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, 1998

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

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Commission File Number 1-13102

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

| | |
|---|---|
| MARYLAND | 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

(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 5, 1998: 37,851,115.

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

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

| | June 30, 1998 | December 31, 1997 |
|---|---|---|
| ASSETS | | |
| Assets: | | |
| Investment in Real Estate: | | |
| Land | $ 373,483 | $ 299,020 |
| Buildings and Improvements | 2,023,697 | 1,663,731 |
| Furniture, Fixtures and Equipment | 1,482 | 1,437 |
| Construction in Progress | 65,928 | 30,158 |
| Less: Accumulated Depreciation | (146,464) | (121,030) |
| Net Investment in Real Estate | 2,318,126 | 1,873,316 |
| Cash and Cash Equivalents | 13,139 | 13,222 |
| Restricted Cash | 2,895 | 313,060 |
| Tenant Accounts Receivable, Net | 9,106 | 6,280 |
| Deferred Rent Receivable | 11,909 | 10,144 |
| Deferred Financing Costs, Net | 9,649 | 8,594 |
| Prepaid Expenses and Other Assets, Net | 59,035 | 47,547 |
| Total Assets | $ 2,423,859 | $ 2,272,163 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Liabilities: | | |
| Mortgage Loans Payable | $ 102,785 | $ 101,198 |
| Defeased Mortgage Loan Payable | --- | 300,000 |
| Senior Unsecured Debt, Net | 748,785 | 648,994 |
| Acquisition Facility Payable | 230,100 | 129,400 |
| Accounts Payable and Accrued Expenses | 45,183 | 50,373 |
| Rents Received in Advance and Security Deposits | 16,277 | 14,104 |
| Dividends/Distributions Payable | 23,553 | 22,010 |
| Total Liabilities | 1,166,683 | 1,266,079 |
| Minority Interest | 179,624 | 151,494 |
| Commitments and Contingencies | --- | --- |
| Stockholders' Equity: | | |
| Preferred Stock ($.01 par value, 10,000,000 shares authorized, 1,650,000, 40,000, 20,000, 50,000 and 30,000 shares of Series A, B, C, D and E Cumulative Preferred Stock, respectively, issued and outstanding at June 30, 1998 having a liquidating preference of $25 per share ($41,250), $2,500 per share ($100,000), $2,500 per share ($50,000), $2,500 per share ($125,000) and $2,500 per share ($75,000), respectively, and 1,650,000, 40,000 and 20,000 shares of Series A, B and C Cumulative Preferred Stock, respectively, issued and outstanding at December 31, 1997 having a liquidation preference of $25 per share ($41,250), $2,500 per share ($100,000) and $2,500 per share ($50,000), respectively) | 18 | 17 |
| Common Stock ($.01 par value, 100,000,000 shares authorized, 37,850,407 and 36,433,859 shares issued and outstanding at June 30, 1998 and December 31, 1997, respectively) | 378 | 364 |
| Additional Paid-in-Capital | 1,169,850 | 934,622 |
| Distributions in Excess of Accumulated Earnings | (87,809) | (76,996) |
| Unamortized Value of Restricted Stock Grants | (4,885) | (3,417) |
| Total Stockholders' Equity | 1,077,552 | 854,590 |
| Total Liabilities and Stockholders' Equity | $ 2,423,859 | $ 2,272,163 |

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

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

| | Six Months Ended June 30, 1998 | Six Months Ended June 30, 1997 |
|---|---|---|
| Revenues: | | |
| Rental Income | $ 132,127 | $ 74,709 |
| Tenant Recoveries and Other Income | 31,392 | 19,925 |
| Interest Income on U.S. Government Securities | --- | 4,157 |
| Total Revenues | 163,519 | 98,791 |
| Expenses: | | |
| Real Estate Taxes | 25,921 | 15,647 |
| Repairs and Maintenance | 7,221 | 4,286 |
| Property Management | 6,424 | 3,519 |
| Utilities | 4,483 | 2,825 |
| Insurance | 452 | 276 |
| Other | 2,698 | 854 |
| General and Administrative | 6,299 | 2,690 |
| Interest | 32,013 | 21,321 |
| Amortization of Interest Rate Protection Agreements and Deferred Financing Costs | 401 | 1,380 |
| Depreciation and Other Amortization | 30,328 | 17,712 |
| Total Expenses | 116,240 | 70,510 |
| Income from Operations Before Income Allocated to Minority Interest and Disposition of Interest Rate Protection Agreements | 47,279 | 28,281 |
| Income Allocated to Minority Interest | (4,843) | (1,950) |
| Disposition of Interest Rate Protection Agreements | --- | 1,430 |
| Income from Operations | 42,436 | 27,761 |
| Gain on Sales of Real Estate, Net | 2,376 | 3,999 |
| Income Before Extraordinary Loss and Cumulative Effect of Change in Accounting Principle | 44,812 | 31,760 |
| Extraordinary Loss | --- | (12,563) |
| Cumulative Effect of Change in Accounting Principle | (1,976) | --- |
| Net Income | 42,836 | 19,197 |
| Less: Preferred Stock Dividends | (14,188) | (3,365) |
| Net Income Available to Common Stockholders | $ 28,648 | $ 15,832 |
| Net Income Available to Common Stockholders Before Extraordinary Loss and Cumulative Effect of Change in Accounting Principle per Weighted Average Common Share Outstanding: | | |
| Basic | $ .83 | $ .94 |
| Diluted | $ .82 | $ .94 |
| Net Income Available to Common Stockholders Per Weighted Average Common Share Outstanding: | | |
| Basic | $ .77 | $ .53 |
| Diluted | $ .77 | $ .52 |

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, 1998 | Three Months Ended June 30, 1997 |
|---|---|---|
| Revenues: | | |
| Rental Income | $ 70,246 | $ 39,291 |
| Tenant Recoveries and Other Income | 17,059 | 9,200 |
| Interest Income on U.S. Government Securities | --- | 4,157 |
| Total Revenues | 87,305 | 52,648 |
| Expenses: | | |
| Real Estate Taxes | 13,532 | 8,100 |
| Repairs and Maintenance | 3,829 | 1,624 |
| Property Management | 3,515 | 1,841 |
| Utilities | 2,220 | 1,215 |
| Insurance | 240 | 137 |
| Other | 1,768 | 345 |
| General and Administrative | 3,665 | 1,426 |
| Interest | 17,252 | 12,990 |
| Amortization of Interest Rate Protection Agreements and Deferred Financing Costs | 224 | 784 |
| Depreciation and Other Amortization | 16,609 | 9,095 |
| Total Expenses | 62,854 | 37,557 |
| Income from Operations Before Income Allocated to Minority Interest and Disposition of Interest Rate Protection Agreements | 24,451 | 15,091 |
| Income Allocated to Minority Interest | (2,186) | (594) |
| Disposition of Interest Rate Protection Agreements | --- | 1,430 |
| Income from Operations | 22,265 | 15,927 |
| Gain on Sales of Real Estate, Net | 16 | 3,999 |
| Income Before Extraordinary Loss and Cumulative Effect of Change in Accounting Principle | 22,281 | 19,926 |
| Extraordinary Loss | --- | (12,563) |
| Cumulative Effect of Change in Accounting Principle | (1,976) | --- |
| Net Income | 20,305 | 7,363 |
| Less: Preferred Stock Dividends | (8,210) | (2,385) |
| Net Income Available to Common Stockholders | $ 12,095 | $ 4,978 |
| Net Income Available to Common Stockholders Before Extraordinary Loss and Cumulative Effect of Change in Accounting Principle per Weighted Average Common Share Outstanding: | | |
| Basic | $ .38 | $ .58 |
| Diluted | $ .37 | $ .58 |
| Net Income Available to Common Stockholders Per Weighted Average Common Share Outstanding: | | |
| Basic | $ .32 | $ .17 |
| Diluted | $ .32 | $ .16 |

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, 1998 | Six Months Ended June 30, 1997 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net Income | $ 42,836 | $ 19,197 |
| Income Allocated to Minority Interest | 4,843 | 1,950 |
| Income Before Minority Interest | 47,679 | 21,147 |
| Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities: | | |
| Depreciation | 27,134 | 15,828 |
| Amortization of Interest Rate Protection Agreements and Deferred Financing Costs | 401 | 1,380 |
| Other Amortization | 3,568 | 1,922 |
| Disposition of Interest Rate Protection Agreements | --- | (1,430) |
| Gain on Sales of Properties, Net | (2,376) | (3,999) |
| Cumulative Effect of Change in Accounting Principle | 1,976 | --- |
| Extraordinary Loss | --- | 12,563 |
| Provision for Bad Debts | 300 | 150 |
| Increase in Tenant Accounts Receivable and Prepaid Expenses and Other Assets | (16,728) | (16,166) |
| Increase in Deferred Rent Receivable | (1,956) | (1,122) |
| (Decrease) Increase in Accounts Payable and Accrued Expenses and Rents Received in Advance and Security Deposits | (855) | 4,092 |
| Increase in Organization Costs | (396) | (62) |
| Decrease in Restricted Cash | 3,898 | 4,443 |
| Net Cash Provided by Operating Activities | 62,645 | 38,746 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchases and Additions to Investment in Real Estate and Closing Costs of Sales of Real Estate | (460,575) | (216,882) |
| Proceeds from Sales of Investment in Real Estate | 29,256 | 21,879 |
| Repayment of Mortgage Loans Receivable | 1,017 | --- |
| Funding of Mortgage Loans Receivable | --- | (17,667) |
| Decrease (Increase) in Restricted Cash | 267 | (19,763) |
| Net Cash Used in Investing Activities | (430,035) | (232,433) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Proceeds from Sale of Common Stock | 36,300 | --- |
| Common Stock Underwriting Discounts/Offering Costs | (2,934) | --- |
| Proceeds from Exercise of Employee Stock Options | 1,968 | 1,214 |
| Proceeds from Sale of Preferred Stock | 200,000 | 150,000 |
| Preferred Stock Offering Costs | (7,300) | (4,734) |
| Proceeds from Mortgage Loans Payable | --- | --- |
| Repayments on Mortgage Loans Payable | (300,939) | (525) |
| Repayment of Promissory Notes Payable | --- | (9,919) |
| Proceeds from Acquisition Facilities Payable | 411,200 | 220,200 |
| Repayments on Acquisition Facilities Payable | (310,500) | (169,600) |
| Proceeds from Senior Unsecured Debt | 99,753 | 349,150 |
| Proceeds from Defeasance Loans | --- | 309,800 |
| Repayment of Defeasance Loan | --- | (309,800) |
| Other Proceeds from Senior Unsecured Debt | 2,760 | 2,246 |
| Other Costs of Senior Unsecured Debt | (2,565) | --- |
| Purchase of Interest Rate Protection Agreements | --- | (150) |
| Proceeds from Sale of Interest Rate Protection Agreements | --- | 9,950 |
| Purchase of U.S. Government Securities | --- | (300,000) |
| Decrease (Increase) in Restricted Cash | 306,000 | (6,000) |
| Dividends/Distributions | (44,502) | (33,185) |
| Preferred Stock Dividends | (14,188) | (3,077) |
| Debt Issuance Costs and Prepayment Fees | (7,746) | (7,070) |
| Net Cash Provided by Financing Activities | 367,307 | 198,500 |
| Net (Decrease) Increase in Cash and Cash Equivalents | (83) | 4,813 |
| Cash and Cash Equivalents, Beginning of Period | 13,222 | 7,646 |
| Cash and Cash Equivalents, End of Period | $ 13,139 | $ 12,459 |

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

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

1. ORGANIZATION AND FORMATION OF COMPANY

First Industrial Realty Trust, Inc. (the "Company") was organized in the state of Maryland on August 10, 1993. The Company is a real estate investment trust ("REIT") as defined in the Internal Revenue Code. The Company's operations are conducted primarily through First Industrial, L.P. (the "Operating Partnership") of which the Company is the sole general partner with an approximate 84.9% ownership interest at June 30, 1998. As of June 30, 1998, the Company owned 953 in-service properties located in 24 states, containing an aggregate of approximately 67.7 million square feet of gross leasable area ("GLA"). Of the 953 properties owned by the Company, 812 are held by the Operating Partnership, 23 are held by First Industrial Financing Partnership, L.P., 19 are held by First Industrial Securities, L.P., 23 are held by First Industrial Mortgage Partnership, L.P., 21 are held by First Industrial Pennsylvania, L.P., five are held by First Industrial Harrisburg, L.P., four are held by First Industrial Indianapolis, L.P., 45 are held by limited liability corporations of which the Operating Partnership is the sole member, and one is held by First Industrial Development Services, L.P. Minority interest in the Company at June 30, 1998 represents the approximate 15.1% aggregate partnership interest in the Operating Partnership held by the limited partners thereof.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Tenant Accounts Receivable, net:

The Company provides an allowance for doubtful accounts against the portion of tenants accounts receivable which is estimated to be uncollectible. Tenant accounts receivable in the consolidated balance sheets are shown net of an allowance for doubtful accounts of $1,750 and $1,450 as of June 30, 1998 and December 31, 1997, respectively.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Recent Accounting Pronouncements:

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

In June 1997, the FASB issued Statement of Financial Accounting Standards No. 131, "Disclosures about Segments of an Enterprise and Related Information". This statement, effective for financial statements for fiscal years beginning after December 15, 1997, requires that a public business enterprise report financial and descriptive information about its reportable operating segments. Generally, financial information is required to be reported on the basis that it is used internally for evaluating segment performance and deciding how to allocate resources to segments. The Company has not yet determined the impact of this statement on its financial statements.

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

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

On March 31, 1998, the Company, through the Operating Partnership, issued $100,000 of Dealer remarketable securities which mature on April 5, 2011 and bear a coupon interest rate of 6.50% (the "2011 Drs."). The issue price of the 2011 Drs. was 99.753%. Interest is paid semi-annually in arrears on April 5 and October 5. The 2011 Drs. are callable (the "Call Option"), at the option of J.P. Morgan Securities, Inc., as Remarketing Dealer (the "Remarketing Dealer"), on April 5, 2001 (the "Remarketing Date"). The Company received approximately $2,760 of proceeds from the Remarketing Dealer as consideration for the Call Option. The Company will amortize these proceeds over the life of the Call Option as an adjustment to interest expense. If the holder of the Call Option calls the 2011 Drs. and elects to remarket the 2011 Drs., then after the Remarketing Date, the interest rate on the 2011 Drs. will be reset at a fixed rate until April 5, 2011 based upon a predetermined formula as disclosed in the related Prospectus Supplement. If the Remarketing Dealer elects not to remarket the 2011 Drs., then the Operating Partnership will be required to repurchase, on the Remarketing Date, any 2011 Drs. that have not been purchased by the Remarketing Dealer at 100% of the principal amount thereof, plus accrued and unpaid interest, if any. The Company also settled an interest rate protection agreement which was used to fix the interest rate on the 2011 Drs. prior to issuance. The debt issue discount and the settlement amount of the interest rate protection agreement are being amortized over the life of the 2011 Drs. as an adjustment to interest expense. The 2011 Drs. contain certain covenants including limitations on incurrence of debt and debt service coverage.

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

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

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

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

| | OUTSTANDING BALANCE AT | | ACCRUED INTEREST PAYABLE AT | | INTEREST RATE AT | |
|---|---|---|---|---|---|---|
| | JUNE 30, 1998 | DECEMBER 31, 1997 | JUNE 30, 1998 | DECEMBER 31, 1997 | JUNE 30, 1998 | MATURITY DATE |
| MORTGAGE LOANS PAYABLE | | | | | | |
| | C> | | | | | |
| 1995 Mortgage Loan.............. | $ 39,784 | $ 40,000 | $ 160 | $ 168 | 7.220% | 1/11/26 |
| CIGNA Loan...................... | 35,522 | 35,813 | --- | --- | 7.500% | 4/01/03 |
| Assumed Loans................... | 8,809 | 8,950 | --- | --- | 9.250% | 1/01/13 |
| LB Mortgage Loan II............ | 705 | 705 | --- | --- | 8.000% | (1) |
| Acquisition Mortgage Loan I..... | 3,993 | 4,135 | --- | 29 | 8.500% | 8/01/08 |
| Acquisition Mortgage Loan II.... | 7,913 | 7,997 | 51 | 52 | 7.750% | 4/01/06 |
| Acquisition Mortgage Loan III... | 3,543 | 3,598 | 26 | 27 | 8.875% | 6/01/03 |
| Acquisition Mortgage Loan IV.... | 2,516 | --- | 19 | --- | 8.950% | 10/01/06 |
| Total........................... | $ 102,785 | $ 101,198 | $ 256 | $ 276 | | |
| DEFEASED MORTGAGE LOAN | | | | | | |
| 1994 Mortgage Loan.............. | $ --- | $ 300,000 | $ --- | $ 1,831 | (2) | (2) |
| SENIOR UNSECURED DEBT | | | | | | |
| 2005 Notes...................... | $ 50,000 | $ 50,000 | $ 383 | $ 393 | 6.900% | 11/21/05 |
| 2006 Notes...................... | 150,000 | 150,000 | 875 | 671 | 7.000% | 12/01/06 |
| 2007 Notes...................... | 149,953(3) | 149,951 | 1,457 | 1,457 | 7.600% | 5/15/07 |
| 2011 Notes...................... | 99,400(3) | 99,377 | 942 | 942 | 7.375% | 5/15/11(4) |
| 2017 Notes...................... | 99,814(3) | 99,809 | 625 | 479 | 7.500% | 12/01/17(5) |
| 2027 Notes ..................... | 99,859(3) | 99,857 | 914 | 914 | 7.150% | 5/15/27(6) |
| 2011 Drs........................ | 99,759(3) | --- | 1,625 | --- | 6.500%(8) | 4/05/11(7) |
| Total........................... | $ 748,785 | $ 648,994 | $ 6,821 | $ 4,856 | | |
| ACQUISITION FACILITY PAYABLE | | | | | | |
| 1997 Unsecured Acquisition Facility....................... | $ 230,100 | $ 129,400 | $ 695 | $ 297 | 6.510% | 4/30/01 |

(1) The maturity date of the LB Mortgage Loan II is based on a contingent event relating to the environmental status of the property collateralizing the loan.

(2) The 1994 Defeased Mortgage Loan was paid off and retired on January 2, 1998.

(3) The 2007 Notes, 2011 Notes, 2017 Notes, 2027 Notes and the 2011 Drs. are net of unamortized discounts of $47, $600, $186, $141 and $241, respectively.

(4) The 2011 Notes are redeemable at the option of the holder thereof, on May 15, 2004.

(5) The 2017 Notes are redeemable at the option of the Company at any time based upon a predetermined formula.

(6) The 2027 Notes are redeemable at the option of the holders thereof, on May 15, 2002.

(7) The 2011 Drs. are required to be redeemed by the Operating Partnership on April 5, 2001 if the Remarketing Dealer elects not to remarket the 2011 Drs.

(8) The 2011 Drs. bear interest at an annual rate of 6.50% to the Remarketing Date. If the holder of the Call Option calls the 2011 Drs. and elects to remarket the 2011 Drs., then after the Remarketing Date, the interest rate on the 2011 Drs. will be reset at a fixed rate until April 5, 2011 based on a predetermined formula as disclosed in the related Prospectus Supplement.

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

Amount
----------

| | |
|---|---|
| 1998 | $ 919 |
| 1999 | 2,080 |
| 2000 | 2,252 |
| 2001 | 232,538 |
| 2002 | 2,640 |
| Thereafter | 841,751 |
| Total | $1,082,180 |

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

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

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

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

| Notional Amount | Origination Date | Interest Rate | Valuation Basis | Settlement Date |
|---|---|---|---|---|
| $ 50,000 | January 2, 1998 | 5.937% | 30-Year Treasury | October 1, 1998 |
| $ 100,000 | October 28, 1997 | 6.317% | 30-Year Treasury | July 1, 1998 |
| $ 100,000 | December 19, 1997 | 5.994% | 30-Year Treasury | January 4, 1999 |

4. STOCKHOLDERS' EQUITY

Common Stock

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

Preferred Stock:

On February 4, 1998, the Company issued 5,000,000 Depositary Shares, each representing 1/100th of a share of the Company's 7.95%, $.01 par value, Series D Cumulative Preferred Stock (the "Series D Preferred Stock"), at an initial offering price of $25 per Depositary Share. Dividends on the Series D Preferred Stock represented by the Depositary Shares are cumulative from the date of initial issuance and are payable quarterly in arrears. With respect to the dividends and amounts upon liquidation, dissolution or winding up, the Series D Preferred Stock ranks senior to payments on the Company's $.01 par value common stock ("Common Stock") and pari passu with the Company's 91/2%, $.01 par value, Series A Cumulative Preferred Stock (the "Series A Preferred Stock"), 83/4%, $.01 par value, Series B Cumulative Preferred Stock (the "Series B Preferred Stock"), 85/8%, $.01 par value, Series C Cumulative Preferred Stock (the "Series C Preferred Stock") and Series E Preferred Stock (defined below); however, the Series A Preferred Stock has the benefit of a guarantee by First Industrial Securities, L.P. The Series D Preferred Stock is not redeemable prior to February 4, 2003. On and after February 4, 2003, the Series D Preferred Stock is redeemable for cash at the option of the Company, in whole or part, at a redemption price equivalent to $25 per Depositary Share, or $125,000 in the aggregate, plus dividends accrued and unpaid to the redemption date. The Series D Preferred Stock has no stated maturity and is not convertible into any other securities of the Company.

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

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

4. STOCKHOLDERS' EQUITY, CONTINUED

Restricted Stock:

During the six months ended June 30, 1998, the Company awarded 51,850 shares of restricted Common Stock to certain employees and 1,179 shares of restricted Common Stock to certain Directors. Another employee of the Company converted certain employee stock options to 6,123 shares of restricted Common Stock. These shares of restricted Common Stock had a fair value of $2,095 on the date of grant. The restricted Common Stock vests over a period from five to ten years. Compensation expense will be charged to earnings over the respective vesting period.

Non-Qualified Employee Stock Options:

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

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

Dividends/Distributions:

The following table summarizes dividends/distributions for the six months ended June 30, 1998:

COMMON STOCK/OPERATING PARTNERSHIP UNITS

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

SERIES A PREFERRED STOCK

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

SERIES B PREFERRED STOCK

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

SERIES C PREFERRED STOCK

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

SERIES D PREFERRED STOCK

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

SERIES E PREFERRED STOCK

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

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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## 5. ACQUISITION OF REAL ESTATE

During the six months ended June 30, 1998, the Company acquired 186 existing industrial properties and several land parcels. The aggregate purchase price for these acquisitions totaled approximately $418,399, excluding costs incurred in conjunction with the acquisition of the properties.

Of the 186 existing industrial properties and several land parcels purchased by the Company during the six months ended June 30, 1998, four existing industrial properties were purchased from Western Suburban Industrial Investments Limited Partnership ("Western") in which the sole general partner, having a 5% interest, was Tomasz/Shidler Investment Corporation, of which the sole shareholders were a Director and Director/Officer of the Company who also had a 53% and 32% limited partnership interest in Western, respectively. Further, an additional Director/Officer of the Company was a limited partner in Western having an interest of 2%. The aggregate purchase price for this acquisition totaled approximately $7,900, excluding costs incurred in conjunction with the acquisition of the properties.

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

## 6. SALES OF REAL ESTATE

During the six months ended June 30, 1998, the Company sold seven existing industrial properties and three land parcels. Gross proceeds from these sales were approximately $29,256. The gain on sales of real state was approximately $2,376, net of federal income taxes.

## 7. SUPPLEMENTAL INFORMATION TO STATEMENTS OF CASH FLOWS

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

| | Six Months Ended | |
|---|---|---|
| | June 30, 1998 | June 30, 1997 |
| Interest paid, net of capitalized interest | $ 31,501 | $ 18,048 |
| Interest capitalized | $ 1,907 | $ 294 |
| SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES: | | |
| Dividend/Distribution payable on Common Stock/Units | $ 23,553 | $ 17,510 |
| IN CONJUNCTION WITH THE PROPERTY ACQUISITIONS, THE FOLLOWING ASSETS AND LIABILITIES WERE ASSUMED AND OPERATING PARTNERSHIP UNITS EXCHANGED: | | |
| Purchase of real estate | $ 418,399 | $ 253,484 |
| Accrued real estate taxes and security deposits | (4,137) | (2,473) |
| Mortgage loans | (2,525) | (4,505) |
| Operating Partnership Units | (33,802) | (53,471) |
| | $ 377,935 | $ 193,035 |

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

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

| | Six Months Ended June 30, 1998 | Six Months Ended June 30, 1997 | Three Months Ended June 30, 1998 | Three Months Ended June 30, 1997 |
|---|---|---|---|---|
| Numerator: | | | | |
| Income Before Extraordinary Loss and Cumulative Effect of Change in Accounting Principle............ | $ 44,812 | $ 31,760 | $ 22,281 | $ 19,926 |
| Less: Preferred Dividends............................ | (14,188) | (3,365) | (8,210) | (2,385) |
| Net Income Available to Common Stockholders Before Extraordinary Loss and Cumulative Effect of Change in Accounting Principle - For Basic and Diluted EPS. | 30,624 | 28,395 | 14,071 | 17,541 |
| Extraordinary Loss.................................. | --- | (12,563) | --- | (12,563) |
| Cumulative Effect of Change in Accounting Principle... | (1,976) | --- | (1,976) | --- |
| Net Income Available to Common Stockholders- For Basic and Diluted EPS.............................. | $ 28,648 | $ 15,832 | $ 12,095 | $ 4,978 |
| Denominator: | | | | |
| Weighted Average Shares - Basic..................... | 36,982 | 30,080 | 37,433 | 30,132 |
| Effect of Dilutive Securities: | | | | |
| Employee and Director Common Stock Options......... | 338 | 283 | 264 | 271 |
| Weighted Average Shares- Diluted.................... | 37,320 | 30,363 | 37,697 | 30,403 |
| Basic EPS: | | | | |
| Net Income Available to Common Stockholders Before Extraordinary Loss and Cumulative Effect of Change in Accounting Principle............................. | $ .83 | $ .94 | $ .38 | $ .58 |
| Extraordinary Loss.................................. | $ --- | $ (.41) | $ --- | $ (.41) |
| Cumulative Effect of Change in Accounting Principle... | $ (.05) | $ --- | $ (.05) | $ --- |
| Net Income Available to Common Stockholders.......... | $ .77 | $ .53 | $ .32 | $ .17 |
| Diluted EPS: | | | | |
| Net Income Available to Common Stockholders Before Extraordinary Loss and Cumulative Effect of Change in Accounting Principle............................. | $ .82 | $ .94 | $ .37 | $ .58 |
| Extraordinary Loss.................................. | $ --- | $ (.41) | $ --- | $ (.41) |
| Cumulative Effect of Change in Accounting Principle... | $ (.05) | $ --- | $ (.05) | $ --- |
| Net Income Available to Common Stockholders.......... | $ .77 | $ .52 | $ .32 | $ .16 |

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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9. COMMITMENTS AND CONTINGENCIES

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

The Company has committed to the construction of 17 development projects totaling approximately 2.1 million square feet of GLA. The estimated total construction costs are approximately $75,486. These developments are expected to be funded with cash flow from operations as well as borrowings under the Company's $300,000 unsecured revolving credit facility (the "1997 Unsecured Acquisition Facility").

In the second quarter of 1998, the Company, through the Operating Partnership, entered into a non-binding letter of intent with an institutional investor to create a joint venture that would invest in industrial properties. The venture is subject, among other contingencies, to due diligence and the negotiation of definitive documentation. There can be no assurance that such venture will be created, or if created, will be successful.

10. SUBSEQUENT EVENTS

From July 1, 1998 to August 5, 1998, the Company acquired five industrial properties. The aggregate purchase price for these acquisitions totaled approximately $22,362, excluding costs incurred in conjunction with the acquisition of the properties.

On July 20, 1998, the Company and the Operating Partnership paid a second quarter 1998 dividend/distribution of $.53 per common share/Unit, totaling approximately $23,553.

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

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

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

RESULTS OF OPERATIONS

At June 30, 1998, the Company owned 953 in-service properties with approximately 67.7 million square feet of gross leasable area ("GLA"), compared to 454 in-service properties with approximately 39.1 million square feet of GLA at June 30, 1997. The addition of 511 properties acquired or developed between July 1, 1997 and June 30, 1998 included the acquisitions of 502 properties totaling approximately 26.9 million square feet of GLA and the completed development of nine properties totaling approximately 2.2 million square feet of GLA. The Company also completed the expansion of two properties totaling approximately .1 million square feet of GLA and the sale of 12 in-service properties totaling approximately .6 million square feet of GLA, one property held for redevelopment and several land parcels.

COMPARISON OF SIX MONTHS ENDED JUNE 30, 1998 TO SIX MONTHS ENDED JUNE 30, 1997

Rental income and tenant recoveries and other income increased by approximately $68.9 million or 72.8% due primarily to the properties acquired or developed after June 30, 1997. Rental income and tenant recoveries and other income from properties owned prior to January 1, 1997, decreased by approximately $.2 million or .3% due primarily to general rent increases offset by a decrease in tenant recovery income charges related to the decrease in operating expenses as discussed below.

Interest income on U.S. Government securities in 1997 represents interest income earned on U.S. Government securities that were pledged as collateral to legally defease the Company's $300 million mortgage loan (the "1994 Mortgage Loan").

Property expenses, which include real estate taxes, repairs and maintenance, property management, utilities, insurance and other expenses, increased by approximately $19.8 million or 72.2% due primarily to the properties acquired or developed after June 30, 1997. Expenses from properties owned prior to January 1, 1997, decreased by approximately $.7 million or 3.1% due primarily to a decrease in snow removal and related expenses incurred for properties located in certain of the Company's metropolitan areas during the six months ended June 30, 1998 as compared to the six months ended June 30, 1997.

General and administrative expense increased by approximately $3.6 million, of which, approximately $2.5 million is due primarily to the additional expenses associated with managing the Company's growing operations including additional professional fees relating to additional properties owned and additional personnel to manage and expand the Company's business. Approximately $1.1 million of the increase is the result of the adoption of Emerging Issues Task Force Issue No. 97-11, "Accounting for Internal Costs Relating to Real Estate Property Acquisitions" ("EITF 97-11"), which requires that internal costs of preacquisition activities incurred in connection with the acquisition of an operating property should be expensed as incurred. The Company adopted EITF 97-11 on March 19, 1998.

Interest expense increased by approximately $10.7 million for the six months ended June 30, 1998 compared to the six months ended June 30, 1997 due primarily to a higher average debt balance outstanding resulting from the issuance of unsecured debt to fund the acquisition and development of additional properties.

Amortization of interest rate protection agreements and deferred financing costs decreased by approximately $1.0 million due primarily to the full amortization of the deferred financing costs relating to the Company's 1994 Mortgage Loan which was paid off and retired on January 2, 1998.

Depreciation and other amortization increased by approximately $12.6 million due primarily to the additional depreciation and amortization related to the properties acquired or developed after June 30, 1997.

The $2.4 million gain on sales of properties, net of federal income tax, resulted from the sale of seven existing industrial properties and three land parcels. Gross proceeds from these sales were approximately $29.3 million.

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

COMPARISON OF THREE MONTHS ENDED JUNE 30, 1998 TO THREE MONTHS ENDED JUNE 30, 1997

Rental income and tenant recoveries and other income increased by approximately $38.8 million or 80.0%, due primarily to the properties acquired or developed after June 30, 1997. Rental income and tenant recoveries and other income from properties owned prior to April 1, 1997, increased by approximately $1.2 million or 2.7% due to general rent increases and an increase in tenant recovery income charges due to an increase in property operating expenses as discussed below.

Interest income on U.S. government securities for 1997 represents interest income earned on U.S. Government securities that were pledged as collateral to legally defease the 1994 Mortgage Loan.

Property expenses, which include real estate taxes, repairs and maintenance, property management, utilities, insurance and other expenses, increased by approximately $11.8 million or 89.3% due primarily to the properties acquired or developed after June 30, 1997. Expenses from properties owned prior to April 1, 1997, increased by approximately $.4 million or 3.5% due to an increase in real estate tax expense, utilities and other expense in the majority of the Company's geographical markets.

General and administrative expense increased by approximately $2.2 million, of which, approximately $1.4 million is due primarily to the additional expenses associated with managing the Company's growing operations including additional professional fees relating to additional properties owned and additional personnel to manage and expand the Company's business. Approximately $.8 million of the increase is the result of the adoption of EITF 97-11.

Interest expense increased by approximately $4.3 million for the three months ended June 30, 1998 compared to the three months ended June 30, 1997 due primarily to a higher average debt balance outstanding resulting from the issuance of unsecured debt to fund the acquisition and development of additional properties.

Amortization of interest rate protection agreements and deferred financing costs decreased by approximately $.6 million due primarily to the full amortization of the deferred financing costs relating to the Company's 1994 Mortgage Loan which was paid off and retired on January 2, 1998.

Depreciation and other amortization increased by approximately $7.5 million due primarily to the additional depreciation and amortization related to the properties acquired or developed after June 30, 1997.

The $2.0 million cumulative effect of change in accounting principle is the result of the write-off of the unamortized balance of organizational costs on the Company's balance sheet due to the early adoption of SOP 98-5, as further discussed later in this Management's Discussion and Analysis.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 1998, the Company's unrestricted cash and cash equivalents was approximately $13.1 million and restricted cash was approximately $2.9 million. The restricted cash reserves are required to be set aside under the Company's $40.0 million mortgage loan (the "1995 Mortgage Loan") for payments of security deposit refunds, tenant improvements, capital expenditures, interest, real estate taxes, and insurance. The portion of the cash reserve relating to payments for capital expenditures, interest, real estate taxes, and insurance for properties collateralizing the 1995 Mortgage Loan is established monthly, distributed to the Company as such expenditures are made and is replenished to a level adequate to make the next periodic payment of such expenditures. The portion of the cash reserve relating to security deposit refunds for the tenants occupying the properties collateralizing the 1995 Mortgage Loan is adjusted as tenants turn over.

Net cash provided by operating activities was approximately $62.6 million for the six months ended June 30, 1998 compared to approximately $38.7 million for the six months ended June 30, 1997. This increase is due primarily to an increase in net operating income (which is defined as total revenues less property related expenses) which is partially offset by an increase in interest expense and general and administrative expense as discussed in "Results of Operations" above.

Net cash used in investing activities increased to approximately $430.0 million for the six months ended June 30, 1998 from approximately $232.4 million for the six months ended June 30, 1997. This increase is due primarily to an increase in the acquisition of properties, a decrease in the net sales of real estate and a decrease in the funding of mortgage loans receivable.

Net cash provided by financing activities increased to approximately $367.3 million for the six months ended June 30, 1998 from approximately $198.5 million for the six months ended June 30, 1997 due to the issuance of common stock, preferred stock and senior unsecured borrowings during the six months ended June 30, 1998. These proceeds were partially offset by an increase in dividends and distributions for the six months ended June 30, 1998 due to the issuance of additional common and preferred shares of the Company and First Industrial, L.P. partnership units (the "Units") after June 30, 1997 and an increase in per common share/Unit distributions.

Funds from operations for the six months ended June 30, 1998 were $63.0 million, as compared to $42.5 million for the six months ended June 30, 1997, as a result of the factors discussed in the analysis of operating results above. Management considers funds from operations to be one measure of the financial performance of an equity REIT that provides a relevant basis for comparison among REITs, and it is presented to assist investors in analyzing the performance of the Company. In accordance with the National Association of Real Estate Investment Trusts' definition of funds from operations, the Company calculates funds from operations to be equal to net income, excluding gains (or losses) from debt restructuring and sales of property, plus depreciation and amortization, excluding amortization of deferred financing costs and interest rate protection agreements, and after adjustments for unconsolidated partnerships and joint ventures. Funds from operations do not represent cash generated from operating activities in accordance with generally accepted accounting principles and is not necessarily indicative of cash available to fund cash needs, including the payment of dividends and distributions. Funds from operations should not be considered as a substitute for net income as a measure of results of operations or for cash flow from operating activities calculated in accordance with generally accepted accounting principles as a measure of liquidity. Funds from operations as calculated by the Company may not be comparable to similarly titled, but differently calculated, measures of other REITs.

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

| | Six Months Ended June 30, 1998 | Six Months Ended June 30, 1997 |
|---|---|---|
| Net Income Available to Common Stockholders...................... | $ 28,648 | $ 15,832 |
| Adjustments: | | |
| Depreciation and Other Amortization............................. | 29,958 | 17,613 |
| Extraordinary Items........................ | --- | 12,563 |
| Cumulative Effect of Change in Accounting Principle..................... | 1,976 | --- |
| Minority Interest.......................... | 4,843 | 1,950 |
| Gain on Sales of Properties................ | (2,376) | (3,999) |
| Gain on disposition of IRPA................ | --- | (1,430) |
| Funds From Operations.................... | $ 63,049 | $ 42,529 |

The ratio of earnings to fixed charges and preferred stock dividends was 1.64 for the six months ended June 30, 1998 compared to 1.93 for the six months ended June 30, 1997. The decrease is primarily due to additional interest expense and preferred stock dividends incurred during the six months ended June 30, 1998 from additional debt and preferred stock issued to fund property acquisitions and developments, which is partially offset by higher net operating income from property acquisitions as discussed in the "Results of Operations" above.

Between January 1, 1998 and June 30, 1998, the Company purchased 186 industrial properties and several land parcels, for an aggregate purchase price of approximately $418.4 million, excluding costs incurred in conjunction with the acquisition of the properties.

Of the 186 existing industrial properties and several land parcels purchased by the Company during the six months ended June 30, 1998, four existing industrial properties were purchased from Western Suburban Industrial Investments Limited Partnership ("Western") in which the sole general partner, having a 5% interest, was Tomasz/Shidler Investment Corporation, of which the sole shareholders were a Director and Director/Officer of the Company who also had a 53% and 32% limited partnership interest in Western, respectively. Further, an additional Director/Officer of the Company was a limited partner in Western having an interest of 2%. The aggregate purchase price for this acquisition totaled approximately $7.9 million, excluding costs incurred in conjunction with the acquisition of the properties.

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

During the six months ended June 30, 1998, the Company sold seven existing industrial properties and three land parcels. Gross proceeds from these sales were approximately $29.3 million. The gain on sales of real estate was approximately $2.4 million, net of federal income taxes.

The Company has committed to the construction of 17 development projects totaling approximately 2.1 million square feet of GLA. The estimated total construction costs are approximately $75.5 million. These developments are expected to be funded with cash flow from operations as well as borrowings under the Company's $300 million unsecured revolving credit facility (the "1997 Unsecured Acquisition Facility").

From July 1, 1998 to August 5, 1998, the Company acquired five industrial properties. The aggregate purchase price for these acquisitions totaled approximately $22.4 million, excluding costs incurred in conjunction with the acquisition of the properties.

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

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

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

On February 4, 1998, the Company issued 5,000,000 Depositary Shares, each representing 1/100th of a share of the Company's 7.95%, $.01 par value, Series D Cumulative Preferred Stock (the "Series D Preferred Stock"), at an initial offering price of $25 per Depositary Share. Dividends on the Series D Preferred Stock represented by the Depositary Shares are cumulative from the date of initial issuance and are payable quarterly in arrears. With respect to the dividends and amounts upon liquidation, dissolution or winding up, the Series D Preferred Stock ranks senior to payments on the Company's $.01 par value common stock ("Common Stock") and pari passu with the Company's 91/2%, $.01 par value, Series A Cumulative Preferred Stock (the "Series A Preferred Stock"), 83/4%, $.01 par value, Series B Cumulative Preferred Stock (the "Series B Preferred Stock"), 85/8%, $.01 par value, Series C Cumulative Preferred Stock (the "Series C Preferred Stock") and Series E Preferred Stock (defined below); however, the Series A Preferred Stock has the benefit of a guarantee by First Industrial Securities, L.P. The Series D Preferred Stock is not redeemable prior to February 4, 2003. On and after February 4, 2003, the Series D Preferred Stock is redeemable for cash at the option of the Company, in whole or part, at a redemption price equivalent to $25 per Depositary Share, or $125.0 million in the aggregate, plus dividends accrued and unpaid to the redemption date. The Series D Preferred Stock has no stated maturity and is not convertible into any other securities of the Company.

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

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

During the six months ended June 30, 1998, the Company awarded 51,850 shares of restricted Common Stock to certain employees and 1,179 shares of restricted Common Stock to certain Directors. Another employee of the Company converted certain employee stock options to 6,123 shares of restricted Common Stock. These shares of restricted Common Stock had a fair value of $2.1 million on the date of grant. The restricted Common Stock vests over a period from five to ten years. Compensation expense will be charged to earnings over the respective vesting period.

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

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

On January 20, 1998, the Company and the Operating Partnership paid a fourth quarter 1997 distribution of $.53 per common share/Unit, totaling approximately $22.0 million. On April 20, 1998, the Company and Operating Partnership paid a first quarter 1998 distribution of $.53 per common share/Unit, totaling approximately $22.5 million. On July 20, 1998, the Company and the Operating Partnership paid a second quarter 1998 distribution of $.53 per common share/Unit, totaling approximately $23.6 million.

On March 31, 1998, the Company paid first quarter preferred stock dividends of $.59375 per share on its 9.5% Series A Cumulative Preferred Stock, $54.688 per share (equivalent to $.54688 per Depositary Share) on its 8.75% Series B Cumulative Preferred Stock, $53.906 per share (equivalent to $.53906 per Depositary Share) on its 8.63% Series C Cumulative Preferred Stock and a period prorated first quarter preferred stock dividend of $30.365 per share (equivalent to $.30365 per Depositary Share) on its 7.95% Series D Cumulative Preferred Stock. The preferred stock dividends paid on March 31, 1998 totaled, in the aggregate, approximately $5.8 million. On March 31, 1998, the Company accrued a first quarter period prorated preferred stock dividend of $7.13194 per share (equivalent to $.0713194 per Depositary Share), totaling $.2 million, on its 7.90% Series E Cumulative Preferred Stock.

On June 30, 1998, the Company paid second quarter preferred stock dividends of $.59375 per share on its 9.5% Series A Cumulative Preferred Stock, $54.688 per share (equivalent to $.54688 per Depositary Share) on its 8.75% Series B Cumulative Preferred Stock, $53.906 per share (equivalent to $.53906 per Depositary Share) on its 8.63% Series C Cumulative Preferred Stock and $49.687 per share (equivalent to $.49687 per Depositary Share) on its 7.95% Series D Cumulative Preferred Stock and a period prorated first quarter dividend and a second quarter dividend totaling $56.5069 per share (equivalent to $.565069 per Depositary Share) on its 7.90% Series E Cumulative Preferred Stock. The preferred stock dividends paid on June 30, 1998 totaled, in the aggregate, approximately $8.4 million.

In the second quarter of 1998, the Company, through the Operating Partnership, entered into a non-binding letter of intent with an institutional investor to create a joint venture that would invest in industrial properties. The venture is subject, among other contingencies, to due diligence and the negotiation of definitive documentation. There can be no assurance that such venture will be created, or if created, will be successful.

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

The Company expects to meet long-term (greater than one year) liquidity requirements such as property acquisitions, scheduled debt maturities, major renovations, expansions and other nonrecurring capital improvements through long-term secured and unsecured indebtedness and the issuance of additional equity securities. On June 30, 1998, the Company had registered under the Securities Act of 1933, as amended (the "Securities Act"), approximately $589.2 million of common stock, preferred stock and depositary shares and $300.0 million of debt securities. As of August 5, 1998, $589.2 million of common stock, preferred stock and depositary shares and $100.0 million of debt securities remained registered under the Securities Act and were unissued. The Company may finance the development or acquisition of additional properties through borrowings under the 1997 Unsecured Acquisition Facility. At June 30, 1998, borrowings under the 1997 Unsecured Acquisition Facility bore interest at a weighted average interest rate of 6.51%. As of August 5, 1998, the Company had approximately $231.9 million available in additional borrowings under the 1997 Unsecured Acquisition Facility. Along with the Company's current strategy of meeting long-term liquidity requirements through the issuance, from time to time, of long-term secured and unsecured indebtedness and additional equity securities, the Company is actively considering joint ventures with various institutional partners and the disposition of select assets as additional financing strategies.

OTHER

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

In June 1997, the FASB issued Statement of Financial Accounting Standards No. 131, "Disclosures about Segments of an Enterprise and Related Information". This statement, effective for financial statements for fiscal years beginning after December 15, 1997, requires that a public business enterprise report financial and descriptive information about its reportable operating segments. Generally, financial information is required to be reported on the basis that it is used internally for evaluating segment performance and deciding how to allocate resources to segments. The Company has not yet determined the impact of this statement on its financial statements.

In March 1998, the FASB's Emerging Issues Task Force (the "Task Force") issued Emerging Issues Task Force Issue No. 97-11, "Accounting for Internal Costs Relating to Real Estate Property Acquisitions" ("EITF 97-11"). EITF 97-11, effective March 19, 1998, requires that internal costs of preacquisition activities incurred in connection with the acquisition of an operating property should be expensed as incurred. The Task Force concluded that a property is considered operating if, at the date of acquisition, major construction activity is substantially completed on the property and (a) it is held available for occupancy upon completion of tenant improvements by the acquirer or (b) it is already income producing. The Company adopted EITF 97-11 as of March 19, 1998. Prior to March 19, 1998, the Company capitalized internal costs of preacquisition activities incurred in connection with the acquisition of operating properties. The Company estimates that the adoption of EITF 97-11 will result in a cumulative increase of approximately $2.5 million to $3.0 million in the amount of general and administrative expense reflected in the Company's consolidated statement of operations in 1998.

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

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

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS
None.

ITEM 2. CHANGES IN SECURITIES

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

All of the shares issued in the April 1998 Equity Offering were issued in reliance on Section 4 (2) of the Securities Act of 1933, as amended, including Regulation D promulgated thereunder. No underwriter was used in connection with such issuance.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES
None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS
None.

ITEM 5. OTHER INFORMATION
Not applicable.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K AND FORM 8-K/A

| Exhibit No. | Description |
|---|---|
| 4.1 | Supplemental Indenture No.5, dated as of July 14, 1998, between the Operating Partnership and the U.S. Bank Trust National Association, relating to the Operating Partnership's 7.60% Notes due July 15, 2008 (incorporated by reference to Exhibit 4.1 of the Form 8-K of First Industrial, L.P. dated July 15, 1998, File No. 333-21873) |
| 10.1 | Sixth Amended and Restated Limited Partnership Agreement of First Industrial, L.P. (the "L.P. Agreement"), dated March 18, 1998 (incorporated by reference to Exhibit 10.1 of the Company's Annual Report on Form 10-K for the year ended December 31, 1997, File No. 1-13102) |
| 10.2 * | Fourth Amendment to the L.P. Agreement dated June 24, 1998 |
| 10.3 * | Fifth Amendment to the L.P. Agreement dated July 16, 1998 |
| 27.1 * | Financial Data Schedule for the Six Months Ended June 30, 1998 |
| 27.2 * | Financial Data Schedule for the Six Months Ended June 30, 1997 (Restated) |

* Filed herewith.

Reports on Form 8-K and Form 8-K/A:

Report on Form 8-K dated April 6, 1998, filed April 20, 1998, as amended by the report on Form 8-K/A No. 1 filed June 16, 1998, relating to the acquisition of 167 properties and seven land parcels for future development. The reports include Combined Historical Statements of

Revenues and Certain Expenses for the acquired and to be acquired properties and Pro Forma Balance Sheet and Pro Forma Statements of Operations for the Company.

Report on Form 8-K dated April 24, 1998, filed April 27, 1998, and the report on Form 8-K filed May 5, 1998, each relating to the Company's offering of 1,112,644 shares of common stock, par value $.01 per share.

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

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

SIGNATURE

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

FIRST INDUSTRIAL REALTY TRUST, INC.

Date: August 13, 1998

By: /s/ Michael J. Havala

---

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

# EXHIBIT INDEX

| Exhibit No. | Description |
|---|---|
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| 10.1 | Sixth Amended and Restated Limited Partnership Agreement of First Industrial, L.P. (the "L.P. Agreement"), dated March 18, 1998 (incorporated by reference to Exhibit 10.1 of the Company's Annual Report on Form 10-K for the year ended December 31, 1997, File No. 1-13102) |
| 10.2* | Fourth Amendment to the L.P. Agreement dated June 24, 1998 |
| 10.3* | Fifth Amendment to the L.P. Agreement dated July 16, 1998 |
| 27.1* | Financial Data Schedule for the Six Months Ended June 30, 1998 |
| 27.2* | Financial Data Schedule for the Six Months Ended June 30, 1997 (Restated) |

* Filed herewith.

EXHIBIT 10.2

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

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

Capitalized terms used but not defined in this Fourth Amendment (this "AMENDMENT") shall have the same meanings that are ascribed to them in the Partnership Agreement.

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

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

3. RATIFICATION. Except as expressly modified by this 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 Amendment as of the date first written above.

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

By: /s/ Michael J. Havala
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Name: Michael J. Havala
---------------------------
Title: Chief Financial Officer
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SCHEDULE 1A

| Additional Limited Partners | Number of Units | Capital Contribution |
| --- | --- | --- |
| Apollo/Pacifica Bryant, LLC | 42,935 | $1,326,691.50 |
| Collins Family Trust | 24,836 | $767,432.40 |
| Kelly Collins | 7,979 | $246,551.10 |
| Michael Collins | 7,979 | $246,551.10 |
| Timothy Gudim | 15,959 | $493,133.10 |
| Edwin & Cathleen Hession | 7,979 | $246,551.10 |
| Steve Leonard | 1,321 | $40,818.90 |
| Pacifica Holding Company | 23,119 | $714,377.10 |

EXHIBIT 1B

SCHEDULE OF PARTNERS

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

| LIMITED PARTNERS | NUMBER OF UNITS |
|---|---|
| Aimee Freyer Lifetime Trust dated 11/1/65 | 2,384 |
| Daniel R. Andrew, TR of the Daniel R. Andrew Trust UA Dec 29 92 | 137,489 |
| Charles T. Andrews | 754 |
| Gordon E. Atkins | 6,767 |
| William J. Atkins | 22,381 |
| E. Donald Bafford | 3,374 |
| William Baloh | 8,582 |
| Edward N. Barad | 2,283 |
| UA dated April 11, 1996 Blurton 1996 Revocable Family Trust | 598 |
| James Bolt | 5,587 |
| Harriett Bonn | 28,804 |
| Michael W. Brennan | 7,702 |
| Robert Brown | 2,123 |
| Henry D. Bullock & Terri D. Bullock & Shawn Stevenson TR of the Bullock Childrens Education Trust UA Dec 20 94, FBO Benjamin Dure Bullock | 1,970 |

| LIMITED PARTNERS | NUMBER OF UNITS |
| --- | --- |
| Henry D. Bullock & Terri D. Bullock & Shawn Stevenson TR of the Bullock Childrens Education Trust UA Dec 20 94, FBO Christine Laurel Bullock | 1,970 |
| Henry D. Bullock & Terri D. Bullock TR of the Henry D. & Terri D. Bullock Trust UA Aug 28 92 | 9,151 |
| Edward Burger | 9,151 |
| Calamer Inc. | 1,233 |
| Perry C. Caplan | 1,388 |
| Irwin Carasso | 17,192 |
| Carol P. Freyer Lifetime Trust dated 11/1/72 | 2,384 |
| The Carthage Partners LLC | 34,939 |
| Cliffwood Development Company | 64,823 |
| Collins Family Trust dated 5/6/69 | 137,833 |
| Kelly Collins | 11,124 |
| Michael Collins | 17,377 |
| Charles S. Cook and Shelby H. Cook, tenants in the entirety | 634 |
| Caroline Atkins Coutret | 7,327 |
| David Cleborne Crow | 5,159 |
| Gretchen Smith Crow | 2,602 |
| Michael G. Damone, TR of the Michael G. Damone Trust UA Nov 4 69 | 144,296 |
| Myrna R. Debilak | 5,447 |

| LIMITED PARTNERS | NUMBER OF UNITS |
| --- | --- |
| Robert L. Denton | 6,286 |
| C G Property Development | 27,975 |
| Greg and Christina Downs, joint tenants | 474 |
| Gregory Downs | 48 |
| Draizin Family Partnership, LP | 357,896 |
| Joseph S. Dresner | 149,531 |
| Ethel Road Associates | 29,511 |
| Fitz & Smith Partnership | 3,410 |
| Fourbur Family Co., L.P. | 620,273 |
| Gamma Three Associates Limited Partnership | 3,338 |
| Dennis G. Goodwin and Jeannie L. Goodwin, tenants in the entirety | 6,166 |
| Clay Hamlin & Lynn Hamlin, joint tenants with rights of survivorship | 15,159 |
| Henry E. Dietz Trust UA Jan 16 81 | 36,476 |
| Highland Associates Limited Partnership | 69,039 |
| Robert W. Holman Jr. | 150,146 |
| Holman/Shidler Investment Corporation | 22,079 |
| Steven B. Hoyt | 175,000 |
| Internal Investment Company | 3,016 |
| Frederick K. Ito | 3,880 |
| The Jack Friedman Revocable Living Trust UA March 23, 1978 | 26,005 |
| Jayeff Associates Limited Partnership | 16,249 |

| LIMITED PARTNERS | NUMBER OF UNITS |
|---|---|
| Michael W. Jenkins | 3,917 |
| Jernie Holdings Corp. | 180,499 |
| John E. De B Blockey Trust | 8,293 |
| Thomas J. Johnson, Jr. and Sandra L. Johnson, tenants in the entirety | 2,142 |
| Nourhan Kailian | 2,183 |
| Peter Kepic | 9,261 |
| Lambert Investment Corporation | 13,606 |
| Paul T. Lambert | 39,749 |
| Constance Lazarus | 417,961 |
| Jerome Lazarus | 18,653 |
| LGR Investment Fund Ltd | 22,556 |
| Malcolm Properties, L.L.C. | 25,342 |
| Princeton South at Lawrenceville LLC | 4,692 |
| Shidler Equities LP | 254,541 |
| Duane  Lund | 617 |
| R. Craig Martin | 754 |
| J. Stanley Mattison | 12 |
| Menlo Park Presbyterian Church | 230 |
| Eileen Millar | 2,922 |
| Linda Miller | 2,000 |
| The Milton Dresner Revocable Trust UA October 22, 1976 | 149,531 |
| Montrose Kennedy Associates | 4,874 |

| LIMITED PARTNERS | NUMBER OF UNITS |
|---|---|
| Peter Murphy | 56,184 |
| Anthony Muscatello | 81,654 |
| Joseph Musti | 1,508 |
| Dean A. Nachtigall | 10,076 |
| New Land Associates Limited Partnership | 1,664 |
| North Star Associates Limited Partnership | 19,333 |
| Arden O'Connor | 13,845 |
| Peter O'Connor | 66,181 |
| Princeton South at Lawrenceville One | 4,426 |
| Eduardo Paneque | 2,000 |
| Partridge Road Associates Limited Partnership | 2,751 |
| R.C.P. Associates, a New Jersey limited partnership | 3,060 |
| Jack F. Ream | 1,071 |
| Glenn C. Rexroth and Linda A. Rexroth, as tenants in the entirety | 2,142 |
| James C. Reynolds | 40,154 |
| Andre G. Richard | 1,508 |
| RJB Ford City Limited Partnership | 158,438 |
| RJB II Limited Partnership | 40,788 |
| Edward C. Roberts and Rebecca S. Roberts, tenants in the entirety | 8,308 |
| W.F.O. Rosenmiller | 634 |

| LIMITED PARTNERS | NUMBER OF UNITS |
| --- | --- |
| Edward Jon Sarama | 634 |
| Shadeland Associates Limited Partnership | 42,976 |
| Shadeland Corporation | 4,442 |
| Jay H. Shidler | 66,984 |
| Jay H. Shidler and Wallette A. Shidler, tenants in the entirety | 1,223 |
| Michael B. Slade | 2,829 |
| David W. Smith, and Doris L. Smith, tenants in the entirety | 754 |
| Gary L. Smith and Joyce A. Smith, tenants in the entirety | 1,508 |
| Kevin Smith | 13,571 |
| South Broad Company | 72,421 |
| South Gold Company | 82,433 |
| SRS Partnership | 2,142 |
| UA Dated May 21, 1996 FBO Robert Stein | 56,778 |
| S. Larry Stein | 56,778 |
| Jonathan Stott | 80,026 |
| Suburban Roseland Associates, a Limited Partnership | 3,002 |
| Thelma C. Gretzinger Trust | 450 |
| Thomas K. Barad & Jill E. Barad, Co-Trustees of the Thomas K. Barad & Jill E. Barad Trust Dated 10-18-89 | 2,283 |

| LIMITED PARTNERS | NUMBER OF UNITS |
|---|---|
| Michael T. Tomasz | 25,847 |
| Barry L. Tracey | 2,142 |
| Van Brunt Associates | 39,370 |
| Worlds Fair Associates | 6,134 |
| Worlds Fair III Associates | 14,094 |
| The Worlds Fair Office Associates | 3,343 |
| Worlds Fair Partners Limited Partnership | 1,664 |
| The Worlds Fair V Associates | 3,340 |
| The Worlds Fair 25 Associates | 13,677 |
| Brothers Partnership | 1,748 |
| BSDK Enterprises | 3,596 |
| Estate of Albert Sklar | 3,912 |
| Rand H. Falbaum | 17,022 |
| William M. Fausone | 16,480 |
| Elizabeth Fitzpatrick | 3,800 |
| Fred Trust dated 6/16/77 | 653 |
| Carol P. Freyer | 12,173 |
| Lee Karen Freyer | 10,665 |
| Aimee Freyer-Valls | 12,173 |
| David Fried | 1,326 |
| Ester Fried | 3,177 |
| Douglas Frye | 2,216 |

| LIMITED PARTNERS | NUMBER OF UNITS |
| --- | --- |
| J. Peter Gaffney | 727 |
| Gerlach Family Trust dated 6/28/85 | 874 |
| Patricia O. Godchaux | 9,387 |
| Timothy Gudim | 27,797 |
| Timothy & Melissa Gudim, joint tenants | 3,285 |
| H/Airport GP Inc. | 1,433 |
| Vivian Hack | 22,522 |
| Martha J. Harbinson | 3,329 |
| Turner Harshaw | 1,132 |
| Cathleen Hession | 3,137 |
| Howard Trust dated 4/30/79 | 653 |
| John A. and Gloria H. Sage Family Trust UDT dated 6/7/94 | 15,864 |
| L. Chris Johnson | 3,196 |
| Johnson Living Trust dated 2/18/83 | 1,078 |
| Charles Mark Jordan | 57 |
| JPG Investment | 919 |
| David R. Kahnweiler | 5,436 |
| Thomas Kendall | 546 |
| Kirshner Family Trust #1 dated 4/8/76 | 29,558 |
| Kirshner Trust #4 FBO Todd Kirshner | 20,258 |
| Kolpack MD Pension | 994 |
| Chester A. Latcham | 2,493 |

| LIMITED PARTNERS | NUMBER OF UNITS |
| --- | --- |
| Lee Karen Freyer Lifetime Trust dated 11/1/65 | 2,384 |
| Georgia Leonard | 664 |
| Robert Leonard III | 5,856 |
| Steve Leonard | 37,646 |
| Leslie A. Rubin LTD | 3,577 |
| CLMM LLC | 3,825 |
| PAC-II LLC | 17,356 |
| Sealy Professional Drive LLC | 2,906 |
| Sealy Unitholder LLC | 31,552 |
| SPM Industrial LLC | 5,262 |
| Reyem Partners LP | 8,489 |
| Henry E. Mawicke | 636 |
| Richard McClintock | 623 |
| McElroy Management Inc. | 5,478 |
| MCS Properties, Inc. | 5,958 |
| Lila Atkins Mulkey | 7,327 |
| James Muslow, Jr. | 4,911 |
| Adel Nassif | 4,910 |
| Kris Nielsen | 28 |
| Catherine A. O'Brien | 832 |
| Martha E. O'Brien | 832 |
| Steve Ohren | 31,828 |

| LIMITED PARTNERS | NUMBER OF UNITS |
| --- | --- |
| Pacifica Holding Company | 97,893 |
| Sybil T. Patten | 1,816 |
| Betty S. Phillips | 3,912 |
| Jeffrey Pion | 2,879 |
| Pipkin Family Trust dated 10/6/89 | 3,140 |
| Robert J. Powers | 37,674 |
| Manor Properties | 143,408 |
| Elizabeth Hutton Hagen Fitzpatrick IRA dated 9/1/91 | 607 |
| Robert S. Hood Living Trust dated 1/9/90 & Amended 12/16/96 | 3,591 |
| James Sage | 2,156 |
| Kathleen Sage | 3,350 |
| Wilton Wade Sample | 5,449 |
| Sealy & Company, Inc. | 37,119 |
| Sealy Florida, Inc. | 675 |
| Mark P. Sealy | 8,451 |
| Sealy Real Estate Services, Inc. | 148,478 |
| Scott P. Sealy | 40,902 |
| Marilyn Rangel IRA dated 2/5/86 | 969 |
| Siskel Family Partnership | 11,359 |
| Siskel Revocable Trust 1987 dated 4/17/1987 | 10,087 |
| Suzanne Siskel | 3,802 |

| LIMITED PARTNERS | NUMBER OF UNITS |
|---|---|
| Steve Smith | 386 |
| Sterling Alsip trust dated August 1, 1989 | 794 |
| Sterling Family Trust dated 3/27/80 | 3,559 |
| Donald C. Thompson | 38,524 |
| TUT Investments I LLC | 5,274 |
| William S. Tyrrell | 2,906 |
| Van Gilder Family Partnership | 2,262 |
| Virginia B. and Norton Sharpe Living trust UDT dated 4/26/96 | 12,055 |
| Steve Walbridge | 338 |
| Richard Walker, Jr. | 963 |
| Charles Kendall Jr. Rollover IRA dated 1/21/93 | 656 |
| William B. Wiener, Jr. | 41,119 |
| Patricia Wiener-Shifke | 12,944 |
| William J. Mallen Trust dated 4/29/94 | 8,016 |
| Fred Wilson | 35,787 |
| World's Fair Thirty | 1,442 |
| Wolsum, Inc. | 2,427 |
| Johannson Yap | 1,680 |
| Gerald & Sharon Zuckerman | 615 |
| Stephen Mann | 15,017 |
| Stanley Gruber | 30,032 |
| Seymour Israel | 15,016 |

| LIMITED PARTNERS | NUMBER OF UNITS |
|---|---|
| J. O'Neil Duffy, Sr. | 513 |
| James O. Duffy, Jr. | 513 |
| Garrett E. Sheehan | 513 |
| Sam Shamie Trust Agreement dated March 16, 1978, as restated on November 16, 1993 | 337,753 |
| Richard H. Zimmerman Living Trust dated October 15, 1990, as amended | 47,174 |
| Keith J. Pomeroy Revocable Trust Agreement, dated December 13, 1976, as amended and restated on June 28, 1995 | 128,783 |
| Enid Braden Trust of June 28, 1995 | 18,464 |
| Sam L. Yaker Revocable Trust Agreement dated February 14, 1984 | 30,285 |
| Armenag Kalaydjian Revocable Trust Agreement dated February 28, 1984 | 21,655 |
| RBZ LLC | 124 |
| KEP LLC | 78,873 |
| ESAA Associates Limited Partnership | 19,367 |
| Paul F. Obrecht, Jr. | 5,289 |
| Richard F. Obrecht | 5,289 |
| Thomas F. Obrecht | 5,289 |
| George F. Obrecht | 5,289 |
| Joan R. Kreiger Revocable Trust | 15,184 |
| William L. Kreiger, Jr. | 3,374 |

| LIMITED PARTNERS | NUMBER OF UNITS |
|---|---|
| Elmer H. Wingate | 1,688 |
| Apollo/Pacifica Bryant LLC | 42,977 |
| Edwin and Cathleen Hession | 7,987 |

EXHIBIT 10.3

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

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

Capitalized terms used but not defined in this Fifth Amendment (this "AMENDMENT") shall have the same meanings that are ascribed to them in the Partnership Agreement.

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

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

3. PROTECTED AMOUNTS. In connection with the transactions consummated pursuant to that certain Contribution Agreement dated as of December 9, 1997, by and between FR and Thompson Kirk Properties, Inc., a Florida corporation, TRAC Design Builders, Inc., a Florida corporation, Thompson Center I, Ltd., a Florida limited partnership, TR Developers, Ltd., a Florida limited partnership, Thompson and Rubin Limited, a Florida limited partnership, TRA Limited, a Florida limited partnership, Thompson Center II Joint Venture, a Florida general partnership, Thompson Center Adamo Limited Partnership, a Florida limited partnership, Thompson-Rubin Sunventure, Ltd., a Florida limited partnership, TK-SV, TK Properties, a Florida general partnership, the Principal, D.C. Thompson, Ltd., a Florida limited partnership f/k/a Thompson Rubin Associates, a Florida general partnership, and various additional individuals and entities; as amended by that certain First Amendment to Contribution Agreement (as amended, the "CONTRIBUTION AGREEMENT"); and certain Protected Amounts are being established for the Additional Limited Partners admitted pursuant to this Amendment, which Protected Amounts are reflected on EXHIBIT 1D attached hereto and shall be incorporated as part of EXHIBIT 1D of the Partnership Agreement.

4. RATIFICATION. Except as expressly modified by this 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 Amendment as of the date first written above.

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

By: /s/ Gary H. Heigl
---------------------------------------
Name: Gary H. Heigl
---------------------------------------
Title: Sr. V.P. Capital Markets
---------------------------------------

SCHEDULE 1A

| Additional Limited Partners | Number of Units | Capital Contribution |
|---|---|---|
| Donald C. Thompson | 719 | $22,411.23 |
| Leslie A. Rubin | 471 | $14,681.07 |

EXHIBIT 1D

PROTECTED AMOUNTS

| | | Protected Amount |
|---|---|---|
| 1. | Donald C. Thompson | $422,800 |
| 2. | Leslie A. Rubin | $277,200 |

EXHIBIT 1B

SCHEDULE OF PARTNERS

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

| LIMITED PARTNERS | NUMBER OF UNITS |
|---|---|
| Aimee Freyer Lifetime Trust dated 11/1/65 | 2,384 |
| Daniel R. Andrew, TR of the Daniel R. Andrew Trust UA Dec 29 92 | 137,489 |
| Charles T. Andrews | 754 |
| Gordon E. Atkins | 6,767 |
| William J. Atkins | 22,381 |
| E. Donald Bafford | 3,374 |
| William Baloh | 8,582 |
| Edward N. Barad | 2,283 |
| UA dated April 11, 1996 Blurton 1996 Revocable Family Trust | 598 |
| James Bolt | 5,587 |
| Harriett Bonn | 28,804 |
| Michael W. Brennan | 7,702 |
| Robert Brown | 2,123 |
| Henry D. Bullock & Terri D. Bullock & Shawn Stevenson TR of the Bullock Childrens Education Trust UA Dec 20 94, FBO Benjamin Dure Bullock | 1,970 |

| LIMITED PARTNERS | NUMBER OF UNITS |
|---|---|
| Henry D. Bullock & Terri D. Bullock & Shawn Stevenson TR of the Bullock Childrens Education Trust UA Dec 20 94, FBO Christine Laurel Bullock | 1,970 |
| Henry D. Bullock & Terri D. Bullock TR of the Henry D. & Terri D. Bullock Trust UA Aug 28 92 | 9,151 |
| Edward Burger | 9,151 |
| Calamer Inc. | 1,233 |
| Perry C. Caplan | 1,388 |
| Irwin Carasso | 17,192 |
| Carol P. Freyer Lifetime Trust dated 11/1/72 | 2,384 |
| The Carthage Partners LLC | 34,939 |
| Cliffwood Development Company | 64,823 |
| Collins Family Trust dated 5/6/69 | 137,833 |
| Kelly Collins | 11,124 |
| Michael Collins | 17,377 |
| Charles S. Cook and Shelby H. Cook, tenants in the entirety | 634 |
| Caroline Atkins Coutret | 7,327 |
| David Cleborne Crow | 5,159 |
| Gretchen Smith Crow | 2,602 |
| Michael G. Damone, TR of the Michael G. Damone Trust UA Nov 4 69 | 144,296 |
| Myrna R. Debilak | 5,447 |
| Robert L. Denton | 6,286 |

| LIMITED PARTNERS | NUMBER OF UNITS |
| --- | --- |
| C G Property Development | 27,975 |
| Greg and Christina Downs, joint tenants | 474 |
| Gregory Downs | 48 |
| Draizin Family Partnership, LP | 357,896 |
| Joseph S. Dresner | 149,531 |
| Ethel Road Associates | 29,511 |
| Fitz & Smith Partnership | 3,410 |
| Fourbur Family Co., L.P. | 620,273 |
| Gamma Three Associates Limited Partnership | 3,338 |
| Dennis G. Goodwin and Jeannie L. Goodwin, tenants in the entirety | 6,166 |
| Clay Hamlin & Lynn Hamlin, joint tenants with rights of survivorship | 15,159 |
| Henry E. Dietz Trust UA Jan 16 81 | 36,476 |
| Highland Associates Limited Partnership | 69,039 |
| Robert W. Holman Jr. | 150,146 |
| Holman/Shidler Investment Corporation | 22,079 |
| Steven B. Hoyt | 175,000 |
| Internal Investment Company | 3,016 |
| Frederick K. Ito | 3,880 |
| The Jack Friedman Revocable Living Trust UA March 23, 1978 | 26,005 |
| Jayeff Associates Limited Partnership | 16,249 |
| Michael W. Jenkins | 3,917 |

| LIMITED PARTNERS | NUMBER OF UNITS |
|---|---|
| Jernie Holdings Corp. | 180,499 |
| John E. De B Blockey Trust | 8,293 |
| Thomas J. Johnson, Jr. and Sandra L. Johnson, tenants in the entirety | 2,142 |
| Nourhan Kailian | 2,183 |
| Peter Kepic | 9,261 |
| Lambert Investment Corporation | 13,606 |
| Paul T. Lambert | 39,749 |
| Constance Lazarus | 417,961 |
| Jerome Lazarus | 18,653 |
| LGR Investment Fund Ltd | 22,556 |
| Malcolm Properties, L.L.C. | 25,342 |
| Princeton South at Lawrenceville LLC | 4,692 |
| Shidler Equities LP | 254,541 |
| Duane Lund | 617 |
| R. Craig Martin | 754 |
| J. Stanley Mattison | 12 |
| Menlo Park Presbyterian Church | 230 |
| Eileen Millar | 2,922 |
| Linda Miller | 2,000 |
| The Milton Dresner Revocable Trust UA October 22, 1976 | 149,531 |
| Montrose Kennedy Associates | 4,874 |
| Peter Murphy | 56,184 |

| LIMITED PARTNERS | NUMBER OF UNITS |
|---|---|
| Anthony Muscatello | 81,654 |
| Joseph Musti | 1,508 |
| Dean A. Nachtigall | 10,076 |
| New Land Associates Limited Partnership | 1,664 |
| North Star Associates Limited Partnership | 19,333 |
| Arden O'Connor | 13,845 |
| Peter O'Connor | 66,181 |
| Princeton South at Lawrenceville One | 4,426 |
| Eduardo Paneque | 2,000 |
| Partridge Road Associates Limited Partnership | 2,751 |
| R.C.P. Associates, a New Jersey limited partnership | 3,060 |
| Jack F. Ream | 1,071 |
| Glenn C. Rexroth and Linda A. Rexroth, as tenants in the entirety | 2,142 |
| James C. Reynolds | 40,154 |
| Andre G. Richard | 1,508 |
| RJB Ford City Limited Partnership | 158,438 |
| RJB II Limited Partnership | 40,788 |
| Edward C. Roberts and Rebecca S. Roberts, tenants in the entirety | 8,308 |
| W.F.O. Rosenmiller | 634 |
| Edward Jon Sarama | 634 |

| LIMITED PARTNERS | NUMBER OF UNITS |
| --- | --- |
| Shadeland Associates Limited Partnership | 42,976 |
| Shadeland Corporation | 4,442 |
| Jay H. Shidler | 66,984 |
| Jay H. Shidler and Wallette A. Shidler, tenants in the entirety | 1,223 |
| Michael B. Slade | 2,829 |
| David W. Smith, and Doris L. Smith, tenants in the entirety | 754 |
| Gary L. Smith and Joyce A. Smith, tenants in the entirety | 1,508 |
| Kevin Smith | 13,571 |
| South Broad Company | 72,421 |
| South Gold Company | 82,433 |
| SRS Partnership | 2,142 |
| UA Dated May 21, 1996 FBO Robert Stein | 56,778 |
| S. Larry Stein | 56,778 |
| Jonathan Stott | 80,026 |
| Suburban Roseland Associates, a Limited Partnership | 3,002 |
| Thelma C. Gretzinger Trust | 450 |
| Thomas K. Barad & Jill E. Barad, Co-Trustees of the Thomas K. Barad & Jill E. Barad Trust Dated 10-18-89 | 2,283 |
| Michael T. Tomasz | 25,847 |
| Barry L. Tracey | 2,142 |

| LIMITED PARTNERS | NUMBER OF UNITS |
| --- | --- |
| Van Brunt Associates | 39,370 |
| Worlds Fair Associates | 6,134 |
| Worlds Fair III Associates | 14,094 |
| The Worlds Fair Office Associates | 3,343 |
| Worlds Fair Partners Limited Partnership | 1,664 |
| The Worlds Fair V Associates | 3,340 |
| The Worlds Fair 25 Associates | 13,677 |
| Brothers Partnership | 1,748 |
| BSDK Enterprises | 3,596 |
| Estate of Albert Sklar | 3,912 |
| Rand H. Falbaum | 17,022 |
| William M. Fausone | 16,480 |
| Elizabeth Fitzpatrick | 3,800 |
| Fred Trust dated 6/16/77 | 653 |
| Carol P. Freyer | 12,173 |
| Lee Karen Freyer | 10,665 |
| Aimee Freyer-Valls | 12,173 |
| David Fried | 1,326 |
| Ester Fried | 3,177 |
| Douglas Frye | 2,216 |
| J. Peter Gaffney | 727 |
| Gerlach Family Trust dated 6/28/85 | 874 |
| Patricia O. Godchaux | 9,387 |

| LIMITED PARTNERS | NUMBER OF UNITS |
|---|---|
| Timothy Gudim | 27,797 |
| Timothy & Melissa Gudim, joint tenants | 3,285 |
| H/Airport GP Inc. | 1,433 |
| Vivian Hack | 22,522 |
| Martha J. Harbinson | 3,329 |
| Turner Harshaw | 1,132 |
| Cathleen Hession | 3,137 |
| Howard Trust dated 4/30/79 | 653 |
| John A. and Gloria H. Sage Family Trust UDT dated 6/7/94 | 15,864 |
| L. Chris Johnson | 3,196 |
| Johnson Living Trust dated 2/18/83 | 1,078 |
| Charles Mark Jordan | 57 |
| JPG Investment | 919 |
| David R. Kahnweiler | 5,436 |
| Thomas Kendall | 546 |
| Kirshner Family Trust #1 dated 4/8/76 | 29,558 |
| Kirshner Trust #4 FBO Todd Kirshner | 20,258 |
| Kolpack MD Pension | 994 |
| Chester A. Latcham | 2,493 |
| Lee Karen Freyer Lifetime Trust dated 11/1/65 | 2,384 |
| Georgia Leonard | 664 |
| Robert Leonard III | 5,856 |

| LIMITED PARTNERS | NUMBER OF UNITS |
| --- | --- |
| Steve Leonard | 37,646 |
| Leslie A. Rubin LTD | 3,577 |
| CLMM LLC | 3,825 |
| PAC-II LLC | 17,356 |
| Sealy Professional Drive LLC | 2,906 |
| Sealy Unitholder LLC | 31,552 |
| SPM Industrial LLC | 5,262 |
| Reyem Partners LP | 8,489 |
| Henry E. Mawicke | 636 |
| Richard McClintock | 623 |
| McElroy Management Inc. | 5,478 |
| MCS Properties, Inc. | 5,958 |
| Lila Atkins Mulkey | 7,327 |
| James Muslow, Jr. | 4,911 |
| Adel Nassif | 4,910 |
| Kris Nielsen | 28 |
| Catherine A. O'Brien | 832 |
| Martha E. O'Brien | 832 |
| Steve Ohren | 31,828 |
| Pacifica Holding Company | 97,893 |
| Sybil T. Patten | 1,816 |
| Betty S. Phillips | 3,912 |
| Jeffrey Pion | 2,879 |

| LIMITED PARTNERS | NUMBER OF UNITS |
|---|---|
| Pipkin Family Trust dated 10/6/89 | 3,140 |
| Robert J. Powers | 37,674 |
| Manor Properties | 143,408 |
| Elizabeth Hutton Hagen Fitzpatrick IRA dated 9/1/91 | 607 |
| Robert S. Hood Living Trust dated 1/9/90 & Amended 12/16/96 | 3,591 |
| James Sage | 2,156 |
| Kathleen Sage | 3,350 |
| Wilton Wade Sample | 5,449 |
| Sealy & Company, Inc. | 37,119 |
| Sealy Florida, Inc. | 675 |
| Mark P. Sealy | 8,451 |
| Sealy Real Estate Services, Inc. | 148,478 |
| Scott P. Sealy | 40,902 |
| Marilyn Rangel IRA dated 2/5/86 | 969 |
| Siskel Family Partnership | 11,359 |
| Siskel Revocable Trust 1987 dated 4/17/1987 | 10,087 |
| Suzanne Siskel | 3,802 |
| Steve Smith | 386 |
| Sterling Alsip trust dated August 1, 1989 | 794 |
| Sterling Family Trust dated 3/27/80 | 3,559 |
| Donald C. Thompson | 39,243 |

| LIMITED PARTNERS | NUMBER OF UNITS |
| --- | --- |
| TUT Investments I LLC | 5,274 |
| William S. Tyrrell | 2,906 |
| Van Gilder Family Partnership | 2,262 |
| Virginia B. and Norton Sharpe Living trust UDT dated 4/26/96 | 12,055 |
| Steve Walbridge | 338 |
| Richard Walker, Jr. | 963 |
| Charles Kendall Jr. Rollover IRA dated 1/21/93 | 656 |
| William B. Wiener, Jr. | 41,119 |
| Patricia Wiener-Shifke | 12,944 |
| William J. Mallen Trust dated 4/29/94 | 8,016 |
| Fred Wilson | 35,787 |
| World's Fair Thirty | 1,442 |
| Wolsum, Inc. | 2,427 |
| Johannson Yap | 1,680 |
| Gerald & Sharon Zuckerman | 615 |
| Stephen Mann | 15,017 |
| Stanley Gruber | 30,032 |
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| James O. Duffy, Jr. | 513 |
| Garrett E. Sheehan | 513 |

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| Keith J. Pomeroy Revocable Trust Agreement, dated December 13, 1976, as amended and restated on June 28, 1995 | 128,783 |
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| Sam L. Yaker Revocable Trust Agreement dated February 14, 1984 | 30,285 |
| Armenag Kalaydjian Revocable Trust Agreement dated February 28, 1984 | 21,655 |
| RBZ LLC | 124 |
| KEP LLC | 78,873 |
| ESAA Associates Limited Partnership | 19,367 |
| Paul F. Obrecht, Jr. | 5,289 |
| Richard F. Obrecht | 5,289 |
| Thomas F. Obrecht | 5,289 |
| George F. Obrecht | 5,289 |
| Joan R. Kreiger Revocable Trust | 15,184 |
| William L. Kreiger, Jr. | 3,374 |
| Elmer H. Wingate | 1,688 |
| Apollo/Pacifica Bryant LLC | 42,977 |
| Edwin and Cathleen Hession | 7,987 |
| Leslie A. Rubin | 471 |

5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS OF FIRST INDUSTRIAL REALTY TRUST, INC. FOR THE SIX MONTHS ENDED JUNE 30, 1998 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000
U.S. DOLLARS

6-MOS
DEC-31-1998
JAN-01-1998
JUN-30-1998
1
13,139
0
10,856
(1,750)
0
22,245
2,464,590
(146,464)
2,423,859
68,736
1,081,670
0
18
378
1,077,156
2,423,859
0
163,519
0
(47,199)
37,028
0
(32,013)
44,812
0
44,812
0
0
(1,976)
42,836
.77
.77

5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS OF FIRST INDUSTRIAL REALTY TRUST, INC. FOR THE SIX MONTHS ENDED JUNE 30, 1997 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000
U.S. DOLLARS

6-MOS
DEC-31-1997
JAN-01-1997
JUN-30-1997
1
12,459
304,204
7,673
(750)
0
19,382
1,308,750
(103,547)
1,620,117
52,938
500,219
0
17
301
665,980
1,620,117
0
98,791
0
(27,407)
(21,782)
0
(21,321)
31,760
0
31,760
0
(12,563)
0
19,197
.53
.52