UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

/X/ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2002
/ / Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number 1-13102

FIRST INDUSTRIAL REALTY TRUST, INC.
(Exact Name of Registrant as Specified in its Charter)

MARYLAND	36-3935116
(State or Other Jurisdiction of Incorporation or Organization)	(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 /X/ No / /

Number of shares of Common Stock, $.01 par value, outstanding as of August 9, 2002: 39,575,771

FIRST INDUSTRIAL REALTY TRUST, INC.
FORM 10-Q
FOR THE PERIOD ENDED JUNE 30, 2002

INDEX

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)

	June 30, 2002	December 31, 2001
ASSETS		
Assets:		
Investment in Real Estate:		
Land	$ 432,481	$ 421,828
Buildings and Improvements	2,146,297	2,137,666
Furniture, Fixtures and Equipment	1,258	1,258
Construction in Progress	152,617	154,175
Less: Accumulated Depreciation	(296,665)	(276,820)
Net Investment in Real Estate	2,435,988	2,438,107
Real Estate Held for Sale, Net of Accumulated Depreciation and Amortization of $5,264 at June 30, 2002 and $4,033 at December 31, 2001	36,675	30,750
Cash and Cash Equivalents	2,630	--
Restricted Cash	39,939	22,764
Tenant Accounts Receivable, Net	11,132	11,956
Investments in Joint Ventures	10,783	9,010
Deferred Rent Receivable	14,841	15,442
Deferred Financing Costs, Net	12,386	11,717
Prepaid Expenses and Other Assets, Net	107,063	81,654
Total Assets	$ 2,671,437	$ 2,621,400
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Mortgage Loans Payable, Net	$ 97,473	$ 87,459
Senior Unsecured Debt, Net	1,211,715	1,048,491
Acquisition Facility Payable	156,100	182,500
Accounts Payable and Accrued Expenses	59,245	71,031
Rents Received in Advance and Security Deposits	23,263	26,684
Dividends/Distributions Payable	36,651	31,196
Total Liabilities	1,584,447	1,447,361
Minority Interest	176,492	178,442
Commitments and Contingencies	--	--
Stockholders' Equity:		
Preferred Stock ($.01 par value, 10,000,000 shares authorized, 20,000, 50,000 and 30,000 shares of Series C, D and E Cumulative Preferred Stock, respectively, issued and outstanding at June 30, 2002 and December 31, 2001, having a liquidation preference of $2,500 per share ($50,000), $2,500 per share ($125,000) and $2,500 per share ($75,000), respectively, as well as 40,000 shares of Series B Cumulative Preferred Stock issued and outstanding at December 31, 2001, having a liquidation preference of $2,500 per share ($100,000))	1	1
Common Stock ($.01 par value, 100,000,000 shares authorized, 40,970,497 and 40,302,287 shares issued and 39,572,897 and 38,904,687 shares outstanding at June 30, 2002 and December 31, 2001, respectively)	410	403
Additional Paid-in-Capital	1,121,190	1,197,877
Distributions in Excess of Accumulated Earnings	(153,451)	(143,958)
Unearned Value of Restricted Stock Grants	(6,891)	(6,247)
Accumulated Other Comprehensive Loss	(10,663)	(12,381)
Treasury Shares at Cost (1,397,600 shares at June 30, 2002 and December 31, 2001)	(40,098)	(40,098)
Total Stockholders' Equity	910,498	995,597
Total Liabilities and Stockholders' Equity	$ 2,671,437	$ 2,621,400

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)

	Six Months Ended June 30, 2002	Six Months Ended June 30, 2001
Revenues:		
Rental Income	$ 134,445	$ 143,389
Tenant Recoveries and Other Income	42,006	45,912
Total Revenues	176,451	189,301
Expenses:		
Real Estate Taxes	27,976	28,644
Repairs and Maintenance	10,550	9,965
Property Management	6,707	6,610
Utilities	4,420	5,191
Insurance	1,276	1,154
Other	4,476	5,447
General and Administrative	10,023	9,653
Interest Expense	42,704	42,633
Amortization of Deferred Financing Costs	959	898
Depreciation and Other Amortization	36,924	33,124
Total Expenses	146,015	143,319
Income from Continuing Operations Before Equity in Income of Joint Ventures, Income Allocated to Minority Interest and Gain on Sale of Real Estate	30,436	45,982
Equity in Income of Joint Ventures	576	436
Gain on Sale of Real Estate	3,256	29,698
Minority Interest Allocable to Continuing Operations	(3,102)	(9,410)
Income from Continuing Operations	31,166	66,706
Income from Discontinued Operations (Including Gain on Sale of Real Estate of $32,239 for the Six Months Ended June 30, 2002)	36,557	6,525
Minority Interest Allocable to Discontinued Operations	(5,509)	(1,011)
Net Income Before Extraordinary Loss	62,214	72,220
Extraordinary Loss	(888)	(10,309)
Minority Interest Allocable to Extraordinary Loss	134	1,597
Net Income	61,460	63,508
Less: Preferred Stock Dividends	(13,344)	(15,539)
Net Income Available to Common Stockholders	$ 48,116	$ 47,969
Income from Continuing Operations Available to Common Stockholders Per Weighted Average Common Share Outstanding:		
Basic	$ .45	$ 1.31
Diluted	$ .45	$ 1.29
Net Income Available to Common Stockholders Before Extraordinary Loss Per Weighted Average Common Share Outstanding:		
Basic	$ 1.25	$ 1.45
Diluted	$ 1.24	$ 1.43
Net Income Available to Common Stockholders Per Weighted Average Common Share Outstanding:		
Basic	$ 1.23	$ 1.22
Diluted	$ 1.22	$ 1.21
Net Income	$ 61,460	$ 63,508
Other Comprehensive Income:		
Cumulative Transition Adjustment	--	(14,920)
Settlement of Interest Rate Protection Agreement	1,772	(191)
Mark-to-Market of Interest Rate Protection Agreements	(179)	--
Write-off of Unamortized Interest Rate Protection Agreement Due to the Early Retirement of Debt	--	2,156
Amortization of Interest Rate Protection Agreements	125	702
Comprehensive Income	$ 63,178	$ 51,255

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 June 30, 2002	Three Months Ended June 30, 2001
Revenues:		
Rental Income	$ 68,140	$ 72,050
Tenant Recoveries and Other Income	22,014	21,644
Total Revenues	90,154	93,694
Expenses:		
Real Estate Taxes	14,402	14,170
Repairs and Maintenance	5,898	4,504
Property Management	3,396	3,276
Utilities	2,217	2,108
Insurance	688	585
Other	2,289	2,611
General and Administrative	4,860	5,051
Interest Expense	22,920	21,431
Amortization of Deferred Financing Costs	497	456
Depreciation and Other Amortization	18,806	16,421
Total Expenses	75,973	70,613
Income from Continuing Operations Before Equity in Income of Joint Ventures, Income Allocated to Minority Interest and Gain on Sale of Real Estate	14,181	23,081
Equity in Income of Joint Ventures	354	250
Gain on Sale of Real Estate	2,616	15,822
Minority Interest Allocable to Continuing Operations	(1,630)	(4,888)
Income from Continuing Operations	15,521	34,265
Income from Discontinued Operations (Including Gain on Sale of Real Estate of $17,211 for the Three Months Ended June 30, 2002)	18,724	3,255
Minority Interest Allocable to Discontinued Operations	(2,804)	(499)
Net Income Before Extraordinary Loss	31,441	37,021
Extraordinary Loss	(888)	(10,309)
Minority Interest Allocable Extraordinary Loss	134	1,597
Net Income	30,687	28,309
Less: Preferred Stock Dividends	(6,113)	(7,328)
Net Income Available to Common Stockholders	$ 24,574	$ 20,981
Income from Continuing Operations Available to Common Stockholders Per Weighted Average Common Share Outstanding:		
Basic	$ .24	$ .68
Diluted	$ .24	$ .68
Net Income Available to Common Stockholders Before Extraordinary Loss Per Weighted Average Common Share Outstanding:		
Basic	$ .64	.75
Diluted	$ .64	$ .75
Net Income Available to Common Stockholders Per Weighted Average Common Share Outstanding:		
Basic	$ .62	$ .53
Diluted	$ .62	$ .53
Net Income	$ 30,687	$ 28,309
Other Comprehensive Income:		
Settlement of Interest Rate Protection Agreement	1,772	(425)
Mark-to-Market of Interest Rate Protection Agreements	(3,751)	--
Write-off of Unamortized Interest Rate Protection Agreement Due to the Early Retirement of Debt	--	2,156
Amortization of Interest Rate Protection Agreements	71	612
Comprehensive Income	$ 28,779	$ 30,652

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)

	Six Months Ended June 30, 2002	Six Months Ended June 30, 2001
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	$ 61,460	$ 63,508
Income Allocated to Minority Interest	8,477	8,824
Income Before Minority Interest	69,937	72,332
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	32,562	29,887
Amortization of Deferred Financing Costs	959	898
Other Amortization	7,926	7,313
Equity in Income of Joint Ventures	(576)	(436)
Distributions from Joint Ventures	576	436
Gain on Sale of Real Estate	(35,495)	(29,698)
Extraordinary Loss	888	10,309
Increase in Tenant Accounts Receivable and Prepaid Expenses and Other Assets, Net	(4,098)	(4,556)
Increase in Deferred Rent Receivable	(661)	(1,244)
Decrease in Accounts Payable and Accrued Expenses and Rents Received in Advance and Security Deposits	(15,967)	(10,291)
Increase in Restricted Cash	(57)	(94)
Net Cash Provided by Operating Activities	55,994	74,856
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of and Additions to Investment in Real Estate	(168,063)	(204,365)
Net Proceeds from Sales of Investment in Real Estate	142,120	212,445
Contributions to and Investments in Joint Ventures	(3,104)	--
Distributions from Joint Ventures in Excess of Equity in Income	179	166
Repayment of Mortgage Loans Receivable	18,068	4,429
Increase in Restricted Cash	(17,118)	(27,883)
Net Cash Used in Investing Activities	(27,918)	(15,208)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net Proceeds from Exercise of Employee Stock Options	15,749	13,936
Repurchase of Restricted Stock	(1,787)	(1,638)
Purchase of U.S. Government Securities	(2,634)	(1,123)
Proceeds from Senior Unsecured Debt	247,950	199,390
Other Proceeds from Senior Unsecured Debt	1,772	--
Repayments of Senior Unsecured Debt	(84,930)	(100,000)
Redemption of Preferred Stock	(100,000)	(41,295)
Dividends/Distributions	(62,648)	(60,812)
Preferred Stock Dividends	(8,300)	(16,519)
Repayments on Mortgage Loans Payable	(1,806)	(12,731)
Proceeds from Acquisition Facility Payable	320,300	297,300
Repayments on Acquisition Facility Payable	(346,700)	(326,300)
Cost of Debt Issuance and Prepayment Fees	(2,412)	(8,888)
Net Cash Used in Financing Activities	(25,446)	(58,680)
Net Increase in Cash and Cash Equivalents	2,630	968
Cash and Cash Equivalents, Beginning of Period	--	7,731
Cash and Cash Equivalents, End of Period	$ 2,630	$ 8,699

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

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 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 85.1% ownership interest at June 30, 2002. Minority interest in the Company at June 30, 2002 represents the approximate 14.9% aggregate partnership interest in the Operating Partnership held by the limited partners thereof.

As of June 30, 2002, the Company owned 906 in-service properties located in 24 states, containing an aggregate of approximately 63.3 million square feet of gross leasable area ("GLA"). Of the 906 in-service properties owned by the Company, 763 are held by the Operating Partnership, 118 are held by limited partnerships in which the Operating Partnership is the limited partner and wholly-owned subsidiaries of the Company are the general partners, 11 are held by limited liability companies of which the Operating Partnership is the sole member and 14 are held by an entity wholly-owned by the Operating Partnership. The Company, through wholly-owned limited liability companies of which the Operating Partnership is the sole member, also owns minority equity interests in, and provides asset and property management services to, three joint ventures which invest in industrial properties (the "September 1998 Joint Venture", the "September 1999 Joint Venture" and the "December 2001 Joint Venture").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying unaudited 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 2001 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, 2001 audited financial statements included in the Company's 2001 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 as of June 30, 2002 and December 31, 2001, and the reported amounts of revenues and expenses for each of the six and three months ended June 30, 2002 and 2001. Actual results could differ from those estimates.

In the opinion of management, all adjustments consist of normal recurring adjustments necessary for a fair statement of the financial position of the Company as of June 30, 2002, the results of its operations for each of the six and three months ended June 30, 2002 and 2001 and its cash flows for the six months ended June 30, 2002 and 2001.

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 approximately $2,050 as of June 30, 2002 and December 31, 2001.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Discontinued Operations:

On January 1, 2002, the Company adopted the Financial Accounting Standards Board's ("FASB") Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long Lived Assets" ("FAS 144"). FAS 144 addresses final accounting and reporting for the disposal of long lived assets. FAS 144 requires that the results of operations and gains or losses on the sale of properties sold subsequent to December 31, 2001 that were not classified as held for sale at December 31, 2001 and the results of operations from properties that were classified as held for sale subsequent to December 31, 2001 be presented in discontinued operations. FAS 144 also requires prior period results of operations for these properties to be restated and presented in discontinued operations in prior consolidated statements of operations.

Recent Accounting Pronouncements:

On April 30, 2002, the FASB issued Financial Accounting Standards No. 145, "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections" ("FAS 145"). FAS 145 rescinds both Statement of Financial Accounting Standards No. 4, "Reporting Gains and Losses from Extinguishment of Debt" ("FAS 4"), and the amendment to FAS 4, Statement of Financial Accounting Standards No. 64, "Extinguishments of Debt Made to Satisfy Sinking-Fund Requirements". FAS 145 eliminates the requirement that gains and losses from the extinguishment of debt be aggregated and, if material, classified as an extraordinary item, net of the related income tax effect, unless the criteria in Accounting Principles Board Opinion No. 30, "Reporting the Results of Operations- Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions" are met. FAS 145 is effective for fiscal years beginning after May 15, 2002. The Company believes that FAS 145 will not have an impact on its consolidated financial position, liquidity and results of operations.

Reclassification:

Certain 2001 items have been reclassified to conform to the 2002 presentation.

3. INVESTMENTS IN JOINT VENTURES

During the six months ended June 30, 2002, the Company, through wholly-owned limited liability companies in which the Operating Partnership is the sole member, recognized approximately $454 in asset management fees from the September 1998 Joint Venture and the September 1999 Joint Venture, and approximately $556 in property management fees from the September 1998 Joint Venture, the September 1999 Joint Venture and the December 2001 Joint Venture. The Company, through a wholly-owned limited liability company in which the Operating Partnership is the sole member, invested approximately $3,104 in the December 2001 Joint Venture. The Company, through wholly-owned limited liability companies in which the Operating Partnership is the sole member, received distributions of approximately $755 from the September 1998 Joint Venture, the September 1999 Joint Venture and the December 2001 Joint Venture. As of June 30, 2002, the September 1998 Joint Venture owned 90 industrial properties comprising approximately 4.3 million square feet of GLA, the September 1999 Joint Venture owned 31 industrial properties comprising approximately .8 million square feet of GLA and the December 2001 Joint Venture had economic interests in 14 industrial properties comprising approximately 2.5 million square feet of GLA. The properties purchased by the December 2001 Joint Venture were purchased from the Company. The Company deferred 15% of the gain resulting from these sales, which is equal to the Company's economic interest in the December 2001 Joint Venture.

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

Mortgage Loans Payable, Net:

On December 29, 1995, the Company, through an entity in which the Operating Partnership is the sole limited partner and a wholly-owned subsidiary of the Company is the general partner (the "Mortgage Partnership"), entered into a $40,200 mortgage loan (the "1995 Mortgage Loan"). In January 2002, the Company purchased approximately $.8 million of U.S. Government securities as substitute collateral to execute a legal defeasance of approximately $.8 million of the 1995 Mortgage Loan. In June 2002, the Company purchased approximately $1.9 million of U.S. Government securities as substitute collateral to execute a legal defeasance of approximately $1.9 million of the 1995 Mortgage Loan. The terms of the legal defeasance require the Mortgage Partnership to use the gross proceeds from the maturities of the U.S. Government securities to pay down and subsequently retire the defeased portion of the 1995 Mortgage Loan in January 2003. The Company is carrying the defeased portion of the 1995 Mortgage Loan on its balance sheet until it pays down and retires the defeased portion of the 1995 Mortgage Loan in January 2003. Upon the executions of the legal defeasances, two of the 21 properties collateralizing the 1995 Mortgage Loan were released and subsequently sold.

On April 1, 2002, the Company, through the Operating Partnership, assumed a mortgage loan in the principal amount of $5,814 (the "Acquisition Mortgage Loan VIII"). The Acquisition Mortgage Loan VIII is collateralized by one property in Rancho Dominguez, California, bears interest at a fixed rate of 8.26% and provides for monthly principal and interest payments based on a 22-year amortization schedule. The Acquisition Mortgage Loan VIII matures on December 1, 2019. The Acquisition Mortgage Loan VIII may be prepaid only after November 2004 in exchange for the greater of a 1% prepayment fee or yield maintenance premium.

On April 1, 2002, the Company, through the Operating Partnership, assumed a mortgage loan in the principal amount of $6,030 (the "Acquisition Mortgage Loan IX"). The Acquisition Mortgage Loan IX is collateralized by one property in Rancho Dominguez, California, bears interest at a fixed rate of 8.26% and provides for monthly principal and interest payments based on a 22-year amortization schedule. The Acquisition Mortgage Loan IX matures on December 1, 2019. The Acquisition Mortgage Loan IX may be prepaid only after November 2004 in exchange for the greater of a 1% prepayment fee or yield maintenance premium.

On January 31, 1997, the Company, through the Operating Partnership, assumed a loan in the amount of $705 (the "LB Loan II"). The LB Loan II was interest free until February 1998, after which time the LB Loan II bore interest at 8.00%, and provided for interest only payments prior to maturity. On June 14, 2002, the Company, through the Operating Partnership, paid off and retired the LB Loan II.

Senior Unsecured Debt:

On April 15, 2002, the Company, through the Operating Partnership, issued $200,000 of senior unsecured debt which matures on April 15, 2012 and bears a coupon interest rate of 6.875% (the "2012 Notes"). The issue price of the 2012 Notes was 99.310%. Interest is paid semi-annually in arrears on April 15 and October 15. The Company also entered into interest rate protection agreements which were used to fix the interest rate on the 2012 Notes prior to issuance. The Company settled the interest rate protection agreements for approximately $1,772 of proceeds, which is included in other comprehensive income. The debt issue discount and the settlement amount of the interest rate protection agreements are being amortized over the life of the 2012 Notes as an adjustment to interest expense. The 2012 Notes contain certain covenants, including limitations on incurrence of debt and debt service coverage.

On April 15, 2002, the Company, through the Operating Partnership, issued $50,000 of senior unsecured debt which matures on April 15, 2032 and bears a coupon interest rate of 7.75% (the "2032 Notes"). The issue price of the 2032 Notes was 98.660%. Interest is paid semi-annually in arrears on April 15 and October 15. The debt issue discount is being amortized over the life of the 2032 Notes as an adjustment to interest expense. The 2032 Notes contain certain covenants, including limitations on incurrence of debt and debt service coverage.

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

On May 13, 1997, the Company, through the Operating Partnership, issued $100,000 of senior unsecured debt which matures on May 15, 2027 and bears a coupon interest rate of 7.15% (the "2027 Notes"). The issue price of the 2027 Notes was 99.854%. The 2027 Notes were redeemable, at the option of the holders thereof, on May 15, 2002. The Company received redemption notices from holders representing $84,930 of the 2027 Notes outstanding. On May 15, 2002, the Company paid off and retired $84,930 of the 2027 Notes. Due to the partial payoff of the 2027 Notes, the Company has recorded an extraordinary loss of approximately $888 comprised of the amount paid above the carrying amount of the 2027 Notes, the write-off of unamortized deferred financing fees and legal costs.

Acquisition Facility Payable:

In January 2002, the Company entered into an interest rate swap agreement (the "Interest Rate Swap Agreement") which fixed the interest rate on a portion of the Company's outstanding borrowings on its $300,000 unsecured revolving credit facility (the "2000 Unsecured Acquisition Facility"). The Company designated this transaction as a cash flow hedge. The Interest Rate Swap Agreement has a notional value of $25,000, is effective from February 4, 2002 through February 4, 2003 and fixed the LIBOR Rate at 2.4975%. Any payments or receipts from the Interest Rate Swap Agreement will be treated as a component of interest expense. The Company anticipates that the Interest Rate Swap Agreement will be highly effective and, as a result, the change in value will be shown in other comprehensive income.

(DOLLARS IN THOUSANDS)

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

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

	OUTSTANDING BALANCE AT				ACCRUED INTEREST PAYABLE AT		INTEREST RATE AT		
	JUNE 30, 2002		DECEMBER 31, 2001		JUNE 30, 2002	DECEMBER 31, 2001	JUNE 30, 2002	MATURITY DATE	
MORTGAGE LOANS PAYABLE, NET									
1995 Mortgage Loan	$ 37,774	(1)	$ 38,063		$ 152	$ 160	7.220%	1/11/26	(1)
CIGNA Loan......................	32,824		33,214		205	207	7.500%	4/01/03	(7)
Assumed Loans..................	6,282		6,538		--	--	9.250%	1/01/13	
LB Loan II......................	--		705		--	24	8.000%	(2)	
Acquisition Mortgage Loan III...	2,999		3,065		22	--	8.875%	6/01/03	
Acquisition Mortgage Loan IV....	2,255		2,286		17	--	8.950%	10/01/06	
Acquisition Mortgage Loan V.....	2,631	(3)	2,665	(3)	--	--	9.010%	9/01/06	
Acquisition Mortgage Loan VI....	905	(3)	923	(3)	6	7	8.875%	11/01/06	(8)
Acquisition Mortgage Loan VIII..	5,794		--		40	--	8.260%	12/01/19	
Acquisition Mortgage Loan IX....	6,009		--		41	--	8.260%	12/01/19	
Total..........................	$ 97,473		$ 87,459		$ 483	$ 398			
SENIOR UNSECURED DEBT, NET									
2005 Notes......................	$ 50,000		$ 50,000		$ 383	$ 383	6.900%	11/21/05	
2006 Notes......................	150,000		150,000		875	875	7.000%	12/01/06	
2007 Notes......................	149,974	(4)	149,972	(4)	1,457	1,457	7.600%	5/15/07	
2011 PATS.......................	99,587	(4)	99,563	(4)	942	942	7.375%	5/15/11	(5)
2017 Notes......................	99,852	(4)	99,847	(4)	625	625	7.500%	12/01/17	
2027 Notes......................	15,052	(4)	99,877	(4)	138	914	7.150%	5/15/27	(6)
2028 Notes......................	199,795	(4)	199,791	(4)	7,009	7,009	7.600%	7/15/28	
2011 Notes......................	199,471	(4)	199,441	(4)	4,343	4,343	7.375%	3/15/11	
2012 Notes......................	198,649	(4)	--		2,903	--	6.875%	4/15/12	
2032 Notes......................	49,335	(4)	--		818	--	7.750%	4/15/32	
Total..........................	$1,211,715		$1,048,491		$19,493	$16,548			
ACQUISITION FACILITY PAYABLE									
2000 Unsecured Acquisition Facility.....................	$ 156,100		$ 182,500		$ 399	$ 571	3.17%	6/30/03	

(1) Approximately $4.9 million of this loan has been defeased and will be paid in full in January 2003.
(2) On June 14, 2002, the Company paid off and retired the LB Loan II.
(3) At June 30, 2002, the Acquisition Mortgage Loan V and the Acquisition Mortgage Loan VI are net of unamortized premiums of $161 and $36, respectively. At December 31, 2001 the Acquisition Mortgage Loan V and the Acquisition Mortgage Loan VI are net of unamortized premiums of $180 and $41, respectively.
(4) At June 30, 2002, the 2007 Notes, 2011 PATS, 2017 Notes, 2027 Notes, 2028 Notes, 2011 Notes, 2012 Notes and the 2032 Notes are net of unamortized discounts of $26, $413, $148, $18, $205, $529, $1,351 and $665, respectively. At December 31, 2001, the 2007 Notes, 2011 PATS, 2017 Notes, 2027 Notes, 2028 Notes and the 2011 Notes are net of unamortized discounts of $28, $437, $153, $123, $209 and $559, respectively.
(5) The 2011 PATS are redeemable at the option of the holder thereof, on May 15, 2004.
(6) The 2027 Notes were redeemable at the option of the holders thereof, on May 15, 2002. The Company redeemed $84,930 of the 2027 Notes outstanding on May 15, 2002.
(7) The Company has given notice to the lender of the CIGNA Loan that it intends to pay off and retire this loan in October 2002.
(8) On July 2, 2002, the Company paid off and retired the Acquisition Mortgage Loan VI.

(DOLLARS IN THOUSANDS)

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

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

	Amount
Remainder of 2002	$ 34,532
2003	165,264
2004	1,628
2005	51,777
2006	156,058
Thereafter	1,059,187
Total	$1,468,446

The Company has given notice to the lender of the CIGNA Loan (as defined in Note 11) that it intends to pay off and retire this loan in October 2002. As a result, the CIGNA Loan (as defined in Note 11) is shown as coming due in 2002. Also, on July 2, 2002, the Company paid off and retired the Acquisition Mortgage Loan VI. As a result, the Acquisition Mortgage Loan VI is shown as coming due in 2002 as well.

Other Comprehensive Income:

In conjunction with the prior issuances of senior unsecured debt, the Company entered into interest rate protection agreements to fix the interest rate on anticipated offerings of senior unsecured debt (the "Interest Rate Protection Agreements"). In the next 12 months, the Company will amortize approximately $190 into net income as an increase to interest expense.

The following is a rollforward of the accumulated other comprehensive loss balance relating to derivative transactions:

Balance at December 31, 2001	$ (12,381)
Settlement of Interest Rate Protection Agreements	1,772
Change in Market Value of Interest Rate Swap Agreements	(179)
Amortization of Interest Rate Protection Agreements	125
Balance at June 30, 2002	$ (10,663)

5. STOCKHOLDERS' EQUITY

Preferred Stock:

On May 14, 1997, the Company issued 4,000,000 Depositary Shares, each representing 1/100th of a share of the Company's 8 3/4%, $.01 par value, Series B Cumulative Preferred Stock (the "Series B Preferred Stock"), at an initial offering price of $25.00 per Depositary Share. On or after May 14, 2002, the Series B Preferred Stock became redeemable for cash at the option of the Company, in whole or in part, at a redemption price equivalent to $25.00 per Depositary Share, or $100,000 in the aggregate, plus dividends accrued and unpaid to the redemption date. On April 12, 2002, the Company called for the redemption of all of its outstanding Series B Preferred Stock at the price of $25.00 per Depositary Share, plus accrued and unpaid dividends. The Company redeemed the Series B Preferred Stock on May 14, 2002 and paid a prorated second quarter dividend of $.26736 per Depositary Share, totaling approximately $1,069.

(DOLLARS IN THOUSANDS)

5. STOCKHOLDERS' EQUITY, CONTINUED

Restricted Stock:

During the six months ended June 30, 2002, the Company awarded 90,260 shares of restricted common stock to certain employees and 1,841 shares of restricted common stock to certain Directors. These shares of restricted common stock had a fair value of approximately $3,174 on the date of grant. The restricted common stock vests over periods from one to ten years. Compensation expense will be charged to earnings over the respective vesting period.

Non-Qualified Employee Stock Options:

During the six months ended June 30, 2002, the Company issued 940,600 non-qualified employee stock options to certain officers, Directors and employees of the Company. These non-qualified employee stock options vest over periods from one to three years, have a strike price of $30.53 - $33.15 per share and expire ten years from the date of grant.

During the six months ended June 30, 2002, certain employees of the Company exercised 555,068 non-qualified employee stock options. Net proceeds to the Company were approximately $15,749.

Dividends/Distributions:

The following table summarizes dividends/distributions declared for the six months ended June 30, 2002.

	Six Months Ended June 30, 2002	
	Dividend/ Distribution per Share/ Unit	Total Dividend/ Distribution
Common Stock/Operating Partnership Units	$ 1.3600	$ 63,060
Series B Preferred Stock	$ 81.4240	$ 3,260
Series C Preferred Stock	$ 107.8120	$ 2,156
Series D Preferred Stock	$ 99.3740	$ 4,968
Series E Preferred Stock	$ 98.7500	$ 2,960

6. ACQUISITION AND DEVELOPMENT OF REAL ESTATE

During the six months ended June 30, 2002, the Company acquired 35 industrial properties, comprising approximately 3.4 million square feet of GLA and one land parcel. The aggregate purchase price for these acquisitions totaled approximately $131,309, excluding costs incurred in conjunction with the acquisition of the properties. The Company also completed the development of five industrial properties comprising approximately .9 million square feet of GLA at a cost of approximately $37.9 million.

7. SALES OF REAL ESTATE, REAL ESTATE HELD FOR SALE AND DISCONTINUED OPERATIONS

During the six months ended June 30, 2002, the Company sold 41 industrial properties comprising approximately 4.4 million square feet of GLA that were not classified as held for sale at December 31, 2001, nine properties comprising approximately .4 million square feet of GLA that were classified as held for sale at December 31, 2001, several land parcels and assigned to a third party the right to purchase a certain property. Gross proceeds from these sales were approximately $196,530. The gain on sale of real estate was approximately $35,495, of which $32,239 is shown in discontinued operations. In accordance with FAS 144, the results of operations and gain on sale of real estate for the 41 sold properties that were not identified as held for sale at December 31, 2001 and the gain associated with the assignment to a third party of the right to purchase a certain property are included in discontinued operations.

(DOLLARS IN THOUSANDS)

7. SALES OF REAL ESTATE, REAL ESTATE HELD FOR SALE AND DISCONTINUED OPERATIONS, CONTINUED

At June 30, 2002, the Company had 12 industrial properties comprising approximately 1.3 million square feet of GLA held for sale. Five of the 12 properties comprising approximately .8 million square feet of GLA that were held for sale as of June 30, 2002 were identified as held for sale as of December 31, 2001. In accordance with FAS 144, the results of operations of the seven properties identified as held for sale during the six months ended June 30, 2002 are included in discontinued operations. There can be no assurance that such properties held for sale will be sold.

The following table discloses certain information regarding the five industrial properties identified as held for sale by the Company prior to January 1, 2002.

	SIX MONTHS ENDED JUNE 30,		THREE MONTHS ENDED JUNE 30,	
	2002	2001	2002	2001
Total Revenues	$ 1,689	$1,390	$ 804	$ 645
Operating Expenses	(567)	(602)	(282)	(282)
Income from Operations	$ 1,122	$ 788	$ 522	$ 363

8. SUPPLEMENTAL INFORMATION TO STATEMENTS OF CASH FLOWS

Supplemental disclosure of cash flow information:

	Six Months Ended June 30, 2002	Six Months Ended June 30, 2001
Interest paid, net of capitalized interest	$ 39,846	$ 40,597
Interest capitalized	$ 5,204	$ 4,297
Supplemental schedule of noncash investing and financing activities:		
Distribution payable on common stock/units	$ 31,607	$ 30,668
Distribution payable on preferred stock	$ 5,044	$ 7,231
Issuance of units in exchange for property	$ 633	$ 1,491
Exchange of units for common shares:		
Minority interest	$ (1,628)	$ (4,213)
Common stock	1	2
Additional paid-in capital	1,627	4,211
	$ --	$ --
In conjunction with the property and land acquisitions, the following liabilities were assumed:		
Purchase of real estate	$ 131,309	$ 124,361
Accrued real estate taxes and security deposits	(699)	(1,072)
Mortgage Debt	(11,844)	--
	$ 118,766	$ 123,289
In conjunction with certain property sales, the Company provided seller financing on behalf of certain buyers:		
Notes Receivable	$ 44,036	$ --

(DOLLARS IN THOUSANDS)

9. EARNINGS PER SHARE

The computation of basic and diluted EPS is presented below:

	Six Months Ended		Three Months Ended	
	June 30, 2002	June 30, 2001	June 30, 2002	June 30, 2001
Numerator:				
Income from Continuing Operations	$ 31,166	$ 66,706	$ 15,521	$ 34,265
Less: Preferred Stock Dividends	(13,344)	(15,539)	(6,113)	(7,328)
Income from Continuing Operations Available to Common Stockholders, Net of Minority Interest -For Basic and Diluted EPS	17,822	51,167	9,408	26,937
Discontinued Operations, Net of Minority Interest	31,048	5,514	15,920	2,756
Net Income Available to Common Stockholders Before Extraordinary Loss-For Basic and Diluted EPS	48,870	56,681	25,328	29,693
Extraordinary Loss, Net of Minority Interest	(754)	(8,712)	(754)	(8,712)
Net Income Available to Common Stockholders -For Basic and Diluted EPS	$ 48,116	$ 47,969	$ 24,574	$ 20,981
Denominator:				
Weighted Average Shares - Basic	39,193,571	39,196,852	39,407,243	39,440,432
Effect of Dilutive Securities:				
Employee and Director Common Stock Options	346,382	373,698	422,871	289,465
Weighted Average Shares - Diluted	39,539,953	39,570,550	39,830,114	39,729,897
Basic EPS:				
Income from Continuing Operations Available to Common Stockholders, Net of Minority Interest	$ .45	$ 1.31	$ .24	$ .68
Discontinued Operations, Net of Minority Interest	$ .79	$ .14	$ .40	$ .07
Net Income Available to Common Stockholders Before Extraordinary Loss	$ 1.25	$ 1.45	$ .64	$ .75
Extraordinary Loss, Net of Minority Interest	$ (.02)	$ (.22)	$ (.02)	$ (.22)
Net Income Available to Common Stockholders	$ 1.23	$ 1.22	$ .62	$ .53
Diluted EPS:				
Income from Continuing Operations Available to Common Stockholders, Net of Minority Interest	$ .45	$ 1.29	$ .24	$ .68
Discontinued Operations, Net of Minority Interest	$ .79	$ .14	$ .40	$ .07
Net Income Available to Common Stockholders Before Extraordinary Loss	$ 1.24	$ 1.43	$ .64	$ .75
Extraordinary Loss, Net of Minority Interest	$ (.02)	$ (.22)	$ (.02)	$ (.22)
Net Income Available to Common Stockholders	$ 1.22	$ 1.21	$ .62	$ .53

10. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Company is involved in legal actions arising from the ownership of its properties. 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 34 development projects totaling approximately 4.4 million square feet of GLA for an estimated investment of approximately $214.9 million. Of this amount, approximately $48.4 million remains to be funded. These developments are expected to be funded with proceeds from the sale of select properties, cash flows from operations and borrowings under the Company's 2000 Unsecured Acquisition Facility. The Company expects to place in service all of the development projects during the next twelve months. There can be no assurance that the Company will place these projects in service during the next twelve months or that the actual completion cost will not exceed the estimated completion cost stated above.

11. SUBSEQUENT EVENTS

From July 1, 2002 to August 9, 2002, the Company acquired three industrial properties for an aggregate purchase price of approximately $4,550 excluding costs incurred in conjunction with the acquisition of these industrial properties. The Company also sold four industrial properties and several land parcels for approximately $21,060 of gross proceeds.

On July 1, 2002, the Company paid second quarter preferred stock dividends of $53.906 per share (equivalent to $.53906 per Depositary Share) on its Series C Preferred Stock, $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 July 1, 2002 totaled approximately $5,044.

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 was collateralized by one property in Portland, Oregon, bore interest at a fixed rate of 8.875% and provided for monthly principal and interest payments based on a 20-year amortization schedule. On July 2, 2002, the Company paid off and retired the Acquisition Mortgage Loan VI.

On March 20, 1996, the Company, through the Operating Partnership and the Indianapolis Partnership, entered into a $36,750 mortgage loan (the "CIGNA Loan") that is collateralized by seven properties in Indianapolis, Indiana and three properties in Cincinnati, Ohio. The CIGNA Loan bears interest at a fixed interest rate of 7.50% and provides for monthly principal and interest payments based on a 25 - year amortization schedule. The CIGNA Loan matures on April 1, 2003. The Company has given notice to the lender of the CIGNA Loan that it intends to pay off and retire this loan in October 2002.

On July 22, 2002, the Company and the Operating Partnership paid a second quarter 2002 dividend/distribution of $.6800 per common share/Unit, totaling approximately $31,607.

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.

This report contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and is including this statement for purposes of complying with those safe harbor provisions. Forward-looking statements, which are based on certain assumptions and describe future plans, strategies and expectations of the Company, are generally identifiable by use of the words "believe," "expect," "intend," "anticipate," "estimate," "project" or similar expressions. The Company's ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Factors which could have a material adverse affect on the operations and future prospects of the Company on a consolidated basis include, but are not limited to, changes in: economic conditions generally and the real estate market specifically, legislative/regulatory changes (including changes to laws governing the taxation of real estate investment trusts), availability of financing, interest rate levels, competition, supply and demand for industrial properties in the Company's current and proposed market areas, potential environmental liabilities, slippage in development or lease-up schedules, tenant credit risks, higher-than-expected costs and changes in general accounting principles, policies and guidelines applicable to real estate investment trusts. These risks and uncertainties should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. Further information concerning the Company and its business, including additional factors that could materially affect the Company's financial results, is included herein and in the Company's other filings with the Securities and Exchange Commission.

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 85.1% ownership interest at June 30, 2002. Minority interest in the Company at June 30, 2002 represents the approximate 14.9% aggregate partnership interest in the Operating Partnership held by the limited partners thereof.

As of June 30, 2002, the Company owned 906 in-service properties located in 24 states, containing an aggregate of approximately 63.3 million square feet of gross leasable area ("GLA"). Of the 906 in-service properties owned by the Company, 763 are held by the Operating Partnership, 118 are held by limited partnerships in which the Operating Partnership is the limited partner and wholly-owned subsidiaries of the Company are the general partners, 11 are held by limited liability companies of which the Operating Partnership is the sole member and 14 are held by an entity wholly-owned by the Operating Partnership. The Company, through wholly-owned limited liability companies of which the Operating Partnership is the sole member, also owns minority equity interests in, and provides asset and property management services to three joint ventures which invest in industrial properties (the "September 1998 Joint Venture", the "September 1999 Joint Venture" and the "December 2001 Joint Venture").

RESULTS OF OPERATIONS

At June 30, 2002, the Company owned 906 in-service properties with approximately 63.3 million square feet of GLA, compared to 947 in-service properties with approximately 65.8 million square feet of GLA at June 30, 2001. During the period between July 1, 2001 and June 30, 2002, the Company acquired 62 in-service properties containing approximately 5.3 million square feet of GLA, one out of service property with approximately .1 million square feet of GLA, completed development of seven properties totaling approximately 1.1 million square feet of GLA and sold 109 in-service properties totaling approximately 8.4 million square feet of GLA, four out of service properties and several land parcels. The Company also took four properties out of service that are under redevelopment, comprising approximately .7 million square feet of GLA, and placed in service three properties comprising approximately .2 million square feet of GLA.

COMPARISON OF SIX MONTHS ENDED JUNE 30, 2002 TO SIX MONTHS ENDED JUNE 30, 2001

Rental income and tenant recoveries and other income decreased by approximately $12.9 million or 6.8% due primarily to a decrease in average occupied GLA for the six months ended June 30, 2002 as compared to the six months ended June 30, 2001. Rental income and tenant recoveries and other income from properties owned prior to January 1, 2001 decreased by approximately $1.4 million or .9% due primarily to a decrease in occupancy for the six months ended June 30, 2002 as compared to the six months ended June 30, 2001.

Property expenses, which include real estate taxes, repairs and maintenance, property management, utilities, insurance and other expenses decreased by approximately $1.6 million or 2.8%. This decrease is due primarily to decreases in real estate taxes, utilities and other expenses, offset by an increase in repairs and maintenance. The decrease in real estate taxes and utilities is primarily due to a decrease in average GLA owned for the six months ended June 30, 2002 as compared to the six months ended June 30, 2001. The decrease in other expense is primarily due to a decrease in bad debt expense and a decrease in master lease payments. The increase in repairs and maintenance is primarily due to an increase in maintenance expenses as well as snow removal and related expenses. Property expenses from properties owned prior to January 1, 2001 increased by approximately $1.4 million or 3.2% due primarily to an increase in real estate taxes and repairs and maintenance. The increase in real estate taxes is primarily due to an increase in real estate taxes in many of the Company's markets. The increase in repairs and maintenance is due primarily to the explanation above.

General and administrative expense increased by approximately $.4 million due primarily to increases in employee compensation and additional employees for the six months ended June 30, 2002 as compared to the six months ended June 30, 2001, offset by the write-off of the Company's technology investment in the second quarter of 2001.

Interest expense increased by approximately $.1 million for the six months ended June 30, 2002 compared to the six months ended June 30, 2001 due primarily to a higher average debt balance outstanding for the six months ended June 30, 2002 as compared to the six months ended June 30, 2001. The average debt balance outstanding for the six months ended June 30, 2002 and 2001 was approximately $1,392.9 million and $ 1,310.5 million, respectively. This was offset by a decrease in the weighted average interest rate on the Company's outstanding debt for the six months ended June 30, 2002 (6.85%) as compared to the six months ended June 30, 2001 (7.19%), as well as an increase in capitalized interest due to an increase in development activities.

Amortization of deferred financing costs remained relatively unchanged.

Depreciation and other amortization increased by approximately $3.8 million due primarily to a decrease in the number of properties the Company considered held for sale at June 30, 2002 as compared to June 30, 2001.

Equity in income of joint ventures increased by approximately $.1 million or 32.1% due primarily to an increase in gain on sale of real estate and the start up of one of the Company's joint ventures in December 2001.

The approximate $3.3 million gain on sale of real estate for the six months ended June 30, 2002 resulted from the sale of nine industrial properties that were identified as held for sale at December 31, 2001. Gross proceeds from these sales were approximately $16.1 million.

The approximate $29.7 million gain on sale of real estate for the six months ended June 30, 2001 resulted from the sale of 69 industrial properties and several land parcels. Gross proceeds from these sales were approximately $226.4 million.

Income from discontinued operations of approximately $36.6 million for the six months ended June 30, 2002 reflects the results of operations and gain on sale of 41 industrial properties and several land parcels that were not held for sale at December 31, 2001 and were sold during the six months ended June 30, 2002 as well as the results of operations of seven industrial properties identified as held for sale during the six months ended June 30, 2002. Gross proceeds from the sales of the 41 industrial properties and several land parcels were approximately $180.4 million, resulting in a gain on sale of real estate of approximately $32.2 million.

Income from discontinued operations of approximately $6.5 million for the six months ended June 30, 2001 reflects the results of operations of the 41 industrial properties that were not held for sale at December 31, 2001 and were sold during the six months ended June 30, 2002 as well as the results of operations of seven industrial properties identified as held for sale during the six months ended June 30, 2002.

The approximate $.9 million extraordinary loss for the six months ended June 30, 2002 is due to the early retirement of senior unsecured debt. The extraordinary loss is comprised of the amount paid above the carrying amount of the senior unsecured debt, the write-off of unamortized deferred financing fees and legal costs.

The approximate $10.3 million extraordinary loss for the six months ended June 30, 2001 is due to the early retirement of senior unsecured debt and various mortgage loans. The extraordinary loss is comprised of the amount paid above the carrying amount of the senior unsecured debt, the write-off of unamortized deferred financing fees, the write-off of the unamortized portion of an interest rate protection agreement which was used to fix the interest rate on the senior unsecured debt prior to issuance, the settlement of an interest rate protection agreement used to fix the retirement price of the senior unsecured debt, prepayment fees, legal costs and other expenses.

COMPARISON OF THREE MONTHS ENDED JUNE 30, 2002 TO THREE MONTHS ENDED JUNE 30, 2001

Rental income and tenant recoveries and other income decreased by approximately $3.5 million or 3.8% due primarily to a decrease in average occupied GLA for the three months ended June 30, 2002 as compared to the three months ended June 30, 2001, offset by an increase in tenant recoveries due to an increase in operating expenses (as discussed below) for the three months ended June 30, 2002 as compared to the three months ended June 30, 2001. Rental income and tenant recoveries and other income from properties owned prior to April 1, 2001 increased by approximately $1.2 million or 1.6% due primarily to an increase in tenant recoveries due to an increase in property expenses (as discussed below) for the three months ended June 30, 2002 as compared to the three months ended June 30, 2001.

Property expenses, which include real estate taxes, repairs and maintenance, property management, utilities, insurance and other expenses increased by approximately $1.6 million or 6.0%. This increase is due primarily to increases in real estate taxes and repairs and maintenance. These increases were offset by a decrease in other expenses. The increase in real estate taxes is primarily due to an increase in real estate taxes in many of the Company's markets. The increase in repairs and maintenance is primarily due to an increase in maintenance expenses. The decrease in other expenses is primarily due to a decrease in bad debt expense. Property expenses from properties owned prior to April 1, 2001 increased by approximately $2.4 million or 11.3% due primarily to the explanations above.

General and administrative expense decreased by approximately $.2 million due primarily to the write-off of the Company's technology investment in the second quarter of 2001, offset by increases in employee compensation and additional employees for the three months ended June 30, 2002 as compared to the three months ended June 30, 2001.

Interest expense increased by approximately $1.5 million for the three months ended June 30, 2002 compared to the three months ended June 30, 2001 due primarily to a higher average debt balance outstanding for the three months ended June 30, 2002 as compared to the three months ended June 30, 2001. The average debt balance outstanding for the three months ended June 30, 2002 and 2001 was approximately $1,437.2 million and $1,332.1 million, respectively. This was slightly offset by a decrease in the weighted average interest rate on the Company's outstanding debt for the three months ended June 30, 2002 (6.98%) as compared to the three months ended June 30, 2001 (7.12%).

Amortization of deferred financing costs remained relatively unchanged.

Depreciation and other amortization increased by approximately $2.4 million due primarily to a decrease in the number of properties the Company considered held for sale at June 30, 2002 as compared to June 30, 2001.

Equity in income of joint ventures increased by approximately $.1 million or 41.6% due primarily to the start up of one of the Company's joint ventures in December 2001.

The approximate $2.6 million gain on sale of real estate for the three months ended June 30, 2002 resulted from the sale of seven industrial properties that were identified as held for sale at December 31, 2001. Gross proceeds from these sales were approximately $11.3 million.

The approximate $15.8 million gain on sale of real estate for the three months ended June 30, 2001 resulted from the sale of 45 industrial properties and several land parcels. Gross proceeds from these sales were approximately $165.5 million.

Income from discontinued operations of approximately $18.7 million for the three months ended June 30, 2002 reflects the results of operations and gain on sale of 21 industrial properties and several land parcels that were not held for sale at December 31, 2001 and were sold during the three months ended June 30, 2002 as well as the results of operations of seven industrial properties identified as held for sale during the three months ended June 30, 2002. Gross proceeds from the sales of the 21 industrial properties and several land parcels were approximately $88.3 million, resulting in a gain on sale of real estate of approximately $17.2 million.

Income from discontinued operations of approximately $3.3 million for the three months ended June 30, 2001 reflects the results of operations of the 21 industrial properties that were not held for sale at December 31, 2001 and were sold during the three months ended June 30, 2002 as well as the results of operations of seven industrial properties identified as held for sale during the three months ended June 30, 2002.

The approximate $.9 million extraordinary loss for the three months ended June 30, 2002 is due to the early retirement of senior unsecured debt. The extraordinary loss is comprised of the amount paid above the carrying amount of the senior unsecured debt, the write-off of unamortized deferred financing fees and legal costs.

The approximate $10.3 million extraordinary loss for the three months ended June 30, 2001 is due to the early retirement of senior unsecured debt and various mortgage loans. The extraordinary loss is comprised of the amount paid above the carrying amount of the senior unsecured debt, the write-off of unamortized deferred financing fees, the write-off of the unamortized portion of an interest rate protection agreement which was used to fix the interest rate on the senior unsecured debt prior to issuance, the settlement of an interest rate protection agreement used to fix the retirement price of the senior unsecured debt, prepayment fees, legal costs and other expenses.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2002, the Company's cash and cash equivalents was approximately $2.6 million and restricted cash was approximately $39.9 million. Included in restricted cash are approximately $2.7 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, capital expenditures, interest, real estate taxes, insurance and releasing costs. 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 is adjusted as tenants turn over. The portion of cash reserves relating to releasing costs resulted from a deposit of a lease termination fee that will be used to cover the costs of releasing that space. Also included in restricted cash is approximately $37.2 million of gross proceeds from the sales of certain properties. These sales proceeds will be disbursed as the Company exchanges properties under Section 1031 of the Internal Revenue Code.

SIX MONTHS ENDED JUNE 30, 2002

Net cash provided by operating activities of approximately $56.0 million for the six months ended June 30, 2002 was comprised primarily of net income before minority interest of approximately $69.9 million and adjustments for non-cash items of approximately $6.2 million, offset by the net change in operating assets and liabilities of approximately $20.1 million. The adjustments for the non-cash items of approximately $6.2 million are primarily comprised of depreciation and amortization of approximately $41.4 million and an extraordinary loss of approximately $.9 million from the early retirement of debt, offset by the gain on sale of real estate of approximately $35.4 million and the effect of the straight-lining of rental income of approximately $.7 million.

Net cash used in investing activities of approximately $27.9 million for the six months ended June 30, 2002 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, an increase in restricted cash from sales proceeds deposited with an intermediary for Section 1031 exchange purposes and contributions to and investments in the December 2001 Joint Venture, offset by the net proceeds from the sale of real estate, distributions from the Company's industrial real estate joint ventures and the repayment of mortgage loans receivable.

Net cash used in financing activities of approximately $25.4 million for the six months ended June 30, 2002 was comprised primarily of the redemption of the Company's Series B Preferred Stock (defined below), the partial pay off of the 2027 Notes (defined below), repayments on mortgage loans payable, the repurchase of restricted stock from employees of the Company to pay for withholding taxes on the vesting of restricted stock, the purchase of U.S. Government securities used as substitute collateral to execute a legal defeasance of a portion of the 1995 Mortgage Loan, common and preferred stock dividends and unit distributions and net repayments under the Company's $300 million unsecured line of credit (the "2000 Unsecured Acquisition Facility"), offset by the net proceeds from the issuance of senior unsecured debt and the net proceeds from the exercise of employee stock options.

SIX MONTHS ENDED JUNE 30, 2001

Net cash provided by operating activities of approximately $74.9 million for the six months ended June 30, 2001 was comprised primarily of net income before minority interest of approximately $72.3 million and adjustments for non-cash items of approximately $17.5 million, offset by the net change in operating assets and liabilities of approximately $14.9 million. The adjustments for the non-cash items of approximately $17.5 million are primarily comprised of depreciation and amortization of approximately $38.1 million and an extraordinary loss of approximately $10.3 million from the early retirement of debt, offset by the gain on sale of real estate of approximately $29.7 million and the effect of the straight-lining of rental income of approximately $1.2 million.

Net cash used in investing activities of approximately $15.2 million for the six months ended June 30, 2001 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 and an increase in restricted cash from sales proceeds deposited with an intermediary for Section 1031 exchange purposes, offset by the net proceeds from the sale of real estate, distributions from the Company's industrial real estate joint ventures and the repayment of mortgage loans receivable.

Net cash used in financing activities of approximately $58.7 million for the six months ended June 30, 2001 was comprised primarily of repayment of senior unsecured debt, repayments on mortgage loans payable, the repurchase of restricted stock from employees of the Company to pay for withholding taxes on the vesting of restricted stock, the purchase of U.S. Government securities used as substitute collateral to execute a legal defeasance of a portion of the 1995 Mortgage Loan, common and preferred stock dividends and unit distributions, prepayment fees incurred in the repayment of senior unsecured debt and prepayment fees incurred in the early retirement of two mortgage loans, redemption of the Company's Series A Preferred Stock and the net repayments under the 2000 Unsecured Acquisition Facility, offset by the net proceeds from the issuance of senior unsecured debt and net proceeds from the exercise of employee stock options.

INVESTMENT IN REAL ESTATE AND DEVELOPMENT OF REAL ESTATE

During the six months ended June 30, 2002, the Company acquired 35 industrial properties comprising, in the aggregate, approximately 3.4 million square feet of GLA and one land parcel for an aggregate purchase price of approximately $131.3 million, excluding costs incurred in conjunction with the acquisition of the properties. The Company also completed the development of five industrial properties comprising approximately .9 million square feet of GLA at a cost of approximately $37.9 million.

The Company has committed to the construction of 34 development projects totaling approximately 4.4 million square feet of GLA for an estimated investment of approximately $214.9 million. Of this amount, approximately $48.4 million remains to be funded. These developments are expected to be funded with proceeds from the sale of select properties, cash flows from operations and borrowings under the Company's 2000 Unsecured Acquisition Facility. The Company expects to place in service all of the development projects during the next twelve months. There can be no assurance that the Company will place these projects in service during the next twelve months or that the actual completion cost will not exceed the estimated completion cost stated above.

SALE OF REAL ESTATE, REAL ESTATE HELD FOR SALE AND DISCONTINUED OPERATIONS

During the six months ended June 30, 2002, the Company sold 41 industrial properties comprising approximately 4.4 million square feet of GLA that were not classified as held for sale at December 31, 2001, nine properties comprising approximately .4 million square feet of GLA that were classified as held for sale at December 31, 2001, several land parcels and assigned to a third party the right to purchase a certain property. Gross proceeds from these sales were approximately $196.5 million. In accordance with FAS 144, the results of operations and gain on sale of real estate for the 41 sold properties that were not identified as held for sale at December 31, 2001 and the gain associated with the assignment of the right to a third party to purchase a certain property are included in discontinued operations.

At June 30, 2002, the Company had 12 industrial properties comprising approximately 1.3 million square feet of GLA held for sale. Five of the 12 properties comprising approximately .8 million square feet of GLA that were held for sale as of June 30, 2002 were identified as held for sale as of December 31, 2001. Income from operations for these five industrial properties held for sale for the six months ended June 30, 2002 and 2001 is approximately $1.1 million and $.8 million, respectively. Income from operations for these five industrial properties held for sale for the three months ended June 30, 2002 and 2001 is approximately $.5 million and $.4 million, respectively. Net carrying value of the 12 industrial properties held for sale at June 30, 2002 is approximately $36.7 million. In accordance with FAS 144, the results of operations of the property identified as held for sale during the six months ended June 30, 2002 are included in discontinued operations. There can be no assurance that such properties held for sale will be sold.

INVESTMENTS IN JOINT VENTURES

During the six months ended June 30, 2002, the Company, through wholly-owned limited liability companies in which the Operating Partnership is the sole member, recognized approximately $1.0 million in asset management and property management fees from the September 1998 Joint Venture, the September 1999 Joint Venture and the December 2001 Joint Venture. The Company, through a wholly-owned limited liability company in which the Operating Partnership is the sole member, invested approximately $3.1 million in the December 2001 Joint Venture. The Company, through wholly-owned limited liability companies in which the Operating Partnership is the sole member, received distributions of approximately $.8 million from the September 1998 Joint Venture, the September 1999 Joint Venture, and the December 2001 Joint Venture. As of June 30, 2002, the September 1998 Joint Venture owned 90 industrial properties comprising approximately 4.3 million square feet of GLA, the September 1999 Joint Venture owned 31 industrial properties comprising approximately .8 million square feet of GLA and the December 2001 Joint Venture had economic interests in 14 industrial properties comprising approximately 2.5 million square feet of GLA. The properties purchased by the December 2001 Joint Venture were purchased from the Company. The Company deferred 15% of the gain resulting from these sales, which is equal to the Company's economic interest in the December 2001 Joint Venture.

MORTGAGE LOANS PAYABLE

In January 2002, the Company purchased approximately $.8 million of U.S. Government securities as substitute collateral to execute a legal defeasance of approximately $.8 million of the 1995 Mortgage Loan. In June 2002, the Company purchased approximately $1.9 million of U.S. Government securities as substitute collateral to execute a legal defeasance of approximately $1.9 million of the 1995 Mortgage Loan. The terms of the legal defeasance require the Mortgage Partnership to use the gross proceeds from the maturities of the U.S. Government securities to pay down and subsequently retire the defeased portion of the 1995 Mortgage Loan in January 2003. The Company is carrying the defeased portion of the 1995 Mortgage Loan on its balance sheet until it pays down and retires the defeased portion of the 1995 Mortgage Loan in January 2003. Upon the executions of the legal defeasances, two of the 21 properties collateralizing the 1995 Mortgage Loan were released and subsequently sold.

On April 1, 2002, the Company, through the Operating Partnership, assumed a mortgage loan in the principal amount of approximately $5.8 million (the "Acquisition Mortgage Loan VIII"). The Acquisition Mortgage Loan VIII is collateralized by one property in Rancho Dominguez, California, bears interest at a fixed rate of 8.26% and provides for monthly principal and interest payments based on a 22-year amortization schedule. The Acquisition Mortgage Loan VIII matures on December 1, 2019. The Acquisition Mortgage Loan VIII may be prepaid only after November 2004 in exchange for the greater of a 1% prepayment fee or yield maintenance premium.

On April 1, 2002, the Company, through the Operating Partnership, assumed a mortgage loan in the principal amount of approximately $6.0 million (the "Acquisition Mortgage Loan IX"). The Acquisition Mortgage Loan IX is collateralized by one property in Rancho Dominguez, California, bears interest at a fixed rate of 8.26% and provides for monthly principal and interest payments based on a 22-year amortization schedule. The Acquisition Mortgage Loan IX matures on December 1, 2019. The Acquisition Mortgage Loan IX may be prepaid only after November 2004 in exchange for the greater of a 1% prepayment fee or yield maintenance premium.

On January 31, 1997, the Company, through the Operating Partnership, assumed a loan in the amount of approximately $.7 million (the "LB Loan II"). The LB Loan II was interest free until February 1998, after which time the LB Loan II bore interest at 8.00%, and provided for interest only payments prior to maturity. On June 14, 2002, the Company, through the Operating Partnership, paid off and retired the LB Loan II.

SENIOR UNSECURED DEBT

On April 15, 2002, the Company, through the Operating Partnership, issued $200 million of senior unsecured debt which matures on April 15, 2012 and bears a coupon interest rate of 6.875% (the "2012 Notes"). The issue price of the 2012 Notes was 99.310%. Interest is paid semi-annually in arrears on April 15 and October 15. The Company also entered into interest rate protection agreements which were used to fix the interest rate on the 2012 Notes prior to issuance. The Company settled the interest rate protection agreements for approximately $1.8 million of proceeds, which is included in other comprehensive income. The debt issue discount and the settlement amount of the interest rate protection agreements are being amortized over the life of the 2012 Notes as an adjustment to interest expense. The 2012 Notes contain certain covenants, including limitations on incurrence of debt and debt service coverage.

On April 15, 2002, the Company, through the Operating Partnership, issued $50 million of senior unsecured debt which matures on April 15, 2032 and bears a coupon interest rate of 7.75% (the "2032 Notes"). The issue price of the 2032 Notes was 98.660%. Interest is paid semi-annually in arrears on April 15 and October 15. The debt issue discount is being amortized over the life of the 2032 Notes as an adjustment to interest expense. The 2032 Notes contain certain covenants, including limitations on incurrence of debt and debt service coverage.

On May 13, 1997, the Company, through the Operating Partnership, issued $100 million of senior unsecured debt which matures on May 15, 2027 and bears a coupon interest rate of 7.15% (the "2027 Notes"). The issue price of the 2027 Notes was 99.854%. The 2027 Notes were redeemable, at the option of the holders thereof, on May 15, 2002. The Company received redemption notices from holders representing approximately $84.9 million of the 2027 Notes outstanding. On May 15, 2002, the Company paid off and retired approximately $84.9 million of the 2027 Notes. Due to the partial payoff of the 2027 Notes, the Company has recorded an extraordinary loss of approximately $.9 million comprised of the amount paid above the carrying amount of the 2027 Notes, the write-off of unamortized deferred financing fees and legal costs.

PREFERRED STOCK

On May 14, 1997, the Company issued 4,000,000 Depositary Shares, each representing 1/100th of a share of the Company's 8 3/4%, $.01 par value, Series B Cumulative Preferred Stock (the "Series B Preferred Stock"), at an initial offering price of $25.00 per Depositary Share. On or after May 14, 2002, the Series B Preferred Stock became redeemable for cash at the option of the Company, in whole or in part, at a redemption price equivalent to $25.00 per Depositary Share, or $100 million in the aggregate, plus dividends accrued and unpaid to the redemption date. On April 12, 2002, the Company called for the redemption of all of its outstanding Series B Preferred Stock at the price of $25.00 per Depositary Share, plus accrued and unpaid dividends. The Company redeemed the Series B Preferred Stock on May 14, 2002 and paid a prorated second quarter dividend of $.26736 per Depositary Share, totaling approximately $1.1 million.

MARKET RISK

The following discussion about the Company's risk-management activities includes "forward-looking statements" that involve risk and uncertainties. Actual results could differ materially from those projected in the forward-looking statements.

This analysis presents the hypothetical gain or loss in earnings, cash flows or fair value of the financial instruments and derivative instruments which are held by the Company at June 30, 2002 that are sensitive to changes in the interest rates. While this analysis may have some use as a benchmark, it should not be viewed as a forecast.

In the normal course of business, the Company also faces risks that are either non-financial or non-quantifiable. Such risks principally include credit risk and legal risk and are not represented in the following analysis.

At June 30, 2002, $1,384.2 million (approximately 94.5% of total debt at June 30, 2002) of the Company's debt was fixed rate debt (included in the fixed rate debt is $75.0 million of borrowings under the Company's 2000 Unsecured Acquisition Facility which the Company fixed the interest rate via interest rate swap agreements) and $81.1 million (approximately 5.5% of total debt at June 30, 2002) was variable rate debt. The Company also has outstanding a written put option (the "Written Option"), which was issued in conjunction with the initial offering of one tranche of senior unsecured debt. Currently, the Company does not enter into financial instruments for trading or other speculative purposes.

For fixed rate debt, changes in interest rates generally affect the fair value of the debt, but not earnings or cash flows of the Company. Conversely, for variable rate debt, changes in the interest rate generally do not impact the fair value of the debt, but would affect the Company's future earnings and cash flows. The interest rate risk and changes in fair market value of fixed rate debt generally do not have a significant impact on the Company until the Company is required to refinance such debt. See Note 4 to the consolidated financial statements for a discussion of the maturity dates of the Company's various fixed rate debt.

Based upon the amount of variable rate debt outstanding at June 30, 2002, a 10% increase or decrease in the interest rate on the Company's variable rate debt would decrease or increase, respectively, future net income and cash flows by approximately $.2 million per year. A 10% increase in interest rates would decrease the fair value of the fixed rate debt at June 30, 2002 by approximately $62.2 million to $1,442.2 million. A 10% decrease in interest rates would increase the fair value of the fixed rate debt at June 30, 2002 by approximately $68.3 million to $1,572.7 million. A 10% increase in interest rates would decrease the fair value of the Written Option at June 30, 2002 by approximately $2.3 million to $6.5 million. A 10% decrease in interest rates would increase the fair value of the Written Option at June 30, 2002 by approximately $2.8 million to $11.6 million.

ISSUANCE OF RESTRICTED STOCK AND EMPLOYEE STOCK OPTIONS

During the six months ended June 30, 2002, the Company awarded 90,260 shares of restricted common stock to certain employees and 1,841 shares of restricted common stock to certain Directors. These shares of restricted common stock had a fair value of approximately $3.2 million on the date of grant. The restricted common stock vests over periods from one to ten years. Compensation expense will be charged to earnings over the respective vesting periods.

During the six months ended June 30, 2002, the Company issued 945,600 non-qualified employee stock options to certain officers, Directors and employees of the Company. These non-qualified employee stock options vest over periods from one to three years, have a strike price of $30.53 - $33.15 per share and expire ten years from the date of grant.

COMMON STOCK

During the six months ended June 30, 2002, certain employees of the Company exercised 555,068 non-qualified employee stock options. Net proceeds to the Company were approximately $15.7 million.

DIVIDENDS/DISTRIBUTIONS

On April 1, 2002, the Company paid first quarter preferred stock dividends of $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, $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 April 1, 2002 totaled approximately $7.2 million. On May 14, 2002, the Company paid a prorated second quarter dividend of $26.736 per share, totaling approximately $1.1 million on its Series B Preferred Stock.

On January 22, 2002, the Company and the Operating Partnership paid a fourth quarter 2001 distribution of $.6800 per common share/Unit, totaling approximately $31.2 million. On April 22, 2002, the Company and the Operating Partnership paid a first quarter 2002 dividend/distribution of $.6800 per common share/Unit, totaling approximately $31.5 million.

SUBSEQUENT EVENTS

From July 1, 2002 to August 9, 2002, the Company acquired three industrial properties for an aggregate purchase price of approximately $4.6 million, excluding costs incurred in conjunction with the acquisition of these industrial properties. The Company also sold four industrial properties and several land parcels for approximately $21.1 million of gross proceeds.

On July 1, 2002, the Company paid second quarter preferred stock dividends of $53.906 per share (equivalent to $.53906 per Depositary Share) on its Series C Preferred Stock, $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 July 1, 2002 totaled approximately $5.0 million.

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 was collateralized by one property in Portland, Oregon, bore interest at a fixed rate of 8.875% and provided for monthly principal and interest payments based on a 20-year amortization schedule. On July 2, 2002, the Company paid off and retired the Acquisition Mortgage Loan VI.

On March 20, 1996, the Company, through the Operating Partnership and the Indianapolis Partnership entered into a $36.8 million mortgage loan (the "CIGNA Loan") that is collateralized by seven properties in Indianapolis, Indiana and three properties in Cincinnati, Ohio. The CIGNA Loan bears interest at a fixed interest rate of 7.50% and provides for monthly principal and interest payments based on a 25 - year amortization schedule. The CIGNA Loan matures on April 1, 2003. The Company has given notice to the lender of the CIGNA Loan that it intends to pay off and retire this loan in October 2002.

On July 22, 2002, the Company and the Operating Partnership paid a second quarter 2002 dividend/distribution of $.6800 per common share/Unit, totaling approximately $31.6 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 principle 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, developments, scheduled debt maturities, major renovations, expansions and other nonrecurring capital improvements through the disposition of select assets, the issuance of long-term unsecured indebtedness and the issuance of additional equity securities. As of June 30, 2002 and August 9, 2002, approximately $589.2 million of common stock, preferred stock and depositary shares and approximately $250.0 million of debt securities were registered and unissued under the Securities Act of 1933, as amended. The Company also may finance the development or acquisition of additional properties through borrowings under the 2000 Unsecured Acquisition Facility. At June 30, 2002, borrowings under the 2000 Unsecured Acquisition Facility bore interest at a weighted average interest rate of 3.17%. The 2000 Unsecured Acquisition Facility bears interest at a floating rate of LIBOR plus ..80%, or the Prime Rate, at the Company's election. As of August 9, 2002, the Company had approximately $112.2 million available for additional borrowings under the 2000 Unsecured Acquisition Facility.

OTHER

On April 30, 2002, the FASB issued Financial Accounting Standards No. 145, "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections" ("FAS 145"). FAS 145 rescinds both Statement of Financial Accounting Standards No. 4, "Reporting Gains and Losses from Extinguishment of Debt" ("FAS 4"), and the amendment to FAS 4, Statement of Financial Accounting Standards No. 64, "Extinguishments of Debt Made to Satisfy Sinking-Fund Requirements". FAS 145 eliminates the requirement that gains and losses from the extinguishment of debt be aggregated and, if material, classified as an extraordinary item, net of the related income tax effect, unless the criteria in Accounting Principles Board Opinion No. 30, "Reporting the Results of Operations- Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions" are met. FAS 145 is effective for transactions occurring subsequent to May 15, 2002. The Company believes that FAS 145 will not have an impact on its consolidated financial position, liquidity and results of operations.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Response to this item is included in Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations" above.

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

On May 15, 2002, First Industrial Realty Trust, Inc. ("the Company") held its Annual Meeting of Stockholders. At the meeting, three Class II directors of the Company were elected to serve until the 2005 Annual Meeting of Stockholders and until their respective successors are duly elected and qualified. The votes cast for each director were as follows:

For election of Michael W. Brennan
Votes for: 32,218,245
Votes withheld: 2,180,287

For election of Michael G. Damone
Votes for: 33,874,542
Votes withheld: 523,990

For election of Kevin W. Lynch
Votes for: 33,304,060
Votes withheld: 1,094,472

In addition, the appointment of PricewaterhouseCoopers LLP, as independent auditors of the Company for the fiscal year ending December 31, 2002, was ratified at the meeting with 32,840,901 shares voting in favor, 1,496,507 shares voting against and 61,124 shares abstaining.

John Rau, Robert J. Slater and W. Ed Tyler continue to serve as Class III directors until their present terms expire in 2003 and their successors are duly elected. Jay H. Shidler, John L. Lesher and J. Steven Wilson continue to serve as Class I directors until their present terms expire in 2004 and their successors are duly elected.

ITEM 5. OTHER INFORMATION

Not Applicable.

ITEM 6. EXHIBITS AND REPORT ON FORM 8-K

a) Exhibits:

Exhibit Number	Description
10.1*	Nineteenth Amendment, dated as of June 26, 2002, to Sixth Amended and Restated Limited Partnership Agreement of First Industrial, L.P., dated March 18, 1998

b) Report on Form 8-K:

None

* Filed herewith

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: August 9, 2002

By: /s/ Scott A. Musil

Scott A. Musil
Senior Vice President- Controller
(Chief Accounting Officer)

EXHIBIT INDEX

Exhibit Number	Description
10.1*	Nineteenth Amendment, dated as of June 26, 2002, to Sixth Amended and Restated Limited Partnership Agreement of First Industrial, L.P., dated March 18, 1998

* Filed herewith

EXHIBIT 10.1

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

As of June 26, 2002, 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, the eighth amendment thereto dated October 30, 1998, the ninth amendment thereto dated November 5, 1998, the tenth amendment thereto dated January 28, 2000, the eleventh amendment thereto dated January 28, 2000, the twelfth amendment thereto dated June 27, 2000, the thirteenth amendment thereto dated September 1, 2000, the fourteenth amendment thereto dated October 13, 2000, the fifteenth amendment thereto dated October 13, 2000, the sixteenth amendment thereto dated October 27, 2000, and the seventeenth amendment thereto dated January 25, 2001 and the eighteenth amendment thereto dated February 13, 2001) (as amended, the "PARTNERSHIP AGREEMENT"), does hereby amend the Partnership Agreement as follows:

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

1. ADDITIONAL LIMITED PARTNERS. The Person identified on SCHEDULE 1 hereto is hereby admitted to the Partnership as a Substituted Limited Partner or Additional Limited Partner, as the case may be, owning the number of Units and having made the Capital Contributions set forth on such SCHEDULE 1. Such person hereby adopts the Partnership Agreement. The undersigned acknowledges that the Person identified on SCHEDULE 1 hereto, if a Substituted Limited Partner, has received its 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 June 26, 2002, by and between the Partnership and First & Broadway Limited Partnership, a Missouri Partnership, certain Protected Amounts are being established for the Additional Limited Partner, if any, admitted pursuant to this Nineteenth 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 Nineteenth Amendment, all of the provisions of the Partnership Agreement are affirmed and ratified and remain in full force and effect.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK;

SIGNATURE PAGE IMMEDIATELY FOLLOWS]

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

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

By: /s/ James Carpenter

Name: James Carpenter
Title: Executive Director - Investments

EXHIBIT 1B
SCHEDULE OF PARTNERS

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

LIMITED PARTNERS	NUMBER OF UNITS
Kerry Acker	154
Sanders H. Acker	307
Charles T. Andrews	754
Daniel R. Andrew, TR of the Daniel R. Andrew Trust UA 12/29/92	137,489
The Arel Company	307
Arnold Y. Aronoff	7,955
Daniel J. Aronoff	2,809
Lynn E. Aronoff	2,690
William J. Atkins	22,381
E. Donald Bafford	3,374
William Baloh	8,731
Edward N. Barad	1,141
Thomas K. Barad & Jill E. Barad Co-Trustees of the Thomas K. Barad & Jill E. Barad Trust Dated 10/18/89	2,283
Enid Barden Trustee of the Enid Barden Trust dated June 28, 1995	56,082
Enid Barden Trust of June 28, 1996	23,088
Emil Billich	77
Don N. Blurton & Patricia H. Blurton Trustees U/A dated 4/11/96 Blurton 1996 Revocable Family Trust	598
Harriett Bonn, Trustee U/A dated 3/5/97 FBO The Harriet Bonn Revocable Living Trust	24,804
Michael W. Brennan	3,806
Helen Brown	307
Henry D. Bullock & Terri D. Bullock & Shawn Stevenson TR of the Bullock Childrens Education Trust UA 12/20/94, FBO Benjamin Dure Bullock	3,870
Henry D. Bullock & Terri D. Bullock & Shawn Stevenson TR of the Bullock Childrens Education Trust UA 12/20/94, FBO Christine Laurel Bullock	3,870

LIMITED PARTNERS	NUMBER OF UNITS
Henry D. Bullock & Terri D. Bullock TR of the Henry D. & Terri D. Bullock Trust UA 8/28/92	1,836
Edward Burger	9,261
Barbara Lee O'Brien Burke	666
Ernestine Burstyn	5,007
Calamer Inc.	1,233
Perry C. Caplan	1,388
Carew Corporation	13,650
The Carthage Partners LLC	34,939
Magdalena G. Castleman	307
Cliffwood Development Company	64,823
Collins Family Trust dated 5/6/69	100,000
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, trustee of the Michael G. Damone Trust UA 11/4/69	144,296
John E. De B. Blockey Trustee of The John E. De B. Blockey Revocable Trust	8,653
Robert L. Denton	6,286
Henry E. Dietz Trust U/A 01/16/81	36,476
Steven Dizio and Helen Dizio, joint tenants	12,358
W Allen Doane Trust U/A 05/31/91	4,416
Timothy Donohue	100
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
Milton H. Dresner Trustee of the Milton Dresner Revocable Trust U/A 10/22/76	149,531
J. O'Neil Duffy, Jr.	513
Martin Eglow	330
Rand H. Falbaum	17,022
Patricia O'Brien Ferrell	666
Rowena Finke	154
First & Broadway Limited Partnership	18,203
Fourbur Family Co., L.P.	588,273
Fred Trust dated 6/16/77	653

LIMITED PARTNERS	NUMBER OF UNITS
Aimee Freyer-Valls	10,000
Lee Karen Freyer Lifetime Trust dated 11/1/65	2,384
David Fried	1,326
Ester Fried	3,177
Jack Friedman Trustee of The Jack Friedman Revocable Living Trust U/A 3/23/78	26,005
Robert L. Friedman	28,500
Nancy Gabel	14
J. Peter Gaffney	727
Gerlach Family Trust dated 6/28/85	874
Martin Goodstein	922
Dennis G. Goodwin and Jeannie L. Goodwin, tenants in the entirety	6,166
Jeffrey L. Greenberg	330
Stanley Greenberg and Florence Greenberg, joint tenants	307
Thelma C. Gretzinger Trust	450
Stanley Gruber	30,032
Melissa C. Gudim	24,028
Timothy Gudim	5,298
H/Airport GP Inc.	1,433
H L Investors LLC	4,000
H P Family Group LLC	103,734
Vivian Hack Trustee U/A Dated 12/26/97 FBO The Vivian M. Hack Living Trust	22,522
Clay Hamlin & Lynn Hamlin, joint tenants	15,159
Lee O'Brien Trustee of The Martha J. Harbinson Testamentary Trust FBO Christopher C. O'Brien	666
Turner Harshaw	1,132
Frank Harvey	2,501
Cathleen Hession	3,137
Edwin Hession and Cathleen Hession, joint tenants	7,979
Highland Associates Limited Partnership	69,039
Andrew Holder	97
Ruth Holder	2,612
Robert W. Holman Jr.	150,213
Holman/Shidler Investment Corporation	22,079
Howard Trust dated 4/30/79, Howard F. Sklar trustee	653
Steven B. Hoyt	175,000
Jerry Hymowitz	307
Karen L. Hymowitz	154

LIMITED PARTNERS	NUMBER OF UNITS
Seymour Israel	15,016
Frederick K. Ito & June Y Ito Trustees U-A Dated 9/9/98 FBO The June Y I Ito Trust	1,940
Frederick K. Ito Trustee U-A Dated 9/9/98 FBO The Frederick K. Ito Trust	1,940
J P Trusts LLC	35,957
Jacob Family Trust	20,260
Michael W. Jenkins	460
Jernie Holdings Corp.	180,499
L. Chris Johnson	3,196
Johnson Living Trust dated 2/18/83, H. Stanton and Carol A. Johnson, trustees	1,078
Thomas Johnson Jr. and Sandra L. Johnson, tenants in the entirety	2,142
Martha A. O'Brien Jones	665
Charles Mark Jordan	57
KEP LLC, a Michigan Limited Liability Company	98,626
Nourhan Kailian	2,183
H L Kaltenbacher P P Kaltenbacher & J K Carr, as trustees of Joseph C. Kaltenbacher Credit Shelter Trust	1,440
Sarsh Katz	307
Carol F. Kaufman	166
Charles Kendall Jr. Rollover IRA Dated 1/21/93 Custodian Paine Webber	656
Peter Kepic	9,261
Jack Kindler	1,440
Kirshner Family Trust #1 Dated 4/8/76 Bertron & Barbara Kirshner Trustees	29,558
Kirshner Trust #4 FBO Todd Kirshner Dated 12/30/76 Bertron Kirshner Trustee	20,258
Arthur Kligman	307
James Kozen Trustee U-A DTD 02/24/86 F-B-O James I. Kozen Family Trust	33,031
Joan R. Kreiger Trustee of The Joan R. Kreiger Revocable Trust	15,184
William L. Kreiger, Jr.	3,374
Babette Kulka	330
Jack H. Kulka	330
L P Family Group LLC	102,249
Lambert Investment Corporation	13,606
Paul T. Lambert	39,816
Chester A. Latcham & Co.	1,793
Constance Lazarus	417,961

LIMITED PARTNERS	NUMBER OF UNITS
Jerome Lazarus	18,653
Princeton South at Lawrenceville LLC	4,692
Susan Lebow	740
Arron Leifer	4,801
Duane Lund	617
Barbara Lusen	307
Richard McClintock	623
McElroy Management Inc.	5,478
William J. Mallen Trust dated 4/29/94 William J. Mallen Trustee	8,016
Stephen Mann	17
Manor Properties	143,408
R. Craig Martin	754
J. Stanley Mattison	79
Henry E. Mawicke	636
Eileen Millar	3,072
Linda Miller	2,000
The Milton Dresner Revocable Trust UA October 22, 1976	149,531
Lila Atkins Mulkey	7,327
Peter Murphy	56,184
Anthony Muscatello	81,654
James Muslow, Jr.	2,411
Joseph Musti	1,508
Dean A. Nachigall	10,076
Kris Nielsen	178
New Land Associates Limited Partnership	1,664
North Star Associates Limited Partnership	19,333
Catherine A. O'Brien	832
Catherine O'Brien Sturgis	666
Martha E. O'Brien	832
Patricia A. O'Brien	9,387
George F. Obrecht	5,289
Paul F. Obrecht	4,455
Richard F. Obrecht	5,289
Thomas F. Obrecht	5,289
Peter O'Connor	56,844
Steve Ohren	33,366
P & D Partners LP	1,440
Partridge Road Associates Limited Partnership	2,751
Sybil T. Patten	1,816
Peegee LP	4,817
Lawrence Peters	960
Betty S. Phillips	3,912

LIMITED PARTNERS	NUMBER OF UNITS
Jeffrey Pion	2,879
Pipkin Family Trust dated 10/6/89	3,140
Peter M. Polow	557
Francis Pomar	8,338
Keith J. Pomeroy Revocable Trust Agreement, dated December 13, 1976, as amended and restated on June 28, 1995	104,954
Princeton South at Lawrenceville One	4,426
Abraham Punia Individually and to the Admission of Abraham Punia	307
RBZ LLC, a Michigan limited liability company	155
R E A Associates	8,908
Marilyn Rangel IRA dated 2/5/86	969
Richard Rapp	23
Jack F. Ream	1,071
Seymour D. Reich	154
James C. Reynolds	40,284
Andre G. Richard	1,508
RJB Ford City Limited Partnership, an Illinois limited partnership	158,438
RJB II Limited Partnership, an Illinois limited partnership	40,788
Edward C. Roberts and Rebecca S. Roberts, tenants in the entirety	8,308
RP Investments LLC	22,556
W.F.O. Rosenmiller	634
Leslie A. Rubin LTD	4,048
SPM Industrial LLC	5,262
SRS Partnership	2,142
James Sage	2,156
James R. Sage	3,364
Kathleen Sage	3,350
Wilton Wade Sample	5,449
Barton Satsky Personal Representative of the Estate of Henry J. Satsky	2,708
Debbie B. Schneeman	740
Edward R. Schulak	8,073
Jane Schulak	2,690
Norma A. Schulze	307
Sealy & Company, Inc.	37,119
Sealy Florida, Inc.	675
Mark P. Sealy	8,451
Sealy Professional Drive LLC	2,906
Sealy Real Estate Services, Inc.	148,478

LIMITED PARTNERS	NUMBER OF UNITS
Sealy Unitholder LLC	31,552
Scott P. Sealy	40,902
Shadeland Associates Limited Partnership	42,976
Sam Shamie, as trustee of Sam Shamie Trust Agreement dated March 16, 1978, as restated on November 16, 1993	422,340
Frances Shankman Insurance Trust	16,540
Garrett E. Sheehan	513
Jay H. Shidler	68,020
Jay H. Shidler and Wallette A. Shidler, tenants in the entirety	1,223
Shidler Equities LP	254,541
D.W. Sivers Co.	72,265
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
Estate of Albert Sklar	3,912
Michael B. Slade	2,829
Kevin Smith	13,571
Steve Smith	386
Arnold R. Sollar, executor of the estate of Dorothy Sollar	307
Spencer and Company	154
S. Larry Stein, trustee under Revocable Trust Agreement dated 9/22/99 S. Larry Stein Grantor	63,630
Robert Stein, trustee U/A Dated 5/21/96 FBO Robert Stein	63,630
Sterling Alsip Trust dated August 1, 1989, Donald W. Schaumbuger trustee	794
Sterling Family Trust dated 3/27/80	3,559
Jonathan Stott	80,026
Victor Strauss	77
Mitchell Sussman	410
TUT Investments I LLC	5,274
Donald C. Thompson Trustee U/A Dated 12/31/98 FBO Donald C. Thompson Revocable Family Trust	39,243
Michael T. Tomasz Trustee of the Michael T. Tomasz Trust U/A Dated 02-05-90	36,033
Barry L. Tracey	2,142
William S. Tyrrell	2,906

LIMITED PARTNERS	NUMBER OF UNITS
Burton S. Ury	9,072
WSW 1998 Exchange Fund LP	32,000
Steve Walbridge	338
James J. Warfield	330
Phyllis M. Warsaw Living Trust, Phyllis M. Warsaw trustee	16,540
William B. Wiener, Jr.	41,119
Patricia Wiener-Shifke	12,944
Wilson Management Company LLC	35,787
Elmer H. Wingate, Jr.	1,688
Ralph G. Woodley, as Trustee under Revocable Trust Agreement dated September 27, 1989	24,319
Worlds Fair Partners Limited Partnership	1,664
Sam L. Yaker, trustee of The Sam L. Yaker Revocable Trust Agreement dated February 14, 1984	37,870
Johannson Yap	1,680
Richard H. Zimmerman, trustee of The Richard H. Zimmerman Living Trust dated October 15, 1990, as amended	43,988
Gerald & Sharon Zuckerman joint tenants	615

EXHIBIT 1D

PROTECTED AMOUNTS

None.

SCHEDULE 1

Additional Limited Partner	Number of Units	Capital Contribution
First & Broadway Limited Partnership	18,203	$632,539.53