen, trustee U-A dated 02/24/86	33,031
Farlow Road Associates Limited Partnership	2,751
Fitz & Smith Partnership	3,410
Fourbur Family Co., L.P.	620,273
Gamma Three Associates Limited Partnership	3,338
Dennis G. Goodwin and Jeannie L. Goodwin, tenants in the entirety	6,166
Clay Hamlin & Lynn Hamlin, joint tenants with rights of survivorship	15,159
Henry E. Dietz Trust UA Jan 16 81	36,476
Highland Associates Limited Partnership	69,039
Robert W. Holman Jr.	150,146
Holman/Shidler Investment Corporation	22,079
Steven B. Hoyt	175,000

LIMITED PARTNERS -----	NUMBER OF UNITS -----
Internal Investment Company	3,016
Frederick K. Ito	3,880
The Jack Friedman Revocable Living Trust UA March 23, 1978	26,005
Jayeff Associates Limited Partnership	16,249
Michael W. Jenkins	3,917
Jernie Holdings Corp.	180,499
John E. De B Blockey Trust	8,293
Thomas J. Johnson, Jr. and Sandra L. Johnson, tenants in the entirety	2,142
Nourhan Kailian	2,183
Peter Kepic	9,261
Lambert Investment Corporation	13,606
Paul T. Lambert	39,749
Constance Lazarus	417,961
Jerome Lazarus	18,653
LGR Investment Fund Ltd	22,556
Malcolm Properties, L.L.C.	25,342
Princeton South at Lawrenceville LLC	4,692
Shidler Equities LP	254,541
Duane Lund	617
R. Craig Martin	754
J. Stanley Mattison	12
Eileen Millar	2,922
Linda Miller	2,000
The Milton Dresner Revocable Trust UA October 22, 1976	149,531
Montrose Kennedy Associates	4,874
Peter Murphy	56,184
Anthony Muscatello	81,654
Joseph Musti	1,508
Dean A. Nachtigall	10,076
New Land Associates Limited Partnership	1,664
North Star Associates Limited Partnership	19,333
Arden O'Connor	13,845
Peter O'Connor	66,181

LIMITED PARTNERS -----	NUMBER OF UNITS -----
Princeton South at Lawrenceville One	4,426
Eduardo Paneque	2,000
Partridge Road Associates Limited Partnership	2,751
R.C.P. Associates, a New Jersey limited partnership	3,060
Jack F. Ream	1,071
Glenn C. Rexroth and Linda A. Rexroth, as tenants in the entirety	2,142
James C. Reynolds	40,154
Andre G. Richard	1,508
RJB Ford City Limited Partnership	158,438
RJB II Limited Partnership	40,788
Edward C. Roberts and Rebecca S. Roberts, tenants in the entirety	8,308
W.F.O. Rosenmiller	634
Edward Jon Sarama	634
Shadeland Associates Limited Partnership	42,976
Shadeland Corporation	4,442
Jay H. Shidler	66,984
Jay H. Shidler and Walette A. Shidler, tenants in the entirety	1,223
Shidler Equities LP	254,541
Michael B. Slade	2,829
David W. Smith, and Doris L. Smith, tenants in the entirety	754
Gary L. Smith and Joyce A. Smith, tenants in the entirety	1,508
Kevin Smith	13,571
South Broad Company	72,421
South Gold Company	82,433
SRS Partnership	2,142
UA Dated May 21, 1996 FBO Robert Stein	56,778
S. Larry Stein	56,778
Jonathan Stott	80,026
Suburban Roseland Associates, a Limited Partnership	3,002
Thelma C. Gretzinger Trust	450



## LIMITED PARTNERS

## NUMBER OF UNITS

-----	-----
Thomas K. Barad & Jill E. Barad, Co-Trustees of the Thomas K. Barad & Jill E. Barad Trust Dated 10-18-89	2,283
Michael T. Tomasz	25,847
Barry L. Tracey	2,142
Van Brunt Associates	39,370
Worlds Fair Associates	6,134
Worlds Fair III Associates	14,094
The Worlds Fair Office Associates	3,343
Worlds Fair Partners Limited Partnership	1,664
The Worlds Fair V Associates	3,340
The Worlds Fair 25 Associates	13,677
BSDK Enterprises	3,596
Estate of Albert Sklar	3,912
Rand H. Falbaum	17,022
William M. Fausone	16,480
Elizabeth Fitzpatrick	3,800
Fred Trust dated 6/16/77	653
Carol P. Freyer	12,173
Lee Karen Freyer	10,665
Aimee Freyer-Valls	12,173
David Fried	1,326
Ester Fried	3,177
Douglas Frye	2,216
J. Peter Gaffney	727
Gerlach Family Trust dated 6/28/85	874
Patricia O. Godchaux	9,387
Timothy Gudim	27,782
Timothy & Melissa Gudim, joint tenants	3,285
H/Airport GP Inc.	1,433
Vivian Hack	22,522
Martha J. Harbinson	3,329
Turner Harshaw	1,132
Cathleen Hession	3,137
Howard Trust dated 4/30/79	653

LIMITED PARTNERS -----	NUMBER OF UNITS -----
John A. and Gloria H. Sage Family Trust UDT dated 6/7/94	15,864
L. Chris Johnson	3,196
Johnson Living Trust dated 2/18/83	1,078
Charles Mark Jordan	57
JPG Investment	919
David R. Kahnweiler	5,436
Thomas Kendall	546
Kirshner Family Trust #1 dated 4/8/76	29,558
Kirshner Trust #4 FBO Todd Kirshner	20,258
Kolpack MD Pension	994
Chester A. Latcham	2,493
Lee Karen Freyer Lifetime Trust dated 11/1/65	2,384
Georgia Leonard	664
Robert Leonard III	5,856
Steve Leonard	37,645
Leslie A. Rubin LTD	4,048
CLMM LLC	3,825
PAC-II LLC	17,356
Sealy Professional Drive LLC	2,906
Sealy Unitholder LLC	31,552
SPM Industrial LLC	5,262
Reyem Partners LP	8,489
Henry E. Mawicke	636
Richard McClintock	623
McElroy Management Inc.	5,478
MCS Properties, Inc.	5,958
Lila Atkins Mulkey	7,327
James Muslow, Jr.	4,911
Adel Nassif	4,910
Kris Nielsen	28
Catherine A. O'Brien	832
Martha E. O'Brien	832
Steve Ohren	31,828
Pacifica Holding Company	97,870

LIMITED PARTNERS -----	NUMBER OF UNITS -----
Sybil T. Patten	1,816
Betty S. Phillips	3,912
Jeffrey Pion	2,879
Pipkin Family Trust dated 10/6/89	3,140
Robert J. Powers	37,674
Manor Properties	143,408
Elizabeth Hutton Hagen Fitzpatrick IRA dated 9/1/91	607
Robert S. Hood Living Trust dated 1/9/90 & Amended 12/16/96	3,591
James Sage	2,156
Kathleen Sage	3,350
Wilton Wade Sample	5,449
Sealy & Company, Inc.	37,119
Sealy Florida, Inc.	675
Mark P. Sealy	8,451
Sealy Real Estate Services, Inc.	148,478
Scott P. Sealy	40,902
Marilyn Rangel IRA dated 2/5/86	969
Siskel Family Partnership	11,359
Siskel Revocable Trust 1987 dated 4/17/1987	10,087
Suzanne Siskel	3,802
Steve Smith	386
Sterling Alsip trust dated August 1, 1989	794
Sterling Family Trust dated 3/27/80	3,559
Donald C. Thompson	39,243
TUT Investments I LLC	5,274
William S. Tyrrell	2,906
Van Gilder Family Partnership	2,262
Virginia B. and Norton Sharpe Living trust UDT dated 4/26/96	12,055
Steve Walbridge	338
Richard Walker, Jr.	963
Charles Kendall Jr. Rollover IRA dated 1/21/93	656
William B. Wiener, Jr.	41,119
Patricia Wiener-Shifke	12,944

LIMITED PARTNERS -----	NUMBER OF UNITS -----
William J. Mallen Trust dated 4/29/94	8,016
Fred Wilson	35,787
World's Fair Thirty	1,442
Wolsum, Inc.	2,427
Johannson Yap	1,680
Gerald & Sharon Zuckerman	615
Stephen Mann	15,017
Stanley Gruber	30,032
Seymour Israel	15,016
J. O'Neil Duffy, Sr.	513
James O. Duffy, Jr.	513
Garrett E. Sheehan	513
Sam Shamie Trust Agreement dated March 16, 1978, as restated on November 16, 1993	337,753
Richard H. Zimmerman Living Trust dated October 15, 1990, as amended	47,174
Keith J. Pomeroy Revocable Trust Agreement, dated December 13, 1976, as amended and restated on June 28, 1995	128,783
Enid Braden Trust of June 28, 1995	18,464
Sam L. Yaker Revocable Trust Agreement dated February 14, 1984	30,285
Armenag Kalaydjian Revocable Trust Agreement dated February 28, 1984	21,655
RBZ LLC	124
KEP LLC	78,873
ESAA Associates Limited Partnership	19,367
Paul F. Obrecht, Jr.	5,289
Richard F. Obrecht	5,289
Thomas F. Obrecht	5,289
George F. Obrecht	5,289
Joan R. Kreiger Revocable Trust	15,184
William L. Kreiger, Jr.	3,374
Elmer H. Wingate	1,688
Apollo/Pacifica Bryant LLC	42,977
Edwin and Cathleen Hession	7,987
D.W. Sivers Co.	118,265

## LIMITED PARTNERS

## NUMBER OF UNITS

LIMITED PARTNERS	NUMBER OF UNITS
Sivers Investment Partnership	283,500
Sivers Family Real Property Limited Liability Company	12,062
Wendell C. Sivers Marital Trust u/w/d February 20, 1981	14,020
Dennis W. Sivers	27,636

## EXHIBIT 1D

CONTRIBUTOR PARTNER -----	PROTECTED AMOUNT -----
Sivers Family Real Property Limited Liability Company	*see below
Dennis W Sivers	*see below
Wendell C. Sivers Marital Trust u/w/d February 20, 1981	*see below
D.W. Sivers Co.	*see below
Sivers Investment Partnership	*see below

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\*An amount equal to (a) the taxable gain, if any, that would be realized by such Additional Limited Partner if such Additional Limited Partner were to dispose of its Interest for no consideration other than the release or deemed release of liabilities of the Partnership assumed by or otherwise allocable to such Additional Limited Partner under Code Section 752, as such hypothetical gain is determined from time to time, less (b) such Additional Limited Partner's share of "qualified nonrecourse financing" as defined in Code Section 465(b)(6) and the Treasury Regulations thereunder, as such share is determined in accordance with Treasury Regulations Section 1.752-3(a).

SEVENTH AMENDMENT TO  
SIXTH AMENDED AND RESTATED  
LIMITED PARTNERSHIP AGREEMENT OF  
FIRST INDUSTRIAL, L.P.

The undersigned, being the sole general partner of First Industrial, L.P. (the "Partnership"), a limited partnership formed under the Delaware Revised Uniform Limited Partnership Act and pursuant to the terms of that certain Sixth Amended and Restated Limited Partnership Agreement dated March 18, 1998, as amended (the "Partnership Agreement") does hereby amend the Partnership Agreement as follows:

Capitalized terms used but not defined in this Seventh Amendment shall have the same meanings that are ascribed to them in the Partnership Agreement.

1. Additional Limited Partners. The Persons identified on Schedule 1 hereto are hereby admitted to the Partnership as Additional Limited Partners owning the number of Units and having made the Capital Contributions set forth on such Schedule 1. Such persons hereby adopt the Partnership Agreement.

2. Schedule of Partners. Exhibit 1B to the Partnership Agreement is hereby deleted in its entirety and replaced by Exhibit 1B hereto which identifies the Partners following consummation of the transactions referred to in Section 1 hereof.

3. Ratification. Except as expressly modified by this Seventh Amendment, all of the provisions of the Partnership Agreement are affirmed and ratified and remain in full force and effect.

4. Dated: October 21, 1998

FIRST INDUSTRIAL REALTY TRUST, INC.  
As sole General Partner of the Partnership

By: \_\_\_/s/ Michael W. Brennan\_\_\_\_\_  
Name: Michael W. Brennan  
Title: Chief Operating Officer

SCHEDULE 1  
ADDITIONAL LIMITED PARTNERS

ADDITIONAL LIMITED PARTNERS	NUMBER OF UNITS	CAPITAL CONTRIBUTION
-----		
Jack H. Kulka	330	\$8,013.06
Babette Kulka	330	\$8,013.06
Jeffrey L. Greenberg	330	\$8,013.06
Martin Eglow	330	\$8,013.06
James J. Warfield	330	\$8,013.06



EXHIBIT 1B  
SCHEDULE OF PARTNERS

GENERAL PARTNER	NUMBER OF UNITS
First Industrial Realty Trust, Inc.	30,892,739

LIMITED PARTNERS	NUMBER OF UNITS
Aimee Freyer Lifetime Trust dated 11/1/65	2,384
Daniel R. Andrew, TR of the Daniel R. Andrew Trust UA Dec 29 92	137,489
Charles T. Andrews	754
Gordon E. Atkins	6,767
William J. Atkins	22,381
E. Donald Bafford	3,374
William Baloh	8,582
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Harriett Bonn	28,804
Michael W. Brennan	3,806
Robert Brown	2,123
Henry D. Bullock & Terri D. Bullock & Shawn Stevenson TR of the Bullock Childrens Education Trust UA Dec 20 94, FBO Benjamin Dure Bullock	1,970
Henry D. Bullock & Terri D. Bullock & Shawn Stevenson TR of the Bullock Childrens Education Trust UA Dec 20 94, FBO Christine Laurel Bullock	1,970

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Edward Burger	9,261
Calamer Inc.	1,233
Perry C. Caplan	1,388
Irwin Carasso	17,192
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Michael Collins	17,369
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Caroline Atkins Coutret	7,327
David Cleborne Crow	5,159
Gretchen Smith Crow	2,602
Michael G. Damone, TR of the Michael G. Damone Trust UA Nov 4 69	144,296
Myrna R. Debilak	5,447
Robert L. Denton	6,286
C G Property Development	27,975
W Allen Doane, trustee of the W Allen Doane Trust U-A 05-31-91	4,416
Timothy Donohue	1,000

LIMITED PARTNERS -----	NUMBER OF UNITS -----
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Charles F. Downs	1,508
Greg and Christina Downs, joint tenants	474
Gregory Downs	48
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Joseph S. Dresner	149,531
Ethel Road Associates	29,511
James Kozen, trustee U-A dated 02/24/86	33,031
Farlow Road Associates Limited Partnership	2,751
Fitz & Smith Partnership	3,410
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Gamma Three Associates Limited Partnership	3,338
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Clay Hamlin & Lynn Hamlin, joint tenants with rights of survivorship	15,159
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Highland Associates Limited Partnership	69,039
Robert W. Holman Jr.	150,146
Holman/Shidler Investment Corporation	22,079
Steven B. Hoyt	175,000
Internal Investment Company	3,016
Frederick K. Ito	3,880
The Jack Friedman Revocable Living Trust UA March 23, 1978	26,005

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Michael W. Jenkins	3,917
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Peter Kepic	9,261
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Paul T. Lambert	39,749
Constance Lazarus	417,961
Jerome Lazarus	18,653
LGR Investment Fund Ltd	22,556
Malcolm Properties, L.L.C.	25,342
Princeton South at Lawrenceville LLC	4,692
Shidler Equities LP	254,541
Duane Lund	617
R. Craig Martin	754
J. Stanley Mattison	12
Eileen Millar	2,922
Linda Miller	2,000
The Milton Dresner Revocable Trust UA October 22, 1976	149,531
Montrose Kennedy Associates	4,874
Peter Murphy	56,184

LIMITED PARTNERS -----	NUMBER OF UNITS -----
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Joseph Musti	1,508
Dean A. Nachtigall	10,076
New Land Associates Limited Partnership	1,664
North Star Associates Limited Partnership	19,333
Arden O'Connor	13,845
Peter O'Connor	66,181
Princeton South at Lawrenceville One	4,426
Eduardo Paneque	2,000
Partridge Road Associates Limited Partnership	2,751
R.C.P. Associates, a New Jersey limited partnership	3,060
Jack F. Ream	1,071
Glenn C. Rexroth and Linda A. Rexroth, as tenants in the entirety	2,142
James C. Reynolds	40,154
Andre G. Richard	1,508
RJB Ford City Limited Partnership	158,438
RJB II Limited Partnership	40,788
Edward C. Roberts and Rebecca S. Roberts, tenants in the entirety	8,308
W.F.O. Rosenmiller	634
Edward Jon Sarama	634
Shadeland Associates Limited Partnership	42,976
Shadeland Corporation	4,442

LIMITED PARTNERS -----	NUMBER OF UNITS -----
Jay H. Shidler	66,984
Jay H. Shidler and Walette A. Shidler, tenants in the entirety	1,223
Shidler Equities LP	254,541
Michael B. Slade	2,829
David W. Smith, and Doris L. Smith, tenants in the entirety	754
Gary L. Smith and Joyce A. Smith, tenants in the entirety	1,508
Kevin Smith	13,571
South Broad Company	72,421
South Gold Company	82,433
SRS Partnership	2,142
UA Dated May 21, 1996 FBO Robert Stein	56,778
S. Larry Stein	56,778
Jonathan Stott	80,026
Suburban Roseland Associates, a Limited Partnership	3,002
Thelma C. Gretzinger Trust	450
Thomas K. Barad & Jill E. Barad, Co-Trustees of the Thomas K. Barad & Jill E. Barad Trust Dated 10-18-89	2,283
Michael T. Tomasz	25,847
Barry L. Tracey	2,142
Van Brunt Associates	39,370
Worlds Fair Associates	6,134
Worlds Fair III Associates	14,094

LIMITED PARTNERS	NUMBER OF UNITS
-----	-----
The Worlds Fair Office Associates	3,343
Worlds Fair Partners Limited Partnership	1,664
The Worlds Fair V Associates	3,340
The Worlds Fair 25 Associates	13,677
BSDK Enterprises	3,596
Estate of Albert Sklar	3,912
Rand H. Falbaum	17,022
William M. Fausone	16,480
Elizabeth Fitzpatrick	3,800
Fred Trust dated 6/16/77	653
Carol P. Freyer	12,173
Lee Karen Freyer	10,665
Aimee Freyer-Valls	12,173
David Fried	1,326
Ester Fried	3,177
Douglas Frye	2,216
J. Peter Gaffney	727
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Patricia O. Godchaux	9,387
Timothy Gudim	27,782
Timothy & Melissa Gudim, joint tenants	3,285
H/Airport GP Inc.	1,433
Vivian Hack	22,522
Martha J. Harbinson	3,329

LIMITED PARTNERS	NUMBER OF UNITS
-----	-----
Turner Harshaw	1,132
Cathleen Hession	3,137
Howard Trust dated 4/30/79	653
John A. and Gloria H. Sage Family Trust	
UDT dated 6/7/94	15,864
L. Chris Johnson	3,196
Johnson Living Trust dated 2/18/83	1,078
Charles Mark Jordan	57
JPG Investment	919
David R. Kahnweiler	5,436
Thomas Kendall	546
Kirshner Family Trust #1 dated 4/8/76	29,558
Kirshner Trust #4 FBO Todd Kirshner	20,258
Kolpack MD Pension	994
Chester A. Latcham	2,493
Lee Karen Freyer Lifetime Trust dated	
11/1/65	2,384
Georgia Leonard	664
Robert Leonard III	5,856
Steve Leonard	37,645
Leslie A. Rubin LTD	4,048
CLMM LLC	3,825
PAC-II LLC	17,356
Sealy Professional Drive LLC	2,906
Sealy Unitholder LLC	31,552



LIMITED PARTNERS	NUMBER OF UNITS
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SPM Industrial LLC	5,262
Reyem Partners LP	8,489
Henry E. Mawicke	636
Richard McClintock	623
McElroy Management Inc.	5,478
MCS Properties, Inc.	5,958
Lila Atkins Mulkey	7,327
James Muslow, Jr.	4,911
Adel Nassif	4,910
Kris Nielson	28
Catherine A. O'Brien	832
Martha E. O'Brien	832
Steve Ohren	31,828
Pacifica Holding Company	97,870
Sybil T. Patten	1,816
Betty S. Phillips	3,912
Jeffrey Pion	2,879
Pipkin Family Trust dated 10/6/89	3,140
Robert J. Powers	37,674
Manor Properties	143,408
Elizabeth Hutton Hagen Fitzpatrick IRA dated 9/1/91	607
Robert S. Hood Living Trust dated 1/9/90 & Amended 12/16/96	3,591
James Sage	2,156

LIMITED PARTNERS	NUMBER OF UNITS
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Kathleen Sage	3,350
Wilton Wade Sample	5,449
Sealy & Company, Inc.	37,119
Sealy Florida, Inc.	675
Mark P. Sealy	8,451
Sealy Real Estate Services, Inc.	148,478
Scott P. Sealy	40,902
Marilyn Rangel IRA dated 2/5/86	969
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Siskel Revocable Trust 1987 dated 4/17/1987	10,087
Suzanne Siskel	3,802
Steve Smith	386
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William S. Tyrrell	2,906
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Virginia B. and Norton Sharpe Living trust UDT dated 4/26/96	12,055
Steve Walbridge	338
Richard Walker, Jr.	963
Charles Kendall Jr. Rollover IRA dated 1/21/93	656
William B. Wiener, Jr.	41,119

LIMITED PARTNERS	NUMBER OF UNITS
-----	-----
Patricia Wiener-Shifke	12,944
William J. Mallen Trust dated 4/29/94	8,016
Fred Wilson	35,787
World's Fair Thirty	1,442
Wolsum, Inc.	2,427
Johannson Yap	1,680
Gerald & Sharon Zuckerman	615
Stephen Mann	15,017
Stanley Gruber	30,032
Seymour Israel	15,016
J. O'Neil Duffy, Sr.	513
James O. Duffy, Jr.	513
Garrett E. Sheehan	513
Sam Shamie Trust Agreement dated March 16, 1978, as restated on November 16, 1993	337,753
Richard H. Zimmerman Living Trust dated October 15, 1990, as amended	47,174
Keith J. Pomeroy Revocable Trust Agreement, dated December 13, 1976, as amended and restated on June 28, 1995	128,783
Enid Braden Trust of June 28, 1995	18,464
Sam L. Yaker Revocable Trust Agreement dated February 14, 1984	30,285
Armenag Kalaydjian Revocable Trust Agreement dated February 28, 1984	21,655
RBZ LLC	124
KEP LLC	78,873

LIMITED PARTNERS	NUMBER OF UNITS
-----	-----
ESAA Associates Limited Partnership	19,367
Paul F. Obrecht, Jr.	5,289
Richard F. Obrecht	5,289
Thomas F. Obrecht	5,289
George F. Obrecht	5,289
Joan R. Kreiger Revocable Trust	15,184
William L. Kreiger, Jr.	3,374
Elmer H. Wingate	1,688
Apollo/Pacifica Bryant LLC	42,977
Edwin and Cathleen Hession	7,987
D.W. Sivers Co.	118,265
Sivers Investment Partnership	283,500
Sivers Family Real Property Limited Liability Company	12,062
Wendell C. Sivers Marital Trust u/w/d February 20, 1981	14,020
Dennis W. Sivers	27,636
Jack H. Kulka	330
Babette Kulka	330
Jeffrey L. Greenberg	330
Martin Eglow	330
James J. Warfield	330

EIGHTH AMENDMENT TO  
SIXTH AMENDED AND RESTATED  
LIMITED PARTNERSHIP AGREEMENT OF  
FIRST INDUSTRIAL, L.P.

As of October 30, 1998, the undersigned, being the sole general partner of First Industrial, L.P. (the "PARTNERSHIP"), a limited partnership formed under the Delaware Revised Uniform Limited Partnership Act and pursuant to the terms of that certain Sixth Amended and Restated Limited Partnership Agreement, dated March 18, 1998 (as amended by the first amendment thereto dated April 1, 1998, the second amendment thereto dated April 3, 1998, the third amendment thereto dated April 16, 1998, the fourth amendment thereto dated May 20, 1998, the fifth amendment thereto dated July 16, 1998, the sixth amendment thereto dated August 31, 1998 and the seventh amendment thereto dated October 21, 1998) (collectively the "PARTNERSHIP AGREEMENT"), does hereby amend the Partnership Agreement as follows:

Capitalized terms used but not defined in this Eighth Amendment shall have the same meanings that are ascribed to them in the Partnership Agreement.

1. ADDITIONAL LIMITED PARTNERS. The Persons identified on SCHEDULE 1 hereto are hereby admitted to the Partnership as Additional Limited Partners owning the number of Units and having made the Capital Contributions set forth on such SCHEDULE 1. Such persons hereby adopt the Partnership Agreement. The General Partner hereby consents to the assignment of the Units of the Additional Limited Partners identified as transferors on SCHEDULE 2 hereto to the parties identified as transferees and in the amounts set forth on SCHEDULE 2, and to the admission to the Partnership as Substituted Limited Partners of such transferees, and such transferees are hereby admitted to the Partnership as Substituted Limited Partners.

2. SCHEDULE OF PARTNERS. EXHIBIT 1B to the Partnership Agreement is hereby deleted in its entirety and replaced by EXHIBIT 1B hereto which identifies the Partners following consummation of the transactions referred to in Section 1 hereof.

3. PROTECTED AMOUNTS. In connection with the transactions consummated pursuant to that certain Contribution Agreement (the "CONTRIBUTION AGREEMENT"), dated October 30, 1998, by and between FR Acquisitions, Inc., a Maryland corporation (it having assigned its entire right, title and interest in and to the Contribution Agreement to the Partnership), and the other parties listed on the signature pages of the Contribution Agreement, certain Protected Amounts are being established for the Additional Limited Partners admitted pursuant to this Seventh Amendment, which Protected Amounts are reflected on EXHIBIT 1D attached hereto and shall be incorporated as part of EXHIBIT 1D of the Partnership Agreement.

4. RATIFICATION. Except as expressly modified by this Eighth Amendment, all of the provisions of the Partnership Agreement are affirmed and ratified and remain in full force and effect.

IN WITNESS WHEREOF, the undersigned has executed this Eighth Amendment as of the date first written above.

FIRST INDUSTRIAL REALTY TRUST, INC., as sole  
general partner of the Partnership

By: /s/ Michael W. Brennan  
-----  
Name: Michael W. Brennan  
Title: Chief Operating Officer

EXHIBIT 1B  
SCHEDULE OF PARTNERS

GENERAL PARTNER -----	NUMBER OF UNITS -----
First Industrial Realty Trust, Inc.	30,892,739
LIMITED PARTNERS -----	NUMBER OF UNITS -----
Aimee Freyer Lifetime Trust dated 11/1/65	2,384
Daniel R. Andrew, TR of the Daniel R. Andrew Trust UA Dec 29 92	137,489
Charles T. Andrews	754
Gordon E. Atkins	6,767
William J. Atkins	22,381
E. Donald Bafford	3,374
William Baloh	8,582
Edward N. Barad	2,283
UA dated April 11, 1996 Blurton 1996 Revocable Family Trust	598
James Bolt	5,587
Harriett Bonn	28,804
Michael W. Brennan	3,806
Robert Brown	2,123
Henry D. Bullock & Terri D. Bullock & Shawn Stevenson TR of the Bullock Childrens Education Trust UA Dec 20 94, FBO Benjamin Dure Bullock	1,970
Henry D. Bullock & Terri D. Bullock & Shawn Stevenson TR of the Bullock Childrens Education Trust UA Dec 20 94, FBO Christine Laurel Bullock	1,970
Henry D. Bullock & Terri D. Bullock TR of the Henry D. & Terri D. Bullock Trust UA Aug 28 92	9,126
Edward Burger	9,261
Calamer Inc.	1,233
Perry C. Caplan	1,388
Irwin Carasso	17,192
Carol P. Freyer Lifetime Trust dated 11/1/72	2,384
The Carthage Partners LLC	34,939
Cliffwood Development Company	64,823
Collins Family Trust dated 5/6/69	137,808
Kelly Collins	11,116
Michael Collins	17,369
Charles S. Cook and Shelby H. Cook, tenants in the entirety	634
Caroline Atkins Coutret	7,327
David Cleborne Crow	5,159
Gretchen Smith Crow	2,602
Michael G. Damone, TR of the Michael G. Damone Trust UA Nov 4 69	144,296
Myrna R. Debilak	5,447
Robert L. Denton	6,286
C G Property Development	27,975
W Allen Doane, trustee of the W Allen Doane Trust U-A 05-31-91	4,416
Timonthy Donohue	1,000

Darwin B. Dosch	1,388
Charles F. Downs	1,508
Greg and Christina Downs, joint tenants	474
Gregory Downs	48
Draizin Family Partnership, LP	357,896
Joseph S. Dresner	149,531
Ethel Road Associates	29,511
James Kozen, trustee U-A dated 02/24/86	33,031
Farlow Road Associates Limited Partnership	2,751
Fitz & Smith Partnership	3,410
Fourbur Family Co., L.P.	620,273
Gamma Three Associates Limited Partnership	3,338
Dennis G. Goodwin and Jeannie L. Goodwin, tenants in the entirety	6,166
Clay Hamlin & Lynn Hamlin, joint tenants with rights of survivorship	15,159
Henry E. Dietz Trust UA Jan 16 81	36,476
Highland Associates Limited Partnership	69,039
Robert W. Holman Jr.	150,146
Holman/Shidler Investment Corporation	22,079
Steven B. Hoyt	175,000
Internal Investment Company	3,016
Frederick K. Ito	3,880
The Jack Friedman Revocable Living Trust UA March 23, 1978	26,005
Jayeff Associates Limited Partnership	16,249
Michael W. Jenkins	3,917
Jernie Holdings Corp.	180,499
John E. De B Blockey Trust	8,293
Thomas J. Johnson, Jr. and Sandra L. Johnson, tenants in the entirety	2,142
Nourhan Kailian	2,183
Peter Kopic	9,261
Lambert Investment Corporation	13,606
Paul T. Lambert	39,749
Constance Lazarus	417,961
Jerome Lazarus	18,653
LGR Investment Fund Ltd	22,556
Malcolm Properties, L.L.C.	25,342
Princeton South at Lawrenceville LLC	4,692
Shidler Equities LP	254,541
Duane Lund	617
R. Craig Martin	754
J. Stanley Mattison	12
Eileen Millar	2,922
Linda Miller	2,000
The Milton Dresner Revocable Trust UA October 22, 1976	149,531
Montrose Kennedy Associates	4,874
Peter Murphy	56,184
Anthony Muscatello	81,654
Joseph Musti	1,508
Dean A. Nachtigall	10,076
New Land Associates Limited Partnership	1,664
North Star Associates Limited Partnership	19,333

Arden O'Connor	13,845
Peter O'Connor	66,181
Princeton South at Lawrenceville One	4,426
Eduardo Paneque	2,000
Partridge Road Associates Limited Partnership	2,751
R.C.P. Associates, a New Jersey limited partnership	3,060
Jack F. Ream	1,071
Glenn C. Rexroth and Linda A. Rexroth, as tenants in the entirety	2,142
James C. Reynolds	40,154
Andre G. Richard	1,508
RJB Ford City Limited Partnership	158,438
RJB II Limited Partnership	40,788
Edward C. Roberts and Rebecca S. Roberts, tenants in the entirety	8,308
W.F.O. Rosenmiller	634
Edward Jon Sarama	634
Shadeland Associates Limited Partnership	42,976
Shadeland Corporation	4,442
Jay H. Shidler	66,984
Jay H. Shidler and Walette A. Shidler, tenants in the entirety	1,223
Shidler Equities LP	254,541
Michael B. Slade	2,829
David W. Smith, and Doris L. Smith, tenants in the entirety	754
Gary L. Smith and Joyce A. Smith, tenants in the entirety	1,508
Kevin Smith	13,571
South Broad Company	72,421
South Gold Company	82,433
SRS Partnership	2,142
UA Dated May 21, 1996 FBO Robert Stein	56,778
Robert Stein	6,852
S. Larry Stein	63,630
Jonathan Stott	80,026
Suburban Roseland Associates, a Limited Partnership	3,002
Thelma C. Gretzinger Trust	450
Thomas K. Barad & Jill E. Barad, Co-Trustees of the Thomas K. Barad & Jill E. Barad Trust Dated 10-18-89	2,283
Michael T. Tomasz	25,847
Barry L. Tracey	2,142
Van Brunt Associates	39,370
Worlds Fair Associates	6,134
Worlds Fair III Associates	14,094
The Worlds Fair Office Associates	3,343
Worlds Fair Partners Limited Partnership	1,664
The Worlds Fair V Associates	3,340
The Worlds Fair 25 Associates	13,677
BSDK Enterprises	3,596
Estate of Albert Sklar	3,912
Rand H. Falbaum	17,022
William M. Fausone	16,480
Elizabeth Fitzpatrick	3,800
Fred Trust dated 6/16/77	653



Carol P. Freyer	12,173
Lee Karen Freyer	10,665
Aimee Freyer-Valls	12,173
David Fried	1,326
Ester Fried	3,177
Douglas Frye	2,216
J. Peter Gaffney	727
Gerlach Family Trust dated 6/28/85	874
Patricia O. Godchaux	9,387
Timothy Gudim	27,782
Timothy & Melissa Gudim, joint tenants	3,285
H/Airport GP Inc.	1,433
Vivian Hack	22,522
Martha J. Harbinson	3,329
Turner Harshaw	1,132
Cathleen Hession	3,137
Howard Trust dated 4/30/79	653
John A. and Gloria H. Sage Family Trust UDT dated 6/7/94	15,864
L. Chris Johnson	3,196
Johnson Living Trust dated 2/18/83	1,078
Charles Mark Jordan	57
JPG Investment	919
David R. Kahnweiler	5,436
Thomas Kendall	546
Kirshner Family Trust #1 dated 4/8/76	29,558
Kirshner Trust #4 FBO Todd Kirshner	20,258
Kolpack MD Pension	994
Chester A. Latcham	2,493
Lee Karen Freyer Lifetime Trust dated 11/1/65	2,384
Georgia Leonard	664
Robert Leonard III	5,856
Steve Leonard	37,645
Leslie A. Rubin LTD	4,048
CLMM LLC	3,825
PAC-II LLC	17,356
Sealy Professional Drive LLC	2,906
Sealy Unitholder LLC	31,552
SPM Industrial LLC	5,262
Reyem Partners LP	8,489
Henry E. Mawicke	636
Richard McClintock	623
McElroy Management Inc.	5,478
MCS Properties, Inc.	5,958
Lila Atkins Mulkey	7,327
James Muslow, Jr.	4,911
Adel Nassif	4,910
Kris Nielson	28
Catherine A. O'Brien	832
Martha E. O'Brien	832
Steve Ohren	31,828
Pacifica Holding Company	97,870
Sybil T. Patten	1,816
Betty S. Phillips	3,912
Jeffrey Pion	2,879

Pipkin Family Trust dated 10/6/89	3,140
Robert J. Powers	37,674
Manor Properties	143,408
Elizabeth Hutton Hagen Fitzpatrick IRA dated 9/1/91	607
Robert S. Hood Living Trust dated 1/9/90 & Amended 12/16/96	3,591
James Sage	2,156
Kathleen Sage	3,350
Wilton Wade Sample	5,449
Sealy & Company, Inc.	37,119
Sealy Florida, Inc.	675
Mark P. Sealy	8,451
Sealy Real Estate Services, Inc.	148,478
Scott P. Sealy	40,902
Marilyn Rangel IRA dated 2/5/86	969
Siskel Family Partnership	11,359
Siskel Revocable Trust 1987 dated 4/17/1987	10,087
Suzanne Siskel	3,802
Steve Smith	386
Sterling Alsip Trust dated August 1, 1989	794
Sterling Family Trust dated 3/27/80	3,559
Donald C. Thompson	39,243
TUT Investments I LLC	5,274
William S. Tyrrell	2,906
Van Gilder Family Partnership	2,262
Virginia B. and Norton Sharpe Living trust UDT dated 4/26/96	12,055
Steve Walbridge	338
Richard Walker, Jr.	963
Charles Kendall Jr. Rollover IRA dated 1/21/93	656
William B. Wiener, Jr.	41,119

LIMITED PARTNERS -----	NUMBER OF UNITS -----
Patricia Wiener-Shifke	12,944
William J. Mallen Trust dated 4/29/94	8,016
Fred Wilson	35,787
World's Fair Thirty	1,442
Wolsum, Inc.	2,427
Johannson Yap	1,680
Gerald & Sharon Zuckerman	615
Stephen Mann	15,017
Stanley Gruber	30,032
Seymour Israel	15,016
J. O'Neil Duffy, Sr.	513
James O. Duffy, Jr.	513
Garrett E. Sheehan	513
Sam Shamie Trust Agreement dated March 16, 1978, as restated on November 16, 1993	337,753
Richard H. Zimmerman Living Trust dated October 15, 1990, as amended	47,174
Keith J. Pomeroy Revocable Trust Agreement, dated December 13, 1976, as amended and restated on June 28, 1995	128,783
Enid Braden Trust of June 28, 1995	18,464
Sam L. Yaker Revocable Trust Agreement dated February 14, 1984	30,285
Armenag Kalaydjian Revocable Trust Agreement dated February 28, 1984	21,655
RBZ LLC	124
KEP LLC	78,873
ESAA Associates Limited Partnership	19,367
Paul F. Obrecht, Jr.	5,289
Richard F. Obrecht	5,289
Thomas F. Obrecht	5,289
George F. Obrecht	5,289
Joan R. Kreiger Revocable Trust	15,184
William L. Kreiger, Jr.	3,374
Elmer H. Wingate	1,688
Apollo/Pacifica Bryant LLC	42,977
Edwin and Cathleen Hession	7,987
D.W. Sivers Co.	118,265
Sivers Investment Partnership	283,500
Sivers Family Real Property Limited Liability Company	12,062
Wendell C. Sivers Marital Trust u/w/d February 20, 1981	14,020
Dennis W. Sivers	27,636
Jack H. Kulka	330
Babette Kulka	330
Jeffrey L. Greenberg	330
Martin Eglow	330
James J. Warfield	330

EXHIBIT 1D  
PROTECTED AMOUNTS

Additional Limited Partner -----	Protected Amount -----
Trotwood Industrial Park	\$150,000.00

SCHEDULE 1

Additional Limited Partner -----	Number of Units -----	Capital Contribution -----
Trotwood Industrial Park	13,704	\$340,818.67

## SCHEDULE 2

Transferor -----	Transferee -----	Units -----	Capital Account -----
Trotwood Industrial Park	Robert Stein	6,852	\$170,409.33
Trotwood Industrial Park	S. Larry Stein	6,852	\$170,409.33

NINTH AMENDMENT TO  
SIXTH AMENDED AND RESTATED  
LIMITED PARTNERSHIP AGREEMENT OF  
FIRST INDUSTRIAL, L.P.

As of November 5, 1998, the undersigned, being the sole general partner of First Industrial, L.P. (the "PARTNERSHIP"), a limited partnership formed under the Delaware Revised Uniform Limited Partnership Act and pursuant to the terms of that certain Sixth Amended and Restated Limited Partnership Agreement, dated March 18, 1998 (as amended by the first amendment thereto dated April 1, 1998, the second amendment thereto dated April 3, 1998, the third amendment thereto dated April 16, 1998, the fourth amendment thereto dated May 20, 1998, the fifth amendment thereto dated July 16, 1998, the sixth amendment thereto dated August 31, 1998, the seventh amendment thereto dated October 21, 1998 and the eighth amendment thereto dated October 30, 1998) (collectively the "PARTNERSHIP AGREEMENT"), does hereby amend the Partnership Agreement as follows:

Capitalized terms used but not defined in this Ninth Amendment shall have the same meanings that are ascribed to them in the Partnership Agreement.

1. ADDITIONAL LIMITED PARTNERS. The Persons identified on SCHEDULE 1 hereto are hereby admitted to the Partnership as Additional Limited Partners owning the number of Units and having made the Capital Contributions set forth on such SCHEDULE 1. Such persons hereby adopt the Partnership Agreement.

2. SCHEDULE OF PARTNERS. EXHIBIT 1B to the Partnership Agreement is hereby deleted in its entirety and replaced by EXHIBIT 1B hereto which identifies the Partners following consummation of the transactions referred to in Section 1 hereof.

3. RATIFICATION. Except as expressly modified by this Ninth Amendment, all of the provisions of the Partnership Agreement are affirmed and ratified and remain in full force and effect.

IN WITNESS WHEREOF, the undersigned has executed this Ninth Amendment as of the date first written above.

FIRST INDUSTRIAL REALTY TRUST, INC., as sole general partner  
of the Partnership

By: /s/ Michael Brennan

-----  
Name: Michael Brennan  
Title: Chief Operating Officer

EXHIBIT 1B  
SCHEDULE OF PARTNERS

GENERAL PARTNER -----	NUMBER OF UNITS -----
First Industrial Realty Trust, Inc.	30,892,739
LIMITED PARTNERS -----	NUMBER OF UNITS -----
Aimee Freyer Lifetime Trust dated 11/1/65	2,384
Daniel R. Andrew, TR of the Daniel R. Andrew Trust UA Dec 29 92	137,489
Charles T. Andrews	754
Gordon E. Atkins	6,767
William J. Atkins	22,381
E. Donald Bafford	3,374
William Baloh	8,582
Edward N. Barad	2,283
UA dated April 11, 1996 Blurton 1996 Revocable Family Trust	598
James Bolt	5,587
Harriett Bonn	28,804
Michael W. Brennan	3,806
Robert Brown	2,123
Henry D. Bullock & Terri D. Bullock & Shawn Stevenson TR of the Bullock Childrens Education Trust UA Dec 20 94, FBO Benjamin Dure Bullock	1,970
Henry D. Bullock & Terri D. Bullock & Shawn Stevenson TR of the Bullock Childrens Education Trust UA Dec 20 94, FBO Christine Laurel Bullock	9,126
Henry D. Bullock & Terri D. Bullock TR of the Henry D. & Terri D. Bullock Trust UA Aug 28 92	9,261
Edward Burger	1,233
Calamer Inc.	1,388
Perry C. Caplan	17,192
Irwin Carasso	2,384
Carol P. Freyer Lifetime Trust dated 11/1/72	34,939
The Carthage Partners LLC	64,823
Cliffwood Development Company	137,808
Collins Family Trust dated 5/6/69	11,116
Kelly Collins	17,369
Michael Collins	634
Charles S. Cook and Shelby H. Cook, tenants in the entirety	7,327
Caroline Atkins Coutret	5,159
David Cleborne Crow	2,602
Gretchen Smith Crow	144,296
Michael G. Damone, TR of the Michael G. Damone Trust UA Nov 4 69	5,447
Myrna R. Debilak	6,286
Robert L. Denton	27,975
C G Property Development	4,416
W Allen Doane, trustee of the W Allen Doane Trust U-A 05-31-91	1,000
Timothy Donohue	



Darwin B. Dosch	1,388
Charles F. Downs	1,508
Greg and Christina Downs, joint tenants	474
Gregory Downs	48
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Joseph S. Dresner	149,531
Ethel Road Associates	29,511
James Kozen, trustee U-A dated 02/24/86	33,031
Farlow Road Associates Limited Partnership	2,751
Fitz & Smith Partnership	3,410
Fourbur Family Co., L.P.	620,273
Gamma Three Associates Limited Partnership	3,338
Dennis G. Goodwin and Jeannie L. Goodwin, tenants in the entirety	6,166
Clay Hamlin & Lynn Hamlin, joint tenants with rights of survivorship	15,159
Leland A. and Margery Ann Hodges	60,000
Henry E. Dietz Trust UA Jan 16 81	36,476
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Robert W. Holman Jr.	150,146
Holman/Shidler Investment Corporation	22,079
Steven B. Hoyt	175,000
Internal Investment Company	3,016
Frederick K. Ito	3,880
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Michael W. Jenkins	3,917
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Peter Kopic	9,261
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Constance Lazarus	417,961
Jerome Lazarus	18,653
LGR Investment Fund Ltd	22,556
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Princeton South at Lawrenceville LLC	4,692
Shidler Equities LP	254,541
Duane Lund	617
R. Craig Martin	754
J. Stanley Mattison	12
Eileen Millar	2,922
Linda Miller	2,000
The Milton Dresner Revocable Trust UA October 22, 1976	149,531
Montrose Kennedy Associates	4,874
Peter Murphy	56,184
Anthony Muscatello	81,654
Joseph Musti	1,508
Dean A. Nachtigall	10,076
New Land Associates Limited Partnership	1,664

North Star Associates Limited Partnership	19,333
Arden O'Connor	13,845
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Eduardo Paneque	2,000
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R.C.P. Associates, a New Jersey limited partnership	3,060
Jack F. Ream	1,071
Glenn C. Rexroth and Linda A. Rexroth, as tenants in the entirety	2,142
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Andre G. Richard	1,508
RJB Ford City Limited Partnership	158,438
RJB II Limited Partnership	40,788
Edward C. Roberts and Rebecca S. Roberts, tenants in the entirety	8,308
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Edward Jon Sarama	634
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Shadeland Corporation	4,442
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David W. Smith, and Doris L. Smith, tenants in the entirety	754
Gary L. Smith and Joyce A. Smith, tenants in the entirety	1,508
Kevin Smith	13,571
South Broad Company	72,421
South Gold Company	82,433
SRS Partnership	2,142
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Jonathan Stott	80,026
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Theima C. Gretzinger Trust	450
Thomas K. Barad & Jill E. Barad, Co-Trustees of the Thomas K. Barad & Jill E. Barad Trust Dated 10-18-89	2,283
Michael T. Tomasz	25,847
Barry L. Tracey	2,142
Van Brunt Associates	39,370
Worlds Fair Associates	6,134
Worlds Fair III Associates	14,094
The Worlds Fair Office Associates	3,343
Worlds Fair Partners Limited Partnership	1,664
The Worlds Fair V Associates	3,340
The Worlds Fair 25 Associates	13,677
BSDK Enterprises	3,596
Estate of Albert Sklar	3,912
Rand H. Falbaum	17,022
William M. Fausone	16,480
Elizabeth Fitzpatrick	3,800

Fred Trust dated 6/16/77	653
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Lee Karen Freyer	10,665
Aimee Freyer-Valls	12,173
David Fried	1,326
Ester Fried	3,177
Douglas Frye	2,216
J. Peter Gaffney	727
Gerlach Family Trust dated 6/28/85	874
Patricia O. Godchaux	9,387
Timothy Gudim	27,782
Timothy & Melissa Gudim, joint tenants	3,285
H/Airport GP Inc.	1,433
Vivian Hack	22,522
Martha J. Harbinson	3,329
Turner Harshaw	1,132
Cathleen Hession	3,137
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John A. and Gloria H. Sage Family Trust UDT dated 6/7/94	15,864
L. Chris Johnson	3,196
Johnson Living Trust dated 2/18/83	1,078
Charles Mark Jordan	57
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David R. Kahnweiler	5,436
Thomas Kendall	546
Kirshner Family Trust #1 dated 4/8/76	29,558
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Chester A. Latcham	2,493
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Robert Leonard III	5,856
Steve Leonard	37,645
Leslie A. Rubin LTD	4,048
CLMM LLC	3,825
PAC-II LLC	17,356
Sealy Professional Drive LLC	2,906
Sealy Unitholder LLC	31,552
SPM Industrial LLC	5,262
Reyem Partners LP	8,489
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Richard McClintock	623
McElroy Management Inc.	5,478
MCS Properties, Inc.	5,958
Lila Atkins Mulkey	7,327
James Muslow, Jr.	4,911
Adel Nassif	4,910
Kris Nielson	28
Catherine A. O'Brien	832
Martha E. O'Brien	832
Steve Ohren	31,828
Pacifica Holding Company	97,870
Sybil T. Patten	1,816
Betty S. Phillips	3,912

Jeffrey Pion	2,879
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Manor Properties	143,408
Elizabeth Hutton Hagen Fitzpatrick IRA dated 9/1/91	607
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James Sage	2,156
Kathleen Sage	3,350
Wilton Wade Sample	5,449
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Mark P. Sealy	8,451
Sealy Real Estate Services, Inc.	148,478
Scott P. Sealy	40,902
Marilyn Rangel IRA dated 2/5/86	969
Siskel Family Partnership	11,359
Siskel Revocable Trust 1987 dated 4/17/1987	10,087
Suzanne Siskel	3,802
Steve Smith	386
Sterling Alsip Trust dated August 1, 1989	794
Sterling Family Trust dated 3/27/80	3,559
Donald C. Thompson	39,243
TUT Investments I LLC	5,274
William S. Tyrrell	2,906
Van Gilder Family Partnership	2,262
Virginia B. and Norton Sharpe Living trust UDT dated 4/26/96	12,055
Steve Walbridge	338
Richard Walker, Jr.	963
Charles Kendall Jr. Rollover IRA dated 1/21/93	656
William B. Wiener, Jr.	41,119
Patricia Wiener-Shifke	12,944
William J. Mallen Trust dated 4/29/94	8,016
Fred Wilson	35,787
World's Fair Thirty	1,442
Wolsum, Inc.	2,427
Johannson Yap	1,680
Gerald & Sharon Zuckerman	615
Stephen Mann	15,017
Stanley Gruber	30,032
Seymour Israel	15,016
J. O'Neil Duffy, Sr.	513
James O. Duffy, Jr.	513
Garrett E. Sheehan	513
Sam Shamie Trust Agreement dated March 16, 1978, as restated on November 16, 1993	337,753
Richard H. Zimmerman Living Trust dated October 15, 1990, as amended	47,174
Keith J. Pomeroy Revocable Trust Agreement, dated December 13, 1976, as amended and restated on June 28, 1995	128,783
Enid Braden Trust of June 28, 1995	18,464
Sam L. Yaker Revocable Trust Agreement dated February 14, 1984	30,285

Armenag Kalaydjian Revocable Trust Agreement dated February 28, 1984	21,655
RBZ LLC	124
KEP LLC	78,873
ESAA Associates Limited Partnership	19,367
Paul F. Obrecht, Jr.	5,289
Richard F. Obrecht	5,289
Thomas F. Obrecht	5,289
George F. Obrecht	5,289
Joan R. Kreiger Revocable Trust	15,184
William L. Kreiger, Jr.	3,374
Elmer H. Wingate	1,688
Apollo/Pacifica Bryant LLC	42,977
Edwin and Cathleen Hession	7,987
D.W. Sivers Co.	118,265
Sivers Investment Partnership	283,500
Sivers Family Real Property Limited Liability Company	12,062
Wendell C. Sivers Marital Trust u/w/d February 20, 1981	14,020
Dennis W. Sivers	27,636
Jack H. Kulka	330
Babette Kulka	330
Jeffrey L. Greenberg	330
Martin Eglow	330
James J. Warfield	330

## SCHEDULE 1

Additional Limited Partner -----	Number of Units -----	Capital Contribution -----
Leland A. and Margery Ann Hodges	60,000	\$1,525,800.00

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM (A) THE FINANCIAL STATEMENTS OF FIRST INDUSTRIAL REALTY TRUST, INC. FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1998 AND IS QUALIFIED IN ITS ENTIRETY REFERENCE TO SUCH (B) FINANCIAL STATEMENTS.

1,000  
US DOLLARS

9-MOS		
	DEC-31-1998	
	JAN-01-1998	
	SEP-30-1998	
	1	5,612
		0
		12,480
		(2,000)
		0
		16,092
		2,592,832
		(161,423)
		2,563,256
	92,125	0
	0	18
		379
		1,074,184
2,563,256		0
	255,858	0
	(73,706)	
	(57,452)	
	0	
	(32,013)	
	68,520	
	0	
	68,520	
	0	
	0	
	(1,976)	
	66,544	
	1.18	
	1.18	

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1,000  
US DOLLARS

9-MOS	
	DEC-31-1997
	JAN-01-1997
	SEP-30-1997
	1
	3,871
	307,344
	7,868
	(750)
	0
	10,989
	1,410,983
	(112,107)
	1,684,038
58,111	0
0	0
	17
	309
1,684,038	681,906
	0
155,168	0
	(41,094)
	(33,825)
	0
(21,321)	0
	31,760
31,760	0
	0
	(12,563)
	0
	19,197
	.53
	.52



FIRST INDUSTRIAL NAMES MICHAEL W. BRENNAN  
PRESIDENT AND CHIEF EXECUTIVE OFFICER

CHICAGO, November 11, 1998 - First Industrial Realty Trust, Inc. (NYSE: FR) has announced that Michael T. Tomasz, 56, has resigned as the Company's President and Chief Executive Officer and as a Director to pursue other personal and business interests. Effective immediately, the Board of Directors has appointed Michael W. Brennan, 41, as President and Chief Executive Officer.

Brennan, a co-founder and director of First Industrial, previously served as Chief Operating Officer. Before co-founding First Industrial, Brennan served as a president and executive officer in two of the Company's predecessors. Brennan has 19 years experience in industrial real estate operations, investment and management.

Tomasz commented, "To achieve First Industrial's next level of success, I believe this is a well-timed opportunity for me to step down and usher in a new era of leadership. Mike Brennan, as both COO of the Company and my close partner for 12 years, has proven himself dynamic, dedicated and resourceful. He will do an excellent job managing the organization, which is primed to build upon and operate its national franchise. I have every confidence that Mike, in his expanded role, will further promote First Industrial's operational excellence."

Brennan said, "Mike Tomasz has built First Industrial from its inception in 1994 to a national, \$2.7 billion corporation. I would like to thank him for his vision to establish First Industrial as the country's premier owner and operator of industrial real estate. He has graciously agreed to be available to consult with the Company during this transition period. I am very pleased to be able to serve in this more extensive capacity and continue this vision."

First Industrial Realty Trust, Inc. is a fully integrated, self-advised real estate company that owns and operates 70 million square feet of industrial real estate in the U.S. The Company's strategy is to create shareholder value through the operation of its national franchise, focusing on superior localized customer service, operational efficiencies, low-risk developments, and strategic and opportunity-driven acquisitions.

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