



**LETTER TO STOCKHOLDERS
FROM THE PRESIDENT AND CEO
NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
PROXY STATEMENT
2014 ANNUAL REPORT**

In connection with the 2015 Annual Meeting of Stockholders, we have collected the Letter to Stockholders from the President and CEO, Notice of Annual Meeting of Stockholders, Proxy Statement and 2014 Annual Report under one cover.

**First Industrial Realty Trust, Inc.
www.firstindustrial.com**

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LETTER TO STOCKHOLDERS FROM THE PRESIDENT AND CEO

Fellow Stockholders,

The First Industrial team continued its drive to deliver strong cash flow performance from our portfolio in 2014, while positioning our Company for continuing long-term cash flow growth through development, acquisitions, dispositions and capital markets activities.

Our stock price performance reflected our efforts as well as the strength in the overall real estate sector and general economy. We delivered a total return to shareholders of 21.2%. While at face value this was a good result, our competitive ire has been raised as we were disappointed that we lagged behind several of our sector peers. That said, we are certainly proud of our longer term track record, as we ranked #6 out of 106 real estate companies tracked by REITZone Publications for total return on a 5-year basis, and were the top ranked industrial REIT for that period. As we always say, however, “There is no future in the past.” We are focused on “What’s next?” as we seek to create value for shareholders by leveraging the strengths of our platform and portfolio.

Leasing: More Progress, More Opportunity

Due to the good work of our team and the healthy state of industrial real estate demand, we achieved year-end in-service occupancy of 94.3%, which represented growth of 140 basis points compared to the end of 2013. We were pleased to exceed our original guidance of 94%. Our occupancy gains were driven by broad-based leasing activity across most of our markets, benefiting from demand from both large and small tenants, and were also helped by the impact of our new investments and dispositions.

These leasing gains, as well as contractual rent escalations, helped us deliver strong growth in same store cash net operating income of 4.2% for the year, excluding termination fees and adjusted for a significant one-time restoration fee in 2014 we discussed throughout the year.

Our performance related to rental rate change on new and renewal leasing also contributed to our success. For the year, rents were up 2.2% on a cash basis and 9.1% on a GAAP basis. Through the fourth quarter, our cash rental rate change had been positive for four consecutive quarters, while positive on a GAAP basis for 12 consecutive quarters. We expect cash rental rates to continue to increase in 2015, as we foresee tenant demand continuing to outpace supply.

Another area of focus that helps our cash flow today and tomorrow is building contractual rent escalations into as many of our leases as possible. These rent bumps are a very attractive feature of industrial leases, and in 2014, we secured rent bumps in 90% of our long-term leases. One area that was a slight disappointment, despite our overall occupancy growth, was our tenant retention of 69.5% for the year. Our retention results were impacted by a few large moveouts, and our team aims to return that metric to the mid-70’s in 2015. That is important because, when compared to keeping an existing tenant, new leasing can be four to five more times more expensive when considering tenant improvements and leasing commissions, even before factoring in downtime.

Returning to the question of “What’s next?” we established a goal of getting to $\pm 95\%$ occupancy by year-end 2015 at our Investor Day in November of 2013. We took out the “ $\pm$ ” part and have our sights firmly set on meeting or exceeding 95% by year-end 2015. With our success in leasing many of our larger assets, we will need to achieve this target by executing a host of small-to-medium sized leases across our markets, which are impactful to our cash flow given the higher rents these spaces generally demand. Our team is focused on our “Drive to 95,” and then sustaining our average occupancy at or near that level to generate additional cash flow.

Growing Cash Flow and the Dividend

At our Investor Day in November of 2013, we discussed our potential opportunity to deliver significant growth in adjusted funds from operations (AFFO) per share by pushing on several levers: leasing existing assets and new investments, contractual rent bumps, lower leasing costs and interest savings. In 2014, we delivered approximately 22% AFFO per share growth, which coincided with our 20.6% dividend per share increase in 2014 versus 2013. We are excited about our ability to capture more of that opportunity in 2015 and beyond, and grow the dividend along with it.

Based on our positive outlook, we increased our dividend rate to 12.75 cents per share for the first quarter of 2015. This is an increase of 24.4% from the prior quarterly rate of 10.25 cents per share. Despite that increase, we once again expect to be within our conservative target payout ratio range of 50% to 60% of AFFO. Given this payout ratio, we are able to retain capital to help us fund new investments while supporting our dividend in good times and bad.

Developing for the Future

Over the past several years, with competition for quality leased acquisitions fierce, we have been using our platform to invest in high quality development opportunities to earn better risk-adjusted returns for our shareholders. We have been doing so on newly acquired sites that we could put into production quickly as well as land we previously owned.

Our team has demonstrated its expertise in navigating changing entitlement and other regulatory requirements to get our sites ready for vertical construction. We have also established a strong track record of completing our buildings on time and on budget. We put that expertise to work in 2014, and set the stage for more developments to come on line in 2015 and beyond.

For the year, we placed in service five developments, totaling 1.6 million square-feet with a total investment of \$115 million. Importantly, they were all 100% leased, resulting in a 6.9% initial GAAP yield (GAAP yield is first year stabilized cash NOI over the GAAP investment basis).

These included two investments in Southern California, our 489,000 square-foot First Bandini Logistics Center and 43,000 square-foot First Figueroa Logistics Center. We have grown our presence in Southern California over the years and today it is our largest market, representing approximately 12% of our rental income — and growing. We also placed in service our First Logistics Center @ I-83, a 708,000 square-foot distribution center in Central Pennsylvania leased to Federal Mogul. Rounding out these developments were our 250,000 square-foot expansion for Rust-Oleum in the Chicago market, and a 97,000 square-foot building leased to Goodwill Industries in Minneapolis.

Our development pipeline includes three additional developments that we completed in 2014 located in the Inland Empire, Houston and Minneapolis that are currently in lease-up. These total more than one million square feet with an estimated investment of \$62 million and an estimated GAAP yield of 7.2%.

To meet anticipated tenant demand and replenish our investment pipeline, we also had three developments in process at year-end totaling 1.3 million square feet with a combined estimated investment of \$79 million. These include two projects in Dallas. The first is our two-building, 598,000 square-foot First Pinnacle Industrial Center that is 87% pre-leased with a total estimated investment is \$25.7 million and estimated GAAP yield of 7.5%. Both First Pinnacle buildings will be delivered in the first half of 2015. The second project is our 153,000 square-foot First Arlington Commerce Center @ I-20 which was 41% pre-leased before we even started construction. Estimated total investment is \$9.5 million and the projected initial GAAP yield is 6.4%, with completion expected in 2Q15. Late in the fourth quarter, we also started our First 33 Commerce Center in the Lehigh Valley in Eastern Pennsylvania. This is a two-building complex, totaling 585,000 square feet with planned completion by year-end. The total projected investment for First 33 is \$43.8 million and the targeted initial GAAP yield is 6.4%.

Thus far in 2015, we started our First Park @ Ocean Ranch in Southern California. We anticipate completing the three-building park totaling approximately 237,000 square feet by year end. Total investment is estimated to be \$27.5 million dollars with a projected GAAP yield of 6.7%.

We anticipate additional starts in 2015 and plan to keep adding to our development pipeline in a disciplined manner in the coming years. Our land bank can support approximately 8 million square feet of additional development, including key sites in Southern California, Central PA, Houston, Atlanta and Nashville. As we have done throughout the cycle, we will look to acquire new sites where we like the long-term supply-demand dynamics and can meet underserved pockets of demand.

Active Portfolio Management

A critical part of our job as a management team is to appropriately allocate the capital you have entrusted to us. In addition to development, we have been making select acquisitions which we believe can deliver above-average long-term cash flow growth. Our capital allocation decision process also includes selling properties that we do not believe possess favorable long-term cash flow growth characteristics. On both sides of this equation, our focus is always two-fold — portfolio improvement and appropriate value.

On the acquisition front for the year, we acquired 1.1 million square-feet of properties for \$67.4 million plus \$28.3 million of development sites for a total of \$95.7 million. We added two 100% leased buildings totaling 359,000 square feet in the Inland Empire. We also bought two 100% leased buildings in Minneapolis totaling 452,000 square feet. Lastly, we acquired three assets in Phoenix comprised of 220,000 square feet, giving us 100% ownership of a park when combined with two other buildings we already own. Two of these buildings were 100% leased and the other is vacant, giving us an opportunity to add value.

We will certainly be seeking to acquire additional properties in 2015 and beyond, but we have to use our platform to dig deep to uncover opportunities where we can capture or add value. We must maintain our capital discipline as we do not expect to be the winner when bidding on many fully-marketed, fully-leased transactions.

During the year, we sold \$102.6 million of properties comprising nearly 2 million square feet and 10 acres of land, meeting our goal of selling \$75 to \$100 million of properties. Again, our sales process targets assets for which we do not like the long-term cash flow growth profile, whether due to location, functionality or simply being capital or leasing intensive. Our job is not just to move the merchandise, but rather, to maximize value, typically through one-off transactions to either user buyers or investors.

In 2015, we are again targeting \$75 million to \$100 million of sales. Portfolio management is an ongoing process so we expect to continue our sales process and historic discipline in the coming years in an effort to continually refine our portfolio.

We are seeing the impact of our new investments and sales on our portfolio as we have turned over approximately one-third of our asset base since the fourth quarter of 2010. As we continue this process, we have the additional benefit of further lowering capital expenditures of our portfolio. There may be modest short-term dilution from an earnings or FFO basis as we sell properties, but adjusted for capital expenditures and long-term cash flow growth, we are happy to make the trade-off.

Lower Capital Costs, Return to Investment Grade

As I have detailed in these letters over the past several years, we have been steadily improving our balance sheet and bringing down our cost of capital. 2014 was no exception.

In the first quarter, we closed on a \$200 million 7-year unsecured term loan with interest-only payments and an initial interest rate of LIBOR plus 175 basis points. We used swaps to convert the LIBOR rate to an initial effective fixed interest rate of 4.04%. We also redeemed the last \$75 million of our preferred stock.

During the year, we also paid off a total \$65 million of secured debt as well as our \$82 million of 6.42% June 2014 notes at maturity. The weighted average interest rate of these payoffs was 6.3%. Assuming we refinanced this debt applying the 4.04% effective rate on the aforementioned term loan, we reduced our annual interest costs by more than \$3.3 million. We are off to a good start in capturing the interest savings component of the cash flow growth opportunity we described at our 2013 Investor Day. As we continue to pay off our unsecured notes and mortgage debt in the next few years, we expect to capture more of those savings while positioning our balance sheet for the long-term. One source of disappointment on the capital side was the interest rate protection agreement we put in place in the third quarter to mitigate concerns about potentially rising interest rates, but thus far we have missed the boat as that has not been the case.

As of the fourth quarter of 2014, per our fourth quarter earnings conference call, our net debt plus preferred stock was 6.2x (normalizing our G&A expense and excluding acquisitions costs and the one-time restoration fee). This is near the lower end of our target range of 6x to 7x.

With the improvements we made to the balance sheet and portfolio and the growth of our cash flow, we were pleased to achieve a goal we set back at Investor Day in November of 2013 — earning investment grade ratings for our unsecured notes from all three major ratings agencies, S&P, Moody's and Fitch, by the end of 2014.

Being investment grade further enhances our financial flexibility and supports our long-term cash flow growth as we lower capital costs. To that end, in the first quarter of 2015, we thought it prudent to recast our \$625 million unsecured line of credit, extending the maturity to March 2019, with the option to extend the term another year. The new line features interest-only payments initially at a rate of LIBOR plus 115 basis points, an improvement of 35 basis points compared to the previous facility, plus a facility fee of 20 basis points. The facility also has an accordion feature by which we can increase the aggregate revolving borrowing capacity to \$900 million, subject to certain conditions. Our banking partners have shown tremendous support, helping us as we recovered from the financial crisis and today as we stand with our capital base as strong as ever. We are grateful for their continuing support.

Healthy Industry Environment

The fundamentals for the US industrial real estate industry remain strong, as reflected in our results and in our outlook. Growth in the national economy supports incremental demand for space. In addition, our sector is benefiting from secular trends, particularly from growth in e-commerce. As a result, our sector has enjoyed positive net absorption for 18 consecutive quarters.

Supply has increased to capture growing demand, although primarily contained in the large distribution center segment. Overall, the market remains in balance and we expect it to remain so for some time. Of course, that is always subject to change and, as an allocator of capital, it is part of our job to keep a watchful eye on supply. We do so by evaluating each development opportunity through a combination of top-down and bottom-up assessment of the market and sub-market.

Market rents continue to trend higher in virtually all markets, reflective of the healthy supply/demand balance, and we expect our cash rental rate change metric to reflect that in 2015.

The investment market for industrial properties continues to attract more capital, as institutions and local investors seek yields, supported by low interest rates and plenty of debt capital. Users continue to evaluate the rent vs. own equation, which is also helpful to our disposition efforts. This increased demand has driven cap rates lower in virtually all markets and product types. This makes our job as an acquirer and developer more difficult, but with more than 64 million square feet of industrial space owned or under development, it certainly is a positive for the value of our portfolio.

Building Our Future on the Strength of Our People and Platform

Our Company is more than a mere collection of assets. Central to our success is a long-tenured team that has been delivering on our goals and remains excited about and focused on the opportunities ahead. Our organization is full of dedicated, talented professionals that are experts in what they do, whether in our markets serving our customers (both existing and new) or investing our capital in new investments or in the home office making sure we meet and exceed the standards necessary to compete as a publicly traded company.

As a team, we have our sights clearly set on our 95% year-end occupancy target. Beyond that, we must continue to sustain higher average occupancy to drive more cash flow and demonstrate the enhanced quality of our portfolio. By doing so, we can drive more value for shareholders.

If we can continue to execute on our strategy and achieve our operational goals, we have an opportunity to create additional value by closing the valuation gap to both recent industry portfolio transactions as well as our publicly traded industrial peers.

As a team, we are focused on continuing to meet and exceed our goals. We appreciate your support and investment in First Industrial.

Sincerely,

A handwritten signature in black ink, appearing to read 'B. Duncan', with a stylized, cursive script.

Bruce W. Duncan
President and Chief Executive Officer

April 6, 2015



FIRST INDUSTRIAL REALTY TRUST, INC.

311 South Wacker Drive

Suite 3900

Chicago, Illinois 60606

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held on May 7, 2015

NOTICE IS HEREBY GIVEN that the 2015 Annual Meeting of Stockholders (the "Annual Meeting") of First Industrial Realty Trust, Inc. (the "Company") will be held on Thursday, May 7, 2015 at 9:00 a.m. in the 10th Floor Conference Room, 311 South Wacker Drive, Chicago, Illinois 60606 for the following purposes:

1. To elect six directors to the Board of Directors to serve until the 2016 Annual Meeting of Stockholders, and until their successors are duly elected and qualify;
2. To approve, on an advisory (i.e. non-binding) basis, the compensation of the Company's named executive officers as disclosed in this Proxy Statement;
3. To ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2015; and
4. To consider and act upon any other matters that may properly be brought before the Annual Meeting and at any adjournments or postponements thereof.

Any action may be taken on the foregoing matters at the Annual Meeting on the date specified above, or on any date or dates to which, by original or later adjournment, the Annual Meeting may be adjourned, or to which the Annual Meeting may be postponed.

The Board of Directors has fixed the close of business on March 20, 2015 as the record date for the Annual Meeting. Only stockholders of record of the Company's common stock at the close of business on that date will be entitled to notice of and to vote at the Annual Meeting and at any adjournments or postponements thereof.

You are requested to fill in and sign the enclosed Proxy Card, which is being solicited by the Board of Directors, and to mail it promptly in the enclosed postage-prepaid envelope. Any proxy may be revoked by delivery of a later dated proxy. Stockholders of record who attend the Annual Meeting may vote in person, even if they have previously delivered a signed proxy. "Street name" stockholders who wish to vote in person will need to obtain a duly executed proxy form from the institution that holds their shares prior to the Annual Meeting.

By Order of the Board of Directors

W. Ed Tyler
Chairman of the Board

Bruce W. Duncan
President and CEO

Chicago, Illinois
April 6, 2015

WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE COMPLETE, SIGN, DATE AND PROMPTLY RETURN THE ENCLOSED PROXY CARD IN THE POSTAGE-PREPAID ENVELOPE PROVIDED.



FIRST INDUSTRIAL REALTY TRUST, INC.

311 South Wacker Drive

Suite 3900

Chicago, Illinois 60606

PROXY STATEMENT

FOR THE 2015 ANNUAL MEETING OF STOCKHOLDERS

To Be Held on May 7, 2015

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of First Industrial Realty Trust, Inc. ("First Industrial" or the "Company") for use at the 2015 Annual Meeting of Stockholders of the Company to be held on Thursday, May 7, 2015, and at any adjournments or postponements thereof (the "Annual Meeting"). At the Annual Meeting, stockholders will be asked to vote (i) to elect six directors to the Board of Directors to serve until the 2016 Annual Meeting of Stockholders, and until their successors are duly elected and qualify, (ii) to approve, on an advisory (i.e. non-binding) basis, the compensation of the Company's named executive officers as disclosed in this Proxy Statement, (iii) to ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the current fiscal year and (iv) to act on any other matters properly brought before them.

This Proxy Statement and the accompanying Notice of Annual Meeting and Proxy Card are first being sent to stockholders on or about April 6, 2015. The Board of Directors has fixed the close of business on March 20, 2015 as the record date for the Annual Meeting (the "Record Date"). Only stockholders of record of our common stock ("Common Stock") at the close of business on the Record Date will be entitled to notice of and to vote at the Annual Meeting. As of the Record Date, there were 110,727,654 shares of Common Stock outstanding and entitled to vote at the Annual Meeting. Holders of Common Stock outstanding as of the close of business on the Record Date will be entitled to one vote for each share held by them on each matter presented to the stockholders at the Annual Meeting.

Stockholders of the Company are requested to complete, sign, date and promptly return the accompanying Proxy Card in the enclosed postage-prepaid envelope. Shares represented by a properly executed Proxy Card received prior to the vote at the Annual Meeting and not revoked will be voted at the Annual Meeting as directed on the Proxy Card. If a properly executed Proxy Card is submitted and no instructions are given, the persons designated as proxy holders on the Proxy Card will vote (i) FOR the election of the six nominees for director named in this Proxy Statement, (ii) FOR the approval, on an advisory basis, of the compensation of our named executive officers, (iii) FOR the ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the current fiscal year and (iv) in their own discretion with respect to any other business that may properly come before the stockholders at the Annual Meeting or at any adjournments or postponements thereof. We have not received notice of any matters other than those set forth in this Proxy Statement and, accordingly, it is not anticipated that any other matters will be presented at the Annual Meeting.

The presence, in person or by proxy, of holders of at least a majority of the total number of outstanding shares of Common Stock entitled to vote is necessary to constitute a quorum for the transaction of business at the Annual Meeting. The affirmative vote of the holders of a majority of the votes cast with a quorum present at the Annual Meeting is required (i) for the election of directors, (ii) for the approval, on an advisory basis, of the compensation of our named executive officers and (iii) for the ratification of the appointment of the Company's independent registered public accounting firm. Abstentions will not be counted as votes cast and, accordingly, will have no effect on the result of the vote, although they will be counted for quorum purposes.

A stockholder of record may revoke a proxy at any time before it has been exercised by filing a written revocation with the Secretary of the Company at the address of the Company set forth above, by filing a duly

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executed proxy bearing a later date, or by appearing in person and voting by ballot at the Annual Meeting. Any stockholder of record as of the Record Date attending the Annual Meeting may vote in person whether or not a proxy has been previously given, but the presence (without further action) of a stockholder at the Annual Meeting will not constitute revocation of a previously given proxy. “Street name” stockholders who wish to vote in person will need to obtain a duly executed proxy form from the institution that holds their shares prior to the Annual Meeting.

Appendix A to this Proxy Statement contains the Company’s 2014 Annual Report, including the Company’s financial statements for the fiscal year ended December 31, 2014 and certain other information required by the rules and regulations of the Securities and Exchange Commission (the “SEC”). However, the Company’s 2014 Annual Report is not part of the proxy solicitation material. See “Other Matters — Incorporation by Reference” herein.

BROKER NON-VOTES

Stockholders of the Company who have received this Proxy Statement from their broker or other fiduciary should have received instructions for directing how that broker or fiduciary should vote the stockholder’s shares. It will be the broker’s or fiduciary’s responsibility to vote the stockholder’s shares for the stockholder in the manner directed. The stockholder must complete, execute and return the voting instruction form in the envelope provided by the broker.

Under the rules of the New York Stock Exchange (the “NYSE”), brokers generally may vote on routine matters, such as the ratification of an independent public accounting firm, but may not vote on non-routine matters unless they have received voting instructions from the person for whom they are holding shares. If there is a non-routine matter presented to stockholders at a meeting and the stockholder’s broker or fiduciary does not receive instructions from the stockholder on how to vote on that matter, the broker or fiduciary will return the Proxy Card to the Company, indicating that he or she does not have the authority to vote on that matter. This is generally referred to as a “broker non-vote” and may affect the outcome of the voting on those matters, as discussed below.

The proposal described in this Proxy Statement for the ratification of the appointment of PricewaterhouseCoopers LLP as the Company’s independent registered public accounting firm for the fiscal year ended December 31, 2015 is considered a routine matter under the NYSE rules. Each of the other proposals is considered a non-routine matter under NYSE rules and could result in broker non-votes. Broker non-votes will not be counted as votes cast and, accordingly, will have no effect on the result of the vote. However, broker non-votes will be counted for quorum purposes. We therefore encourage stockholders to provide directions to their broker as to how the stockholder wants their shares voted on all matters to be brought before the Annual Meeting. The stockholder should do this by carefully following the instructions the broker gives the stockholder concerning its procedures. This ensures that the stockholder’s shares will be voted at the meeting.

PROXY STATEMENT

PROPOSAL 1

ELECTION OF DIRECTORS

Pursuant to the Company's Charter, the maximum number of members allowed to serve on the Company's Board of Directors is twelve. The Board of Directors of the Company currently consists of six seats. Each of the directors is serving for a term of one year and until his successor is duly elected and qualifies. The Company's Nominating/Corporate Governance Committee identifies and recommends individuals for service on the Board of Directors, and the Board of Directors then either approves or rejects in whole all of such nominees.

The Board of Directors has nominated Matthew S. Dominski, Bruce W. Duncan, H. Patrick Hackett, Jr., John Rau, L. Peter Sharpe and W. Ed Tyler to serve as directors (the "Nominees"). All of the Nominees are currently serving as directors of the Company. Each of the Nominees has consented to be named as a nominee in this Proxy Statement. The Board of Directors anticipates that each of the Nominees will serve as a director if elected. However, if any person nominated by the Board of Directors is unable to accept election, the proxies will vote for the election of such other person or persons as the Board of Directors may recommend.

The Board of Directors recommends a vote FOR each of the Nominees.

INFORMATION REGARDING THE NOMINEES

The following biographical descriptions set forth certain information with respect to the six Nominees for election as directors and certain executive officers, based on information furnished to the Company by such persons. The following information is as of the Record Date unless otherwise specified.

Matthew S. Dominski

Director since 2010

Mr. Dominski, 60, has been a director of the Company since March 2010. He also presently serves as a director of CBL & Associates Properties, Inc., a shopping mall real estate investment trust in the United States. From 1993 through 2000, Mr. Dominski served as Chief Executive Officer of Urban Shopping Centers ("Urban"), formerly one of the largest regional mall property companies in the country and also a publicly traded real estate investment trust. Following the purchase of Urban by Rodamco North America in 2000, Mr. Dominski served as Urban's President until 2002. In 2003, Mr. Dominski formed Polaris Capital, LLC, a Chicago, Illinois based real estate investment firm of which he was joint owner through 2013. From 1998 until 2004, Mr. Dominski served as a member of the Board of Trustees of the International Council of Shopping Centers. Mr. Dominski's extensive experience leading other public and private real estate companies, both as a senior executive and a director, is a valuable asset to the Board of Directors.

Bruce W. Duncan

Director since 2009

Mr. Duncan, 63, has been President, Chief Executive Officer and a director of the Company since January 2009. Since September 2013, Mr. Duncan has also served as a director of the T. Rowe Price Funds. In addition, Mr. Duncan presently serves as the chairman of the Board of Directors of Starwood Hotels & Resorts Worldwide, Inc. (NYSE: HOT) ("Starwood"), a leading worldwide hotel and leisure company, a position he has held since May 2005. From April 2007 to September 2007, Mr. Duncan served as Chief Executive Officer of Starwood on an interim basis. Mr. Duncan has served as a director of Starwood since 1999 and as a trustee of the REIT subsidiary of Starwood from 1995 to 2006. He also was a senior advisor to Kohlberg Kravis & Roberts & Co. from July 2008 until January 2009. From May 2005 to December 2005, Mr. Duncan was Chief Executive Officer and Trustee of Equity Residential (NYSE: EQR) ("EQR"), a publicly traded apartment company. From January 2003 to May 2005, he was President, Chief Executive Officer and Trustee, and from April 2002 to December 2002, President and Trustee of EQR. From December 1995 until March 2000, Mr. Duncan served as Chairman, President and Chief Executive Officer of Cadillac Fairview Corporation, a real estate operating company. From January 1992 to October 1994, Mr. Duncan was President and Co-Chief Executive Officer of JMB Institutional Realty Corporation providing advice and management for investments in real estate by tax-exempt investors and from 1978 to 1992, he worked for JMB Realty Corporation where he served in various

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capacities, culminating as Executive Vice President and a member of the Board of Directors. Mr. Duncan's extensive experience leading other publicly traded real estate companies, both as a senior executive and a director, is critical to his ability to lead the Company as its Chief Executive Officer, and is a valuable asset to the Board of Directors. Moreover, as the Company's Chief Executive Officer, Mr. Duncan brings to our Board of Directors his in-depth knowledge of our business, strategy, operations, competition and financial position. Mr. Duncan's membership on the Board of Directors is critical to ensuring appropriate coordination and communication between the Company's executive officers and the Board of Directors.

H. Patrick Hackett, Jr.

Director since 2009

Mr. Hackett, 63, has been a director of the Company since December 2009. Mr. Hackett is the Principal of HHS Co., an investment company located in the Chicago area. Previously, he served as the President and Chief Executive Officer of RREEF Capital, Inc. and as Principal of The RREEF Funds, an international commercial real estate investment management firm. Mr. Hackett taught real estate finance at the Kellogg Graduate School of Management for 15 years when he also served on the real estate advisory boards of Kellogg and the Massachusetts Institute of Technology. He also currently serves on the board of Wintrust Financial Corporation (NASDAQ: WTFC) and is a director of Wintrust Bank. Mr. Hackett provides the Board of Directors with valuable real estate investment and finance expertise, and the Board of Directors further benefits from Mr. Hackett's experience on other boards in the financial services sector. In addition, Mr. Hackett's financial expertise is valuable to the Company's Audit Committee, which he has chaired since June 2010 and within which he is an "audit committee financial expert."

John Rau

Director since 1994

Mr. Rau, 66, has been a director of the Company since June 1994. Since December 2002, Mr. Rau has served as President and Chief Executive Officer and as a director of Miami Corporation, a private asset management firm. From January 1997 to March 2000, he was a director, President and Chief Executive Officer of Chicago Title Corporation (NYSE: CTZ), and its subsidiaries, Chicago Title and Trust Co., Chicago Title Insurance Co., Ticor Title Insurance Co. and Security Union Title Insurance Co. Mr. Rau was a director of BorgWarner, Inc. from 1997 to 2006, a director of William Wrigley Jr. Company from March 2005 until the company was sold to Mars, Inc. in September 2008 and a director of Nicor, Inc. from 1997 until it was sold to AGL Resources Inc. in December 2011, and continues as a director of AGL Resources Inc. Mr. Rau is a director of BMO Financial Corp. and BMO/Harris Bank, and served as a director of LaSalle Bank, N.A. until its 2007 sale to Bank of America. From July 1993 until November 1996, Mr. Rau was Dean of the Indiana University School of Business. From 1991 to 1993, Mr. Rau served as Chairman of the Illinois Economic Development Board and as special advisor to Illinois Governor Jim Edgar. From 1990 to 1993, he was Chairman of the Banking Research Center Board of Advisors and a Visiting Scholar at Northwestern University's J.L. Kellogg Graduate School of Management. During that time, he also served as Special Consultant to McKinsey & Company, a worldwide strategic consulting firm. From 1989 to 1991, Mr. Rau served as President and Chief Executive Officer of LaSalle National Bank. From 1979 to 1989, he was associated with The Exchange National Bank, serving as President from 1983 to 1989, at which time The Exchange National Bank merged with LaSalle National Bank. Prior to 1979, he was associated with First National Bank of Chicago. Mr. Rau's extensive experience in the banking and title insurance industries provides the Board of Directors with valuable insight into the matters of corporate and real estate finance, as well as financial services management and risk management. Moreover, Mr. Rau's financial expertise is valuable to the Company's Audit Committee, on which he currently serves.

L. Peter Sharpe

Director since 2010

Mr. Sharpe, 68, has been a director of the Company since November 2010. He served as President and Chief Executive Officer of Cadillac Fairview Corporation from March 2000 through December 31, 2010. Prior to March 2000, Mr. Sharpe held various positions at Cadillac Fairview Corporation, including serving as its Executive Vice President of Operations from 1990 to 2000. Mr. Sharpe currently serves as a director of

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Postmedia Network Canada Corp., Morguard Corporation, Allied Properties Real Estate Investment Trust and Multiplan Empreendimentos Imobiliários S.A. (Bovespa: MULT3), one of the leading developers, owners and operators of shopping centers in Brazil. From 2009 through 2010, Mr. Sharpe served as Chairman of the Board of Directors of the International Council of Shopping Centers, the global trade association of the shopping center industry. Previously, Mr. Sharpe served as a director on the boards of Legacy REIT, from 1997 to 2001, and Fairmont Hotels & Resorts, from 2001 to 2006. Mr. Sharpe's experience managing large real estate development companies, and serving on the boards of real estate investment trusts, has provided him with real estate knowledge and corporate organizational skills that benefit our Board of Directors tremendously. In addition to his executive experience, inclusive of managing a substantial real estate entity for an institutional ownership constituency, Mr. Sharpe has a substantial background in real estate investment leasing and operations activities. Moreover, Mr. Sharpe's financial expertise, and his experience serving on the Audit Committees of other publicly traded real estate companies, is valuable to the Company's Audit Committee.

W. Ed Tyler

Director since 2000

Mr. Tyler, 62, has been a director of the Company since March 2000, served as Lead Director from October 2008 to January 2009 and has served as non-executive Chairman of the Board of Directors since January 2009. Mr. Tyler also served as the Company's interim Chief Executive Officer from October 2008 to January 2009. Mr. Tyler is a director of Nanophase Technologies Corporation (NASDAQ: NANX). Mr. Tyler was appointed CEO of Ideapoint Ventures in 2002. Ideapoint Ventures is an early stage venture fund that focuses on nanotechnologies. Prior to joining Ideapoint Ventures, Mr. Tyler served as Chief Executive Officer and a director of Moore Corporation Limited, a provider of data capture, information design, marketing services, digital communications and print solutions, from 1998 to 2000. Prior to joining Moore Corporation, Mr. Tyler served in various capacities at R.R. Donnelley & Sons Company, most recently as Executive Vice President and Chief Technology Officer, from 1997 to 1998, and as Executive Vice President and Sector President of Donnelley's Networked Services Sector, from 1995 to 1997. Mr. Tyler's extensive experience as a senior executive and director of other companies, both private and publicly traded, is extremely valuable to the Board of Directors. Moreover, this experience, coupled with Mr. Tyler's prior service as interim Chief Executive Officer of the Company affords Mr. Tyler a unique perspective, and helps him facilitate communications between the Company's senior executives and the Board of Directors in his role as Chairman of the Board.

INFORMATION REGARDING EXECUTIVE OFFICERS AND OTHER SENIOR MANAGEMENT

Scott A. Musil

Mr. Musil, 47, has been Chief Financial Officer of the Company since March 2011. He served as acting Chief Financial Officer of the Company from December 2008 to March 2011. Mr. Musil has also served as Senior Vice President of the Company since March 2001, Treasurer of the Company since May 2002 and Assistant Secretary of the Company since August 2014. Mr. Musil previously served as Controllor of the Company from December 1995 to March 2012, Assistant Secretary of the Company from May 1996 to March 2012 and July 2012 to May 2014, Vice President of the Company from May 1998 to March 2001, Chief Accounting Officer from March 2006 to May 2013 and Secretary from March 2012 to July 2012 and May 2014 to August 2014. Prior to joining the Company, he served in various capacities with Arthur Andersen & Company, culminating as an audit manager specializing in the real estate and finance industries. Mr. Musil is a non-practicing certified public accountant. His professional affiliations include the American Institute of Certified Public Accountants and National Association of Real Estate Investment Trusts ("NAREIT").

Johannson L. Yap

Mr. Yap, 52, has been the Chief Investment Officer of the Company since February 1997 and Executive Vice President — West Region since March 2009. From April 1994 to February 1997, he served as Senior Vice President — Acquisitions of the Company. Prior to joining the Company, Mr. Yap joined The Shidler Group in 1988 as an acquisitions associate, and became Vice President in 1991, with responsibility for acquisitions,

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property management, leasing, project financing, sales and construction management functions. Between 1988 and 1994, he participated in the acquisition, underwriting and due diligence of several hundred million dollars of commercial properties. His professional affiliations include Urban Land Institute, NAREIT and the Council of Logistics Management, and he serves as a member of the Board of Advisors for the James Graaskamp Center for Real Estate at the University of Wisconsin.

David G. Harker

Mr. Harker, 56, has been Executive Vice President — Central Region of the Company since March 2009. From April 2005 to March 2009 he served as Executive Director — Investments of the Company. From 2002 to April 2005, he served as a Senior Regional Director of the Company and from 1998 to 2002 he served as a Regional Director of the Company, with responsibility for the Company's portfolio in Nashville, St. Louis, Louisville and Memphis. Prior to joining the Company, Mr. Harker was a Vice President of the Trammell Crow Company from 1992 to 1998. His professional affiliations include the Society of Industrial and Office Realtors.

Peter O. Schultz

Mr. Schultz, 52, has been Executive Vice President — East Region of the Company since March 2009. From January 2009 to March 2009 he served as Senior Vice President — Portfolio Management of the Company. From November 2007 to December 2008, he served as a Managing Director of the Company, with responsibility for the Company's East Region. From September 2004 to November 2007, he served as a Vice President — Leasing of the Company, with responsibility for the Company's leasing team and asset management plan implementation in the East Region. From January 2001 to September 2004, he served as a Senior Regional Director of the Company, with responsibility for the Company's portfolio in Eastern Pennsylvania and Southern New Jersey. From March 1998 to December 2000, he served as a Regional Director of the Company, with responsibility for the Company's portfolio in Eastern Pennsylvania. Prior to joining the Company, Mr. Schultz served as President and Managing Partner of PBS Properties, Inc. from November 1990 to March 1998, prior to which time he was Director of Marketing and Sales for the Pickering Group and Morgantown Properties. His professional affiliations include the National Association of Industrial and Office Properties.

THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

The Board of Directors. The Board of Directors currently consists of six seats. A majority of the members of the Board of Directors are independent as affirmatively determined by the Board of Directors. In determining the independence of its members, the Board of Directors applied the independence standards and tests set forth in Sections 303A.02(a) and (b) of the Listed Company Manual of the NYSE.

Applying such standards, the Board of Directors has affirmatively determined that each of Messrs. Dominski, Hackett, Rau, Sharpe and Tyler are independent directors.

The Board of Directors held five meetings and acted five times by unanimous consent during 2014. Each of the directors serving in 2014 attended at least 75% of the total number of meetings of the Board of Directors and of the respective committees of the Board of Directors of which he was a member. Although the Company does not have a formal policy regarding director attendance at Annual Meetings of Stockholders, all of the directors then serving attended the 2014 Annual Meeting of Stockholders. During 2014, Mr. Tyler, in his capacity as Chairman of the Board, presided at meetings of non-management directors.

The Board of Directors has adopted Corporate Governance Guidelines to reflect the principles by which it operates. These guidelines, as well as the charters of the Audit Committee, Compensation Committee and Nominating/Corporate Governance Committee of the Board of Directors, are accessible at the investor relations pages of the Company's website at www.firstindustrial.com and are available in print free of charge to any stockholder or other interested party who requests them. The Company has adopted a Code of Business Conduct and Ethics, which includes the principles by which the Company expects its employees, officers and directors to conduct Company business and which is accessible at the investor relations pages of the Company's website at www.firstindustrial.com and is available in print free of charge to any stockholder or other interested party who

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requests it. The Company intends to post on its website amendments to, or waivers from, any provision of the Company's Code of Business Conduct and Ethics. The Company also posts or otherwise makes available on its website from time to time other information that may be of interest to investors and other interested parties. However, none of the information provided on the Company's website is part of the proxy solicitation material. See "Other Matters — Incorporation by Reference" herein.

The Board of Directors has appointed an Audit Committee, a Compensation Committee, an Investment Committee and a Nominating/Corporate Governance Committee.

Audit Committee. The Audit Committee is directly responsible for the appointment, discharge, compensation, and oversight of the work of any independent registered public accounting firm employed by the Company for the purpose of preparing or issuing an audit report or related work. In connection with such responsibilities, the Audit Committee approves the engagement of independent public accountants, reviews with the independent public accountants the audit plan, the audit scope, and the results of the annual audit engagement, pre-approves audit and non-audit services and fees of the independent public accountants, reviews the independence of the independent public accountants and reviews the adequacy of the Company's internal control over financial reporting.

In 2014, the Audit Committee consisted of Messrs. Hackett, Sharpe and Rau. Each of Messrs. Hackett, Sharpe and Rau is, in the judgment of the Company's Board of Directors, independent as required by the listing standards of the NYSE and the rules of the SEC. Also, in the judgment of the Company's Board of Directors, each member is financially literate as required by the listing standards of the NYSE. Further, in the judgment of the Company's Board of Directors, Mr. Hackett is an "audit committee financial expert," as such term is defined in the SEC rules, and has "accounting or related financial management expertise," as defined in the listing standards of the NYSE. See Mr. Hackett's biography on page 4. Mr. Hackett is also the current Chairman of the Audit Committee. The Audit Committee met five times in 2014.

Compensation Committee. The Compensation Committee has overall responsibility for approving and evaluating the compensation plans, policies and programs relating to the executive officers of the Company. The Compensation Committee administers the First Industrial Realty Trust, Inc. 2001 Stock Incentive Plan (the "2001 Stock Plan"), the First Industrial Realty Trust, Inc. 2009 Stock Incentive Plan (the "2009 Stock Plan"), the First Industrial Realty Trust, Inc. 2011 Stock Incentive Plan (the "2011 Stock Plan") and the First Industrial Realty Trust, Inc. 2014 Stock Incentive Plan (the "2014 Stock Plan") and has the authority to grant awards under the 2014 Stock Plan. The Compensation Committee consists of Mr. Tyler and Mr. Sharpe, both of whom are, in the judgment of the Company's Board of Directors, independent as required by the listing standards of the NYSE. Mr. Sharpe currently serves as the Chairman of the Compensation Committee. The Compensation Committee met three times in 2014.

Investment Committee. The Investment Committee provides oversight and discipline to the investment process. Investment opportunities are described in written reports based on detailed research and analyses in a standardized format applying appropriate underwriting criteria. The Investment Committee meets with the Company's acquisition personnel, reviews each submission thoroughly and approves acquisitions and dispositions of land of greater than \$5 million and all other acquisitions, dispositions and development projects of greater than \$20 million. The Investment Committee makes a formal recommendation to the Board of Directors for all acquisitions, dispositions and development projects in excess of \$50 million. The membership of the Investment Committee currently consists of Messrs. Hackett, Dominski and Duncan. The Investment Committee met six times in 2014.

Nominating/Corporate Governance Committee. The Nominating/Corporate Governance Committee recommends individuals for election as directors at the Annual Meeting of Stockholders of the Company and in connection with any vacancy that may develop on the Board of Directors. In turn, the Board of Directors as a whole either approves by a majority vote all of the nominations so recommended by the Nominating/Corporate Governance Committee or rejects all of the nominations in whole, but not in part. In the event that the Board of Directors rejects the recommended nominations, the Nominating/Corporate Governance Committee would

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develop a new recommendation. In addition, the Nominating/Corporate Governance Committee develops and oversees the Company's corporate governance policies. The membership of the Nominating/Corporate Governance Committee currently consists of Messrs. Dominski, Hackett and Rau, each of whom, in the judgment of the Board of Directors, is independent as required by the listing standards of the NYSE. Mr. Rau is the current Chairman of the Nominating/Corporate Governance Committee. The Nominating/Corporate Governance Committee met once during 2014 and met in March 2015 to determine its nominations for this Proxy Statement.

The Nominating/Corporate Governance Committee will consider nominees recommended by stockholders of the Company. In order for a stockholder to nominate a candidate for election as a director at an Annual Meeting, proper notice must be given in accordance with our Bylaws and applicable SEC regulations to the Secretary of the Company. Pursuant to our Bylaws and applicable SEC regulations, such notice of a director nominee must be provided to the Secretary of the Company not more than 150 days and not less than 120 days prior to the first anniversary of the date the Company's proxy statement for the prior year's Annual Meeting of Stockholders was released to stockholders. The fact that the Company may not insist upon compliance with these requirements should not be construed as a waiver by the Company of its right to do so at any time in the future.

In general, it is the Nominating/Corporate Governance Committee's policy that, in its judgment, its recommended nominees for election as members of the Board of Directors of the Company must, at a minimum, have business experience of a breadth, and at a level of complexity, sufficient to understand all aspects of the Company's business and, through either experience or education, have acquired such knowledge as is sufficient to qualify as financially literate. In addition, recommended nominees must be persons of integrity and be committed to devoting the time and attention necessary to fulfill their duties to the Company. While the Nominating/Corporate Governance Committee has not adopted a formal diversity policy, diversity is one of the factors that the Nominating/Corporate Governance Committee considers in identifying director nominees. As part of the nomination process, the Nominating/Corporate Governance Committee evaluates how a particular individual would affect the diversity of the Company's Board of Directors in terms of how that person may contribute to the Board of Directors' overall balance of perspectives, backgrounds, knowledge, experience, skill sets and expertise in matters pertaining to the Company's business.

The Nominating/Corporate Governance Committee may identify nominees for election as members of the Board of Directors through its own sources (including through nominations by stockholders made in accordance with our Bylaws), through sources of other directors of the Company, and through the use of third-party search firms. The Company has previously engaged a third party search firm to identify potential nominees and may do so again in the future. Subject to the foregoing minimum standards, the Nominating/Corporate Governance Committee will evaluate each nominee on a case-by-case basis, assessing each nominee's judgment, experience, independence, understanding of the Company's business or that of other related industries, and such other factors as the Nominating/Corporate Governance Committee concludes are pertinent in light of the current needs of the Company's Board of Directors.

Communications by Stockholders and Other Interested Parties. Stockholders of the Company and other interested parties may send communications to the Board of Directors as a whole, its individual members, its committees or its non-management members as a group. Communications to the Board of Directors as a whole should be addressed to "The Board of Directors;" communications to any individual member of the Board of Directors should be addressed to such individual member; communications to any committee of the Board of Directors should be addressed to the Chairman of such committee; and communications to non-management members of the Board of Directors as a group should be addressed to the Chairman of the Nominating/Corporate Governance Committee. In each case, communications should be further addressed "c/o First Industrial Realty Trust, Inc., 311 South Wacker Drive, Suite 3900, Chicago, Illinois 60606." All communications will be forwarded to their respective addressees and, if a stockholder marks his or her communication "Confidential," will be forwarded directly to the addressee.

Board Leadership Structure and Role in Risk Management. Mr. Tyler is chairman of the Board of Directors. Mr. Tyler served as the Company's interim Chief Executive Officer from October 22, 2008 until January 9, 2009. Prior to and since the completion of his service as interim Chief Executive Officer, Mr. Tyler

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has not served as an officer of the Company and, as discussed above, Mr. Tyler is an independent director as affirmatively determined by the Board of Directors. We believe that having board leadership independent of management helps ensure critical and independent thinking with respect to the Company's strategy and performance. Mr. Duncan, the Company's President and Chief Executive Officer, is also a member of the Board of Directors. The presence of Mr. Duncan on the Board of Directors helps to ensure that management's insight is directly available to the directors in their deliberations.

The Board of Directors oversees the business of the Company and our stockholders' interests in the long-term financial strength and overall success of the Company's business. In this respect, the Board of Directors is responsible for overseeing the Company's risk management. The Board of Directors delegates many of these functions to the Board's committees. Each committee of the Board of Directors is responsible for reviewing the risk exposure of the Company related to the committees' areas of responsibility and providing input to the Board of Directors on such risks. The Board of Directors and its committees regularly review material strategic, operational, financial, compensation and compliance risks with management.

For example, under its charter, the Audit Committee is required to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the financial information that will be provided to the stockholders, the systems of internal controls that management and the Board of Directors have established and the audit process. The Audit Committee is responsible for facilitating communication between the Company's independent auditors and the Board of Directors and management, and for reviewing with the independent auditors the adequacy of the Company's internal controls. The Audit Committee also reviews with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.

Similarly, the Compensation Committee strives to adopt compensation incentives that encourage appropriate risk-taking behavior that is consistent with the Company's long-term business strategy. We do not believe that our compensation policies and practices are reasonably likely to have a material adverse effect on the Company. The Compensation Committee has focused on aligning our compensation policies with our stockholders' long-term interests and avoiding short-term rewards for management or awards that encourage excessive or unnecessary risk taking. For example, a substantial amount of compensation provided to the Company's executive officers is in the form of equity awards for which the ultimate value of the award is tied to the Company's stock price and which are subject to long-term vesting schedules. In addition, annual cash and equity bonuses provided to management under the 2014 Employee Bonus Plan (as defined below) were contingent, among other factors, upon the Company's satisfaction of prescribed levels of "funds from operations," same store net operating income growth and fixed charge coverage ratio. Because these awards are directly tied to increased financial performance and stock price, in line with our stockholders' interests, we believe that none of these types of awards contribute to excessive or unnecessary risk taking.

DIRECTOR COMPENSATION

As the only director of the Company who is also an employee, Mr. Duncan (our Chief Executive Officer) receives no additional compensation for his service as a director.

Compensation of non-employee directors is reviewed annually by the Compensation Committee of the Board of Directors, which makes any recommendations of compensation changes to the entire Board of Directors. Non-employee directors are not entitled to retirement benefits, incentive compensation or perquisites for their service, although they are reimbursed for their out-of-pocket expenses for meeting attendance.

Prior to the 2014 Annual Meeting of Stockholders, compensation for non-employee directors of the Company consisted of an annual cash director's fee of \$120,000. No fees were paid for attendance at in-person or telephonic meetings of the Board of Directors and its committees. Additional annual fees were paid for service as Chairman of the Board of Directors, Chairman of the Audit Committee, Chairman of the Compensation Committee and Chairman of the Nominating/Corporate Governance Committee in amounts of \$50,000, \$20,000, \$10,000 and \$10,000, respectively.

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Effective as of the 2014 Annual Meeting of Stockholders, compensation for non-employee directors of the Company consists of an annual cash director's fee of \$70,000 and an annual grant of restricted Common Stock with a grant date fair value of approximately \$70,000. No fees are paid for attendance at in-person or telephonic meetings of the Board of Directors and its committees. Additional annual fees are paid in cash for service as Chairman of the Board of Directors, Chairman of the Audit Committee, Chairman of the Compensation Committee and Chairman of the Nominating/Corporate Governance Committee in amounts of \$50,000, \$30,000, \$20,000 and \$15,000, respectively, and for non-chair service on the Audit Committee, the Compensation Committee, the Investment Committee and the Nominating/Corporate Governance Committee in amounts of \$9,000, \$7,500, \$7,500 and \$6,000, respectively. Mr. Tyler, the Chairman of our Board of Directors, does not receive any non-chair service fees for committee service in addition to the fee he receives for service as Chairman of the Board of Directors.

DIRECTOR COMPENSATION TABLE

<u>Name</u>	<u>Fees Earned or Paid in Cash (\$)</u>	<u>Stock Awards (\$)⁽¹⁾⁽²⁾</u>	<u>Total Compensation (\$)</u>
Matthew S. Dominski	95,667	69,993	165,660
H. Patrick Hackett, Jr.	122,333	69,993	192,326
John Rau	106,000	69,993	175,993
L. Peter Sharpe	109,333	69,993	179,326
W. Ed Tyler	136,667	69,993	206,660

- (1) Amounts reflect the aggregate grant date fair value of each award as determined under FASB ASC Topic 718.
- (2) In addition to the 3,850 shares of restricted Common Stock granted to Messrs. Dominski, Hackett, Rau, Sharpe and Tyler during 2014 reflected in the above table, as of December 31, 2014, Mr. Rau held an additional 656 shares of unvested restricted Common Stock and Mr. Tyler held an additional 1,128 shares of unvested restricted Common Stock.

COMPENSATION DISCUSSION AND ANALYSIS

2014 ACCOMPLISHMENTS

2014 was a successful year for the Company, marked by continued execution of our strategy: driving long-term cash flow growth and value for shareholders through leasing; enhancing our portfolio through new developments; acquiring and selling select properties and maintaining our strong balance sheet. Decisions by the Board of Directors on executive compensation are reflective of the Company's strong performance during the year, including:

- Delivering total return to stockholders of 21.2%;
- Growing our Common Stock dividend by 20.6%;
- Increasing in-service portfolio occupancy to 94.3% at year-end 2014, up 140 basis points from year-end 2013;
- Growing rental rates on new and renewal leases by 2.2% on a cash basis;
- Placing in service five developments totaling 1.6 million square feet, two in Southern California and one each in Central Pennsylvania, Chicago, and Minneapolis, all of which are 100% leased, with a total estimated investment of \$115 million;
- Completing three additional developments totaling 1.0 million square feet, located in Southern California, Houston, and Minneapolis, with an estimated total investment of \$62 million;
- Starting five additional developments totaling 1.3 million square feet, three in Dallas and two in Eastern Pennsylvania, with an estimated total investment of \$79 million;
- Acquiring eight industrial properties comprising 1.1 million square feet plus several development sites for a total of \$95.7 million;
- Selling 29 industrial properties totaling 2.0 million square feet plus two land parcels for a total of \$102.6 million; and
- Achieving investment grade ratings on our senior unsecured debt from the three major debt ratings agencies.

OBJECTIVES AND DESIGN OF COMPENSATION PROGRAM

The Company maintains the philosophy that compensation of its executive officers and other employees should serve the best interests of the Company's stockholders. Accordingly, the Company believes that its executive compensation program should not only serve to attract and retain talented and capable individuals, but should also provide them with proper incentives linked to performance criteria that are designed to maximize the Company's overall performance. To this end, the Company's compensation program consists of a mix of compensation that is intended to compensate executive officers for their contributions during the year, and to reward them for achievements that lead to increased Company performance and increases in stockholder value.

THE EXECUTIVE COMPENSATION PROCESS AND THE ROLE OF EXECUTIVE OFFICERS IN COMPENSATION DECISIONS

The Compensation Committee of the Company's Board of Directors (the "Compensation Committee") has overall responsibility for approving and evaluating the compensation plans, policies and programs relating to the executive officers of the Company. The Compensation Committee typically formulates compensation beginning in December of the prior fiscal year and continuing through the first quarter of the applicable fiscal year, by setting that year's salary and, if applicable, maximum cash and equity bonuses for the Company's employees, including those named executive officers listed in the Summary Compensation Table on page 22 (the "Named Executive Officers"). Also, typically in the first quarter of the applicable fiscal year, the Compensation Committee adopts, and the full Board of Directors ratifies, the performance criteria to be used for that year in determining the incentive compensation of the Company's employees (including the Named Executive Officers)

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other than those covered by separate plans or agreements. Then, after the end of the applicable fiscal year, the Compensation Committee meets to determine incentive compensation to be paid to the Company's employees, including the Named Executive Officers, with respect to that year, pursuant to the performance criteria or, as applicable, pursuant to separate plans or agreements. Per such determination, the Company pays cash bonuses and issues restricted Common Stock, typically in February or March.

Historically, the Company's Chief Executive Officer and Chief Financial Officer have participated in meetings with the Compensation Committee at various times throughout the year. During the first quarter of the applicable fiscal year, they typically meet with the Compensation Committee to present and discuss recommendations with respect to the applicable fiscal year's salaries and maximum cash and equity bonuses for the Named Executive Officers, other than themselves, not covered by separate plans or agreements. Also in the first quarter of each year they typically meet with the Compensation Committee to present and discuss recommendations with respect to incentive compensation for the year just ended. In addition, they traditionally meet with the Compensation Committee regarding employment agreements that the Company has entered into (if any), and assist the Compensation Committee in providing compensation information to outside consultants engaged to evaluate the Company's compensation programs. However, neither our Chief Executive Officer nor our Chief Financial Officer participate in any decisions with respect to their own compensation.

Periodically, though not every year, the Company and the Compensation Committee engage the services of outside consultants to evaluate the Company's executive compensation program. In 2012 and 2013, the Compensation Committee retained FPL Associates, L.P. ("FPL"), a nationally-recognized compensation consulting firm specializing in the real estate industry, to review the appropriateness of our compensation, including that of the Named Executive Officers. Consistent with SEC rules, the Company has assessed whether the work of FPL raises any conflict of interest and has determined that the retention of FPL to advise the Compensation Committee concerning executive compensation matters does not create a conflict of interest. Neither the Compensation Committee nor the Company has any other professional relationship with FPL.

The Compensation Committee directed FPL to, among other things: (1) assist the Compensation Committee in applying our compensation philosophy for the Named Executive Officers, including the determination of the portion of total compensation awarded in the form of base salary, annual incentives and equity-based compensation, as well as selecting the appropriate performance metrics and levels of performance; (2) analyze current compensation conditions among the Company's peers, and assess the competitiveness and appropriateness of compensation levels for the Named Executive Officers; (3) recommend to the Compensation Committee any modifications or additions to the Company's existing compensation programs that it deems advisable; (4) make specific recommendations to the Compensation Committee for base salary, annual incentives and equity-based awards for the Named Executive Officers; and (5) assist with the establishment of the Long-Term Incentive Program (as described in greater detail below under "Long-Term Incentive Program").

As part of its review, FPL surveyed the compensation programs of 30 real estate companies. This peer group, which was referenced primarily to gauge the general appropriateness of the Company's overall executive compensation structure, included the following companies, 15 of which at such time had a total capitalization smaller than the Company's and 15 of which had a total capitalization larger than the Company's:

Acadia Realty Trust	American Assets Trust, Inc.	Ashford Hospitality Trust, Inc.
Colonial Properties Trust	CubeSmart	DCT Industrial Trust Inc.
DiamondRock Hospitality Company	Dupont Fabros Technology, Inc.	EastGroup Properties, Inc.
EPR Properties	Equity One, Inc.	Extra Space Storage Inc.
Felcor Lodging Trust Incorporated	Glimcher Realty Trust	Hersha Hospitality Trust
LaSalle Hotel Properties	Lexington Realty Trust	Medical Properties Trust, Inc.
Omega Healthcare Investors, Inc.	Pennsylvania Real Estate Investment Trust	Post Properties, Inc.
PS Business Parks, Inc.	RLJ Lodging Trust	Saul Centers, Inc.
Sovran Self Storage, Inc.	Strategic Hotels & Resorts, Inc.	Sun Communities, Inc.
Sunstone Hotel Investors, Inc.	W. P. Carey Inc.	Washington Real Estate Investment Trust

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The Compensation Committee used the data provided in connection with FPL's survey not as a benchmark per se, but rather as a reference point to gauge generally the appropriateness of the Company's executive compensation programs.

EXECUTIVE COMPENSATION COMPONENTS

The components of the Company's executive compensation program are base salary, cash and equity incentive bonuses and benefits and perquisites. Each component of the Company's executive compensation program is intended to serve to attract and retain talented, capable individuals to the Company's executive ranks.

Base salary and benefits and perquisites are intended to provide a level of fixed compensation to the Named Executive Officers for services rendered during the year. Increases to base salary are typically a function of individual performance and general economic conditions. Benefits and perquisites available generally to the Company's employees, including the Named Executive Officers, currently include premiums paid by the Company on term life insurance and long-term disability insurance; standard health, life and disability insurance; car allowances; and 401(k) matching contributions.

Incentive bonuses, by contrast, are linked to, and are a function of, the achievement of performance criteria that are designed with the intention of incentivizing the Named Executive Officers to maximize the Company's overall performance. Incentive bonuses are awarded as either cash or equity. The Compensation Committee does not have a specific policy regarding the mix of cash and non-cash compensation awarded to the Named Executive Officers. Although the exact percentages vary among individuals, equity comprises approximately 40% of the potential incentive bonuses for the Named Executive Officers as a group. For our Chief Executive Officer, the mix of cash and equity compensation he is entitled to receive is set forth in his employment agreement. Additionally, his annual incentive bonuses will typically be payable in a combination of cash and shares of restricted Common Stock, and it is expected that the portion paid in restricted Common Stock will be proportionate to the equity incentive compensation received by the Company's executive officers generally.

Historically, base salary and benefits and perquisites have made up approximately one-third of a Named Executive Officer's compensation in a typical year, while incentive bonuses have comprised the remaining two-thirds. Although this mix may vary from year to year, the Compensation Committee strives to ensure that the Named Executive Officers' compensation is largely performance-based.

The Compensation Committee believes that restricted Common Stock awards and Performance Unit (as defined below) awards play an important role in aligning management's interests with those of the Company's stockholders in that restricted Common Stock and Performance Units (other than the vesting and transfer restrictions applicable to them) are economically identical to stockholders' Common Stock. For this reason, restricted Common Stock and Performance Unit awards have been a significant part of executive compensation, although the Compensation Committee may use other forms of equity compensation in the future.

ADVISORY VOTE ON EXECUTIVE COMPENSATION

At our 2014 Annual Meeting of Stockholders, we conducted an advisory vote on executive compensation. While the results of this vote were non-binding, we believe that presenting this matter to our stockholders is an important means of obtaining investor feedback on our compensation policies. At the 2014 Annual Meeting, more than 97% of the votes cast in the vote on the compensation of our Named Executive Officers as disclosed in the proxy statement for that meeting were in favor of such compensation and, as a result, the compensation of our Named Executive Officers was approved by our stockholders on an advisory basis. In light of this support, the Board of Directors and Compensation Committee elected not to make any changes to our executive compensation policies at this time.

We have determined that our stockholders should vote on a say-on-pay proposal each year, consistent with the preference expressed by our stockholders at our 2011 Annual Meeting of Stockholders. To the extent that the advisory vote indicates a lack of support for the compensation of our Named Executive Officers as disclosed in this Proxy Statement, we plan to consider our stockholders' concerns and expect that the Compensation Committee will evaluate whether any actions are necessary to address those concerns.

SETTING EXECUTIVE COMPENSATION

Base Salary

The Company provides the Named Executive Officers with base salary to compensate them for services rendered during the fiscal year. The base salaries of the Named Executive Officers are a function of either the minimum base salaries specified in their employment agreements or the base salary negotiated at the time of an executive's initial employment, and any subsequent increases to such base salaries approved by the Compensation Committee. In determining increases to such base salaries for any year, the Compensation Committee considers individual performance of the Named Executive Officers in the most recently completed year, including organizational and management development and leadership exhibited from year-to-year. The Compensation Committee also considers, but does not specifically benchmark compensation to, peer information provided by compensation consultants. The Compensation Committee also considers general economic conditions prevailing at the end of such year, when the increases for the following year are typically determined. The Company does not guarantee annual base salary increases to anyone. In December 2012, the Company entered into an employment agreement with Mr. Duncan that provides, among other things, for a minimum annual base salary of \$850,000. Mr. Duncan voluntarily agreed to reduce his base salary to \$832,000 during 2013 and 2014. For 2014, the base salaries paid to the Named Executive Officers remained the same as in 2013 as reflected in the Summary Compensation Table of this Proxy Statement.

Annual Incentive Bonuses

The Company provides its senior executives with annual incentive compensation, which currently includes cash and equity awards, in the form of restricted Common Stock, to incentivize and reward them for Company and individual performance. The Company does not guarantee annual bonuses to anyone.

Performance Measures

For 2014, 2013 and 2012, each Named Executive Officer participated in the incentive compensation plan generally available to the Company's employees (each, an "Employee Bonus Plan"), which plans were recommended by the Compensation Committee and adopted by the Board of Directors.

Under the 2012 Employee Bonus Plan, compensation determinations of the Compensation Committee were based on the Company's achievement above a minimum level of funds from operations ("FFO") per share, as adjusted in the Compensation Committee's discretion to exclude the effects of certain items and, with respect to each Named Executive Officer other than Mr. Duncan, the Chief Executive Officer's evaluation and individual recommendations to the Compensation Committee. These metrics reflected the Compensation Committee's determination in connection with these periods that FFO represented the best single measure to appropriately capture the Company's performance.

Informed by the survey conducted in 2012 by our outside compensation consultant, FPL, as part of its evaluation of the Company's executive compensation program, the Compensation Committee has since determined that additional criteria should also be considered in analyzing the Company's performance. Therefore, as described more fully below, compensation determinations under the 2013 and 2014 Employee Bonus Plans were based not only on FFO per share, but also on these additional criteria in an effort to better measure the overall financial performance of the Company.

2014 Employee Bonus Plan

For 2014, each Named Executive Officer participated in the incentive compensation plan generally available to the Company's employees (the "2014 Employee Bonus Plan"), which plan was recommended by the Compensation Committee and adopted by the Board of Directors on March 11, 2014.

Under the 2014 Employee Bonus Plan, a "bonus pool" is established based on the achievement by the Company of certain identified thresholds of four performance categories. These categories are (i) FFO per share (as described below), (ii) same store NOI ("SS NOI") growth (as described below), (iii) fixed charge coverage

PROXY STATEMENT

ratio (as described below) and (iv) discretionary financial and non-financial objectives determined by the Company's Chief Executive Officer. Each of these performance categories may be adjusted by the Compensation Committee in its discretion to exclude the effects of certain items. The Compensation Committee assigned weighting factors to each of the performance categories, such that performance in certain categories had a more pronounced impact on the bonus pool under the 2014 Employee Bonus Plan than did performance in other categories. The weighting factors were as follows:

<u>Category</u>	<u>Weighting Factor</u>
FFO ⁽¹⁾ per share	65%
SS NOI ⁽²⁾ growth	10%
Fixed charge coverage ratio ⁽³⁾	10%
Discretionary objectives	15%

- (1) FFO is a non-GAAP financial measure created by the National Association of Real Estate Investment Trusts ("NAREIT") as a supplemental measure of REIT operating performance that excludes certain items from net income (loss) determined in accordance with GAAP. FFO is calculated by us in accordance with the definition adopted by the Board of Governors of NAREIT and therefore may not be comparable to other similarly titled measures of other companies. The Compensation Committee believes that the use of FFO available to common stockholders and participating securities, combined with net income (loss) (which remains the primary measure of performance), improves the understanding of operating results of REITs among the investing public and makes comparisons of REIT operating results more meaningful. The Compensation Committee believes that, by excluding gains or losses related to sales of previously depreciated real estate assets, real estate asset depreciation and amortization and impairment charges (reversals) recorded on depreciable real estate, investors and analysts are able to identify the operating results of the long-term assets that form the core of a REIT's activity and use these operating results for assistance in comparing these operating results between periods or to those of different companies. Please see the reconciliation of FFO to net income available to common stockholders contained in our Annual Report on Form 10-K filed on February 26, 2015.
- (2) SS NOI is a non-GAAP financial measure that provides a measure of rental operations, and does not factor in depreciation and amortization, general and administrative expense, acquisition costs, interest expense, impairment charges, interest income, equity in income from joint ventures, income tax expense/benefit, gains and losses on retirement of debt, sale of real estate and mark-to-market of interest rate protection agreements. The Company defines SS NOI as revenues minus property expenses such as real estate taxes, repairs and maintenance, property management, utilities, insurance and other expenses, minus the net operating income of properties that are not same store properties and minus the impact of straight-line rent, the amortization of lease inducements, the amortization of above/below market rent and lease termination fees. As so defined, SS NOI may not be comparable to same store net operating income or similar measures reported by other REITs that define same store properties or net operating income differently. The major factors influencing SS NOI are occupancy levels, rental rate increases or decreases and tenant recoveries increases or decreases. The Compensation Committee believes that, because our success depends largely upon our ability to lease space and to recover the operating costs associated with those leases from our tenants, SS NOI is an important measure of the Company's performance. Please see the reconciliation of same store revenues and property expenses to SS NOI contained in our Annual Report on Form 10-K filed on February 26, 2015.
- (3) The Company is a party to certain lending arrangements that require the Company to maintain a specified fixed charge coverage ratio. For purposes of the 2014 Employee Bonus Plan, the Company defined fixed charge coverage ratio in accordance with that certain Amended and Restated Unsecured Revolving Credit Agreement dated as of July 19, 2013, a copy of which was filed with our Current Report on Form 8-K filed on July 22, 2013. The Compensation Committee believes that fixed charge coverage ratio is an important measure of the Company's performance because it is critical to the Company's progress toward improving the investment grade rating on its unsecured debt.

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The Compensation Committee established performance targets relating to each performance category for the 2014 Employee Bonus Plan. The Company's 2014 performance in the identified performance categories resulted in the following funding of the bonus pool associated with that performance category:

<u>Category</u>	<u>Performance Target⁽¹⁾</u>	<u>Actual Result⁽¹⁾</u>	<u>Bonus Pool Funding%</u>
FFO per share	\$ 1.21 ⁽²⁾	\$ 1.21 ⁽²⁾	75.0%
SS NOI growth	4.0%	4.1% ⁽³⁾	77.9%
Fixed charge coverage ratio	2.38x	2.42x	125.0%

- (1) Amounts exclude a one-time restoration fee of \$2.6 million that was anticipated to be, and was, earned during the year ended December 31, 2014.
- (2) Amount excludes an accrual for cash bonuses and certain other items.
- (3) The Compensation Committee calculated SS NOI growth using a cumulative quarterly average as opposed to the methodology traditionally utilized in our financial reporting, which measures the year-over-year growth of our properties.

The Compensation Committee determined that the funding percentage for the bonus pool with respect to the discretionary objectives chosen by them should be 90% based on the Company's strong performance in 2014, as described in greater detail above under "2014 ACCOMPLISHMENTS." The Company's 2014 performance in the identified performance categories resulted in the funding of the aggregate bonus pool available under the 2014 Employee Bonus Plan in an amount equal to 82.5% of the target maximum cash and equity bonuses of all eligible employees, including the Named Executive Officers. After determining the aggregate bonus pool available under the 2014 Employee Bonus Plan, the Compensation Committee and our Chief Executive Officer allocated individual awards based on the individual award recipients' performance.

The target maximum bonuses for the Named Executive Officers for purposes of the 2014 Employee Bonus Plan were as follows:

<u>Executive Officer</u>	<u>Target Maximum Cash Bonus (% of Base Salary)</u>	<u>Target Maximum Equity Bonus (% of Base Salary)</u>
Bruce W. Duncan	225%	200%
Scott A. Musil	150%	100%
Johannson L. Yap	200%	140%
David G. Harker	150%	100%
Peter O. Schultz	150%	100%

The actual percentage of cash and equity bonuses (the "Individual Cash Percentage" and the "Individual Equity Percentage") awarded to the Named Executive Officers were determined as described below.

The actual individual bonuses paid to the Named Executive Officers (other than our Chief Executive Officer) from the bonus pool were determined by the Compensation Committee, after recommendations from our Chief Executive Officer, based upon the respective officer's achievement of the following individual performance objectives that were approved by the Board of Directors and communicated to the officer:

<u>Executive Officer</u>	<u>Individual Performance Objectives</u>
Scott A. Musil	Progress with respect to leverage ratios, improved credit ratings on unsecured debt and execution of the Company's term loan
Johannson L. Yap	Progress with respect to acquisitions and divestitures, completing and leasing developments and overall performance of the West Region of the Company
David G. Harker	Progress with respect to the leasing of vacant acquisitions and overall performance of the Central Region of the Company
Peter O. Schultz	Progress with respect to completing and leasing developments and overall performance of the East Region of the Company

PROXY STATEMENT

The actual individual bonus paid to our Chief Executive Officer from the bonus pool was determined by the Compensation Committee based upon its assessment of the Company's overall performance and the Company's achievement of the corporate performance goals under the 2014 Employee Bonus Plan.

The aggregate amount of bonuses paid to the Named Executive Officers under the 2014 Employee Bonus Plan was \$5,255,211. The cash bonus payments and equity grants made in the first quarter of 2015 to each of our Named Executive Officers in settlement of awards under the 2014 Employee Bonus Plan, together with the applicable Individual Cash Percentage and Individual Equity Percentage, are reflected in the following table:

<u>Executive Officer</u>	<u>Individual Cash Percentage (%)⁽¹⁾</u>	<u>Cash Bonus Paid (\$)</u>	<u>Individual Equity Percentage (%)⁽¹⁾</u>	<u>Shares of Restricted Stock⁽²⁾</u>	<u>Grant Date Fair Value of Award (\$)</u>
Bruce W. Duncan	69	1,325,000	74	57,606	1,250,050
Scott A. Musil	86	340,000	94	11,523	250,049
Johannson L. Yap	70	530,000	75	18,435	400,040
David G. Harker	92	330,000	102	11,292	245,036
Peter O. Schultz	91	340,000	98	11,292	245,036

- (1) The Individual Cash Percentage and Individual Equity Percentage each reflect the actual cash bonus or equity issuance as a percentage of the respective target maximum amount for each individual.
- (2) The number of shares approved by the Compensation Committee was determined based on the \$21.70 closing price of the Common Stock on February 12, 2015, which was the date the Compensation Committee approved awards under the 2014 Employee Bonus Plan.

For 2013, the Named Executive Officers participated in an incentive compensation plan similar to the 2014 Employee Bonus Plan.

Long-Term Incentive Program

On June 25, 2013, upon recommendation from the Compensation Committee, the Board of Directors adopted the Long-Term Incentive Program (the "LTIP"), effective as of July 1, 2013. The purpose of the LTIP is to provide incentives for the achievement of longer-term sustained value creation metrics and retention by focusing on longer-term fundamentals. The LTIP is predicated on the achievement of performance metrics, which ensures that the Company is able to base awards on measurable performance factors and business results.

On June 25, 2013, the Board of Directors also authorized two equal grants under the LTIP to be made to certain employees of the Company, including each Named Executive Officer, effective as of July 1, 2013 (the "2013 LTIP Awards"). Grantees of 2013 LTIP Awards were issued a specified number of performance units ("Performance Units"), each of which represents the right to receive, upon vesting, one share of Common Stock plus dividend equivalents representing any dividends that accrued with respect to such share after the issuance of the Performance Units and prior to the date of vesting. All vested Performance Units and dividend equivalents will be settled in shares of Common Stock. Only those dividend equivalents that have accrued prior to the vesting date with respect to the shares underlying the Performance Units that actually vest will be paid to grantee upon vesting.

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The 2013 LTIP Awards vest based upon the relative total stockholder return of our Common Stock as compared to the MSCI U.S. REIT Index, with respect to 75% of the total Performance Units, and the NAREIT Industrial Index, with respect to the remaining 25% of the Performance Units, over the pre-established performance measurement period, as follows:

MSCI U.S. REIT Index Performance Units

	Total Company Stockholder Return for Performance Period Relative to Total Return for Performance Period of MSCI US REIT Index (RMS G)	Percentage of Performance Units Vested
Threshold . . .	MSCI US REIT Index minus 2%	25%
Target	MSCI US REIT Index plus 1%	40%
Stretch	MSCI US REIT Index plus 4%	85%
Maximum . . .	MSCI US REIT Index plus 7%	100%

NAREIT Industrial Index Performance Units

	Total Company Stockholder Return for Performance Period Relative to Total Return for Performance Period of NAREIT Industrial Index (FNINDTR)	Percentage of Performance Units Vested
Threshold . . .	NAREIT Industrial Index minus 2%	25%
Target	NAREIT Industrial Index plus 1%	40%
Stretch	NAREIT Industrial Index plus 4%	85%
Maximum . . .	NAREIT Industrial Index plus 7%	100%

The performance period for all of the 2013 LTIP Awards began on July 1, 2013, and the performance period for one-half of the 2013 LTIP Awards ended on June 30, 2014 and the performance period for other half of the 2013 LTIP Awards ends on December 31, 2015. Upon the consummation of a change of control of the Company, each grantee would become vested in a number of Performance Units based on the level of achievement of the applicable performance targets through the date of the change of control. In the event of a termination of a grantee's employment due to death or disability, the grantee would become vested in a pro rata number of Performance Units based on the level of achievement of the applicable performance targets through the date of death or disability. In the event of termination of a grantee's employment due to voluntary retirement, the grantee would become vested in a pro rata number of Performance Units based on the level of achievement of the applicable performance targets through the end of the original performance period.

The 2013 LTIP Awards awarded to each of our Named Executive Officers in 2013 were as follows:

Executive Officer	2013 LTIP Awards
Bruce W. Duncan	81,700
Scott A. Musil	81,700
Johannson L. Yap	81,700
David G. Harker	65,360
Peter O. Schultz	81,700

PROXY STATEMENT

During the period from July 1, 2013 through June 30, 2014, the performance period for one-half of the 2013 LTIP Awards, the total stockholder return of our Common Stock outperformed the MSCI U.S. REIT Index and the NAREIT Industrial Index by 11.00% and 9.21%, respectively. Accordingly, 100% of such 2013 LTIP Awards vested, resulting in each of our Named Executive Officers earning shares of Common Stock, including Common Stock issued due to dividend equivalents that accrued with respect to such 2013 LTIP Awards, as follows:

<u>Executive Officer</u>	<u>Shares of Common Stock</u>
Bruce W. Duncan	41,441
Scott A. Musil	41,441
Johannson L. Yap	41,441
David G. Harker	33,153
Peter O. Schultz	41,441

Effective January 1, 2015, the Board of Directors authorized an additional grant of Performance Units under the LTIP to be made to certain employees of the Company, including each Named Executive Officer (the “2015 LTIP Awards”). The performance period for the 2015 LTIP Awards began on January 1, 2015 and ends on December 31, 2017. Other than the performance period, the 2015 LTIP Awards have identical vesting criteria and other terms and conditions as the 2013 LTIP Awards. The 2015 LTIP Awards awarded to each of our Named Executive Officers on January 1, 2015 were as follows:

<u>Executive Officer</u>	<u>2015 LTIP Awards</u>
Bruce W. Duncan	24,039
Scott A. Musil	24,039
Johannson L. Yap	24,039
David G. Harker	22,837
Peter O. Schultz	24,039

Broad-Based Benefits

All full-time employees, including the Named Executive Officers, are eligible to participate in our health and welfare benefit programs, including medical, dental and vision care coverage, disability insurance and life insurance, and our 401(k) plan. We also provide car allowances to certain of our employees, including certain of the Named Executive Officers.

Termination and Change-in-Control Triggers

Mr. Duncan has an employment agreement and separate agreements with respect to his restricted Common Stock and Performance Unit awards granted pursuant to the Company’s 2009, 2011 and 2014 Stock Plans, which agreements specify events, including change-in-control and, in the case of his restricted Common Stock awards, involuntary termination other than for cause, that trigger the payment of cash and vesting in restricted Common Stock and, as discussed above, Performance Units. Each of the other Named Executive Officers have agreements with respect to their restricted Common Stock and Performance Unit awards granted pursuant to the Company’s 2009, 2011 and 2014 Stock Plans that specify events, including change-in-control, that trigger the vesting of such awards. The Company believes having such events as triggers for the payment of cash and/or vesting in restricted Common Stock and Performance Units promotes stability and continuity of management. See “Potential Payments Upon Termination or Change of Control” below for more information on the payments triggered by such events.

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Stock Ownership Guidelines and Other Policies

The stock ownership guidelines for the Company's directors and senior executive officers are as follows:

<u>Position</u>	<u>Retainer/ Base Salary Multiple</u>
Directors	3x
Chief Executive Officer	5x
Chief Financial Officer, Chief Investment Officer and Executive Vice Presidents	4x

The stock ownership goal for each person subject to the ownership guidelines is determined on an individual basis, using their current retainers or base salaries and using the greater of (i) the market price on the date of purchase or grant of such Common Stock (or equity valued by reference to Common Stock) or (ii) the market price of such Common Stock (or equity valued by reference to Common Stock) as of the date compliance with the stock ownership guidelines is measured. For directors and senior executive officers who were in office as of January 1, 2008, the stock ownership goal must have been achieved by January 1, 2013. All such directors and senior executive officers achieved their respective stock ownership goals as of January 1, 2013. For persons assuming a director or senior executive officer level position after January 1, 2008, the stock ownership goal is determined using their retainers and base salaries in effect on the date they become subject to the ownership guidelines and must be achieved within five years after that date. A copy of the Stock Ownership Guidelines can be found on the Investor Relations/Corporate Governance section of the Company's website at www.firstindustrial.com.

The Company's insider trading policy prohibits, among other things, its directors and employees from entering into hedging or monetization transactions with respect to the Company's securities and from holding the Company's securities in margin accounts or otherwise pledging such securities as collateral for loans.

Stock Retention Requirements

Until the directors and senior executive officers reach their respective stock ownership goal, they will be required to retain shares that are owned on the date they became subject to the Stock Ownership Guidelines and at least seventy-five percent (75%) of "net shares" delivered through the Company's executive compensation plans. "Net shares" deducts from the number of shares obtained by exercising stock options or through the vesting of awards the number of shares the director or senior executive officer sells to pay exercise costs or taxes. If the director or senior executive officer transfers an award to a family member, the transferee becomes subject to the same retention requirements. Until the director and senior executive officer stock ownership goals have been met, shares may be disposed of only for one or more of the exclusion purposes as set forth in the Company's Stock Ownership Guidelines.

Tax Implications

Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), generally limits the deductible amount of annual compensation paid by a public company to a "covered employee" (the chief executive officer and three other most highly compensated executive officers of the company other than the chief financial officer) to no more than \$1 million. The Company does not believe that Section 162(m) of the Code is applicable to its current arrangements with its executive officers.

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COMPENSATION COMMITTEE REPORT

The Compensation Committee of the Board of Directors of the Company has reviewed, and discussed with management, the Compensation Discussion and Analysis included above in this Proxy Statement. Based on such review and discussions, the Compensation Committee recommended to the Board of Directors of the Company that the Compensation Discussion and Analysis be included in this Proxy Statement and, through incorporation by reference from this Proxy Statement, the Company's Annual Report on Form 10-K for the Company's fiscal year ended December 31, 2014.

Submitted by the Compensation Committee:

L. Peter Sharpe, Chairman

W. Ed Tyler

PROXY STATEMENT

SUMMARY COMPENSATION TABLE

The Summary Compensation Table below sets forth the aggregate compensation for Bruce W. Duncan, the Company's President and Chief Executive Officer; Scott A. Musil, the Company's Chief Financial Officer; and certain of the Company's other highly compensated executive officers as required by SEC rules. The 2014 Grants of Plan-Based Awards table following the Summary Compensation Table provides additional information regarding incentive compensation granted by the Company to these officers in 2014.

Name and Principal Position	Year	Salary (\$)	Bonus \$(⁽¹⁾)	Stock Awards \$(⁽²⁾)	Non-Equity Incentive Plan Compensation \$(⁽³⁾)	All Other Compensation \$(⁽⁴⁾)	Total (\$)
Bruce W. Duncan President and CEO	2014	832,000	—	1,450,546 ⁽⁵⁾	1,325,000	18,523	3,626,059
	2013	834,250	—	1,622,916	1,500,000	16,858	3,974,024
	2012	802,083	—	3,644,999	1,200,000	16,243	5,663,325
Scott A. Musil Chief Financial Officer	2014	265,000	—	320,641 ⁽⁵⁾	340,000	8,923	934,564
	2013	265,000	135,555	884,926	400,000	7,258	1,692,739
	2012	255,000	122,745	208,998	380,000	6,643	973,386
Johannson L. Yap Chief Investment Officer and Executive Vice President – West Region	2014	379,000	—	519,166 ⁽⁵⁾	530,000	20,123	1,448,289
	2013	379,000	193,650	1,074,932	659,000	26,372	2,332,954
	2012	365,000	175,350	414,003	620,000	22,554	1,596,907
David G. Harker Executive Vice President – Central Region	2014	240,000	—	325,767 ⁽⁵⁾	330,000	16,123	911,890
	2013	240,000	135,555	771,944	400,000	14,458	1,561,957
	2012	230,400	122,745	216,002	380,000	13,843	962,990
Peter O. Schultz Executive Vice President – East Region	2014	250,000	—	264,683 ⁽⁵⁾	340,000	17,323	872,006
	2013	250,000	135,555	874,922	360,000	15,658	1,636,135
	2012	240,000	122,745	212,494	360,000	15,043	950,282

- (1) Amounts for 2013 reflect awards paid in July 2013 under the 2012 Retention Bonus Plan. The material terms of awards under the 2012 Retention Bonus Plan are described in the Compensation Discussion and Analysis under "2012 Retention Bonus Plan."
- (2) Amounts reflect the aggregate grant date fair value of each award as determined under FASB ASC Topic 718. See note 12 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2014 for a discussion of the assumptions used in valuing the 2014 awards. Amounts reflected were not actually received in the year reported and do not necessarily reflect the amounts that will actually be realized under the respective awards.
- (3) Amounts for 2014 reflect cash awards paid in March 2015 under the 2014 Employee Bonus Plan. The material terms of awards under the 2014 Employee Bonus Plan are described in the Compensation Discussion and Analysis under "2014 Employee Bonus Plan."
- (4) For 2014, includes car allowances of \$9,600, \$11,200, \$7,200 and \$8,400 paid on behalf of Messrs. Duncan, Yap, Harker and Schultz, respectively; a term life insurance premium of \$600 paid on behalf of each Named Executive Officer; short-term and long-term disability insurance premium of \$1,303 paid on behalf of each Named Executive Officer; and 401(k) matching payments of \$7,020 paid on behalf of each Named Executive Officer.
- (5) Amount reflects awards of 79,788, 17,637, 28,557, 17,919, and 14,559 shares of service-based restricted Common Stock, granted to Messrs. Duncan, Musil, Yap, Harker and Schultz, respectively, in 2014 in connection with the 2013 Employee Bonus Plan, valued at \$18.18 per share under FASB ASC Topic 718.

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2014 GRANTS OF PLAN-BASED AWARDS

Name (a)	Grant Date ⁽¹⁾ (b)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (#) ⁽⁴⁾ (i)	Grant Date Fair Value of Stock and Option Awards (\$) ⁽⁵⁾ (l)
		Threshold (\$) (c)	Target ⁽²⁾ (\$) (d)	Maximum ⁽³⁾ (\$) (e)	Threshold (#) (f)	Target (#) (g)	Maximum (#) (h)		
Bruce W. Duncan	2/12/14	—	1,275,000	1,912,500	—	—	—	—	—
	5/7/14	—	—	—	—	—	—	79,788	1,450,546
Scott A. Musil	2/12/14	—	—	397,500	—	—	—	—	—
	5/7/14	—	—	—	—	—	—	17,637	320,641
Johannson L. Yap	2/12/14	—	—	758,000	—	—	—	—	—
	5/7/14	—	—	—	—	—	—	28,557	519,166
David G. Harker	2/12/14	—	—	360,000	—	—	—	—	—
	5/7/14	—	—	—	—	—	—	17,919	325,767
Peter O. Schultz	2/12/14	—	—	375,000	—	—	—	—	—
	5/7/14	—	—	—	—	—	—	14,559	264,683

- (1) Reflects the date such awards were made effective by the later of the Compensation Committee or the Board of Director or the approval date of the 2014 Stock Incentive Plan, as applicable.
- (2) For Mr. Duncan, amount reflects the target annual cash incentive bonus to which he is entitled pursuant to the terms of his employment agreement. No threshold or target amounts were established with respect to awards for 2014 under the 2014 Employee Bonus Plan for the other Named Executive Officers.
- (3) Amounts reflect the target maximum cash incentive bonus that could become payable to the recipient for 2014 under the 2014 Employee Bonus Plan. The material terms of awards under the 2014 Employee Bonus Plan are described in the Compensation Discussion and Analysis under “2014 Employee Bonus Plan.”
- (4) Amount reflects the number of shares each recipient could receive from the vesting of service-based restricted Common Stock awards granted in 2014 under the Company’s 2014 Stock Incentive Plan in settlement of awards under the 2013 Employee Bonus Plan. Such restricted Common Stock awards vest ratably over a period of three years.
- (5) Amounts reflect the aggregate grant date fair value of each stock award as determined under FASB ASC Topic 718.

Employment Agreement with Mr. Duncan

On December 17, 2012, Mr. Duncan entered into an employment agreement with the Company and its operating partnership, First Industrial L.P., which reflects the terms and conditions of Mr. Duncan’s employment. The agreement had an initial term expiring on December 31, 2014, unless otherwise terminated, with up to three one-year extensions that will automatically be effective provided that neither Mr. Duncan nor the Company provides notice to the other at least six months prior to the expiration of the initial term or any subsequent renewal term of their respective intent not to renew. As neither party has delivered a termination notice, Mr. Duncan’s employment agreement currently expires December 31, 2015, subject to the two remaining automatic one-year extensions described above.

Mr. Duncan’s employment agreement provides for a minimum annual base salary of \$850,000. Under the agreement, Mr. Duncan is also eligible for annual cash performance bonuses under the Company’s incentive bonus plan, based on the satisfaction of performance goals established by the Compensation Committee in accordance with the terms of such plan, with a target annual bonus of 150% of Mr. Duncan’s base salary, and a

PROXY STATEMENT

target maximum annual bonus of 225% of his base salary. Mr. Duncan is also entitled to participate in all long-term cash and equity incentive plans generally available to the senior executives of the Company with a target annual award of 150% of Mr. Duncan's base salary, and a target maximum annual award of 200% of his base salary. Equity awards granted to Mr. Duncan in connection with any long-term cash and equity incentive plan will vest in accordance with the vesting terms set forth in the restricted stock agreement he entered into on December 17, 2012 in connection with his employment agreement.

Mr. Duncan's employment agreement also provides for payments and benefits to Mr. Duncan by the Company in some circumstances in the event of a termination of employment or of a change of control (which payments and benefits are described below under "POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE OF CONTROL.")

Employment Agreement with Mr. Yap

The Company and Mr. Yap were previously parties to an employment agreement that was originally entered into as of March 31, 2002 and amended as of December 29, 2008. This agreement expired on December 3, 2013 following a set, five-year term. The agreement reflected the terms and conditions of Mr. Yap's employment with the Company, and provided for payments and benefits to Mr. Yap in some circumstances in the event of a termination of employment or of a change of control. The agreement also contained confidentiality and non-compete restrictive covenants that apply to Mr. Yap during employment and following certain terminations of employment.

PROXY STATEMENT

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END 2014

Name (a)	Option Awards				Stock Awards			
	Number of Securities Underlying Unexercised Options (#) Exercisable (b)	Number of Securities Underlying Unexercised Options (#) Un-exercisable (c)	Option Exercise Price (\$) (e)	Option Expiration Date (f)	Number of Shares or Units of Stock That Have Not Vested (#) (g)	Market Value of Shares or Units of Stock That Have Not Vested (\$) (h)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) (i)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$) (j)
Bruce W. Duncan	—	—	—	—	212,475 ⁽³⁾	4,368,486	—	—
	—	—	—	—	—	—	42,002	863,561
Scott A. Musil	—	—	—	—	34,366 ⁽⁴⁾	706,565	—	—
	—	—	—	—	—	—	42,002	863,561
Johannson L. Yap	—	—	—	—	58,687 ⁽⁵⁾	1,206,605	—	—
	—	—	—	—	—	—	42,002	863,561
David G. Harker	—	—	—	—	35,247 ⁽⁶⁾	724,678	—	—
	—	—	—	—	—	—	33,602	690,857
Peter O. Schultz	—	—	—	—	30,984 ⁽⁷⁾	637,031	—	—
	—	—	—	—	—	—	42,002	863,561

- (1) The dollar amounts shown in columns (h) and (j) are approximately equal to the product of the number of shares or units reported in columns (g) and (i), respectively, multiplied by \$20.56, which was the closing price of the Common Stock on December 31, 2014, the last trading day of the year. This valuation does not take into account any diminution in value that results from the restrictions applicable under the respective awards.
- (2) Amount reflects unvested Performance Units granted in 2013 under the LTIP and dividend equivalents accrued through December 31, 2014 with respect to such Performance Units. The vesting and other material terms of these awards are described in the Compensation Discussion and Analysis under “Long-Term Incentive Plan.” The number of unvested Performance Units, and accrued dividend equivalents, reflected is based on maximum achievement of performance goals, as the Company achieved maximum performance through December 31, 2014 with respect to the performance measures under the LTIP.
- (3) Amount reflects shares of unvested restricted Common Stock, 72,363 shares of which vested in January 2015, 46,849 shares of which vest in January 2016 and 26,596 shares of which vest in January 2017. Also included in this amount are shares awarded to Mr. Duncan when he entered into a Restricted Stock Award Agreement on December 17, 2012 under which he was granted 200,000 shares of restricted stock, which vest ratably on December 2013, December 2014 and December 2015. All shares reflected in this footnote were fully transferable by Mr. Duncan as of their grant date pursuant to and subject to the terms of the applicable award agreements, and all such shares have been so transferred to a brokerage account.
- (4) Of the shares of unvested restricted Common Stock reported here, 17,183 vested in January 2015, 11,304 vest in January 2016 and 5,879 vest in January 2017.
- (5) Of the shares of unvested restricted Common Stock reported here, 30,407 vested in January 2015, 18,761 vest in January 2016 and 9,519 vest in January 2017.
- (6) Of the shares of unvested restricted Common Stock reported here, 17,675 vested in January 2015, 11,599 vest in January 2016 and 5,973 vest in January 2017.
- (7) Of the shares of unvested restricted Common Stock reported here, 16,054 vested in January 2015, 10,077 vest in January 2016 and 4,853 vest in January 2017.

PROXY STATEMENT

2014 OPTION EXERCISES AND STOCK VESTED

In 2014, no options were exercised by the Named Executive Officers and an aggregate of 415,049 Performance Units (inclusive of accrued dividend equivalents related thereto) and shares of restricted Common Stock held by the Named Executive Officers vested, as described more fully in the table below.

Name (a)	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#) (b)	Value Realized on Exercise (\$) (c)	Number of Shares Acquired on Vesting (#) (d)	Value Realized on Vesting (\$) (e)
Bruce W. Duncan	—	—	176,899 ⁽¹⁾	3,330,925
Scott A. Musil	—	—	58,144 ⁽²⁾	1,070,378
Johannson L. Yap	—	—	72,838 ⁽³⁾	1,325,172
David G. Harker	—	—	49,592 ⁽⁴⁾	909,655
Peter O. Schultz	—	—	57,576 ⁽⁵⁾	1,060,529

- (1) The shares of Common Stock reported herein were acquired as a result of the vesting of (a) 41,441 Performance Units and accrued dividend equivalents related thereto on June 30, 2014, the value of which is based on the closing price of the Common Stock as reported by the NYSE for such date (\$18.84); (b) 68,791 restricted shares on January 1, 2014, the value of which is based on the closing price of the Common Stock as reported by the NYSE for January 2, 2014 (\$17.34), the first trading day following the date of vesting of such award and (c) 66,667 restricted shares on December 17, 2014, the value of which is based on the closing price of the Common Stock as reported by the NYSE for such date (\$20.36).
- (2) The shares of Common Stock reported herein were acquired as a result of the vesting of (a) 41,441 Performance Units and accrued dividend equivalents related thereto on June 30, 2014, the value of which is based on the closing price of the Common Stock as reported by the NYSE for such date (\$18.84) and (b) 16,703 restricted shares on January 1, 2014, the value of which is based on the closing price of the Common Stock as reported by the NYSE for January 2, 2014 (\$17.34), the first trading day following the date of vesting of such award.
- (3) The shares of Common Stock reported herein were acquired as a result of the vesting of (a) 41,441 Performance Units and accrued dividend equivalents related thereto on June 30, 2014, the value of which is based on the closing price of the Common Stock as reported by the NYSE for such date (\$18.84) and (b) 31,397 restricted shares on January 1, 2014, the value of which is based on the closing price of the Common Stock as reported by the NYSE for January 2, 2014 (\$17.34), the first trading day following the date of vesting of such award.
- (4) The shares of Common Stock reported herein were acquired as a result of the vesting of (a) 33,153 Performance Units and accrued dividend equivalents related thereto on June 30, 2014, the value of which is based on the closing price of the Common Stock as reported by the NYSE for such date (\$18.84) and (b) 16,439 restricted shares on January 1, 2014, the value of which is based on the closing price of the Common Stock as reported by the NYSE for January 2, 2014 (\$17.34), the first trading day following the date of vesting of such award.
- (5) The shares of Common Stock reported herein were acquired as a result of the vesting of (a) 41,441 Performance Units and accrued dividend equivalents related thereto on June 30, 2014, the value of which is based on the closing price of the Common Stock as reported by the NYSE for such date (\$18.84) and (b) 16,135 restricted shares on January 1, 2014, the value of which is based on the closing price of the Common Stock as reported by the NYSE for January 2, 2014 (\$17.34), the first trading day following the date of vesting of such award.

PROXY STATEMENT

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE OF CONTROL

Employment Agreement with Mr. Duncan

The Company has entered into a written employment agreement with Mr. Duncan that provides for certain lump sum payments and post-termination benefits to Mr. Duncan by the Company in some circumstances in the event of a termination of employment or of a change of control.

In addition to the events of termination of employment identified in the following table, Mr. Duncan's employment agreement provides for payments in the event of his death or disability. Upon death or disability, Mr. Duncan is entitled to (i) his base salary and vacation pay accrued through the date of his death or disability, (ii) his accrued bonus for the fiscal year prior to the year of his death or disability, to the extent not paid, (iii) his unreimbursed business expenses incurred through the date of his death or disability and (iv) certain health care benefits and any other benefits he may be eligible for under the Company's plans, policies or practices.

Mr. Duncan's employment agreement also contains important non-financial provisions that apply in the event of a termination of employment or of a change of control. Mr. Duncan has agreed to a one-year covenant not to compete after his termination. His employment agreement does not provide for a gross-up payment in the event of any excise tax.

Stock Incentive Plans

Under the 2009 and 2014 Stock Plans, unvested restricted Common Stock vests in the event of a change of control. In addition, such Stock Plans empower the Compensation Committee to determine other vesting events in the individual restricted Common Stock awards, including vesting events such as involuntary termination of employment without cause and termination due to disability or death. Assuming that the triggering event occurred on December 31, 2014, each Named Executive Officer would have vested in restricted Common Stock having the respective values set forth in the table below.

With respect to the 2013 LTIP Awards and 2015 LTIP Awards, upon the consummation of a change of control of the Company, each grantee would become vested in a number of Performance Units based on the level of achievement of the applicable performance targets through the date of the change of control. In the event of a termination of a grantee's employment due to death or disability, the grantee would become vested in a pro rata number of Performance Units based on the level of achievement of the applicable performance targets through the date of death or disability. In the event of termination of a grantee's employment due to voluntary retirement, the grantee would become vested in a pro rata number of Performance Units based on the level of achievement of the applicable performance targets through the end of the original performance period.

Life Insurance

In addition to the events of termination of employment identified in the following table and above, each Named Executive Officer is covered by a Company-provided life insurance policy generally available to the Company's employees. Such policy would entitle the respective Named Executive Officer's beneficiary to a payment of \$400,000 in the event of such Named Executive Officer's death.

PROXY STATEMENT

Termination and Change of Control Payments

The following table includes estimated payments owed and benefits required to be provided to our Named Executive Officers under the employment agreements and Stock Plans described above, exclusive of benefits available on a non-discriminatory basis generally, in each case assuming that the triggering event described in the table occurred on December 31, 2014.

Name	Triggering Event	Severance (\$)	Accelerated Equity Awards (\$) ⁽¹⁾	Medical Insurance Premiums (\$) ⁽²⁾
Bruce W. Duncan	Change of Control ⁽³⁾	—	5,232,047	—
	Termination Following Change of Control	6,637,500	—	53,935
	Termination w/o Cause ⁽⁴⁾	5,575,000	4,368,486	53,935
Scott A. Musil ⁽⁵⁾	Change of Control ⁽³⁾	—	1,570,126	—
	Termination w/o Cause	—	—	—
Johannson L. Yap ⁽⁵⁾	Change of Control ⁽³⁾	—	2,070,166	—
	Termination w/o Cause	—	—	—
David G. Harker ⁽⁵⁾	Change of Control ⁽³⁾	—	1,415,535	—
	Termination w/o Cause	—	—	—
Peter O. Schultz ⁽⁵⁾	Change of Control ⁽³⁾	—	1,500,592	—
	Termination w/o Cause	—	—	—

- (1) For purposes of estimating the value of awards of restricted Common Stock which vest the Company has considered any applicable employment agreement limitations and assumed a price per share of its Common Stock of \$20.56, which was the closing price of the Common Stock on December 31, 2014, the last trading day of the year.
- (2) Present value of estimated premiums required to be paid by the Company or cash payments in lieu of benefits required to be provided.
- (3) Upon a change of control of the Company, the vesting of any unvested restricted Common Stock held by the officer will accelerate, and the 2013 LTIP Awards will vest based on the level of achievement of the applicable performance targets through the date of the change of control. The amounts reflected in this table for the unvested 2013 LTIP Awards are based on the highest level of achievement of the applicable performance targets and include accrued dividend equivalents through December 31, 2014.
- (4) Includes constructive discharge under the terms of Mr. Duncan's employment agreement.
- (5) None of Messrs. Musil, Yap, Harker or Schultz was a party to an employment agreement with the Company as of December 31, 2014. As such, the amounts disclosed in this table relate only to awards of restricted Common Stock and Performance Units granted to Messrs. Musil, Yap, Harker and Schultz under the Company's stock incentive plans.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The Compensation Committee currently consists of Mr. Tyler, who served as the Company's interim Chief Executive Officer from October 22, 2008 until January 9, 2009, and Mr. Sharpe. Except for Mr. Tyler's and Mr. Sharpe's services as directors, neither Mr. Tyler nor Mr. Sharpe had any other business relationship or affiliation with the Company in 2014 requiring disclosure by the Company under Item 404 of Regulation S-K.

REPORT OF THE AUDIT COMMITTEE

Pursuant to a meeting of the Audit Committee on February 17, 2015, the Audit Committee reports that it has: (i) reviewed and discussed the Company's audited financial statements with management; (ii) discussed with

PROXY STATEMENT

the independent registered public accounting firm the matters (such as the quality of the Company's accounting principles and internal controls) required to be discussed by Statement on Auditing Standards No. 61; and (iii) received written confirmation from PricewaterhouseCoopers LLP that it is independent and written disclosures as required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit Committee concerning independence, and discussed with PricewaterhouseCoopers LLP its independence. Based on the review and discussions referred to in items (i) through (iii) above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company's annual report for the Company's fiscal year ended December 31, 2014.

Submitted by the Audit Committee:

H. Patrick Hackett, Jr., Chairman
John Rau
L. Peter Sharpe

TRANSACTIONS WITH RELATED PERSONS, PROMOTERS AND CERTAIN CONTROL PERSONS

Review, Approval or Ratification of Transactions with Related Persons. Transactions involving the Company and its executive officers and directors that are reportable under Item 404 of Regulation S-K are required by the Company's written policies to be reported to and approved by the Nominating/Corporate Governance Committee of the Board of Directors. The Nominating/Corporate Governance Committee addresses such transactions on a case-by-case basis, after considering the relevant facts and circumstances.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 (as amended, the "Exchange Act") requires the Company's officers and directors, and persons who own more than ten percent of a registered class of the Company's equity securities, to file reports of ownership and changes in ownership with the SEC and the NYSE. Officers, directors and "greater than ten-percent" stockholders are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms so filed.

Based solely on review of the copies of such forms furnished to the Company for 2014, all of the Company's officers, directors and "greater than ten-percent" stockholders timely filed all reports required to be filed by Section 16(a) of the Exchange Act during 2014.

SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN BENEFICIAL OWNERS

The following table presents information concerning the ownership of Common Stock of the Company and limited partnership units ("Units") of First Industrial, L.P. (which generally are redeemable for Common Stock on a one-for-one basis or cash at the option of the Company) by:

- all directors named and nominees named in this Proxy Statement (the "named directors");
- all Named Executive Officers identified in the Summary Compensation Table;
- all named directors and Named Executive Officers of the Company as a group; and
- persons and entities known to the Company to be beneficial owners of more than 5% of the Company's Common Stock.

PROXY STATEMENT

The information is presented as of the Record Date, unless otherwise indicated, and is based on representations of officers and directors of the Company and filings received by the Company on Schedule 13G under the Exchange Act. As of the Record Date, there were 110,727,654 shares of Common Stock and 4,364,812 Units outstanding.

<u>Names and Addresses of 5% Stockholders</u>	<u>Common Stock/Units Beneficially Owned</u>	
	<u>Number</u>	<u>Percent of Class</u>
Cohen & Steers, Inc. ⁽¹⁾ 280 Park Ave., 10 th Floor New York, NY 10017	15,048,634	13.59%
The Vanguard Group ⁽²⁾ 100 Vanguard Blvd. Malvern, PA 19355	14,842,530	13.40%
BlackRock, Inc. ⁽³⁾ 40 East 52 nd Street New York, NY 10022	8,369,846	7.56%
Vanguard Specialized Funds — Vanguard REIT Index Fund ⁽⁴⁾ 100 Vanguard Blvd. Malvern, PA 19355	8,203,676	7.41%
The London Company ⁽⁵⁾ 1801 Bayberry Court, Suite 301 Richmond, Virginia 23226	8,016,553	7.24%
Principal Real Estate Investors, LLC ⁽⁶⁾ 801 Grand Avenue Des Moines, IA 50392	6,529,371	5.90%
Daiwa Asset Management Co. Ltd. ⁽⁷⁾ GranTokyo North Tower 9-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan 100-6753	5,555,466	5.02%

Names and Addresses of Directors and Officers*

Bruce W. Duncan ⁽⁸⁾	1,044,998	**
Matthew S. Dominski ⁽⁹⁾	20,750	**
H. Patrick Hackett, Jr. ⁽⁹⁾	71,273	**
John Rau ⁽¹⁰⁾	51,242	**
L. Peter Sharpe ⁽⁹⁾	53,850	**
W. Ed Tyler ⁽¹¹⁾	86,082	**
Scott A. Musil ⁽¹²⁾	139,581	**
Johannson L. Yap ⁽¹³⁾	363,222	**
David G. Harker ⁽¹⁴⁾	88,414	**
Peter O. Schultz ⁽¹⁵⁾	110,658	**
All named directors and currently-serving executive officers as a group (10 persons) ⁽¹⁶⁾	2,030,070	1.83%

* The business address for each of the directors and Named Executive Officers of the Company is 311 South Wacker Drive, Suite 3900, Chicago, Illinois 60606.

** Less than 1%

(1) Pursuant to a Schedule 13G/A filed February 13, 2015 of Cohen & Steers, Inc. (“C&S”). Of the shares reported, C&S has the sole power to vote 7,924,223 and the sole power to dispose of all 15,048,634 shares.

PROXY STATEMENT

- (2) Pursuant to a Schedule 13G/A filed February 10, 2015 of The Vanguard Group (“Vanguard Group”). Of the shares reported, Vanguard Group has the sole power to vote 305,529 shares, the shared power to vote 88,400 shares, the sole power to dispose of 14,598,701 shares and the shared power to dispose of 243,829 shares.
- (3) Pursuant to a Schedule 13G/A filed January 26, 2015 of Blackrock Inc. (“Blackrock”). Blackrock has the sole power to vote 8,091,550 shares and sole power to dispose of all 8,369,846 shares reported.
- (4) Pursuant to a Schedule 13G/A filed February 6, 2015 of Vanguard Specialized Funds — Vanguard REIT Index Fund (“Vanguard REIT”). Of the shares reported, Vanguard REIT has the sole power to vote all 8,203,676 shares.
- (5) Pursuant to a Schedule 13G/A filed February 13, 2015 of The London Company (“London”). London has the sole power to vote and dispose of 7,340,011 shares and the shared power to dispose of 676,542 shares reported.
- (6) Pursuant to a Schedule 13G filed February 13, 2015 of Principal Real Estate Investors, LLC. (“PREI”). Of the shares reported, PREI has the shared power to vote all 6,529,371 shares and the shared power to dispose of all 6,529,371 shares.
- (7) Pursuant to a Schedule 13G filed January 21, 2015 of Diawa Asset Management Co. Ltd. (“Diawa”). Of the shares reported, Diawa has the sole power to vote all 5,555,466 shares, sole power to dispose of 3,400 shares and shared power to dispose of 5,552,066 shares.
- (8) Includes 143,637 shares of restricted Common Stock issued under the 2009 and 2014 Stock Plans.
- (9) Includes 3,850 shares of restricted Common Stock issued under the 2014 Stock Plan.
- (10) Includes 4,035 shares of restricted Common Stock issued under the 2001 and 2014 Stock Plan.
- (11) Includes 4,221 shares of restricted Common Stock issued under the 2001 and 2014 Stock Plans.
- (12) Includes 9,507 shares held through Mr. Musil’s 401(k). Also includes 28,706 shares of restricted Common Stock issued under the 2009 and 2014 Stock Plans.
- (13) Includes 1,680 Units. Also includes 22,037 shares held through Mr. Yap’s 401(k) and 46,715 shares of restricted Common Stock issued under the 2009 and 2014 Stock Plans.
- (14) Includes 28,864 shares of restricted Common Stock issued under the 2009 and 2014 Stock Plans.
- (15) Includes 26,222 shares of restricted Common Stock issued under the 2009 and 2014 Stock Plans. Also includes 79,375 shares of Common Stock held jointly with his wife.
- (16) Includes 1,680 Units. Also includes 293,950 shares of restricted Common Stock issued under the 2001, 2009 and 2014 Stock Plans.

PROXY STATEMENT

PROPOSAL 2

ADVISORY VOTE ON EXECUTIVE COMPENSATION

Pursuant to Section 14A of the Exchange Act, our stockholders are entitled to vote to approve, on an advisory or non-binding basis, the compensation of our Named Executive Officers as disclosed in this Proxy Statement in accordance with SEC rules.

The Board of Directors believes that its executive compensation program serves the best interests of the Company's stockholders by not only attracting and retaining talented, capable individuals, but also providing them with proper incentives linked to performance criteria that are designed to maximize the Company's overall performance. To this end, the Company's compensation program consists of a mix of compensation that is intended to compensate the Named Executive Officers for their contributions during the year and to reward them for achievements that lead to increased Company performance and increases in stockholder value. Please refer to "Compensation Discussion and Analysis" for a discussion of the compensation of our Named Executive Officers.

We are asking for stockholder approval of the compensation of our Named Executive Officers as disclosed in this Proxy Statement in accordance with SEC rules, which disclosures include the disclosures under "Compensation Discussion and Analysis" and the compensation tables and the narrative discussion following the compensation tables. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our Named Executive Officers and the policies and practices described in this Proxy Statement.

This vote is advisory and therefore not binding on the Company, the Compensation Committee or the Board of Directors. The Board of Directors and the Compensation Committee value the opinions of the Company's stockholders and to the extent there is any significant vote against the compensation of our Named Executive Officers as disclosed in this Proxy Statement, we will consider those stockholders' concerns, and the Compensation Committee will evaluate whether any actions are necessary to address those concerns.

Accordingly, we ask our stockholders to vote on the following resolution at the Annual Meeting:

"RESOLVED, that the Company's stockholders approve, on an advisory basis, the compensation of the named executive officers, as disclosed in the Company's Proxy Statement for the 2015 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission under 'Compensation Discussion and Analysis' and the compensation tables and the narrative discussion following the compensation tables."

The affirmative vote of the holders of a majority of the votes cast with a quorum present at the Annual Meeting is required for advisory approval of this proposal.

The Board of Directors recommends an advisory vote FOR the approval of the compensation of the Named Executive Officers as disclosed in this Proxy Statement.

PROPOSAL 3

**RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM**

The accounting firm of PricewaterhouseCoopers LLP (or its predecessor, Coopers & Lybrand L.L.P.) has served as the Company's independent auditors since the Company's formation in August 1993. On February 17, 2015, the Audit Committee of the Board of Directors appointed PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the current fiscal year. A representative of PricewaterhouseCoopers LLP will be present at the Annual Meeting, will be given the opportunity to make a statement if he or she so desires and will be available to respond to appropriate questions.

Our Charter and Bylaws do not require that our stockholders ratify the appointment of our independent registered certified public accounting firm. We are doing so because we believe it is a matter of good corporate practice. If our stockholders do not ratify the appointment, the Audit Committee will reconsider whether to retain PricewaterhouseCoopers LLP but may still retain them. Even if the appointment is ratified, the Audit Committee, in its discretion, may change the appointment at any time during the year if it determines that a change in registered certified public accounting firm would be in the best interests of the Company and its stockholders.

FEES

During 2014 and 2013, the aggregate fees for services provided by PricewaterhouseCoopers LLP in the following categories and amounts are:

	<u>2014</u>	<u>2013</u>
Audit Fees ⁽¹⁾	1,099,745	\$1,128,650
Audit-Related Fees ⁽²⁾	75,707	68,890
Tax Fees ⁽³⁾	26,500	30,000
All Other Fees ⁽⁴⁾	<u>1,944</u>	<u>1,944</u>
Total Fees	<u>1,203,896</u>	<u>\$1,229,484</u>

- (1) Audit Fees include amounts related to the audits of the Company's annual financial statements, the reviews of our quarterly financial statements and internal control over financial reporting and other services that are normally provided by the auditor in connection with securities offerings and other filings with the SEC.
- (2) Audit-Related Fees include amounts related to joint venture audits and certain agreed-upon procedures.
- (3) Tax Fees include amounts related to tax services related to federal and state tax return preparation.
- (4) All Other Fees include amounts related to technical research tools.

PRE-APPROVAL OF SERVICES

The Audit Committee pre-approves all audit, audit-related, tax and other services proposed to be provided by the Company's independent registered public accounting firm. Consideration and approval of such services generally occur at the Audit Committee's regularly scheduled meetings. In situations where it is impractical to wait until the next regularly scheduled meeting, the Audit Committee has delegated the authority to approve the audit, audit-related, tax and other services to each of its individual members. Approvals of audit, audit-related, tax and other services pursuant to the above-described delegation of authority are reported to the full Audit Committee.

**The Board of Directors recommends a vote FOR ratification of the appointment of
PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for
fiscal 2015.**

PROXY STATEMENT

OTHER MATTERS

SOLICITATION OF PROXIES

The cost of solicitation of proxies in the form enclosed herewith will be borne by the Company. In addition to the solicitation of proxies by mail, the directors, officers and employees of the Company may also solicit proxies personally or by telephone without additional compensation for such activities. The Company will also request persons, firms and corporations holding shares in their names or in the names of their nominees, which are beneficially owned by others, to send proxy materials to and obtain proxies from such beneficial owners. The Company will reimburse such holders for their reasonable expenses.

Georgeson Shareholder Services, Inc. acts as the Company's proxy solicitor at a cost of \$8,000, plus reasonable out of pocket expenses.

STOCKHOLDER PROPOSALS

Stockholder proposals intended to be presented at the 2016 Annual Meeting of Stockholders must be received by the Secretary of the Company no later than December 8, 2015, in order to be considered for inclusion in the proxy statement and on the proxy card that will be solicited by the Board of Directors in connection with the 2016 Annual Meeting of Stockholders. Additionally, stockholder proposals intended to be presented at the 2016 Annual Meeting of Stockholders must be received by the Secretary of the Company no later than December 8, 2015, and no earlier than November 8, 2015, in order to be considered timely under our Bylaws and must comply with additional requirements contained in our Bylaws in order to be proper.

INCORPORATION BY REFERENCE

Appendix A to this Proxy Statement is the Company's 2014 Annual Report, which includes its consolidated financial statements and management's discussion and analysis of financial condition and results of operations, as well as certain other financial and other information required by the rules and regulations of the SEC. Information contained in Appendix A to this Proxy Statement shall not be deemed to be "filed" or "soliciting material," or subject to liability for purposes of Section 18 of the Exchange Act to the maximum extent permitted under the Exchange Act.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDERS MEETING TO BE HELD ON MAY 7, 2015

The Proxy Statement, Notice of Annual Meeting, Proxy Card and the Company's 2014 Annual Report are available on the "Proxy Statement" tab of the Investor Relations page on the Company's website, at www.firstindustrial.com.

For directions to attend the Annual Meeting in person, please contact Arthur Harmon, the Company's Vice President of Investor Relations, at (312) 344-4320.

OTHER MATTERS

The Board of Directors does not know of any matters other than those described in this Proxy Statement that will be presented for action at the Annual Meeting. If other matters are presented, it is the intention of the persons named as proxies in the accompanying Proxy Card to vote in their discretion all shares represented by validly executed proxies.

REGARDLESS OF THE NUMBER OF SHARES YOU OWN, YOUR VOTE IS IMPORTANT TO THE COMPANY. PLEASE COMPLETE, SIGN, DATE AND PROMPTLY RETURN THE ENCLOSED PROXY CARD TODAY.

APPENDIX A
2013 ANNUAL REPORT

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SELECTED FINANCIAL DATA

The following sets forth selected financial and operating data for the Company on a consolidated basis. The following selected consolidated financial data should be read in conjunction with the Consolidated Financial Statements and Notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this Form 10-K. All consolidated financial data has been restated, as appropriate, to reflect the impact of activity classified as discontinued operations for all periods presented.

	<u>Year Ended 12/31/14</u>	<u>Year Ended 12/31/13</u>	<u>Year Ended 12/31/12</u>	<u>Year Ended 12/31/11</u>	<u>Year Ended 12/31/10</u>
	(In thousands, except per share data)				
Statement of Operations Data:					
Total Revenues	\$ 344,599	\$ 318,454	\$ 304,517	\$ 292,757	\$ 296,678
Income (Loss) from Continuing Operations	23,265	3,972	(25,063)	(36,489)	(151,090)
Income (Loss) from Continuing Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders	19,813	(9,142)	(39,864)	(51,776)	(156,986)
Net Income (Loss) Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities	46,629	25,907	(22,069)	(27,010)	(222,498)
Basic and Diluted Earnings Per Share:					
Income (Loss) from Continuing Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders	\$ 0.18	\$ (0.09)	\$ (0.44)	\$ (0.65)	\$ (2.49)
Net Income (Loss) Available to First Industrial Realty Trust, Inc.'s Common Stockholders	0.42	0.24	(0.24)	(0.34)	(3.53)
Distributions Per Share	\$ 0.41	\$ 0.34	\$ 0.00	\$ 0.00	\$ 0.00
Basic Weighted Average Shares	109,922	106,995	91,468	80,616	62,953
Diluted Weighted Average Shares	110,325	106,995	91,468	80,616	62,953
Balance Sheet Data (End of Period):					
Real Estate, Before Accumulated Depreciation	\$3,183,369	\$3,119,547	\$3,121,448	\$2,992,096	\$2,618,767
Total Assets	2,581,995	2,597,510	2,608,842	2,666,657	2,750,054
Indebtedness (Inclusive of Indebtedness Held for Sale)	1,349,846	1,296,806	1,335,766	1,479,483	1,742,776
Total Equity	1,090,827	1,171,219	1,145,653	1,072,595	892,144
Cash Flow Data:					
Cash Flow From Operating Activities	\$ 137,176	\$ 125,751	\$ 136,422	\$ 87,534	\$ 83,189
Cash Flow From Investing Activities	(69,069)	(61,313)	(42,235)	(3,779)	(9,923)
Cash Flow From Financing Activities	(66,166)	(61,748)	(99,407)	(99,504)	(230,383)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with "Selected Financial Data" and the Consolidated Financial Statements and Notes thereto appearing elsewhere in this Form 10-K.

In addition, the following discussion may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, and Section 21E of the Exchange Act. We intend for such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on certain assumptions and describe future plans, strategies and expectations of the Company. Although we believe the expectations reflected in forward-looking statements are based upon reasonable assumptions, we can give no assurance that our expectations will be attained or that results will not materially differ. Factors which could have a materially adverse effect on our operations and future prospects include, but are not limited to: changes in national, international, regional and local economic conditions generally and real estate markets specifically; changes in legislation/regulation (including changes to laws governing the taxation of REITs) and actions of regulatory authorities; our ability to qualify and maintain our status as a REIT; the availability and attractiveness of financing (including both public and private capital) to us and to our potential counterparties; the availability and attractiveness of terms of additional debt repurchases; interest rates; our credit agency ratings; our ability to comply with applicable financial covenants; competition; changes in supply and demand for industrial properties (including land) in the Company's current and potential market areas; difficulties in identifying and consummating acquisitions and dispositions; our ability to manage the integration of properties we acquire; risks related to our investments in properties through joint ventures; environmental liabilities; delays in development or lease-up schedules; tenant creditworthiness; higher-than-expected costs; changes in asset valuations and related impairment charges; changes in general accounting principles, policies and guidelines applicable to REITs; and those additional factors described in Item 1A, "Risk Factors" and elsewhere in this report and in the Company's other Exchange Act reports. We caution you not to place undue reliance on forward-looking statements, which reflect our outlook only and speak only as of the date of this report. We assume no obligation to update or supplement forward-looking statements.

The Company was organized in the state of Maryland on August 10, 1993. We are a REIT, as defined in the Code. We began operations on July 1, 1994. Our interests in our properties and land parcels are held through partnerships, corporations, and limited liability companies controlled, directly or indirectly, by us, including the Operating Partnership, of which we are the sole general partner, and through our taxable REIT subsidiaries. We also conduct operations through the Other Real Estate Partnerships and limited liability companies, the operating data of which, together with that of the Operating Partnership and the taxable REIT subsidiaries, is consolidated with that of the Company, as presented herein. First Industrial Realty Trust, Inc. does not have any significant assets or liabilities other than its investment in the Operating Partnership and its 100% ownership interest in the general partner of the Other Real Estate Partnerships.

We also own noncontrolling equity interests in, and provide various services to, two joint ventures (the 2003 Net Lease Joint Venture and the 2007 Europe Joint Venture). At December 31, 2014, the 2003 Net Lease Joint Venture owned one industrial property comprising approximately 0.8 million square feet of GLA and the 2007 Europe Joint Venture did not own any properties. The Joint Ventures are accounted for under the equity method of accounting. Accordingly, the operating data of our Joint Ventures is not consolidated with that of the Company as presented herein.

We believe our financial condition and results of operations are, primarily, a function of our performance in four key areas: leasing of industrial properties, acquisition and development of additional industrial properties, disposition of industrial properties and access to external capital.

We generate revenue primarily from rental income and tenant recoveries from operating leases of our industrial properties. Such revenue is offset by certain property specific operating expenses, such as real estate

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

taxes, repairs and maintenance, property management, utilities and insurance expenses, along with certain other costs and expenses, such as depreciation and amortization costs and general and administrative and interest expenses. Our revenue growth is dependent, in part, on our ability to (i) increase rental income, through increasing either or both occupancy rates and rental rates at our properties, (ii) maximize tenant recoveries and (iii) minimize operating and certain other expenses. Revenues generated from rental income and tenant recoveries are a significant source of funds, in addition to income generated from gains/losses on the sale of our properties (as discussed below), for our liquidity. The leasing of property, in general, and occupancy rates, rental rates, operating expenses and certain non-operating expenses, in particular, are impacted, variously, by property specific, market specific, general economic and other conditions, many of which are beyond our control. The leasing of property also entails various risks, including the risk of tenant default. If we were unable to maintain or increase occupancy rates and rental rates at our properties or to maintain tenant recoveries and operating and certain other expenses consistent with historical levels and proportions, our revenue would decline. Further, if a significant number of our tenants were unable to pay rent (including tenant recoveries) or if we were unable to rent our properties on favorable terms, our financial condition, results of operations, cash flow and ability to pay dividends on, and the market price of, our common stock would be adversely affected.

Our revenue growth is also dependent, in part, on our ability to acquire existing, and develop new industrial properties on favorable terms. The Company seeks to identify opportunities to acquire existing industrial properties on favorable terms, and, when conditions permit, also seeks to acquire and develop new industrial properties on favorable terms. Existing properties, as they are acquired, and acquired and developed properties, as they are leased, generate revenue from rental income, tenant recoveries and fees, income from which, as discussed above, is a source of funds for our distributions. The acquisition and development of properties is impacted, variously, by property specific, market specific, general economic and other conditions, many of which are beyond our control. The acquisition and development of properties also entails various risks, including the risk that our investments may not perform as expected. For example, acquired existing and acquired and developed new properties may not sustain and/or achieve anticipated occupancy and rental rate levels. With respect to acquired and developed new properties, we may not be able to complete construction on schedule or within budget, resulting in increased debt service expense and construction costs and delays in leasing the properties. Also, we face significant competition for attractive acquisition and development opportunities from other well-capitalized real estate investors, including publicly-traded REITs and private investors. Further, as discussed below, we may not be able to finance the acquisition and development opportunities we identify. If we were unable to acquire and develop sufficient additional properties on favorable terms, or if such investments did not perform as expected, our revenue growth would be limited and our financial condition, results of operations, cash flow and ability to pay dividends on, and the market price of, our common stock would be adversely affected.

We also generate income from the sale of our properties (including existing buildings, buildings which we have developed or re-developed on a merchant basis and land). The gain/loss on, and fees from, the sale of such properties are included in our income and can be a significant source of funds, in addition to revenues generated from rental income and tenant recoveries. Proceeds from sales are being used to repay outstanding debt and, market conditions permitting, may be used to fund the acquisition of existing, and the acquisition and development of new, industrial properties. The sale of properties is impacted, variously, by property specific, market specific, general economic and other conditions, many of which are beyond our control. The sale of properties also entails various risks, including competition from other sellers and the availability of attractive financing for potential buyers of our properties. Further, our ability to sell properties is limited by safe harbor rules applying to REITs under the Code which relate to the number of properties that may be disposed of in a year, their tax bases and the cost of improvements made to the properties, along with other tests which enable a REIT to avoid punitive taxation on the sale of assets. If we are unable to sell properties on favorable terms, our income growth would be limited and our financial condition, results of operations, cash flow and ability to pay dividends on, and the market price of, our common stock could be adversely affected.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

We utilize a portion of the net sales proceeds from property sales, borrowings under our Unsecured Credit Facility, and proceeds from the issuance, when and as warranted, of additional debt and equity securities to refinance debt and finance future acquisitions and developments. Access to external capital on favorable terms plays a key role in our financial condition and results of operations, as it impacts our cost of capital and our ability and cost to refinance existing indebtedness as it matures and to fund acquisitions and developments. Our ability to access external capital on favorable terms is dependent on various factors, including general market conditions, interest rates, credit ratings on our debt, the market's perception of our growth potential, our current and potential future earnings and cash distributions and the market price of our capital stock. If we were unable to access external capital on favorable terms, our financial condition, results of operations, cash flow and ability to pay dividends on, and the market price of, our common stock could be adversely affected.

CRITICAL ACCOUNTING POLICIES

Our significant accounting policies are described in more detail in Note 3 to the Consolidated Financial Statements. We believe the following critical accounting policies relate to the more significant judgments and estimates used in the preparation of our consolidated financial statements.

- *Accounts Receivable:* We are subject to tenant defaults and bankruptcies that could affect the collection of rent due under our outstanding accounts receivable, including straight-line rent. In order to mitigate these risks, we perform credit reviews and analyses on our major existing tenants and all prospective tenants meeting certain financial thresholds before leases are executed. We maintain an allowance for doubtful accounts which is an estimate that is based on our assessment of various factors including the accounts receivable aging, customer credit-worthiness and historical bad debts.
- *Investment in Real Estate:* We allocate purchase price of acquired properties to tangible (land, building, tenant improvements) and identified intangible assets (leasing commissions, in-place leases, tenant relationships, above and below market leases and below market ground lease obligations). Above-market and below-market lease and below market ground lease obligation values for acquired properties are recorded based on the present value (using a discount rate which reflects the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be paid pursuant to each in-place lease and (ii) our estimate of fair market lease rents for each corresponding in-place lease. Acquired above market leases are amortized as a reduction of rental revenue over the remaining non-cancelable terms of the respective leases and acquired below market leases are amortized as an increase to rental income over the remaining initial terms plus the terms of any below market fixed rate renewal options of the respective leases. Leasing commission, in-place lease and tenant relationship values for acquired properties are recorded based on our evaluation of the specific characteristics of each tenant's lease and our overall relationship with the respective tenant. The value allocated to leasing commission and in-place lease intangible assets is amortized to depreciation and amortization expense over the remaining lease term of the respective lease. The value allocated to tenant relationships is amortized to depreciation and amortization expense over the expected term of the relationship, which includes an estimate of the probability of lease renewal and its estimated term. We also must allocate purchase price on multi-property portfolios to individual properties. The allocation of purchase price is based on our assessment of various characteristics of the markets where the property is located and the expected cash flows of the property.
- *Capitalization of Costs:* We capitalize costs incurred in developing and expanding real estate assets as part of the investment basis. During the construction period, we capitalize interest costs, real estate taxes and certain costs of the personnel performing development up to the time the property is substantially complete. The interest rate used to capitalize interest is based upon our average borrowing rate on existing debt. Costs incurred in making repairs and maintaining real estate assets are expensed as

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

incurred. We also capitalize internal and external costs incurred to successfully originate a lease that result directly from, and are essential to, the acquisition of that lease. Leasing costs that meet the requirements for capitalization are presented as a component of prepaid expenses and other assets. The determination and calculation of certain costs requires estimates by us.

- *Impairment of Real Estate Assets:* We review our real estate assets for possible impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. We utilize the guidelines established under the Financial Accounting Standards Board's (the "FASB") guidance for accounting for the impairment of long lived assets to determine if impairment conditions exist. We review the expected undiscounted cash flows of the property to determine if there are any indications of impairment. If the expected undiscounted cash flows of a particular property are less than the net book basis of the property, we will recognize an impairment charge equal to the amount of carrying value of the property that exceeds the fair value of the property. Fair value is generally determined by discounting the future expected cash flows of the property. The preparation of the undiscounted cash flows and the calculation of fair value involve subjective assumptions such as estimated occupancy, rental rates, ultimate residual value and hold period. The discount rate used to present value the cash flows for determining fair value is also subjective. To the extent applicable marketplace data is available, we generally use the market approach in estimating the fair value of undeveloped land. Real estate assets that are classified as held-for-sale are reported at the lower of their carrying value or their fair value, less estimated costs to sell.
- *Accounting for Joint Ventures:* We analyze our investments in Joint Ventures to determine whether the joint ventures should be accounted for under the equity method of accounting or consolidated into our financial statements based on standards set forth under the FASB's guidance relating to the consolidation of variable interest entities. Based on the guidance set forth in these pronouncements, we do not consolidate any of our joint venture investments because either the joint venture has been determined to be a variable interest entity but we are not the primary beneficiary or the joint venture has been determined not to be a variable interest entity and we lack control of the joint venture. Our assessment of whether we are the primary beneficiary of a variable interest entity involves the consideration of various factors including the form of our ownership interest, our representation on the entity's governing body, the size of our investment and future cash flows of the entity.
- *Deferred Tax Assets and Liabilities:* In the preparation of our consolidated financial statements, significant management judgment is required to estimate our current and deferred income tax liabilities. Our estimates are based on our interpretation of tax laws. These estimates may have an impact on the income tax expense recognized. Adjustments may be required by a change in assessment of our deferred income tax assets and liabilities, changes due to audit adjustments by federal and state tax authorities, our inability to qualify as a REIT and changes in tax laws. Adjustments required in any given period are included within the income tax provision. In assessing the need for a valuation allowance against our deferred tax assets, we estimate future taxable income, considering the feasibility of ongoing tax planning strategies and the realizability of tax loss carryforwards. In the event we were to determine that we would not be able to realize all or a portion of our deferred tax assets in the future, we would reduce such amounts through a charge to income in the period in which that determination is made. Conversely, if we were to determine that we would be able to realize our deferred tax assets in the future in excess of the net carrying amounts, we would decrease the recorded valuation allowance through an increase to income in the period in which that determination is made.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

Comparison of Year Ended December 31, 2014 to Year Ended December 31, 2013

Our net income available to First Industrial Realty Trust, Inc.'s common stockholders and participating securities was \$46.6 million and \$25.9 million for the years ended December 31, 2014 and 2013, respectively. Basic and diluted net income available to First Industrial Realty Trust, Inc.'s common stockholders was \$0.42 per share and \$0.24 per share for the years ended December 31, 2014 and 2013, respectively.

The tables below summarize our revenues, property expenses and depreciation and other amortization by various categories for the years ended December 31, 2014 and 2013. Same store properties are properties owned prior to January 1, 2013 and held as an in-service property through December 31, 2014 and developments and redevelopments that were placed in service prior to January 1, 2013 or were substantially completed for the 12 months prior to January 1, 2013. Properties which are at least 75% occupied at acquisition are placed in service. Acquisitions (that are less than 75% occupied at the date of acquisition), developments and redevelopments are placed in service as they reach the earlier of a) stabilized occupancy (generally defined as 90% occupied), or b) one year subsequent to acquisition or development/redevelopment construction completion. Properties are moved from the same store classification to the redevelopment classification when capital expenditures for a project are estimated to exceed 25% of the undepreciated gross book value of the property. Acquired properties are properties that were acquired subsequent to December 31, 2012 and held as an operating property through December 31, 2014. Sold properties are properties that were sold subsequent to December 31, 2012. (Re)Developments and land are land parcels and developments and redevelopments that were not: a) substantially complete 12 months prior to January 1, 2013 or b) stabilized prior to January 1, 2013. Other revenues are derived from the operations of our maintenance company, fees earned from our Joint Ventures and other miscellaneous revenues. Other expenses are derived from the operations of our maintenance company and other miscellaneous regional expenses.

Our future financial condition and results of operations, including rental revenues, may be impacted by the future acquisition and sale of properties. Our future revenues and expenses may vary materially from historical rates.

For the years ended December 31, 2014 and 2013, the average occupancy rates of our same store properties were 92.5% and 90.9%, respectively.

	<u>2014</u>	<u>2013</u>	<u>\$ Change</u>	<u>% Change</u>
	(\$ in 000's)			
REVENUES				
Same Store Properties	\$331,594	\$315,118	\$ 16,476	5.2%
Acquired Properties	6,894	453	6,441	1,421.9%
Sold Properties	7,007	20,727	(13,720)	(66.2)%
(Re) Developments and Land, Not Included				
Above	4,165	1,425	2,740	192.3%
Other	<u>1,946</u>	<u>1,458</u>	<u>488</u>	33.5%
	\$351,606	\$339,181	\$ 12,425	3.7%
Discontinued Operations	<u>(7,007)</u>	<u>(20,727)</u>	<u>13,720</u>	(66.2)%
Total Revenues	<u><u>\$344,599</u></u>	<u><u>\$318,454</u></u>	<u><u>\$ 26,145</u></u>	8.2%

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Revenues from same store properties increased \$16.5 million primarily due to an increase in occupancy, an increase in tenant recoveries and a one-time restoration fee recognized in 2014, partially offset by an increase in the straight-line rent reserve for doubtful accounts. Revenues from acquired properties increased \$6.4 million due to the 10 industrial properties acquired subsequent to December 31, 2012 totaling approximately 2.2 million square feet of GLA. Revenues from sold properties decreased \$13.7 million due to the 96 industrial properties sold subsequent to December 31, 2012 totaling approximately 5.0 million square feet of GLA. Revenues from (re)developments and land increased \$2.7 million due to an increase in occupancy. Other revenues increased \$0.5 million primarily due to an increase in maintenance company revenues and other one-time revenue transactions.

	<u>2014</u>	<u>2013</u>	<u>\$ Change</u>	<u>% Change</u>
			(\$ in 000's)	
PROPERTY EXPENSES				
Same Store Properties	\$100,468	\$ 93,542	\$ 6,926	7.4%
Acquired Properties	2,647	454	2,193	483.0%
Sold Properties	2,784	8,126	(5,342)	(65.7)%
(Re) Developments and Land, Not Included Above	2,871	903	1,968	217.9%
Other	8,513	8,815	(302)	(3.4)%
	<u>\$117,283</u>	<u>\$111,840</u>	<u>\$ 5,443</u>	<u>4.9%</u>
Discontinued Operations	(2,784)	(8,126)	5,342	(65.7)%
	<u>\$114,499</u>	<u>\$103,714</u>	<u>\$10,785</u>	<u>10.4%</u>

Property expenses include real estate taxes, repairs and maintenance, property management, utilities, insurance and other property related expenses. Property expenses from same store properties increased \$6.9 million primarily due to higher snow removal costs incurred during the year ended December 31, 2014 as compared to the year ended December 31, 2013 due to the harsh 2014 winter, an increase in real estate tax expense and an increase in bad debt expense. Property expenses from acquired properties increased \$2.2 million due to properties acquired subsequent to December 31, 2012. Property expenses from sold properties decreased \$5.3 million due to properties sold subsequent to December 31, 2012. Property expenses from (re)developments and land increased \$2.0 million primarily due to an increase in real estate tax expense related to the substantial completion of developments. Other expenses remained relatively unchanged.

General and administrative expense remained relatively unchanged.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the years ended December 31, 2014 and 2013, we recognized \$1.0 million and \$0.3 million, respectively, of expense related to costs associated with acquiring buildings from third parties.

	<u>2014</u>	<u>2013</u>	<u>\$ Change</u>	<u>% Change</u>
			(\$ in 000's)	
DEPRECIATION AND OTHER AMORTIZATION				
Same Store Properties	\$104,120	\$104,676	\$ (556)	(0.5)%
Acquired Properties	4,642	871	3,771	433.0%
Sold Properties	2,388	7,727	(5,339)	(69.1)%
(Re) Developments and Land, Not Included				
Above	2,609	786	1,823	231.9%
Corporate Furniture, Fixtures and Equipment	526	618	(92)	(14.9)%
	<u>\$114,285</u>	<u>\$114,678</u>	<u>\$ (393)</u>	<u>(0.3)%</u>
Discontinued Operations	(2,388)	(7,727)	5,339	(69.1)%
	<u>(2,388)</u>	<u>(7,727)</u>	<u>5,339</u>	<u>(69.1)%</u>
Total Depreciation and Other Amortization	<u><u>\$111,897</u></u>	<u><u>\$106,951</u></u>	<u><u>\$ 4,946</u></u>	<u><u>4.6%</u></u>

Depreciation and other amortization for same store properties remained relatively unchanged. Depreciation and other amortization from acquired properties increased \$3.8 million due to properties acquired subsequent to December 31, 2012. Depreciation and other amortization from sold properties decreased \$5.3 million due to properties sold subsequent to December 31, 2012. Depreciation and other amortization for (re)developments and land increased \$1.8 million primarily due to an increase in developments that were placed in service. Corporate furniture, fixtures and equipment depreciation expense decreased \$0.1 million due to assets becoming fully depreciated.

Interest income decreased \$0.2 million, or 10.4%, primarily due to a decrease in the weighted average note receivable balance outstanding for the year ended December 31, 2014 as compared to the year ended December 31, 2013 partially offset by the receipt of prepayment fees of \$0.7 million related to note receivables that were paid off early during the year ended December 31, 2014.

Interest expense decreased \$1.4 million, or 1.9%, primarily due to a decrease in the weighted average interest rate for the year ended December 31, 2014 (5.33%) as compared to the year ended December 31, 2013 (5.77%), partially offset by an increase in the weighted average debt balance outstanding for the year ended December 31, 2014 (\$1,380.6 million) as compared to the year ended December 31, 2013 (\$1,338.5 million) and a decrease in capitalized interest of \$2.2 million for the year ended December 31, 2014 as compared to the year ended December 31, 2013 due to a decrease in development activities.

Amortization of deferred financing costs remained relatively unchanged.

In October 2008, we entered into an interest rate swap agreement (the "Series F Agreement") to mitigate our exposure to floating interest rates related to the coupon reset of our Series F Preferred Stock. The Series F Agreement had a notional value of \$50.0 million and fixed the 30 year Treasury constant maturity treasury rate at 5.2175%. We recorded \$0.1 million in mark-to-market net gain, inclusive of \$0.8 million in swap payments, for the year ended December 31, 2013. The Series F Agreement matured on October 1, 2013.

For the year ended December 31, 2014, we recognized a loss from retirement of debt of \$0.7 million due to the early payoff of certain mortgage loans. For the year ended December 31, 2013, we recognized a loss from

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retirement of debt of \$6.6 million due to the partial repurchase of certain series of our senior unsecured notes, the early payoff of certain mortgage loans and the write-off of certain unamortized loan fees associated with the amendment of our revolving line of credit.

Equity in income of joint ventures increased \$3.4 million during the year ended December 31, 2014 as compared to the year ended December 31, 2013 primarily due to an increase in our pro rata share of gain and earn outs from the sales of industrial properties from the 2003 Net Lease Joint Venture.

The income tax provision is not significant.

The following table summarizes certain information regarding the industrial properties included in discontinued operations for the years ended December 31, 2014 and 2013.

	<u>2014</u>	<u>2013</u>
	(\$ in 000's)	
Total Revenues	\$ 7,007	\$20,727
Property Expenses	(2,784)	(8,126)
Impairment of Real Estate	—	(2,652)
Depreciation and Amortization	(2,388)	(7,727)
Gain on Sale of Real Estate	25,988	34,344
Income from Discontinued Operations	<u>\$27,823</u>	<u>\$36,566</u>

Income from discontinued operations for the year ended December 31, 2014 reflects the results of operations and gain on sale of real estate relating to 29 industrial properties that were sold during the year ended December 31, 2014.

Income from discontinued operations for the year ended December 31, 2013 reflects the results of operations and gain on sale of real estate relating to 67 industrial properties that were sold during the year ended December 31, 2013 and the results of operations of 29 industrial properties that were sold during the year ended December 31, 2014. The impairment loss for the year ended December 31, 2013 of \$2.7 million primarily relates to an impairment charge recorded due to carrying values of certain properties exceeding the estimated fair value based upon third party purchase contracts for properties held for sale during 2013.

The \$0.1 million loss and \$1.1 million gain on sale of real estate for the years ended December 31, 2014 and 2013, respectively, resulted from the sale of land parcels that did not meet the criteria for inclusion in discontinued operations.

Comparison of Year Ended December 31, 2013 to Year Ended December 31, 2012

Our net income (loss) available to First Industrial Realty Trust, Inc.'s common stockholders and participating securities was \$25.9 million and \$(22.1) million for the years ended December 31, 2013 and 2012, respectively. Basic and diluted net income (loss) available to First Industrial Realty Trust, Inc.'s common stockholders was \$0.24 per share and \$(0.24) per share for the years ended December 31, 2013 and 2012, respectively.

The tables below summarize our revenues, property expenses and depreciation and other amortization by various categories for the years ended December 31, 2013 and 2012. Same store properties are properties owned prior to January 1, 2012 and held as an in-service property through December 31, 2013 and developments and redevelopments that were placed in service prior to January 1, 2012 or were substantially completed for the

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12 months prior to January 1, 2012. Properties which are at least 75% occupied at acquisition are placed in service. Acquisitions (that are less than 75% occupied at the date of acquisition), developments and redevelopments are placed in service as they reach the earlier of a) stabilized occupancy (generally defined as 90% occupied), or b) one year subsequent to acquisition or development/redevelopment construction completion. Properties are moved from the same store classification to the redevelopment classification when capital expenditures for a project are estimated to exceed 25% of the undepreciated gross book value of the property. Acquired properties are properties that were acquired subsequent to December 31, 2011 and held as an operating property through December 31, 2013. Sold properties are properties that were sold subsequent to December 31, 2011. (Re)Developments and land are land parcels and developments and redevelopments that were not: a) substantially complete 12 months prior to January 1, 2012 or b) stabilized prior to January 1, 2012. Other revenues are derived from the operations of our maintenance company, fees earned from our Joint Ventures and other miscellaneous revenues. Other expenses are derived from the operations of our maintenance company and other miscellaneous regional expenses.

Our future financial condition and results of operations, including rental revenues, may be impacted by the future acquisition and sale of properties. Our future revenues and expenses may vary materially from historical rates.

For the years ended December 31, 2013 and 2012, the average occupancy rates of our same store properties were 90.1% and 88.3%, respectively.

	<u>2013</u>	<u>2012</u>	<u>\$ Change</u>	<u>% Change</u>
			(\$ in 000's)	
REVENUES				
Same Store Properties	\$317,460	\$309,051	\$ 8,409	2.7%
Acquired Properties	2,729	1,954	775	39.7%
Sold Properties	10,892	21,618	(10,726)	(49.6)%
(Re) Developments and Land, Not Included Above	6,641	716	5,925	827.5%
Other	1,459	2,635	(1,176)	(44.6)%
	<u>\$339,181</u>	<u>\$335,974</u>	<u>\$ 3,207</u>	<u>1.0%</u>
Discontinued Operations	(20,727)	(31,457)	10,730	(34.1)%
Total Revenues	<u>\$318,454</u>	<u>\$304,517</u>	<u>\$ 13,937</u>	<u>4.6%</u>

Revenues from same store properties increased \$8.4 million primarily due to increases in occupancy and tenant recoveries, partially offset by a decrease in lease cancellation fees. Revenues from acquired properties increased \$0.8 million due to the two leased industrial properties acquired subsequent to December 31, 2011 totaling approximately 1.0 million square feet of GLA. Revenues from sold properties decreased \$10.7 million due to the 95 industrial properties sold subsequent to December 31, 2011 totaling approximately 7.2 million square feet of GLA. Revenues from (re)developments and land increased \$5.9 million due to an increase in occupancy. Other revenues decreased \$1.2 million primarily due to certain one-time revenue transactions during the year ended December 31, 2012, as well as a decrease in leasing fees earned from our Joint Ventures and a decrease in revenues from the operations of our maintenance company for the year ended December 31, 2013, as compared to the year ended December 31, 2012.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

	<u>2013</u>	<u>2012</u>	<u>\$ Change</u>	<u>% Change</u>
			(\$ in 000's)	
PROPERTY EXPENSES				
Same Store Properties	\$ 95,591	\$ 89,472	\$ 6,119	6.8%
Acquired Properties	1,047	420	627	149.3%
Sold Properties	4,226	8,700	(4,474)	(51.4)%
(Re) Developments and Land, Not Included Above	2,160	709	1,451	204.7%
Other	8,816	9,485	(669)	(7.1)%
	<u>\$111,840</u>	<u>\$108,786</u>	<u>\$ 3,054</u>	<u>2.8%</u>
Discontinued Operations	(8,126)	(12,269)	4,143	(33.8)%
Total Property Expenses	<u>\$103,714</u>	<u>\$ 96,517</u>	<u>\$ 7,197</u>	<u>7.5%</u>

Property expenses include real estate taxes, repairs and maintenance, property management, utilities, insurance and other property related expenses. Property expenses from same store properties increased \$6.1 million primarily due to an increase in real estate tax expense due to refunds received in 2012 relating to previous years and an increase in repairs and maintenance expense due to the higher snow removal costs incurred during the year ended December 31, 2013 as compared to the year ended December 31, 2012 due to the mild 2012 winter. Property expenses from acquired properties increased \$0.6 million due to properties acquired subsequent to December 31, 2011. Property expenses from sold properties decreased \$4.5 million due to properties sold subsequent to December 31, 2011. Property expenses from (re)developments and land increased \$1.5 million primarily due to an increase in real estate tax expense. Other expenses remained relatively unchanged.

General and administrative expense decreased \$2.2 million, or 8.9%, during the year ended December 31, 2013 compared to the year ended December 31, 2012 due primarily to the acceleration of expense recorded during 2012 related to restricted stock held by the Company's CEO in connection with the terms of his employment agreement that was entered into in December 2012.

For the years ended December 31, 2013 and 2012, we recognized \$0.3 million and \$0.04 million, respectively, of expense related to costs associated with acquiring buildings from third parties.

The impairment reversal included in continuing operations for the year ended December 31, 2012 of \$0.2 million is primarily comprised of an impairment reversal relating to certain industrial properties that no longer qualified for held for sale classification.

	<u>2013</u>	<u>2012</u>	<u>\$ Change</u>	<u>% Change</u>
			(\$ in 000's)	
DEPRECIATION AND OTHER AMORTIZATION				
Same Store Properties	\$106,797	\$112,435	\$(5,638)	(5.0)%
Acquired Properties	1,755	808	947	117.2%
Sold Properties	3,646	7,832	(4,186)	(53.4)%
(Re) Developments and Land, Not Included Above	1,862	357	1,505	421.6%
Corporate Furniture, Fixtures and Equipment	618	1,077	(459)	(42.6)%
	<u>\$114,678</u>	<u>\$122,509</u>	<u>\$(7,831)</u>	<u>(6.4)%</u>
Discontinued Operations	(7,727)	(11,648)	3,921	(33.7)%
Total Depreciation and Other Amortization	<u>\$106,951</u>	<u>\$110,861</u>	<u>\$(3,910)</u>	<u>(3.5)%</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Depreciation and other amortization for same store properties decreased \$5.6 million due to a decrease in catch-up depreciation taken for properties that were classified as held for sale in 2011 but no longer classified as held for sale during the year ended December 31, 2012, certain intangible assets related to acquisitions of real estate becoming fully depreciated as well as certain adjustments, which should have been recorded in previous periods, recorded during the years ended December 31, 2013 and 2012 causing a decrease in depreciation and amortization expense. Depreciation and other amortization from acquired properties increased \$0.9 million due to properties acquired subsequent to December 31, 2011. Depreciation and other amortization from sold properties decreased \$4.2 million due to properties sold subsequent to December 31, 2011. Depreciation and other amortization for (re)developments and land increased \$1.5 million primarily due to an increase in substantial completion of developments. Corporate furniture, fixtures and equipment depreciation expense decreased \$0.5 million due to assets becoming fully depreciated.

Interest income decreased \$0.5 million, or 18.1%, primarily due to a decrease in the weighted average note receivable balance outstanding and a decrease in the weighted average interest rate for the year ended December 31, 2013 as compared to the year ended December 31, 2012.

Interest expense decreased \$9.9 million, or 11.9%, primarily due to a decrease in the weighted average debt balance outstanding for the year ended December 31, 2013 (\$1,338.5 million) as compared to the year ended December 31, 2012 (\$1,427.7 million), an increase in capitalized interest of \$1.6 million for the year ended December 31, 2013 as compared to the year ended December 31, 2012 due to an increase in development activities and a decrease in the weighted average interest rate for the year ended December 31, 2013 (5.77%) as compared to the year ended December 31, 2012 (5.99%).

Amortization of deferred financing costs decreased \$0.2 million, or 6.8%, due to lower deferred financing costs due to the amendment to our credit facility in July 2013 and the write off of financing costs related to the early retirement of certain mortgage loans and the repurchase and retirement of certain senior unsecured notes.

We recorded \$0.1 million in mark-to-market net gain, inclusive of \$0.8 million in swap payments related to the Series F Agreement, for the year ended December 31, 2013, as compared to \$0.3 million in mark-to-market net loss, inclusive of \$1.2 million in swap payments, for the year ended December 31, 2012. The Series F Agreement matured on October 1, 2013.

For the year ended December 31, 2013, we recognized a net loss from retirement of debt of \$6.6 million due to the partial repurchase of certain series of our senior unsecured notes, the early payoff of certain mortgage loans and the write-off of certain unamortized loan fees associated with the amendment of our revolving line of credit. For the year ended December 31, 2012, we recognized a net loss from retirement of debt of \$9.7 million due to the partial repurchase of certain series of our senior unsecured notes and early payoff of certain mortgage loans.

Equity in income of joint ventures decreased \$1.4 million, or 91.3%, during the year ended December 31, 2013 as compared to the year ended December 31, 2012 primarily due to a decrease in our pro rata share of gain and earn-outs on property sales from the 2003 Net Lease Joint Venture.

For the year ended December 31, 2012, we recognized \$0.8 million of gain on change in control of interests related to the acquisition of the 85% equity interest in one property from the institutional investor in the 2003 Net Lease Joint Venture. The \$0.8 million of gain represents the difference between our carrying value and fair value of our equity interest on the acquisition date.

The income tax provision (as allocated to continuing operations and gain on sale of real estate, as applicable) decreased \$5.5 million or 100.1% during the year ended December 31, 2013 compared to the year ended December 31, 2012 primarily due to a one-time IRS audit adjustment related to the 2009 liquidation of a former taxable REIT subsidiary that was recorded during the year ended December 31, 2012.

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The following table summarizes certain information regarding the industrial properties included in discontinued operations for the years ended December 31, 2013 and 2012.

	<u>2013</u>	<u>2012</u>
	(\$ in 000's)	
Total Revenues	\$20,727	\$ 31,457
Property Expenses	(8,126)	(12,269)
Impairment of Real Estate	(2,652)	(1,438)
Depreciation and Amortization	(7,727)	(11,648)
Gain on Sale of Real Estate	34,344	12,665
Income from Discontinued Operations	<u>\$36,566</u>	<u>\$ 18,767</u>

Income from discontinued operations for the year ended December 31, 2013 reflects the results of operations and gain on sale of real estate relating to 67 industrial properties that were sold during the year ended December 31, 2013 and the results of operations of 29 industrial properties that were sold during the year ended December 31, 2014. The impairment loss for the year ended December 31, 2013 of \$2.7 million primarily relates to an impairment charge recorded due to the carrying values of certain properties exceeding the estimated fair value based upon third party purchase contracts for properties held for sale during 2013.

Income from discontinued operations for the year ended December 31, 2012 reflects the results of operations and gain on sale of real estate relating to 28 industrial properties that were sold during the year ended December 31, 2012, the results of operations of 29 industrial properties that were sold during the year ended December 31, 2014 and the results of operations of 67 industrial properties that were sold during the year ended December 31, 2013. The impairment loss for the year ended December 31, 2012 of \$1.4 million relates to impairment charges recorded due to carrying values of certain properties exceeding the estimated fair values based upon third party purchase contracts for properties held for sale during 2012.

The \$1.1 million and \$3.8 million gain on sale of real estate for the years ended December 31, 2013 and 2012, respectively, resulted from the sale of several land parcels that did not meet the criteria for inclusion in discontinued operations.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2014, our cash and cash equivalents and restricted cash were approximately \$9.5 million and \$1.8 million, respectively. Restricted cash is primarily comprised of cash held in escrow in connection with gross proceeds from the sales of certain industrial properties. These sales proceeds will be disbursed as we exchange industrial properties under Section 1031 of the Code. We also had \$433.0 million available for additional borrowings under our Unsecured Credit Facility.

We have considered our short-term (through December 31, 2015) liquidity needs and the adequacy of our estimated cash flow from operations and other expected liquidity sources to meet these needs. We have \$23.2 million in mortgage loans payable outstanding at December 31, 2014 that mature or we anticipate prepaying during 2015. We expect to satisfy these payment obligations prior to December 31, 2015 with borrowings under our Unsecured Credit Facility. With the exception of these payment obligations, we believe that our principal short-term liquidity needs are to fund normal recurring expenses, property acquisitions, developments, renovations, expansions and other nonrecurring capital improvements, debt service requirements, the minimum distributions required to maintain our REIT qualification under the Code and distributions approved by our Board of Directors. We anticipate that these needs will be met with cash flows provided by operating activities as well

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

as the disposition of select assets. These needs may also be met by the issuance of additional equity securities or long-term unsecured indebtedness, subject to market conditions and contractual restrictions or borrowings under our Unsecured Credit Facility.

We expect to meet long-term (after December 31, 2015) liquidity requirements such as property acquisitions, developments, scheduled debt maturities, major renovations, expansions and other nonrecurring capital improvements through the disposition of select assets, long-term unsecured and secured indebtedness and the issuance of additional equity securities, subject to market conditions.

We also finance the development and acquisition of additional properties through borrowings under our Unsecured Credit Facility and may finance the development or acquisition of additional properties through such borrowings, to the extent capacity is available. At December 31, 2014, borrowings under our Unsecured Credit Facility bore interest at a weighted average interest rate of 1.662%. As of February 24, 2015, we had approximately \$418.0 million available for additional borrowings under our Unsecured Credit Facility. Our Unsecured Credit Facility contains certain financial covenants including limitations on incurrence of debt and debt service coverage. Our access to borrowings may be limited if we fail to meet any of these covenants. We believe that we were in compliance with our financial covenants as of December 31, 2014, and we anticipate that we will be able to operate in compliance with our financial covenants in 2015.

Our senior unsecured notes have been assigned credit ratings from Standard & Poor's, Moody's and Fitch Ratings of BBB-/Baa3/BBB-, respectively. In the event of a downgrade, we believe we would continue to have access to sufficient capital; however, our cost of borrowing would increase and our ability to access certain financial markets may be limited.

Year Ended December 31, 2014

Net cash provided by operating activities of approximately \$137.2 million for the year ended December 31, 2014, was comprised primarily of the non-cash adjustments of approximately \$100.3 million, a book overdraft of approximately \$0.3 million, and net income of approximately \$51.0 million, offset by the net change in operating assets and liabilities of approximately \$2.1 million, payments of discounts and prepayment penalties associated with retirement of debt of approximately \$10.7 million and equity in income of Joint Ventures in excess of distributions of approximately \$1.6 million. The adjustments for the non-cash items of approximately \$100.3 million are primarily comprised of depreciation and amortization of approximately \$126.8 million, the loss from retirement of debt of approximately \$0.7 million and the provision for bad debt of approximately \$1.4 million, offset by the gain on sale of real estate of approximately \$25.9 million and the effect of the straight-lining of rental income of approximately \$2.7 million.

Net cash used in investing activities of approximately \$69.1 million for the year ended December 31, 2014, was comprised primarily of the acquisition of certain land parcels and eight industrial properties comprising approximately 1.1 million square feet of GLA, the development of real estate, capital expenditures related to the improvement of existing real estate, payments related to leasing activities and an increase in escrows, offset by the net proceeds from the sale of real estate, repayments on our notes receivable and net distributions from our Joint Ventures.

During the year ended December 31, 2014, we sold 29 industrial properties comprising approximately 2.0 million square feet of GLA and several land parcels. Proceeds from the sales of the 29 industrial properties and several land parcels, net of closing costs, were approximately \$98.5 million. We are in various stages of discussions with third parties for the sale of additional properties and plan to continue to selectively market other properties for sale in 2015.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Net cash used in financing activities of approximately \$66.2 million for the year ended December 31, 2014, was comprised primarily of the redemption of our Series F Preferred Stock and Series G Preferred Stock, repayments on our senior unsecured notes and mortgage loans payable, common stock/unit and preferred stock dividends, payments of debt issuance costs and the repurchase and retirement of restricted stock, offset by proceeds from the Unsecured Term Loan (as defined hereafter) and net proceeds from our Unsecured Credit Facility.

During the year ended December 31, 2014, we entered into a seven-year, \$200.0 million unsecured term loan (the "Unsecured Term Loan").

During the year ended December 31, 2014, we paid off and retired prior to maturity mortgage loans in the amount of \$65.6 million. Additionally, we paid off and retired our 2014 Notes, at maturity, in the amount of \$81.8 million. We may from time to time repay additional amounts of our outstanding debt. Any repayments would depend upon prevailing market conditions, our liquidity requirements, contractual restrictions and other factors we consider important. Future repayments may materially impact our liquidity, taxable income and results of operations.

During the year ended December 31, 2014, we redeemed all 50,000 Depositary Shares of the Series F Preferred Stock for \$50.0 million and paid a pro-rated first quarter dividend of \$11.3299 per Depositary Share, totaling approximately \$0.6 million. Additionally, during the year ended December 31, 2014, we redeemed all 25,000 Depositary Shares of the Series G Preferred Stock for \$25.0 million and paid a semi-annual dividend of \$36.18 per Depositary Share, totaling approximately \$0.9 million.

Contractual Obligations and Commitments

The following table lists our contractual obligations and commitments as of December 31, 2014:

	Total	Payments Due by Period (In thousands)			
		Less Than 1 Year	1-3 Years	3-5 Years	Over 5 Years
Operating and Ground Leases(1)(2)	\$ 33,914	\$ 1,939	\$ 3,886	\$ 1,698	\$ 26,391
Real Estate Development Costs(1)(3)	50,600	50,600	—	—	—
Long Term Debt	1,349,997	12,158	605,593	244,764	487,482
Interest Expense on Long Term Debt(1)(4)	278,806	64,334	94,997	60,156	59,319
Total	<u>\$1,713,317</u>	<u>\$129,031</u>	<u>\$704,476</u>	<u>\$306,618</u>	<u>\$573,192</u>

- (1) Not on balance sheet.
- (2) Operating lease minimum rental payments have not been reduced by minimum sublease rentals of \$5.4 million due in the future under non-cancelable subleases.
- (3) Represents estimated remaining costs on the completion of development projects.
- (4) Includes interest expense on our Unsecured Term Loan, inclusive of the impact of \$200.0 million of interest rate protection agreements which effectively swap the variable interest rate to a fixed interest rate. Excludes interest expense on our Unsecured Credit Facility.

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Off-Balance Sheet Arrangements

At December 31, 2014, we had letters of credit and performance bonds outstanding amounting to \$17.6 million in the aggregate. The letters of credit and performance bonds are not reflected as liabilities on our balance sheet. We have no other off-balance sheet arrangements, as defined in Item 303 of Regulation S-K, other than those disclosed on the Contractual Obligations and Commitments table above that have or are reasonably likely to have a current or future effect on our financial condition, results of operation or liquidity and capital resources.

Environmental

We paid approximately \$0.7 million and \$0.6 million in 2014 and 2013, respectively, related to environmental expenditures. We estimate 2015 expenditures of approximately \$0.5 million. We estimate that the aggregate expenditures which need to be expended in 2015 and beyond with regard to currently identified environmental issues will not exceed approximately \$1.8 million.

Inflation

For the last several years, inflation has not had a significant impact on the Company because of the relatively low inflation rates in our markets of operation. Most of our leases require the tenants to pay their share of operating expenses, including common area maintenance, real estate taxes and insurance, thereby reducing our exposure to increases in costs and operating expenses resulting from inflation. In addition, many of the outstanding leases have lease terms of six years which may enable us to replace existing leases with new leases at higher base rentals if rents of existing leases are below the then-existing market rate.

Market Risk

The following discussion about our risk-management activities includes "forward-looking statements" that involve risk and uncertainties. Actual results could differ materially from those projected in the forward-looking statements. Our business subjects us to market risk from interest rates, as described below.

Interest Rate Risk

The following analysis presents the hypothetical gain or loss in earnings, cash flows or fair value of the financial instruments and derivative instruments which are held by us at December 31, 2014 that are sensitive to changes in interest rates. While this analysis may have some use as a benchmark, it should not be viewed as a forecast.

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

At December 31, 2014, \$1,164.8 million (86.3% of total debt at December 31, 2014) of our debt was fixed rate debt (includes \$200.0 million of variable-rate debt that has been effectively swapped to a fixed rate through the use of interest rate protection agreements) and \$185.0 million (13.7% of total debt at December 31, 2014) of our debt was variable rate debt. At December 31, 2013, \$1,123.8 million (86.7% of total debt at December 31, 2013) of our debt was fixed rate debt and \$173.0 million (13.3% of total debt at December 31, 2013) of our debt was variable rate debt.

For fixed rate debt, changes in interest rates generally affect the fair value of the debt, but not our earnings or cash flows. Conversely, for variable rate debt, changes in the base interest rate used to calculate the all-in interest rate generally do not impact the fair value of the debt, but would affect our future earnings and cash

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flows. The interest rate risk and changes in fair market value of fixed rate debt generally do not have a significant impact on us until we are required to refinance such debt. See Note 5 to the Consolidated Financial Statements for a discussion of the maturity dates of our various fixed rate debt.

Our variable rate debt is subject to risk based upon prevailing market interest rates. As of December 31, 2014 and 2013, we had approximately \$185.0 million and \$173.0 million, respectively, of variable rate debt outstanding indexed to LIBOR rates (excluding the \$200.0 million of variable-rate debt that has been effectively swapped to a fixed rate through the use of interest rate protection agreements during the year ended December 31, 2014). If the LIBOR rates relevant to our variable rate debt were to have increased 10%, we estimate that our interest expense during the years ended December 31, 2014 and 2013 would have increased by approximately \$0.03 million and \$0.03 million, respectively, based on our average outstanding floating-rate debt during the years ended December 31, 2014 and 2013. Additionally, if weighted average interest rates on our fixed rate debt were to have increased by 10% due to refinancing, interest expense would have increased by approximately \$7.2 million and \$7.5 million during the years ended December 31, 2014 and 2013.

As of December 31, 2014 and 2013, the estimated fair value of our debt was approximately \$1,422.5 million and \$1,340.7 million, respectively, based on our estimate of the then-current market interest rates.

The use of derivative financial instruments allows us to manage risks of increases in interest rates with respect to the effect these fluctuations would have on our earnings and cash flows. As of December 31, 2014, we had interest rate protection agreements with a notional aggregate amount outstanding of \$420.0 million, which mitigate our exposure to interest rates. \$200.0 million of the interest rate protection agreements fix our interest rate on our Unsecured Term Loan and \$220.0 million fix our interest rate to maintain our flexibility to pursue an offering of long-term unsecured debt in the future. Currently, we do not enter into financial instruments for trading or other speculative purposes.

Supplemental Earnings Measure

Investors in and industry analysts following the real estate industry utilize funds from operations ("FFO") and net operating income ("NOI") as supplemental operating performance measures of an equity REIT. Historical cost accounting for real estate assets in accordance with accounting principles generally accepted in the United States of America ("GAAP") implicitly assumes that the value of real estate assets diminishes predictably over time through depreciation. Since real estate values instead have historically risen or fallen with market conditions, many industry analysts and investors prefer to supplement operating results that use historical cost accounting with measures such as FFO and NOI, among others. We provide information related to FFO and same store NOI ("SS NOI") both because such industry analysts are interested in such information, and because our management believes FFO and SS NOI are important performance measures. FFO and SS NOI are factors used by management in measuring our performance, including for purposes of determining the compensation of our executive officers under our 2014 incentive compensation plan.

Neither FFO nor SS NOI should be considered as a substitute for net income (loss), or any other measures derived in accordance with GAAP. Neither FFO nor SS NOI represents cash generated from operating activities in accordance with GAAP and neither should be considered as an alternative to cash flow from operating activities as a measure of our liquidity, nor is either indicative of funds available for our cash needs, including our ability to make cash distributions.

Funds From Operations

The National Association of Real Estate Investment Trusts ("NAREIT") created FFO as a supplemental measure of REIT operating performance that excludes historical cost depreciation, among other items, from net

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

income (loss) determined in accordance with GAAP. FFO is a non-GAAP financial measure. FFO is calculated by us in accordance with the definition adopted by the Board of Governors of NAREIT and therefore may not be comparable to other similarly titled measures of other companies.

Management believes that the use of FFO available to common stockholders and participating securities, combined with net income (loss) (which remains the primary measure of performance), improves the understanding of operating results of REITs among the investing public and makes comparisons of REIT operating results more meaningful. Management believes that, by excluding gains or losses related to sales of previously depreciated real estate assets, real estate asset depreciation and amortization and impairment charges (reversals) recorded on depreciable real estate, investors and analysts are able to identify the operating results of the long-term assets that form the core of a REIT's activity and use these operating results for assistance in comparing these operating results between periods or to those of different companies.

The following table shows a reconciliation of net income (loss) available to common stockholders and participating securities to the calculation of FFO available to common stockholders and participating securities for the years ended December 31, 2014, 2013 and 2012.

	Year Ended December 31,		
	2014	2013	2012
	(In thousands)		
Net Income (Loss) Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities	\$ 46,629	\$ 25,907	\$ (22,069)
Adjustments:			
Depreciation and Other Amortization of Real Estate	111,371	106,333	109,784
Depreciation and Other Amortization of Real Estate Included in Discontinued Operations	2,388	7,727	11,648
Equity in Depreciation and Other Amortization of Joint Ventures	117	273	(20)
Impairment of Depreciated Real Estate	—	—	(192)
Impairment of Depreciated Real Estate Included in Discontinued Operations	—	2,652	1,438
Non-NAREIT Compliant Gain	(25,988)	(34,344)	(12,665)
Non-NAREIT Compliant Gain from Joint Ventures	(3,346)	(111)	(902)
Gain on Change in Control of Interests	—	—	(776)
Noncontrolling Interest Share of Adjustments	(3,281)	(3,426)	(5,606)
Funds from Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities	<u>\$127,890</u>	<u>\$105,011</u>	<u>\$ 80,640</u>

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Same Store Net Operating Income

SS NOI is a non-GAAP financial measure that provides a measure of rental operations, and does not factor in depreciation and amortization, general and administrative expense, acquisition costs, interest expense, impairment charges, interest income, equity in income from joint ventures, income tax benefit and expense, gains and losses on retirement of debt, sale of real estate and mark-to-market of interest rate protection agreements. We define SS NOI as revenues minus property expenses such as real estate taxes, repairs and maintenance, property management, utilities, insurance and other expenses, minus the NOI of properties that are not same store properties and minus the impact of straight-line rent, the amortization of lease inducements, the amortization of above/below market rent and lease termination fees. As so defined, SS NOI may not be comparable to same store net operating income or similar measures reported by other REITs that define same store properties or NOI differently. The major factors influencing SS NOI are occupancy levels, rental rate increases or decreases and tenant recoveries increases or decreases. Our success depends largely upon our ability to lease space and to recover the operating costs associated with those leases from our tenants.

The following table shows a reconciliation of the same store revenues and property expenses disclosed in the results of operations (and reconciled to revenues and expenses reflected on the statements of operations) to SS NOI for the years ended December 31, 2014 and 2013.

	Year Ended December 31,	
	2014	2013
	(In thousands)	
Same Store Properties - Revenues	\$331,594	\$315,118
Same Store Properties - Property Expenses	100,468	93,542
Same Store Net Operating Income Before Adjustments	\$231,126	\$221,576
Adjustments:		
Lease Inducement Amortization	1,064	1,112
Straight-line Rent	(929)	(3,919)
Above / Below Market Rent Amortization	(827)	(562)
Lease Termination Fees	(1,482)	(998)
One-Time Restoration Fee	(2,638)	—
Same Store Net Operating Income	<u>\$226,314</u>	<u>\$217,209</u>

Subsequent Events

From January 1, 2015 to February 24, 2015, we sold six industrial properties for approximately \$12.9 million.

RISK FACTORS

Our operations involve various risks that could adversely affect our financial condition, results of operations, cash flow, ability to pay distributions and the market price of our common stock. These risks, among others contained in our other filings with the SEC, include:

Disruptions in the financial markets could affect our ability to obtain financing and may negatively impact our liquidity, financial condition and operating results.

From time to time, the capital and credit markets in the United States and other countries experience significant price volatility, dislocations and liquidity disruptions, which can cause the market prices of many securities and the spreads on prospective debt financings to fluctuate substantially. These circumstances can materially impact liquidity in the financial markets, making terms for certain financings less attractive, and in some cases result in the unavailability of financing. A significant amount of our existing indebtedness was issued through capital markets transactions. We anticipate that the capital markets could be a source of refinancing of our existing indebtedness in the future. This source of refinancing may not be available if volatility in or disruption of the capital markets occurs. Furthermore, we could potentially lose access to available liquidity under our Unsecured Credit Facility if one or more participating lenders were to default on their commitments. If our ability to issue additional debt or equity securities or to borrow money under our Unsecured Credit Facility were to be impaired by volatility in or disruption of the capital markets, it could have a material adverse effect on our liquidity and financial condition.

In addition, price volatility in the capital and credit markets could make the valuation of our properties more difficult. There may be significant uncertainty in the valuation, or in the stability of the value, of our properties that could result in a substantial decrease in the value of our properties. As a result, we may not be able to recover the carrying amount of our properties, which may require us to recognize an impairment loss in earnings.

Real estate investments fluctuate in value depending on conditions in the general economy and the real estate industry. These conditions may limit our revenues and available cash.

The factors that affect the value of our real estate and the revenues we derive from our properties include, among other things:

- general economic conditions;
- local, regional, national and international economic conditions and other events and occurrences that affect the markets in which we own properties;
- local conditions such as oversupply or a reduction in demand in an area;
- increasing labor and material costs;
- the ability to collect on a timely basis all rents from tenants;
- changes in tenant operations, real estate needs and credit;
- changes in interest rates and in the availability, cost and terms of mortgage funding;
- zoning or other regulatory restrictions;
- competition from other available real estate;
- operating costs, including maintenance, insurance premiums and real estate taxes; and
- other factors that are beyond our control.

Our investments in real estate assets are concentrated in the industrial sector, and the demand for industrial space in the United States is related to the level of economic output. Accordingly, reduced economic output may lead to lower occupancy rates for our properties. In addition, if any of our tenants experiences a downturn in its business that weakens its financial condition, delays lease commencement, fails to make rental payments when due,

RISK FACTORS

becomes insolvent or declares bankruptcy, the result could be a termination of the tenant's lease, which could adversely affect our cash flow from operations. These factors may be amplified by a disruption of financial markets.

Many real estate costs are fixed, even if income from properties decreases.

Our financial results depend on leasing space to tenants on terms favorable to us. Our income and funds available for distribution to our stockholders will decrease if a significant number of our tenants cannot pay their rent or we are unable to lease properties on favorable terms. In addition, if a tenant does not pay its rent, we may not be able to enforce our rights as landlord without delays and we may incur substantial legal costs. Costs associated with real property, such as real estate taxes and maintenance costs, generally are not reduced when circumstances cause a reduction in income from the property.

We may be unable to acquire properties on advantageous terms or acquisitions may not perform as we expect.

We have routinely acquired properties from third parties as conditions warrant and, as part of our business, we intend to continue to do so. The acquisition of properties entails various risks, including risks that our investments may not perform as expected and that our cost estimates for bringing an acquired property up to market standards may prove inaccurate. Further, we face significant competition for attractive investment opportunities from other well-capitalized real estate investors, including publicly-traded REITs and private investors. This competition increases as investments in real estate become attractive relative to other forms of investment. As a result of competition, we may be unable to acquire additional properties and purchase prices may increase. In addition, we expect to finance future acquisitions through a combination of borrowings under the Unsecured Credit Facility, proceeds from equity or debt offerings and debt originations by the Company and proceeds from property sales, which may not be available and which could adversely affect our cash flow. Any of the above risks could adversely affect our financial condition, results of operations, cash flow and ability to pay dividends on, and the market value of, our common stock.

We may obtain only limited warranties when we purchase a property and would have only limited recourse in the event our due diligence did not identify any issues that lower the value of our property.

The seller of a property often sells such property in its "as is" condition on a "where is" basis and "with all faults," without any warranties of merchantability or fitness for a particular use or purpose. In addition, purchase agreements may contain only limited warranties, representations and indemnifications that will only survive for a limited period after the closing. The purchase of properties with limited warranties increases the risk that we may lose some or all of our invested capital in the property as well as the loss of rental income from that property.

We may be unable to sell properties when appropriate or at all because real estate investments are not as liquid as certain other types of assets.

Real estate investments generally cannot be sold quickly, which could limit our ability to adjust our property portfolio in response to changes in economic conditions or in the performance of the portfolio. This could adversely affect our financial condition and our ability to service debt and make distributions to our stockholders. In addition, like other companies qualifying as REITs under the Code, our ability to sell assets may be restricted by tax laws that potentially result in punitive taxation on asset sales that fail to meet certain safe harbor rules or other criteria established under case law.

We may be unable to sell properties on advantageous terms.

We have routinely sold properties to third parties as conditions warrant and, as part of our business, we intend to continue to do so. However, our ability to sell properties on advantageous terms depends on factors beyond our control, including competition from other sellers and the availability of attractive financing for

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potential buyers. If we are unable to sell properties on favorable terms or to redeploy the proceeds in accordance with our business strategy, then our financial condition, results of operations, cash flow and ability to pay dividends on, and the market price of, our common stock could be adversely affected. Further, if we sell properties by providing financing to purchasers, defaults by the purchasers would adversely affect our operations and financial condition.

We may be unable to complete development and re-development projects on advantageous terms.

As part of our business, we develop new properties and re-develop existing properties as conditions warrant. This part of our business involves significant risks, including the following:

- we may not be able to obtain financing for these projects on favorable terms;
- we may not complete construction on schedule or within budget;
- we may not be able to obtain, or may experience delays in obtaining, all necessary zoning, land-use, building, occupancy and other governmental permits and authorizations;
- contractor and subcontractor disputes, strikes, labor disputes or supply chain disruptions may occur; and
- properties may perform below anticipated levels, producing cash flow below budgeted amounts, which may result in us paying too much for a property, cause the property to not be profitable and limit our ability to sell such properties to third parties.

To the extent these risks result in increased debt service expense, construction costs and delays in budgeted leasing, they could adversely affect our financial condition, results of operations, cash flow and ability to pay dividends on, and the market price of, our common stock.

We may be unable to renew leases or find other lessees.

We are subject to the risks that, upon expiration, leases may not be renewed, the space subject to such leases may not be relet or the terms of renewal or reletting, including the cost of required renovations, may be less favorable than the expiring lease terms. If we were unable to promptly renew a significant number of expiring leases or to promptly relet the spaces covered by such leases, or if the rental rates upon renewal or reletting were significantly lower than the current rates, our financial condition, results of operation, cash flow and ability to pay dividends on, and the market price of, our common stock could be adversely affected.

We might fail to qualify as a REIT under existing laws and/or federal income tax laws could change.

We intend to operate so as to qualify as a REIT under the Code, and we believe that we are organized and will operate in a manner that allows us to continue to do so. However, qualification as a REIT involves the satisfaction of numerous requirements, some of which must be met on a recurring basis. These requirements are established under highly technical and complex Code provisions. There are only limited judicial and administrative interpretations of these provisions, and they involve the determination of various factual matters and circumstances not entirely within our control.

If we were to fail to qualify as a REIT in any taxable year, we would be subject to federal income tax at corporate rates, including any applicable alternative minimum tax. This could result in a discontinuation or substantial reduction in dividends to stockholders and could reduce the cash available to pay interest and principal on debt securities that we issue. Unless entitled to relief under certain statutory provisions, we would be disqualified from electing treatment as a REIT for the four taxable years following the year during which we failed to qualify. Additionally, since the Internal Revenue Service (“IRS”), the United States Treasury Department and Congress frequently review federal income tax legislation, we cannot predict whether, when or

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to what extent new federal laws, regulations, interpretations or rulings will be adopted. Any such legislative action may prospectively or retroactively modify our tax treatment and therefore, may adversely affect taxation of us and/or our stockholders.

Certain property transfers may generate prohibited transaction income, resulting in a penalty tax on the gain attributable to the transaction.

As part of our business, we sell properties to third parties as opportunities arise. Under the Code, a 100% penalty tax could be assessed on the tax gain recognized from sales of properties that are deemed to be prohibited transactions. The question of what constitutes a prohibited transaction is based on the facts and circumstances surrounding each transaction. The IRS could contend that certain sales of properties by us are prohibited transactions. While we have implemented controls to avoid prohibited transactions, if a dispute were to arise that was successfully argued by the IRS, the 100% penalty tax could be assessed against our profits from these transactions. In addition, any income from a prohibited transaction may adversely affect our ability to satisfy the income tests for qualification as a REIT.

The REIT distribution requirements may limit our ability to retain capital and require us to turn to external financing sources.

As a REIT, we must distribute to our stockholders at least 90% of our taxable income each year. We could, in certain instances, have taxable income without sufficient cash to enable us to meet this requirement. In that situation, we could be required to borrow funds or sell properties on adverse terms in order to do so. The distribution requirement could also limit our ability to accumulate capital to provide capital resources for our ongoing business, and to satisfy our debt repayment obligations and other liquidity needs, we may be more dependent on outside sources of financing, such as debt financing or issuances of additional capital stock, which may or may not be available on favorable terms. Additional debt financings may substantially increase our leverage and additional equity offerings may result in substantial dilution of stockholders' interests.

Failure to hedge effectively against interest rate changes may adversely affect our results of operations.

Subject to maintaining our qualification as a REIT, we may seek to manage our exposure to interest rate volatility by using interest rate hedging arrangements, such as interest cap agreements and interest rate swap agreements. These agreements may fail to protect or could adversely affect us because, among other things:

- interest rate hedging can be expensive, particularly during periods of rising and volatile interest rates;
- available interest rate hedges may not correspond directly with the interest rate risk for which protection is sought;
- the duration of the hedge may not match the duration of the related liability;
- the amount of income that a REIT may earn from hedging transactions (other than through taxable REIT subsidiaries) is limited by U.S. federal tax provisions governing REITs;
- the credit quality of the party owing money on the hedge may be downgraded to such an extent that it impairs our ability to sell or assign our side of the hedging transaction;
- the party owing money in the hedging transaction may default on its obligation to pay;
- we could incur significant costs associated with the settlement of the agreements;
- the underlying transactions could fail to qualify as highly-effective cash flow hedges under generally accepted accounting practices; and
- a court could rule that such an agreement is not legally enforceable.

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We have adopted a practice relating to the use of derivative financial instruments to hedge interest rate risks related to our borrowings. This practice requires our Board of Directors to authorize our use of derivative financial instruments to manage the interest rates on our variable rate borrowings. Our practice is that we do not use derivatives for speculative or trading purposes and intend only to enter into contracts with major financial institutions based on their credit rating and other factors, but our Board of Directors may choose to change these practices in the future. Hedging may reduce the overall returns on our investments, which could reduce our cash available for distribution to our stockholders. Failure to hedge effectively against interest rate changes may materially adversely affect our financial condition, results of operations and cash flow.

Debt financing, the degree of leverage and rising interest rates could reduce our cash flow.

We use debt to increase the rate of return to our stockholders and to allow us to make more investments than we otherwise could. Our use of leverage presents an additional element of risk in the event that the cash flow from our properties is insufficient to meet both debt payment obligations and the distribution requirements of the REIT provisions of the Code. In addition, rising interest rates would reduce our cash flow by increasing the amount of interest due on our floating rate debt and on our fixed rate debt as it matures and is refinanced. Our organizational documents do not contain any limitation on the amount or percentage of indebtedness we may incur.

Failure to comply with covenants in our debt agreements could adversely affect our financial condition.

The terms of our agreements governing our indebtedness require that we comply with a number of financial and other covenants, such as maintaining debt service coverage and leverage ratios and maintaining insurance coverage. Complying with such covenants may limit our operational flexibility. Our failure to comply with these covenants could cause a default under the applicable debt agreement even if we have satisfied our payment obligations. Consistent with our prior practice, we will continue to interpret and certify our performance under these covenants in a good faith manner that we deem reasonable and appropriate. However, these financial covenants are complex and there can be no assurance that these provisions would not be interpreted by the noteholders or lenders in a manner that could impose and cause us to incur material costs. Our ability to meet our financial covenants may be adversely affected if economic and credit market conditions limit our ability to reduce our debt levels consistent with, or result in net operating income below, our current expectations. Under our Unsecured Credit Facility, an event of default can also occur if the lenders, in their good faith judgment, determine that a material adverse change has occurred that could prevent timely repayment or materially impair our ability to perform our obligations under the loan agreement.

Upon the occurrence of an event of default, we would be subject to higher finance costs and fees, and the lenders under our Unsecured Credit Facility will not be required to lend any additional amounts to us. In addition, our indebtedness, together with accrued and unpaid interest and fees, could be accelerated and declared to be immediately due and payable. Furthermore, our Unsecured Credit Facility, our Unsecured Term Loan and the indentures governing our senior unsecured notes contain certain cross-default provisions that may be triggered in the event that our other material indebtedness is in default. These cross-default provisions may require us to repay or restructure our Unsecured Credit Facility, our Unsecured Term Loan or our senior unsecured notes, depending on which is in default, and such restructuring could adversely affect our financial condition, results of operations, cash flow and ability to pay dividends on, and the market price of, our stock. If repayment of any of our indebtedness is accelerated, we cannot provide assurance that we would be able to borrow sufficient funds to refinance such indebtedness or that we would be able to sell sufficient assets to repay such indebtedness. Even if we were able to obtain new financing, it may not be on commercially reasonable terms, or terms that are acceptable to us.

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Cross-collateralization of mortgage loans could result in foreclosure on a significant portion of our properties if we are unable to service its indebtedness.

Certain of our mortgages were issued on a cross-collateralized basis. Cross-collateralization makes all of the subject properties available to the lender in order to satisfy the debt. To the extent indebtedness is cross-collateralized, lenders may seek to foreclose upon properties that do not comprise the primary collateral for a loan, which may, in turn, result in acceleration of other indebtedness collateralized by such properties. Foreclosure of properties would result in a loss of income and asset value to us, making it difficult for us to meet both debt payment obligations and the distribution requirements of the REIT provisions of the Code.

We may have to make lump-sum payments on its existing indebtedness.

We are required to make lump-sum or “balloon” payments under the terms of some of our indebtedness. Our ability to make required payments of principal on outstanding indebtedness, whether at maturity or otherwise, may depend on our ability to refinance the applicable indebtedness or to sell properties. Currently, we have no commitments to refinance any of our indebtedness.

Our mortgages may impact our ability to sell encumbered properties on advantageous terms or at all.

Certain of our mortgages contain, and some future mortgages may contain, substantial prepayment premiums that we would have to pay upon the sale of a property, thereby reducing the net proceeds to us from the sale of any such property. As a result, our willingness to sell certain properties and the price at which we may desire to sell a property may be impacted. If we are unable to sell properties on favorable terms or redeploy the proceeds of property sales in accordance with our business strategy, then our financial condition, results of operations, cash flow and ability to pay dividends on, and the market price of, our common stock could be adversely affected.

Adverse market and economic conditions could cause us to recognize impairment charges.

We regularly review our real estate assets for impairment indicators, such as a decline in a property’s occupancy rate, decline in general market conditions or a change in the expected hold period of an asset. If we determine that indicators of impairment are present, we review the properties affected by these indicators to determine whether an impairment charge is required. As a result, we may be required to recognize asset impairment, which could materially and adversely affect our business, financial condition and results of operations. We use considerable judgment in making determinations about impairments, from analyzing whether there are indicators of impairment, to the assumptions used in calculating the fair value of the investment. Accordingly, our subjective estimates and evaluations may not be accurate, and such estimates and evaluations are subject to change or revision.

Earnings and cash dividends, asset value and market interest rates affect the price of our common stock.

The market value of our common stock is based in large part upon the market’s perception of the growth potential of our earnings and cash dividends. The market value of our common stock is also based upon the value of our underlying real estate assets. For this reason, shares of our common stock may trade at prices that are higher or lower than our net asset value per share. To the extent that we retain operating cash flow for investment purposes, working capital reserves, or other purposes, these retained funds, while increasing the value of our underlying assets, may not correspondingly increase the market price of our common stock. Our failure to meet the market’s expectations with regard to future earnings and cash dividends likely would adversely affect the market price of our common stock. Further, the distribution yield on the common stock (as a percentage of the price of the common stock) relative to market interest rates may also influence the price of our common stock. An increase in market interest rates might lead prospective purchasers of our common stock to expect a higher distribution yield, which would adversely affect the market price of our common stock.

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We may become subject to litigation, which could have a material and adverse effect on our financial condition, results of operations and cash flow.

We may become subject to litigation, including claims relating to our operations, offerings, and otherwise in the ordinary course of business. Some of these claims may result in significant defense costs and potentially significant judgments against us, some of which are not, or cannot be, insured against. Resolution of these types of matters could adversely impact our financial condition, results of operations and cash flow. Certain litigation or the resolution of certain litigation may affect the availability or cost of some of our insurance coverage, which could adversely impact our results of operations and cash flows, expose us to increased risks that would be uninsured, and/or adversely impact our ability to attract officers and directors.

We may incur unanticipated costs and liabilities due to environmental problems.

Under various federal, state and local laws, ordinances and regulations, we, as an owner or operator of real estate may be liable for the costs of clean-up of certain conditions relating to the presence of hazardous or toxic materials on, in or emanating from a property and any related damages to natural resources. Environmental laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the presence of hazardous or toxic materials. The presence of such materials, or the failure to address those conditions properly, may adversely affect our ability to rent or sell a property or to borrow using a property as collateral. The disposal or treatment of or arrangement for the disposal or treatment of hazardous or toxic materials may cause us to also be liable for the costs of clean-up of such materials or for related natural resource damages occurring at or emanating from an off-site disposal or treatment facility, whether or not the facility is owned or operated by us. No assurance can be given that existing environmental assessments with respect to any of our properties reveal all environmental liabilities, that any prior owner or operator of any of our properties did not create any material environmental condition not known to us or that a material environmental condition does not otherwise exist as to any of our properties. In addition, changes to existing environmental regulations to address, among other things, climate change, could increase the scope of our potential liabilities.

Our insurance coverage does not include all potential losses.

Real property is subject to casualty risk including damage, destruction, or loss resulting from events that are unusual, sudden and unexpected. Some of our properties are located in areas where casualty risk is higher due to earthquake, wind and/or flood risk. We carry comprehensive insurance coverage to mitigate our casualty risk, in amounts and of a kind that we believe are appropriate for the markets where each of our properties and their business operations are located. Among other coverage, we carry property, boiler & machinery, liability, fire, flood, terrorism, earthquake, extended coverage and rental insurance. Our coverage includes policy specifications and limits customarily carried for similar properties and business activities. We evaluate our level of insurance coverage and deductibles using analysis and modeling, as is customary in our industry. However, we do not insure against all types of casualty, and we may not fully insure against those casualty types where we do have insurance, either because coverage is not available or because we do not deem it to be economically feasible or prudent to do so. As a result, we could experience a significant loss of capital or revenues, and be exposed to obligations under recourse debt associated with a property. This could occur if an uninsured loss occurs, a loss in excess of insured limits occurs, or a loss is not paid due to insurer insolvency.

We could be subject to risks and liabilities in connection with joint venture arrangements.

Our organizational documents do not limit the amount of available funds that we may invest in joint ventures and we may selectively develop and acquire properties through joint ventures with other persons or entities when we deem such transactions are warranted by the circumstances. Joint venture investments, in general, involve certain risks, including:

- joint venturers may share certain approval rights over major decisions;

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- joint venturers might fail to fund their share of any required capital commitments;
- joint venturers might have economic or other business interests or goals that are inconsistent with our business interests or goals that would affect our ability to operate the property;
- joint venturers may have the power to act contrary to our instructions, requests, policies or objectives, including our current policy with respect to maintaining our qualification as a REIT;
- the joint venture agreements often restrict the transfer of a member's or joint venturer's interest or "buy-sell" or may otherwise restrict our ability to sell the interest when we desire or on advantageous terms;
- disputes between us and our joint venturers may result in litigation or arbitration that would increase our expenses and prevent our officers and directors from focusing their time and effort on our business and subject the properties owned by the applicable joint venture to additional risk; and
- we may in certain circumstances be liable for the actions of our joint venturers.

The occurrence of one or more of the events described above could adversely affect our financial condition, results of operations, cash flow and ability to pay dividends on, and the market price of, our common stock.

We may incur significant costs complying with various federal, state and local laws, regulations and covenants that are applicable to our properties and, in particular costs associated with complying with regulations such as the Americans with Disabilities Act of 1990 (the "ADA") may result in unanticipated expenses.

The properties in our portfolio are subject to various covenants and U.S. federal, state and local laws and regulatory requirements, including permitting and licensing requirements. Local regulations, including municipal or local ordinances, zoning restrictions and restrictive covenants imposed by community developers may restrict our use of our properties and may require us to obtain approval from local officials or restrict our use of our properties and may require us to obtain approval from local officials of community standards organizations at any time with respect to our properties, including prior to acquiring a property or when undertaking renovations of any of our existing properties. Among other things, these restrictions may relate to fire and safety, seismic or hazardous material abatement requirements. There can be no assurance that existing laws and regulatory policies will not adversely affect us or the timing or cost of any future acquisitions or renovations, or that additional regulation will not be adopted that increase such delays or result in additional costs. Our growth strategy may be affected by our ability to obtain permits, licenses and zoning relief. Our failure to obtain such permits, licenses and zoning relief or to comply with applicable laws could have an adverse effect on our financial condition, results of operations and cash flow.

In addition, under the ADA, all places of public accommodation are required to meet certain U.S. federal requirements related to access and use by disabled persons. Noncompliance with the ADA could result in an order to correct any non-complying feature, which could result in substantial capital expenditures. We do not conduct audits or investigations of all of these properties to determine their compliance and we cannot predict the ultimate cost of compliance with the ADA, or other legislation. If one or more of our properties in which we invest is not in compliance with the ADA, or other legislation, then we would be required to incur additional costs to bring the property into compliance. If we incur substantial costs to comply with the ADA or other legislation, our financial condition, results of operations, cash flow, price per share of our common stock and our ability to satisfy debt service obligations and to pay distributions could be adversely affected.

Terrorist attacks and other acts of violence or war may affect the market for our common stock, the industry in which we conduct our operations and our profitability.

Terrorist attacks may harm our results of operations and financial condition. We cannot assure you that there will not be terrorist attacks in the localities in which we conduct business. More generally, any of these

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events could cause consumer confidence and spending to decrease or result in increased volatility in the worldwide financial markets and economy. These attacks or armed conflicts may adversely impact our operations or financial condition. In addition, losses resulting from these types of events may be uninsurable.

We face risks relating to cybersecurity attacks that could cause loss of confidential information and other business disruptions.

We rely extensively on computer systems to manage our business, and our business is at risk from and may be impacted by cybersecurity attacks. These could include attempts to gain unauthorized access to our data and computer systems. Attacks can be both individual and/or highly organized attempts organized by very sophisticated hacking organizations. We employ a number of measures to prevent, detect and mitigate these threats, which include password protection, frequent password change events, firewall detection systems, frequent backups, a redundant data system for core applications and annual penetration testing; however, there is no guarantee such efforts will be successful in preventing a cyber-attack. A cybersecurity attack could compromise the confidential information of our employees, tenants and vendors. A successful attack could disrupt and affect the business operations.

Adverse changes in our credit ratings could negatively affect our liquidity and business operations.

The credit ratings of our senior unsecured notes are based on our operating performance, liquidity and leverage ratios, overall financial position and other factors employed by the credit rating agencies in their rating analyses. Our credit ratings can affect the availability, terms and pricing of any indebtedness and preferred stock that we may incur going forward. There can be no assurance that we will be able to maintain any credit rating, and in the event any credit rating is downgraded, we could incur higher borrowing costs or may be unable to access certain or any capital markets.

Our business could be adversely impacted if we have deficiencies in our disclosure controls and procedures or internal control over financial reporting.

The design and effectiveness of our disclosure controls and procedures and internal control over financial reporting may not prevent all errors, misstatements or misrepresentations. While management will continue to review the effectiveness of our disclosure controls and procedures and internal control over financial reporting, there can be no guarantee that our internal control over financial reporting will be effective in accomplishing all control objectives all of the time. Deficiencies, including any material weakness, in our internal control over financial reporting which may occur could result in misstatements of our results of operations, restatements of our financial statements, a decline in the price of our securities, or otherwise materially adversely affect our business, reputation, results of operations, financial condition or liquidity.

We are authorized to issue preferred stock. The issuance of preferred stock could adversely affect the holders of our common stock issued pursuant to our public offerings.

Our declaration of trust authorizes us to issue 150,000,000 shares, of which 10,000,000 shares are designated as preferred stock. Subject to approval by our Board of Directors, we may issue preferred stock with rights, preferences and privileges that are more beneficial than the rights, preferences and privileges of our common stock. Holders of our common stock do not have preemptive rights to acquire any shares issued by us in the future. If we ever create and issue preferred stock with a distribution preference over common stock, payment of any distribution preferences on outstanding preferred stock would reduce the amount of funds available for the payment of distributions on our common stock. In addition, holders of preferred stock are normally entitled to receive a preference payment in the event we liquidate, dissolve or wind up before any payment is made to our

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common stockholders, thereby reducing the amount a common stockholder might otherwise receive upon such an occurrence. Also, under certain circumstances, the issuance of preferred stock may have the effect of delaying or preventing a change in control of our company.

Our Board of Directors may change our strategies, policies or procedures without stockholder approval, which may subject us to different and more significant risks in the future.

Our investment, financing, leverage and distribution policies and our policies with respect to all other activities, including growth, debt, capitalization and operations, are determined by our Board of Directors. These policies may be amended or revised at any time and from time to time at the discretion of our Board of Directors without notice to or a vote of our stockholders. This could result in us conducting operational matters, making investments or pursuing different business or growth strategies. Under these circumstances, we may expose ourselves to different and more significant risks in the future, which could have a material adverse effect on our business and growth. In addition, our Board of Directors may change our governance policies provided that such changes are consistent with applicable legal requirements. A change in these policies could have an adverse effect on our financial condition, results of operations, cash flow, per share trading price of our common stock and ability to satisfy our principal and interest obligations and to make distributions to our stockholders.

We may be unable to retain and attract key management personnel.

We may be unable to retain and attract talented executives. In the event of the loss of key management personnel or upon unexpected death, disability or retirement, we may not be able to find replacements with comparable skill, ability and industry expertise. Until suitable replacements are identified and retained, if at all, our operating results and financial condition could be materially and adversely affected.

CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our periodic reports pursuant to the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required financial disclosure.

We carried out an evaluation, under the supervision and with the participation of our management, including the principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(b) as of the end of the period covered by this report. Based upon this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Our management has assessed the effectiveness of our internal control over financial reporting as of December 31, 2014. In making its assessment of internal control over financial reporting, management used the *Internal Control-Integrated Framework (2013)* set forth by the Committee of Sponsoring Organizations of the Treadway Commission.

Our management has concluded that, as of December 31, 2014, our internal control over financial reporting was effective.

The effectiveness of our internal control over financial reporting as of December 31, 2014 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears on page A-31. See Report of Independent Registered Public Accounting Firm.

Changes in Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting that occurred during the fourth quarter of 2014 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

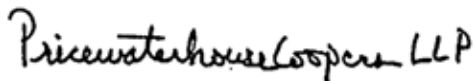
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
First Industrial Realty Trust, Inc.:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, of comprehensive income, of changes in stockholders' equity and of cash flows present fairly, in all material respects, the financial position of First Industrial Realty Trust, Inc. and its subsidiaries (the "Company") at December 31, 2014 and 2013, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2014 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 15(a)(2) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting appearing on page A-30. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Chicago, Illinois
February 24, 2015

FIRST INDUSTRIAL REALTY TRUST, INC.
CONSOLIDATED BALANCE SHEETS

	December 31, 2014	December 31, 2013
	(In thousands except share and per share data)	
ASSETS		
Assets:		
Investment in Real Estate:		
Land	\$ 718,188	\$ 703,478
Buildings and Improvements	2,439,887	2,390,566
Construction in Progress	25,294	25,503
Less: Accumulated Depreciation	(786,978)	(748,044)
Net Investment in Real Estate	2,396,391	2,371,503
Cash and Cash Equivalents	9,500	7,577
Restricted Cash	1,829	—
Tenant Accounts Receivable, Net	7,356	5,705
Investments in Joint Venture	71	907
Deferred Rent Receivable, Net	58,130	56,417
Deferred Financing Costs, Net	10,448	11,406
Deferred Leasing Intangibles, Net	33,526	29,790
Prepaid Expenses and Other Assets, Net	64,744	114,205
Total Assets	<u>\$2,581,995</u>	<u>\$2,597,510</u>
LIABILITIES AND EQUITY		
Liabilities:		
Indebtedness:		
Mortgage Loans Payable, Net	\$ 599,985	\$ 677,890
Senior Unsecured Notes, Net	364,861	445,916
Unsecured Term Loan	200,000	—
Unsecured Credit Facility	185,000	173,000
Accounts Payable, Accrued Expenses and Other Liabilities	79,733	75,305
Deferred Leasing Intangibles, Net	12,726	13,626
Rents Received in Advance and Security Deposits	36,914	30,265
Dividend Payable	11,949	10,289
Total Liabilities	<u>1,491,168</u>	<u>1,426,291</u>
Commitments and Contingencies	—	—
Equity:		
First Industrial Realty Trust Inc.'s Stockholders' Equity:		
Preferred Stock (See Note 6)	—	—
Common Stock (\$0.01 par value, 150,000,000 shares authorized, 114,924,980 and 114,304,964 shares issued and 110,600,866 and 109,980,850 shares outstanding)	1,149	1,143
Additional Paid-in-Capital	1,872,336	1,938,886
Distributions in Excess of Accumulated Earnings	(670,650)	(669,896)
Accumulated Other Comprehensive Loss	(13,867)	(3,265)
Treasury Shares at Cost (4,324,114 shares)	(140,018)	(140,018)
Total First Industrial Realty Trust, Inc.'s Stockholders' Equity	1,048,950	1,126,850
Noncontrolling Interest	41,877	44,369
Total Equity	<u>1,090,827</u>	<u>1,171,219</u>
Total Liabilities and Equity	<u>\$2,581,995</u>	<u>\$2,597,510</u>

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

FIRST INDUSTRIAL REALTY TRUST, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012
	(In thousands except per share data)		
Revenues:			
Rental Income	\$259,609	\$245,064	\$236,661
Tenant Recoveries and Other Income	84,990	73,390	67,856
Total Revenues	<u>344,599</u>	<u>318,454</u>	<u>304,517</u>
Expenses:			
Property Expenses	114,499	103,714	96,517
General and Administrative	23,418	22,821	25,063
Acquisition Costs	960	331	40
Impairment of Real Estate	—	—	(192)
Depreciation and Other Amortization	111,897	106,951	110,861
Total Expenses	<u>250,774</u>	<u>233,817</u>	<u>232,289</u>
Other Income (Expense):			
Interest Income	2,110	2,354	2,874
Interest Expense	(72,178)	(73,558)	(83,506)
Amortization of Deferred Financing Costs	(3,098)	(3,225)	(3,460)
Mark-to-Market Gain (Loss) on Interest Rate Protection Agreements	—	52	(328)
Loss from Retirement of Debt	(655)	(6,637)	(9,684)
Total Other Income (Expense)	<u>(73,821)</u>	<u>(81,014)</u>	<u>(94,104)</u>
Income (Loss) from Continuing Operations Before Equity in Income of Joint Ventures, Gain on Change in Control of Interests and Income Tax (Provision) Benefit	20,004	3,623	(21,876)
Equity in Income of Joint Ventures	3,499	136	1,559
Gain on Change in Control of Interests	—	—	776
Income Tax (Provision) Benefit	(238)	213	(5,522)
Income (Loss) from Continuing Operations	<u>23,265</u>	<u>3,972</u>	<u>(25,063)</u>
Discontinued Operations:			
Income Attributable to Discontinued Operations	1,835	2,222	6,102
Gain on Sale of Real Estate	25,988	34,344	12,665
Income from Discontinued Operations	<u>27,823</u>	<u>36,566</u>	<u>18,767</u>
Income (Loss) Before (Loss) Gain on Sale of Real Estate	51,088	40,538	(6,296)
(Loss) Gain on Sale of Real Estate	(83)	1,100	3,777
Provision for Income Taxes Allocable to Gain on Sale of Real Estate	—	(210)	—
Net Income (Loss)	51,005	41,428	(2,519)
Less: Net (Income) Loss Attributable to the Noncontrolling Interest	(1,895)	(1,121)	1,201
Net Income (Loss) Attributable to First Industrial Realty Trust, Inc.	49,110	40,307	(1,318)
Less: Preferred Dividends	(1,019)	(8,733)	(18,947)
Less: Redemption of Preferred Stock	(1,462)	(5,667)	(1,804)
Net Income (Loss) Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities	<u>\$ 46,629</u>	<u>\$ 25,907</u>	<u>\$ (22,069)</u>
Basic and Diluted Earnings Per Share:			
Income (Loss) from Continuing Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ 0.18</u>	<u>\$ (0.09)</u>	<u>\$ (0.44)</u>
Income from Discontinued Operations Attributable to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ 0.24</u>	<u>\$ 0.33</u>	<u>\$ 0.20</u>
Net Income (Loss) Available to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ 0.42</u>	<u>\$ 0.24</u>	<u>\$ (0.24)</u>
Distributions Per Share	<u>\$ 0.41</u>	<u>\$ 0.34</u>	<u>\$ 0.00</u>
Weighted Average Shares Outstanding - Basic	<u>109,922</u>	<u>106,995</u>	<u>91,468</u>
Weighted Average Shares Outstanding - Diluted	<u>110,325</u>	<u>106,995</u>	<u>91,468</u>

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

FIRST INDUSTRIAL REALTY TRUST, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012
		(In thousands)	
Net Income (Loss)	\$ 51,005	\$41,428	\$(2,519)
Mark-to-Market Loss on Interest Rate Protection Agreements	(12,279)	—	—
Amortization of Interest Rate Protection Agreements	1,358	2,411	2,271
Write-off of Unamortized Settlement Amounts of Interest Rate Protection Agreements	—	1,116	3,247
Foreign Currency Translation Adjustment	(93)	(60)	32
Comprehensive Income	39,991	44,895	3,031
Comprehensive (Income) Loss Attributable to Noncontrolling Interest	(1,467)	(1,265)	913
Comprehensive Income Attributable to First Industrial Realty Trust, Inc.	<u>\$ 38,524</u>	<u>\$43,630</u>	<u>\$ 3,944</u>

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

FIRST INDUSTRIAL REALTY TRUST, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

	Preferred Stock	Common Stock	Additional Paid-in- Capital	Distributions in Excess of Accumulated Earnings	Accumulated Other Comprehensive Loss	Treasury Shares At Cost	Noncontrolling Interest	Total
	(In thousands)							
Balance as of December 31, 2011	\$—	\$ 911	\$1,811,349	\$(633,854)	\$(11,712)	\$(140,018)	\$45,919	\$1,072,595
Issuance of Common Stock, Net of Issuance Costs	—	109	134,327	—	—	—	—	134,436
Redemption of Preferred Stock	—	—	(48,240)	(1,804)	—	—	—	(50,044)
Stock Based Compensation Activity	—	6	6,220	(1,644)	—	—	—	4,582
Conversion of Units to Common Stock	—	5	4,758	—	—	—	(4,763)	—
Reallocation—Additional Paid in Capital	—	—	(1,924)	—	—	—	1,924	—
Preferred Dividends	—	—	—	(18,947)	—	—	—	(18,947)
Net Loss	—	—	—	(1,318)	—	—	(1,201)	(2,519)
Reallocation—Other Comprehensive Income	—	—	—	—	(107)	—	107	—
Other Comprehensive Income	—	—	—	—	5,262	—	288	5,550
Balance as of December 31, 2012	\$—	\$1,031	\$1,906,490	\$(657,567)	\$ (6,557)	\$(140,018)	\$42,274	\$1,145,653
Issuance of Common Stock, Net of Issuance Costs	—	107	173,678	—	—	—	—	173,785
Redemption of Preferred Stock	—	—	(144,384)	(5,667)	—	—	—	(150,051)
Stock Based Compensation Activity	—	4	5,476	(948)	—	—	—	4,532
Conversion of Units to Common Stock	—	1	995	—	—	—	(996)	—
Reallocation—Additional Paid in Capital	—	—	(3,369)	—	—	—	3,369	—
Common Stock and Unit Distributions	—	—	—	(37,288)	—	—	(1,574)	(38,862)
Preferred Dividends	—	—	—	(8,733)	—	—	—	(8,733)
Net Income	—	—	—	40,307	—	—	1,121	41,428
Reallocation—Other Comprehensive Income	—	—	—	—	(31)	—	31	—
Other Comprehensive Income	—	—	—	—	3,323	—	144	3,467
Balance as of December 31, 2013	\$—	\$1,143	\$1,938,886	\$(669,896)	\$ (3,265)	\$(140,018)	\$44,369	\$1,171,219
Redemption of Preferred Stock	—	—	(73,587)	(1,462)	—	—	—	(75,049)
Stock Based Compensation Activity	—	4	4,880	(1,936)	—	—	—	2,948
Conversion of Units to Common Stock	—	2	2,153	—	—	—	(2,155)	—
Reallocation—Additional Paid in Capital	—	—	4	—	—	—	(4)	—
Common Stock and Unit Distributions	—	—	—	(45,447)	—	—	(1,816)	(47,263)
Preferred Dividends	—	—	—	(1,019)	—	—	—	(1,019)
Net Income	—	—	—	49,110	—	—	1,895	51,005
Reallocation—Other Comprehensive Income	—	—	—	—	(16)	—	16	—
Other Comprehensive Loss ...	—	—	—	—	(10,586)	—	(428)	(11,014)
Balance as of December 31, 2014	<u>\$—</u>	<u>\$1,149</u>	<u>\$1,872,336</u>	<u>\$(670,650)</u>	<u>\$(13,867)</u>	<u>\$(140,018)</u>	<u>\$41,877</u>	<u>\$1,090,827</u>

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

FIRST INDUSTRIAL REALTY TRUST, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012
	(In thousands)		
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income (Loss)	\$ 51,005	\$ 41,428	\$ (2,519)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	93,457	94,271	100,074
Amortization of Deferred Financing Costs	3,098	3,225	3,460
Other Amortization	30,218	30,632	35,097
Impairment of Real Estate	—	2,652	1,246
Provision for Bad Debt	1,425	726	542
Equity in Income of Joint Ventures	(3,499)	(136)	(1,559)
Distributions from Joint Ventures	1,881	177	1,580
Gain on Sale of Real Estate	(25,905)	(35,444)	(16,442)
Gain on Change in Control of Interests	—	—	(776)
Loss from Retirement of Debt	655	6,637	9,684
Mark-to-Market (Gain) Loss on Interest Rate Protection Agreements	—	(52)	328
(Increase) Decrease in Tenant Accounts Receivable, Prepaid Expenses and Other Assets, Net	(2,582)	(3,192)	3,770
Increase in Deferred Rent Receivable	(2,715)	(4,516)	(3,504)
Increase (Decrease) in Accounts Payable, Accrued Expenses, Other Liabilities, Rents Received in Advance and Security Deposits	452	(5,679)	10,791
Payments of Premiums, Discounts and Prepayment Penalties Associated with Retirement of Debt	(10,650)	(4,978)	(7,065)
Cash Book Overdraft	336	—	1,715
Net Cash Provided by Operating Activities	<u>137,176</u>	<u>125,751</u>	<u>136,422</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisitions of Real Estate	(96,045)	(73,642)	(55,508)
Additions to Investment in Real Estate and Non-Acquisition Tenant Improvements and Lease Costs	(123,037)	(114,806)	(83,222)
Net Proceeds from Sales of Investments in Real Estate	98,472	126,250	82,503
Contributions to and Investments in Joint Ventures	(31)	(38)	(190)
Distributions from Joint Ventures	2,475	104	90
Repayments of Notes Receivable	49,761	615	14,365
(Increase) Decrease in Escrows	(664)	204	(273)
Net Cash Used in Investing Activities	<u>(69,069)</u>	<u>(61,313)</u>	<u>(42,235)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Debt and Equity Issuance and Redemption Costs	(2,419)	(3,575)	(1,545)
Proceeds from the Issuance of Common Stock, Net of Underwriter's Discount	—	174,081	134,905
Repurchase and Retirement of Restricted Stock	(4,667)	(2,968)	(2,690)
Common Stock and Unit Distributions Paid	(45,151)	(29,025)	—
Preferred Dividends Paid	(1,471)	(8,733)	(23,258)
Redemption of Preferred Stock	(75,000)	(150,000)	(50,000)
Payments on Interest Rate Protection Agreements	—	(1,079)	(1,144)
Proceeds from Origination of Mortgage Loans Payable	—	—	100,599
Repayments on Mortgage Loans Payable	(77,880)	(85,680)	(39,121)
Repayments of Senior Unsecured Notes	(71,578)	(29,769)	(166,153)
Proceeds from Unsecured Term Loan	200,000	—	—
Proceeds from Unsecured Credit Facility	356,000	373,000	339,000
Repayments on Unsecured Credit Facility	(344,000)	(298,000)	(390,000)
Net Cash Used in Financing Activities	<u>(66,166)</u>	<u>(61,748)</u>	<u>(99,407)</u>
Net Effect of Exchange Rate Changes on Cash and Cash Equivalents	(18)	(51)	5
Net Increase (Decrease) in Cash and Cash Equivalents	1,941	2,690	(5,220)
Cash and Cash Equivalents, Beginning of Year	<u>7,577</u>	<u>4,938</u>	<u>10,153</u>
Cash and Cash Equivalents, End of Year	<u>\$ 9,500</u>	<u>\$ 7,577</u>	<u>\$ 4,938</u>

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

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands except per share data)

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 of 1986 (the “Code”). Unless the context otherwise requires, the terms “Company,” “we,” “us” and “our” refer to First Industrial Realty Trust, Inc., First Industrial, L.P. and their respective controlled subsidiaries. We refer to our operating partnership, First Industrial, L.P., as the “Operating Partnership.”

We began operations on July 1, 1994. Our operations are conducted primarily through the Operating Partnership, of which First Industrial Realty Trust, Inc. is the sole general partner, and through its taxable REIT subsidiaries. We also conduct operations through other partnerships (the “Other Real Estate Partnerships”) and limited liability companies, the operating data of which, together with that of the Operating Partnership and the taxable REIT subsidiaries, is consolidated with that of the Company as presented herein. First Industrial Realty Trust, Inc. does not have any significant assets or liabilities other than its investment in the Operating Partnership and its 100% ownership interest in the general partners of the Other Real Estate Partnerships.

We also provide various services to two joint ventures (the “2003 Net Lease Joint Venture” and the “2007 Europe Joint Venture”; collectively, the “Joint Ventures”). Our noncontrolling equity ownership interests in the 2003 Net Lease Joint Venture and 2007 Europe Joint Venture are 15% and 10%, respectively. At December 31, 2014, the 2003 Net Lease Joint Venture owned one industrial property comprising approximately 0.8 million square feet of gross leasable area (“GLA”) and the 2007 Europe Joint Venture did not own any properties. The 2003 Net Lease Joint Venture is considered a variable interest entity in accordance with the FASB guidance on the consolidation of variable interest entities. We continue to conclude that we are not the primary beneficiary of this venture. Our maximum exposure to loss is equal to our investment. The Joint Ventures are accounted for under the equity method of accounting. Accordingly, the operating data of our Joint Ventures is not consolidated with that of the Company as presented herein.

As of December 31, 2014, we owned 638 industrial properties located in 25 states, containing an aggregate of approximately 63.5 million square feet of GLA. Of the 638 properties owned by the Company on a consolidated basis, none of them are directly owned by First Industrial Realty Trust, Inc.

Any references to the number of buildings and square footage in the financial statement footnotes are unaudited.

2. Basis of Presentation

First Industrial Realty Trust, Inc. is the sole general partner of the Operating Partnership, with an approximate 96.2% and 96.0% ownership interest at December 31, 2014 and 2013, respectively. Noncontrolling interest of approximately 3.8% and 4.0% at December 31, 2014 and 2013, respectively, represents the aggregate partnership interest in the Operating Partnership held by the limited partners thereof.

Our consolidated financial statements at December 31, 2014 and 2013 and for each of the years ended December 31, 2014, 2013 and 2012 include the accounts and operating results of the Company and our subsidiaries. Such financial statements present our noncontrolling equity interests in our Joint Ventures under the equity method of accounting. All intercompany transactions have been eliminated in consolidation.

3. Summary of Significant Accounting Policies

In order to conform with generally accepted accounting principles, we are required in preparation of our financial statements to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of December 31, 2014 and 2013, and the reported amounts of revenues and expenses for each of the years ended December 31, 2014, 2013 and 2012. Actual results could differ from those estimates.

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Reclassifications

Certain reclassifications have been made to the 2013 and 2012 financial statements to conform to the 2014 presentation.

Cash and Cash Equivalents

Cash and cash equivalents include all cash and liquid investments with an initial maturity of three months or less. The carrying amount approximates fair value due to the short term maturity of these investments.

Restricted Cash

Restricted cash includes cash held in escrow in connection with gross proceeds from the sales of certain industrial properties. These sales proceeds will be disbursed as we exchange into properties under Section 1031 of the Code. The carrying amount approximates fair value due to the short term maturity of these investments.

Investment in Real Estate and Depreciation

Investment in real estate is carried at cost, less accumulated depreciation and amortization. We review our properties on a quarterly basis for impairment and provide a provision if impairments exist. To determine if an impairment may exist, we review our properties and identify those that have had either an event of change or event of circumstances warranting further assessment of recoverability (such as a decrease in occupancy, a decline in general market conditions or a change in the expected hold period of an asset). If further assessment of recoverability is needed, we estimate the future net cash flows expected to result from the use of the property and its eventual disposition on an individual property basis. If the sum of the expected future net cash flows (undiscounted and without interest charges) is less than the carrying amount of the property on an individual property basis, we will recognize an impairment loss based upon the estimated fair value of such property. For properties we consider held for sale, we cease depreciating the properties and value the properties at the lower of depreciated cost or fair value, less costs to dispose. If circumstances arise that were previously considered unlikely, and, as a result, we decide not to sell a property previously classified as held for sale, we will reclassify such property as held and used. Such property is measured at the lower of its carrying amount (adjusted for any depreciation and amortization expense that would have been recognized had the property been continuously classified as held and used) or fair value at the date of the subsequent decision not to sell. We classify properties as held for sale when all criteria within the Financial Accounting Standards Board's (the "FASB") guidance on the impairment or disposal of long-lived assets are met.

Interest costs, real estate taxes, compensation costs of development personnel and other directly related costs incurred during construction periods are capitalized and depreciated commencing with the date the property is substantially completed. Upon substantial completion, we reclassify construction in progress to building, tenant improvements and leasing commissions. Such costs begin to be capitalized to the development projects from the point we are undergoing necessary activities to get the development ready for its intended use and cease when the development projects are substantially completed and held available for occupancy.

Depreciation expense is computed using the straight-line method based on the following useful lives:

	<u>Years</u>
Buildings and Improvements	7 to 50
Land Improvements	3 to 20
Furniture, Fixtures and Equipment	4 to 10
Tenant Improvements	Shorter of Lease Term or Useful Life

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Construction expenditures for tenant improvements, leasehold improvements and leasing commissions (inclusive of compensation costs of personnel attributable to leasing) are capitalized and amortized over the terms of each specific lease. Capitalized compensation costs of personnel attributable to leasing relate to time directly attributable to originating leases with independent third parties that result directly from and are essential to originating those leases and would not have been incurred had these leasing transactions not occurred. Repairs and maintenance are charged to expense when incurred. Expenditures for improvements are capitalized.

Upon acquisition of a property, we allocate the purchase price of the property based upon the fair value of the assets acquired and liabilities assumed, which generally consists of land, buildings, tenant improvements, leasing commissions and intangible assets including in-place leases, above market and below market leases, below market ground lease obligations and tenant relationships. We allocate the purchase price to the fair value of the tangible assets of an acquired property by valuing the property as if it were vacant. Acquired above and below market leases and below market ground lease obligations are valued based on the present value of the difference between prevailing market rates and the in-place rates measured over a period equal to the remaining term of the lease for above market leases and below market ground lease obligations, and the initial term plus the term of any below market fixed rate renewal options for below market leases. The above market lease values are amortized as a reduction of rental revenue over the remaining term of the respective leases, and the below market lease values are amortized as an increase to base rental revenue over the remaining initial terms plus the terms of any below market fixed rate renewal options of the respective leases.

The purchase price is further allocated to in-place lease values and tenant relationships based on our evaluation of the specific characteristics of each tenant's lease and our overall relationship with the respective tenant. The value of in-place lease intangibles and tenant relationships, which are included as components of deferred leasing intangibles, net are amortized over the remaining lease term (and expected renewal periods of the respective lease for tenant relationships) as adjustments to depreciation and other amortization expense. If a tenant terminates its lease early, the unamortized portion of the tenant improvements, leasing commissions, above and below market leases, the in-place lease value and tenant relationships is immediately written off.

Deferred leasing intangibles, net of accumulated amortization, included in our total assets and total liabilities consist of the following:

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
In-Place Leases	\$16,850	\$15,676
Above Market Leases	3,425	3,994
Below Market Ground Lease Obligation	1,823	—
Tenant Relationships	<u>11,428</u>	<u>10,120</u>
Total Included in Total Assets, Net of \$28,808 and \$30,017 of Accumulated Amortization	<u>\$33,526</u>	<u>\$29,790</u>
Below Market Leases	<u>\$12,726</u>	<u>\$13,626</u>
Total Included in Total Liabilities, Net of \$8,735 and \$8,240 of Accumulated Amortization	<u>\$12,726</u>	<u>\$13,626</u>

Amortization expense related to in-place leases and tenant relationships, exclusive of amortization expense related to in-place leases and tenant relationships included in discontinued operations, was \$6,239, \$5,598 and \$6,768 for the years ended December 31, 2014, 2013 and 2012, respectively. Rental revenues increased by \$925, \$572 and \$790 related to net amortization of above/(below) market leases, exclusive of net amortization related

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

to above/(below) market leases included in discontinued operations, for the years ended December 31, 2014, 2013 and 2012, respectively. We will recognize net amortization expense related to deferred leasing intangibles over the next five years, for properties owned as of December 31, 2014 as follows:

	<u>Estimated Amortization of In-Place Leases and Tenant Relationships</u>	<u>Estimated Net Increase to Rental Revenues Related to Above and Below Market Leases</u>
2015	\$5,708	\$405
2016	\$4,446	\$950
2017	\$3,957	\$913
2018	\$3,063	\$840
2019	\$2,362	\$799

Foreign Currency Transactions and Translation

The assets and liabilities of our operations in Canada are translated to U.S. dollars from the Canadian dollar based on the current exchange rate prevailing at each balance sheet date. The income statement accounts are translated using the average exchange rate for the period. The resulting translation adjustments are included in accumulated other comprehensive income. We sold our sole remaining real estate asset located in Canada during the year ended December 31, 2014.

Deferred Financing Costs

Deferred financing costs include fees and costs incurred to obtain long-term financing. These fees and costs are being amortized over the terms of the respective loans. Accumulated amortization of deferred financing costs was \$17,173 and \$17,122 at December 31, 2014 and 2013, respectively. Unamortized deferred financing costs are written-off when debt is retired before the maturity date.

Investments in Joint Ventures

Investments in joint ventures represent our noncontrolling equity interests in our Joint Ventures. We account for our investments in joint ventures under the equity method of accounting, as we do not have a majority voting interest, operational control or financial control. Control is determined using accounting standards related to the consolidation of joint ventures and variable interest entities. In order to assess whether consolidation of a variable interest entity is required, an enterprise is required to qualitatively assess the determination of the primary beneficiary of a variable interest entity ("VIE") based on whether the entity (1) has the power to direct matters that most significantly impact the activities of the VIE and (2) has the obligation to absorb losses or the right to receive benefits of the VIE that could potentially be significant to the VIE. Additionally, they require an ongoing reconsideration of the primary beneficiary and provide a framework for the events that trigger a reassessment of whether an entity is a VIE.

Under the equity method of accounting, our share of earnings or losses of our Joint Ventures is reflected in income as earned and contributions or distributions increase or decrease our investments in joint ventures as paid or received, respectively. Differences between our carrying value of our investments in joint ventures and our underlying equity of such Joint Ventures are amortized over the respective lives of the underlying assets.

Stock Based Compensation

We measure compensation cost for all stock-based awards at fair value on the date of grant and recognize compensation expense over the service period for awards expected to vest.

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Net income, net of preferred dividends and redemption of preferred stock, is allocated to common stockholders and participating securities based upon their proportionate share of weighted average shares plus weighted average participating securities. Participating securities are unvested share-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents. Restricted stock awards granted to employees and directors are considered participating securities as they receive non-forfeitable dividend or dividend equivalents at the same rate as common stock. See Note 9 for further disclosure about participating securities.

Revenue Recognition

Rental income is recognized on a straight-line method under which contractual rent increases are recognized evenly over the lease term. Tenant recovery income includes payments from tenants for real estate taxes, insurance and other property operating expenses and is recognized as revenue in the same period the related expenses are incurred by us.

Revenue is generally recognized on payments received from tenants for early lease terminations upon the effective termination of a tenant's lease and when we have no further obligations under the lease.

Interest income on notes receivable is recognized based on the accrual method unless a significant uncertainty of collection exists. If a significant uncertainty exists, interest income is recognized as collected.

We provide an allowance for doubtful accounts against the portion of tenant accounts receivable including deferred rent receivable, which is estimated to be uncollectible. Accounts receivable in the consolidated balance sheets are shown net of an allowance for doubtful accounts of \$1,695 and \$1,362 as of December 31, 2014 and 2013, respectively. Deferred rent receivable in the consolidated balance sheets is shown net of an allowance for doubtful accounts of \$1,888 and \$1,694 as of December 31, 2014 and 2013, respectively. For accounts receivable we deem uncollectible, we use the direct write-off method.

Gain on Sale of Real Estate

Gain on sale of real estate is recognized using the full accrual method, when appropriate. Gains relating to transactions which do not meet the full accrual method of accounting are deferred and recognized when the full accrual method of accounting criteria are met or by using the installment or deposit methods of profit recognition, as appropriate in the circumstances. As the assets are sold, their costs and related accumulated depreciation are written off with resulting gains or losses reflected in net income or loss. Estimated future costs to be incurred by us after completion of each sale are accrued and included in the determination of the gain on sales.

Notes Receivable

Notes receivable are primarily comprised of mortgage notes receivable that we have made in connection with sales of real estate assets. The notes receivable are recorded at fair value at the time of issuance. Discounts on notes receivable are accreted over the life of the related note receivable. Interest income is accrued as earned. Notes receivable are considered past due when a contractual payment is not remitted in accordance with the terms of the note agreement. On a quarterly basis, we evaluate the collectability of each mortgage note receivable on an individual basis based on various factors which may include payment history, expected fair value of the collateral and internal and external credit information. A loan is considered impaired when, based upon current information and events, it is probable that we will be unable to collect all amounts due under the existing contractual terms. When a loan is considered impaired, the amount of the loss accrual is calculated by comparing the carrying amount of the note receivable to the present value of expected future cash flows. Since the majority of our notes receivable are collateralized by a first mortgage, the loans have risk characteristics similar to the risks in owning commercial real estate.

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Income Taxes

We have elected to be taxed as a REIT under the Code. To qualify as a REIT, we must meet a number of organizational and operational requirements, including a requirement to distribute at least 90% of our adjusted taxable income to our stockholders. Management intends to continue to adhere to these requirements and to maintain our REIT status. As a REIT, we are entitled to a tax deduction for some or all of the dividends we pay to shareholders. Accordingly, we generally will not be subject to federal income taxes as long as we currently distribute to shareholders an amount equal to or in excess of our taxable income. If we fail to qualify as a REIT in any taxable year, we will be subject to federal income taxes and may not be able to qualify as a REIT for four subsequent taxable years.

REIT qualification reduces, but does not eliminate, the amount of state and local taxes we pay. In addition, our financial statements include the operations of taxable corporate subsidiaries that are not entitled to a dividends paid deduction and are subject to corporate federal, state and local income taxes. As a REIT, we may also be subject to certain federal excise and franchise taxes if we engage in certain types of transactions. A benefit/provision has been made for federal, state and local income taxes in the accompanying consolidated financial statements. In accordance with FASB's guidance, the total benefit/provision has been separately allocated to income (loss) from continuing operations, income (loss) from discontinued operations and gain (loss) on sale of real estate. The provision for excise and franchise taxes has been reflected in general and administrative expense in the consolidated statements of operations and has not been separately stated due to its insignificance.

Earnings Per Share ("EPS")

Basic net income (loss) per common share is computed by dividing net income (loss) available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted net income (loss) per common share is computed by dividing net income (loss) available to common shareholders by the sum of the weighted average number of common shares outstanding and any dilutive non-participating securities for the period. See Note 9 for further disclosure about EPS.

Derivative Financial Instruments

Historically, we have used interest rate protection agreements ("Agreements") to fix the interest rate on anticipated offerings of senior unsecured notes or convert floating rate debt and preferred stock to fixed rate. Receipts or payments that result from the settlement of Agreements used to fix the interest rate on anticipated offerings of senior unsecured notes are amortized over the life of the derivative or the life of the debt and included in interest expense. Receipts or payments resulting from Agreements used to convert floating rate debt to fixed rate debt are recognized as a component of interest expense. Agreements which qualify for hedge accounting are marked-to-market and any gain or loss that is effective is recognized in other comprehensive income (shareholders' equity). Agreements which do not qualify for hedge accounting are marked-to-market and any gain or loss is recognized in net income (loss) immediately. Amounts accumulated in other comprehensive income during the hedge period are reclassified to earnings in the same period during which the forecasted transaction or hedged item affects net income (loss). The credit risks associated with Agreements are controlled through the evaluation and monitoring of the creditworthiness of the counterparty. In the event that the counterparty fails to meet the terms of Agreements, our exposure is limited to the current value of the interest rate differential, not the notional amount, and our carrying value of Agreements on the balance sheet. See Note 13 for more information on the Agreements.

Fair Value of Financial Instruments

Financial instruments other than our derivatives include tenant accounts receivable, notes receivable, accounts payable, other accrued expenses, mortgage loans payable, unsecured credit facility, unsecured term loan and senior

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

unsecured notes. The fair values of tenant accounts receivable, accounts payable and other accrued expenses approximate their carrying or contract values. See Note 5 for the fair values of the mortgage loans payable, unsecured credit facility, unsecured term loan and senior unsecured notes and see Note 4 for the fair value of our notes receivable.

Discontinued Operations

The FASB's guidance on financial reporting for the disposal of long lived assets requires that the results of operations and gains or losses on the sale of property or property held for sale be presented in discontinued operations if both of the following criteria are met: (a) the operations and cash flows of the property have been (or will be) eliminated from the ongoing operations of the Company as a result of the disposal transaction and (b) we will not have any significant continuing involvement in the operations of the property after the disposal transaction. The guidance also requires prior period results of operations for these properties to be reclassified and presented in discontinued operations in prior consolidated statements of operations.

Segment Reporting

Management views the Company as a single segment based on its method of internal reporting.

Recent Accounting Pronouncements

In April 2014, the FASB issued Accounting Standards Update No. 2014-08, "Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity" ("ASU 2014-08"). ASU 2014-08 changes the criteria for determining which disposals can be presented as discontinued operations and modifies related disclosure requirements. ASU 2014-08 is effective for annual periods beginning on or after December 15, 2014, and interim periods within those annual periods and is to be applied prospectively to new disposals and new classifications of disposal groups as held for sale after the effective date. Upon adoption in the first quarter of 2015, we anticipate the disposition of properties, as well as the classification of properties held for sale, will generally no longer meet the guidance to be classified as discontinued operations.

In May 2014, the FASB issued Accounting Standards Update No. 2014-09, "Revenue from Contracts with Customers" ("ASU 2014-09"). ASU 2014-09 requires entities to recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those good or services. Most significantly for the real estate industry, leasing transactions are not within the scope of the new standard. A majority of our tenant-related revenue is recognized pursuant to lease agreements. ASU 2014-09 is effective for annual periods beginning after December 15, 2016, including interim periods within that reporting period. Early application is not permitted. We are currently evaluating the impact of the adoption of ASU 2014-09 on our consolidated financial statements.

4. Investment in Real Estate

Acquisitions

In 2012, we acquired one industrial property comprising approximately 0.4 million square feet of GLA through the purchase of the 85% equity interest in one property from the institutional investor in the 2003 Net Lease Joint Venture and several land parcels. The gross agreed-upon fair value for the industrial property was \$21,819, excluding costs incurred in conjunction with the acquisition of the industrial property. The acquisition was funded through the assumption of a mortgage loan, which was subsequently paid off on the date of acquisition and whose carrying value approximated fair market value, in the amount of \$12,026 and a cash

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

payment of \$8,324 (85% of the net fair value of the acquisition). We accounted for this transaction as a step acquisition utilizing the purchase method of accounting. Due to the change in control that occurred, we recorded a gain during the year ended December 31, 2012 of \$776 related to the difference between our carrying value and fair value of our equity interest on the acquisition date. The purchase price of the land parcels was approximately \$46,695, excluding costs incurred in conjunction with the acquisition of the land parcels.

In 2013, we acquired two industrial properties, one of which we acquired through the acquisition of 100% of the equity interest in the limited liability company that owned the industrial property, comprising approximately 1.1 million square feet of GLA and several land parcels. One of the two industrial properties was vacant upon acquisition. The purchase price of these acquisitions totaled approximately \$72,812, excluding costs incurred in conjunction with the acquisition of the industrial properties and land parcels.

In 2014, we acquired eight industrial properties comprising approximately 1.1 million square feet of GLA and several land parcels. The purchase price of these acquisitions totaled approximately \$95,692, excluding costs incurred in conjunction with the acquisition of the industrial properties and land parcels.

The purchase price of the industrial properties and land parcels acquired for the years ended December 31, 2014 and 2013, was allocated as follows:

	Year Ended December 31, 2014	Year Ended December 31, 2013
Land	\$39,739	\$34,518
Building and Improvements	44,070	33,244
Other Assets	1,863	517
Deferred Leasing Intangibles, Net	10,020	4,533
Total Purchase Price	<u>\$95,692</u>	<u>\$72,812</u>

We value third party acquisitions and acquisitions of unconsolidated joint venture partner interests in industrial properties on a similar basis, generally by applying an income capitalization approach. The fair value measurements are based on significant inputs not observable in the market and thus represent Level 3 measurements.

Intangible Assets (Liabilities) Subject To Amortization in the Period of Acquisition

The fair value at the date of acquisition of in-place leases, tenant relationships, a below market ground lease obligation and above and below market leases recorded due to the real estate properties acquired for the years ended December 31, 2014 and 2013, which are recorded as deferred leasing intangibles, is as follows:

	Year Ended December 31, 2014	Year Ended December 31, 2013
In-Place Leases	\$5,350	\$2,807
Tenant Relationships	\$3,440	\$1,914
Above Market Leases	\$ 316	\$ —
Below Market Ground Lease Obligation	\$1,854	\$ —
Below Market Leases	\$ (940)	\$ (188)

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The weighted average life, in months, of in-place leases, tenant relationships, a below market ground lease obligation and above and below market leases recorded at the time of acquisition as a result of the real estate properties acquired for the years ended December 31, 2014 and 2013 is as follows:

	Year Ended December 31, 2014	Year Ended December 31, 2013
In-Place Leases	74	52
Tenant Relationships	131	112
Above Market Leases	66	N/A
Below Market Ground Lease Obligation	480	N/A
Below Market Leases	79	52

Sales and Discontinued Operations

In 2012, we sold 28 industrial properties comprising approximately 4.2 million square feet of GLA and one land parcel. Gross proceeds from the sales of the industrial properties and one land parcel were approximately \$85,561. The gain on sale of real estate was approximately \$16,442, of which \$12,665 is shown in discontinued operations. The 28 sold industrial properties meet the criteria to be included in discontinued operations. Therefore the results of operations and gain on sale of real estate for the 28 industrial properties sold are included in discontinued operations. The results of operations and gain on sale of real estate for the one land parcel, which does not meet the criteria to be included in discontinued operations, is included in continuing operations.

In 2013, we sold 67 industrial properties comprising approximately 3.0 million square feet of GLA and several land parcels. Gross proceeds from the sales of the industrial properties and land parcels were approximately \$144,628. The gain on sale of real estate was approximately \$35,444, of which \$34,344 is shown in discontinued operations. The 67 sold industrial properties meet the criteria to be included in discontinued operations. Therefore the results of operations and gain on sale of real estate for the 67 industrial properties sold are included in discontinued operations. The results of operations and gain on sale of real estate for the several land parcels, which do not meet the criteria to be included in discontinued operations, are included in continuing operations.

In 2014, we sold 29 industrial properties comprising approximately 2.0 million square feet of GLA and several land parcels. Gross proceeds from the sales of the industrial properties and land parcels were approximately \$102,596. The gain on sale of real estate was approximately \$25,905, of which \$25,988 is shown in discontinued operations. The 29 sold industrial properties meet the criteria to be included in discontinued operations. Therefore the results of operations and gain on sale of real estate for the 29 industrial properties sold are included in discontinued operations. The results of operations and loss on sale of real estate for the several land parcels, which do not meet the criteria to be included in discontinued operations, are included in continuing operations.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following table discloses certain information regarding the industrial properties included in our discontinued operations for the years ended December 31, 2014, 2013 and 2012:

	Year Ended December 31,		
	2014	2013	2012
Total Revenues	\$ 7,007	\$20,727	\$ 31,457
Property Expenses	(2,784)	(8,126)	(12,269)
Impairment of Real Estate	—	(2,652)	(1,438)
Depreciation and Amortization	(2,388)	(7,727)	(11,648)
Gain on Sale of Real Estate	25,988	34,344	12,665
Income from Discontinued Operations	<u>\$27,823</u>	<u>\$36,566</u>	<u>\$ 18,767</u>

At December 31, 2014 and 2013, we had notes receivable and accrued interest outstanding, issued in connection with sales of industrial properties, of approximately \$2,731 and \$52,605, net of a discount of \$0 and \$191, respectively, which are included as a component of prepaid expenses and other assets. The note receivable outstanding at December 31, 2014, bears interest at a fixed rate of 4.75% and matured January 15, 2015. At December 31, 2014 and 2013, the fair value of the notes receivable, including accrued interest, was \$2,732 and \$53,482, respectively. The fair values of our notes receivable were determined by discounting the future cash flows using the current rates at which similar loans would be made to other borrowers based on similar remaining maturities. The current market rates we utilized were internally estimated; therefore, we have concluded that our determination of fair value of our notes receivable was primarily based upon Level 3 inputs.

Impairment Charges

During the years ended December 31, 2013 and 2012, we recorded the following net non-cash impairment charges (reversals):

	Year Ended December 31, 2013	Year Ended December 31, 2012
Sold Operating Properties — Discontinued Operations	\$2,652	\$1,438
Operating Properties — Continuing Operations	—	(192)
Total Net Impairment	<u>\$2,652</u>	<u>\$1,246</u>

The impairment charges for assets that qualify to be classified as held for sale are calculated as the difference between the carrying value of the properties and the estimated fair value, less costs to sell. The impairment charges for assets not held for sale are calculated as the difference between the carrying value of the properties and the estimated fair value. The net impairment charges recorded during the years ended December 31, 2013 and 2012 were due to marketing certain properties for sale and our assessment of the likelihood and timing of a potential sale transaction. Catch-up depreciation and amortization was recorded during the year ended December 31, 2012 for certain assets that were no longer classified as held for sale.

The accounting guidance for the fair value measurement provisions for the impairment of long lived assets establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets for identical assets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable;

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. The real estate assets measured at fair value on a non-recurring basis during the years ended December 31, 2014 and 2013 were either sold or are recorded at carrying value at December 31, 2014.

The fair market values were determined using widely accepted valuation techniques including discounted cash flow analyses using expected cash flows and third party offers. For operational real estate assets, the most significant assumptions used in the discounted cash flow analyses included the discount rate, projected occupancy levels, market rental rates, capital expenditures and the terminal capitalization rate. Valuations based on third party offers include bona fide contract prices and letter of intent amounts that we believe are indicative of fair value.

5. Indebtedness

The following table discloses certain information regarding our indebtedness:

	Outstanding Balance at		Interest Rate at	Effective Interest Rate at	Maturity Date
	December 31, 2014	December 31, 2013	December 31, 2014	Issuance	
Mortgage Loans					February 2016 –
Payable, Net	\$599,985	\$677,890	4.03% – 8.26%	4.03% – 8.26%	September 2022
<i>Unamortized Premiums</i>	(90)	(115)			
Mortgage Loans Payable, Gross ...	<u>\$599,895</u>	<u>\$677,775</u>			
Senior Unsecured Notes, Net					
2016 Notes	\$159,621	\$159,566	5.750%	5.91%	1/15/2016
2017 Notes	54,966	54,960	7.500%	7.52%	12/1/2017
2027 Notes	6,066	6,066	7.150%	7.11%	5/15/2027
2028 Notes	31,884	31,883	7.600%	8.13%	7/15/2028
2032 Notes	10,518	10,514	7.750%	7.87%	4/15/2032
2014 Notes	—	81,149	N/A	N/A	6/1/2014
2017 II Notes	<u>101,806</u>	<u>101,778</u>	5.950%	6.37%	5/15/2017
Subtotal	<u>\$364,861</u>	<u>\$445,916</u>			
<i>Unamortized Discounts</i>	<u>241</u>	<u>980</u>			
Senior Unsecured Notes, Gross	<u>\$365,102</u>	<u>\$446,896</u>			
Unsecured Term Loan*	<u>\$200,000</u>	<u>N/A</u>	1.906%	1.906%	1/29/2021
Unsecured Credit Facility**	<u>\$185,000</u>	<u>\$173,000</u>	1.662%	1.662%	9/29/2017

* We entered into interest rate protection agreements, with an aggregate notional value of \$200,000, to effectively convert the variable rate to a fixed rate. See Note 13.

** The maturity date may be extended an additional year at our election, subject to certain restrictions.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Mortgage Loans Payable, Net

During the years ended December 31, 2014 and 2013, we paid off and retired prior to maturity mortgage loans payable in the amount of \$65,558 and \$72,261, respectively. In connection with these prepayments, we recognized \$655 and \$1,578 as loss from retirement of debt for the years ended December 31, 2014 and 2013, respectively.

As of December 31, 2014, mortgage loans payable are collateralized, and in some instances cross-collateralized, by industrial properties with a net carrying value of \$740,281. We believe the Operating Partnership and the Company were in compliance with all covenants relating to mortgage loans payable as of December 31, 2014.

Senior Unsecured Notes, Net

During the year ended December 31, 2013, we repurchased and retired the following senior unsecured notes prior to maturity:

	<u>Principal Amount Repurchased</u>	<u>Purchase Price</u>
2017 Notes	430	482
2017 II Notes	5,000	5,300
2028 Notes	23,394	26,547
2032 Notes	1,000	1,163
Total	<u>\$29,824</u>	<u>\$33,492</u>

In connection with these repurchases prior to maturity, we recognized \$5,003 as loss from retirement of debt for the year ended December 31, 2013, which is the difference between the repurchase price and the principal amount retired, net of the pro rata write-off of the unamortized debt issue discount, the unamortized deferred financing costs and the unamortized settlement amount of the interest rate protection agreements of \$28, \$191 and \$1,116, respectively.

During the year ended December 31, 2014, we paid off and retired our 2014 Notes, at maturity, in the amount of \$81,794.

Unsecured Term Loan

On January 29, 2014, we entered into a seven-year, \$200,000 unsecured loan (the “Unsecured Term Loan”) with a syndicate of financial institutions. The Unsecured Term Loan requires interest only payments and bears interest at a variable rate based on LIBOR, as defined in the loan agreement, plus a specified spread based on our leverage ratio or credit ratings.

Unsecured Credit Facility

On July 19, 2013, we amended and restated our \$450,000 revolving credit agreement (the “Old Credit Facility”), increasing the borrowing capacity thereunder to \$625,000 (as amended and restated, the “Unsecured Credit Facility”). We may request that the borrowing capacity under the Unsecured Credit Facility be increased to \$825,000, subject to certain restrictions. The amendment extended the maturity date from December 12, 2014 to September 29, 2017 with an option to extend an additional one year at our election, subject to certain restrictions. At December 31, 2014, the Unsecured Credit Facility provides for interest only payments at LIBOR

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

plus 150 basis points. The interest rate on the Unsecured Credit Facility varies based on our leverage ratio. In connection with the amendment of the Old Credit Facility, we wrote off \$56 of unamortized deferred financing costs, which is included in loss from retirement of debt for the year ended December 31, 2013.

Indebtedness

The following is a schedule of the stated maturities and scheduled principal payments of our indebtedness, exclusive of premiums and discounts, for the next five years ending December 31, and thereafter:

	<u>Amount</u>
2015	\$ 12,158
2016	251,870
2017	353,723
2018	168,341
2019	76,423
Thereafter	<u>487,482</u>
Total	<u>\$1,349,997</u>

The Unsecured Credit Facility, Unsecured Term Loan and the indentures governing our senior unsecured notes contain certain financial covenants, including limitations on incurrence of debt and debt service coverage. Under the Unsecured Credit Facility and Unsecured Term Loan, an event of default can occur if the lenders, in their good faith judgment, determine that a material adverse change has occurred which could prevent timely repayment or materially impair our ability to perform our obligations under the loan agreements. We believe that the Operating Partnership and the Company were in compliance with all covenants relating to the Unsecured Credit Facility, Unsecured Term Loan and indentures governing our senior unsecured notes as of December 31, 2014. However, these financial covenants are complex and there can be no assurance that these provisions would not be interpreted by our lenders and noteholders in a manner that could impose and cause us to incur material costs.

Fair Value

At December 31, 2014 and 2013, the fair value of our indebtedness was as follows:

	<u>December 31, 2014</u>		<u>December 31, 2013</u>	
	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Mortgage Loans Payable, Net	\$ 599,985	\$ 640,818	\$ 677,890	\$ 684,914
Senior Unsecured Debt, Net	364,861	395,320	445,916	482,781
Unsecured Term Loan	200,000	200,575	N/A	N/A
Unsecured Credit Facility	<u>185,000</u>	<u>185,747</u>	<u>173,000</u>	<u>173,000</u>
Total	<u>\$1,349,846</u>	<u>\$1,422,460</u>	<u>\$1,296,806</u>	<u>\$1,340,695</u>

The fair values of our mortgage loans payable were determined by discounting the future cash flows using the current rates at which similar loans would be made based upon similar remaining maturities. The current market rates we utilized were internally estimated. The fair value of the senior unsecured debt was determined by using rates, as advised by our bankers in certain cases, that are based upon recent trades within the same series of

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

the senior unsecured debt, recent trades for senior unsecured debt with comparable maturities, recent trades for fixed rate unsecured debt from companies with profiles similar to ours, as well as overall economic conditions. The fair value of the Unsecured Credit Facility and Unsecured Term Loan was determined by discounting the future cash flows using current rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining term, assuming no repayment until maturity. We have concluded that our determination of fair value for each of our mortgage loans payable, senior unsecured debt, Unsecured Term Loan and Unsecured Credit Facility was primarily based upon Level 3 inputs.

6. Stockholders' Equity

Preferred Stock

On May 27, 2004, we issued 50,000 Depositary Shares, each representing 1/100th of a share of our 6.236%, Series F Flexible Cumulative Redeemable Preferred Stock, \$0.01 par value (the "Series F Preferred Stock"), at an initial offering price of \$1,000.00 per Depositary Share. The Series F Preferred Stock was redeemable for cash at our option, in whole or in part, at a redemption price of \$1,000.00 per Depositary Share, or \$50,000 in the aggregate, plus dividends accrued and unpaid to the redemption date. On March 6, 2014, we fully redeemed the Series F Preferred Stock, at a redemption price of \$1,000.00 per Depositary Share, and paid a pro-rated first quarter dividend of \$11.3299 per Depositary Share, totaling \$566. The initial offering costs associated with the issuance of the Series F Preferred Stock, as well as costs associated with the redemption, totaled \$949 and are reflected as a deduction from net income in determining earnings per share for the year ended December 31, 2014.

On May 27, 2004, we issued 25,000 Depositary Shares, each representing 1/100th of a share of our 7.236%, Series G Flexible Cumulative Redeemable Preferred Stock, \$0.01 par value (the "Series G Preferred Stock"), at an initial offering price of \$1,000.00 per Depositary Share. The Series G Preferred Stock was redeemable for cash at our option, in whole or in part, at a redemption price of \$1,000.00 per Depositary Share, or \$25,000 in the aggregate, plus dividends accrued and unpaid to the redemption date. On March 31, 2014, we fully redeemed the Series G Preferred Stock, at a redemption price of \$1,000.00 per Depositary Share, and paid a semi-annual dividend of \$36.18 per depositary share, totaling \$905. The initial offering costs associated with the issuance of the Series G Preferred Stock, as well as costs associated with the redemption, totaled \$513 and are reflected as a deduction from net income in determining earnings per share for the year ended December 31, 2014.

On January 13, 2006, we issued 6,000,000 Depositary Shares, each representing 1/10,000th of a share of our 7.25%, Series J Cumulative Redeemable Preferred Stock, \$0.01 par value (the "Series J Preferred Stock"), at an initial offering price of \$25.00 per Depositary Share. The Series J Preferred Stock was redeemable for cash at our option, in whole or in part, at a redemption price equivalent to \$25.00 per Depositary Share, or \$150,000 in the aggregate, plus dividends accrued and unpaid to the redemption date. On December 21, 2012, we redeemed 2,000,000 Depositary Shares of the Series J Preferred Stock at a redemption price of \$25.00 per Depositary Share, and paid a pro-rated fourth quarter dividend of \$0.407812 per Depositary Share, totaling \$816. One-third of the initial offering costs associated with the issuance of the Series J Preferred Stock, as well as costs associated with the partial redemption, totaled \$1,804 and are reflected as a deduction from net loss in determining earnings per share for the year ended December 31, 2012. The remaining 4,000,000 Depositary Shares of the Series J Preferred Stock were redeemed on April 11, 2013, at a redemption price of \$25.00 per Depositary Share, and we paid a pro-rated second quarter dividend of \$0.055382 per Depositary Share, totaling \$221. The remaining initial offering costs associated with the issuance of the Series J Preferred Stock, as well as costs associated with the redemption, totaled \$3,546 and are reflected as a deduction from net income in determining earnings per share for the year ended December 31, 2013.

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

On August 21, 2006, we issued 2,000,000 Depositary Shares, each representing 1/10,000th of a share of our 7.25%, Series K Flexible Cumulative Redeemable Preferred Stock, \$0.01 par value (the “Series K Preferred Stock”), at an initial offering price of \$25.00 per Depositary Share. The Series K Preferred Stock was redeemable for cash at our option, in whole or in part, at a redemption price equivalent to \$25.00 per Depositary Share, or \$50,000 in the aggregate, plus dividends accrued and unpaid to the redemption date. On July 18, 2013, we fully redeemed the Series K Preferred Stock at a redemption price of \$25.00 per Depositary Share, and paid a pro-rated third quarter dividend of \$0.090625 per Depositary Share, totaling \$181. The initial offering costs associated with the issuance of the Series K Preferred Stock, as well as costs associated with the redemption, totaled \$2,121 and are reflected as a deduction from net income in determining earnings per share for the year ended December 31, 2013.

The Company has 10,000,000 shares of preferred stock authorized. As of December 31, 2014, no preferred shares were outstanding. The following table summarizes the preferred shares outstanding at December 31, 2013:

	<u>Shares Outstanding</u>	<u>Liquidation Preference</u>
Series F Preferred Stock	500	\$50,000
Series G Preferred Stock	250	\$25,000

Shares of Common Stock

For the years ended December 31, 2014, 2013 and 2012, 222,676, 105,028, and 535,026 limited partnership interests in the Operating Partnership (“Units”), respectively, were converted into an equivalent number of shares of common stock, resulting in a reclassification of \$2,155, \$996 and \$4,763, respectively, of noncontrolling interest to First Industrial Realty Trust Inc.’s stockholders’ equity.

During the years ended December 31, 2013 and 2012, we issued 8,400,000 and 9,400,000 shares of the Company’s common stock in an underwritten public offering. Net proceeds to us for the years ended December 31, 2013 and 2012, were \$132,050 and \$116,715, respectively.

On March 1, 2012, we entered into distribution agreements with sales agents to sell up to 12,500,000 shares of the Company’s common stock, for up to \$125,000 aggregate gross sale proceeds, from time to time in “at-the-market” offerings (the “2012 ATM”). During the years ended December 31, 2013 and 2012, we issued 2,315,704 and 1,532,598 shares, respectively, of the Company’s common stock under the 2012 ATM resulting in net proceeds to us of \$41,735 and \$18,063. On March 12, 2014, we terminated the 2012 ATM in preparation for the commencement of the 2014 ATM (defined hereafter).

On March 13, 2014, we entered into distribution agreements with sales agents to sell up to 13,300,000 shares of the Company’s common stock, for up to \$200,000 aggregate gross sales proceeds, from time to time in “at-the-market” offerings (the “2014 ATM”). During the year ended December 31, 2014, we issued no shares of common stock under the 2014 ATM. Under the terms of the 2014 ATM, sales are to be made primarily in transactions that are deemed to be “at-the-market” offerings, including sales made directly on the New York Stock Exchange or sales made through a market maker other than on an exchange or by privately negotiated transactions.

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following table is a roll-forward of our shares of common stock outstanding, including unvested restricted shares of common stock (see Note 12), for the three years ended December 31, 2014:

	<u>Shares of Common Stock Outstanding</u>
Balance at December 31, 2011	86,807,402
Issuance of Common Stock, Including Vesting of Restricted Stock Units	11,085,905
Issuance of Restricted Stock Shares	565,137
Repurchase and Retirement of Restricted Stock Shares	(225,557)
Conversion of Operating Partnership Units	535,026
Balance at December 31, 2012	98,767,913
Issuance of Common Stock, Including Vesting of Restricted Stock Units	10,853,693
Issuance of Restricted Stock Shares	284,461
Repurchase and Retirement of Restricted Stock Shares	(30,245)
Conversion of Operating Partnership Units	105,028
Balance at December 31, 2013	109,980,850
Vesting of Restricted Stock Units	219,695
Issuance of Restricted Stock Shares	319,055
Repurchase and Retirement of Restricted Stock Shares	(141,410)
Conversion of Operating Partnership Units	222,676
Balance at December 31, 2014	<u>110,600,866</u>

Dividends/Distributions

The coupon rate of our Series F Preferred Stock reset every quarter at 2.375% plus the greater of (i) the 30 year Treasury constant maturity treasury (“CMT”) Rate, (ii) the 10 year Treasury CMT Rate or (iii) 3-month LIBOR. For the period January 1, 2014 through March 6, 2014 (the redemption date), the coupon rate was 6.275%.

The following table summarizes dividends/distributions accrued during the past three years:

	<u>2014 Total Dividend/ Distribution*</u>	<u>2013 Total Dividend/ Distribution *</u>	<u>2012 Total Dividend/ Distribution*</u>
Common Stock/Operating Partnership Units	\$47,263	\$38,862	\$ —
Series F Preferred Stock	\$ 566	\$ 2,896	\$ 2,728
Series G Preferred Stock	\$ 453	\$ 1,809	\$ 1,809
Series J Preferred Stock	N/A	\$ 2,034	\$10,785
Series K Preferred Stock	N/A	\$ 1,994	\$ 3,625

* See the “Preferred Stock” section for the redemptions and discussion of pro-rated dividends for all series of preferred stock occurring during the years ended December 31, 2014, 2013 and 2012.

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

7. Accumulated Other Comprehensive Loss

The following tables summarize the changes in accumulated other comprehensive loss by component for the year ended December 31, 2014 and the reclassifications out of accumulated other comprehensive loss for the years ended December 31, 2014 and 2013:

	Interest Rate Protection Agreements	Foreign Currency Translation Adjustment	Comprehensive Income (Loss) Attributable to Noncontrolling Interest	Total
Balance as of December 31, 2012	\$ (7,008)	\$138	\$ 313	\$ (6,557)
Other Comprehensive Loss Before Reclassifications	—	(60)	(175)	(235)
Amounts Reclassified from Accumulated Other Comprehensive Loss	3,527	—	—	3,527
Net Current Period Other Comprehensive Income (Loss)	3,527	(60)	(175)	3,292
Balance as of December 31, 2013	\$ (3,481)	\$ 78	\$ 138	\$ (3,265)
Other Comprehensive Loss Before Reclassifications	(16,270)	(93)	412	(15,951)
Amounts Reclassified from Accumulated Other Comprehensive Loss	5,349	—	—	5,349
Net Current Period Other Comprehensive Loss	(10,921)	(93)	412	(10,602)
Balance as of December 31, 2014	\$ (14,402)	\$ (15)	\$ 550	\$ (13,867)

	Amount Reclassified from Accumulated Other Comprehensive Loss		
Details about Accumulated Other Comprehensive Loss Components	Year Ended December 31, 2014	Year Ended December 31, 2013	Affected Line Item in the Consolidated Statements of Operations
Interest Rate Protection Agreements			
Amortization of Interest Rate Protection Agreements (Previously Settled)	\$1,358	\$2,411	Interest Expense
Settlement Payments to our Counterparties	3,991	—	Interest Expense
Write-off of Unamortized Settlement Amounts of Interest Rate Protection Agreements	—	1,116	Loss from Retirement of Debt
	<u>\$5,349</u>	<u>\$3,527</u>	Total

The effective portion of changes in the fair value of derivatives designated and that qualify as cash flow hedges is recorded in other comprehensive income (loss) and is subsequently reclassified to earnings through interest expense over the life of the derivative or over the life of the debt. In the next 12 months, we expect to amortize approximately \$523 into net income by increasing interest expense for interest rate protection agreements we settled in previous periods. Additionally, recurring settlement amounts on the Group I Swaps, as defined in Note 13, will also be reclassified to net income. See Note 13 for more information about our derivatives.

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

8. Supplemental Information to Statements of Cash Flows

	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012
Interest Paid, Net of Interest Expense Capitalized in Connection with Development Activity	\$ 70,194	\$ 70,726	\$ 83,504
Interest Expense Capitalized in Connection with Development Activity	\$ 1,411	\$ 3,611	\$ 1,997
Income Taxes (Refunded) Paid	\$ (105)	\$ 5,433	\$ (295)
Supplemental Schedule of Non-Cash Investing and Financing Activities:			
Distribution Payable on Common Stock/Operating Partnership Units	\$ 11,949	\$ 9,837	\$ —
Distribution Payable on Preferred Stock	\$ —	\$ 452	\$ 452
Exchange of Operating Partnership Units for Common Stock:			
Noncontrolling Interest	\$ (2,155)	\$ (996)	\$ (4,763)
Common Stock	2	1	5
Additional Paid-in-Capital	2,153	995	4,758
Total	\$ —	\$ —	\$ —
Assumption of Indebtedness and Other Liabilities in Connection with the Acquisition of Real Estate	\$ 364	\$ 483	\$ 12,026
Notes Receivable Issued in Conjunction with Certain Property Sales	\$ —	\$ 12,520	\$ —
Accounts Payable Related to Construction in Progress and Additions to Investment in Real Estate	\$ 14,901	\$ 15,249	\$ 12,524
Write-off of Fully Depreciated Assets	\$(44,769)	\$(62,281)	\$(46,801)

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

9. Earnings Per Share (EPS)

The computation of basic and diluted EPS is presented below:

	<u>Year Ended December 31, 2014</u>	<u>Year Ended December 31, 2013</u>	<u>Year Ended December 31, 2012</u>
Numerator:			
Income (Loss) from Continuing Operations	\$ 23,265	\$ 3,972	\$(25,063)
(Loss) Gain on Sale of Real Estate, Net of Income Tax Provision	(83)	890	3,777
Noncontrolling Interest Allocable to Continuing Operations	(813)	396	2,173
Income from Continuing Operations Allocable to Participating Securities	(75)	—	—
Income (Loss) from Continuing Operations Attributable to First Industrial Realty Trust, Inc.	22,294	5,258	(19,113)
Preferred Dividends	(1,019)	(8,733)	(18,947)
Redemption of Preferred Stock	(1,462)	(5,667)	(1,804)
Income (Loss) from Continuing Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ 19,813</u>	<u>\$ (9,142)</u>	<u>\$(39,864)</u>
Income from Discontinued Operations	\$ 27,823	\$ 36,566	\$ 18,767
Noncontrolling Interest Allocable to Discontinued Operations	(1,082)	(1,517)	(972)
Income from Discontinued Operations Allocable to Participating Securities	(100)	(162)	—
Income from Discontinued Operations Attributable to First Industrial Realty Trust, Inc.	<u>\$ 26,641</u>	<u>\$ 34,887</u>	<u>\$ 17,795</u>
Net Income (Loss) Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities	\$ 46,629	\$ 25,907	\$(22,069)
Net Income Allocable to Participating Securities	(175)	(162)	—
Net Income (Loss) Available to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ 46,454</u>	<u>\$ 25,745</u>	<u>\$(22,069)</u>
Denominator (In Thousands):			
Weighted Average Shares - Basic	109,922	106,995	91,468
Effect of Dilutive Securities:			
LTIP Unit Awards	403	—	—
Weighted Average Shares - Diluted	<u>110,325</u>	<u>106,995</u>	<u>91,468</u>
Basic and Diluted EPS:			
Income (Loss) from Continuing Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ 0.18</u>	<u>\$ (0.09)</u>	<u>\$ (0.44)</u>
Income from Discontinued Operations Attributable to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ 0.24</u>	<u>\$ 0.33</u>	<u>\$ 0.20</u>
Net Income (Loss) Available to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ 0.42</u>	<u>\$ 0.24</u>	<u>\$ (0.24)</u>

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Participating securities include 463,774, 488,861 and 288,627 of unvested restricted stock awards outstanding at December 31, 2014, 2013 and 2012, respectively, which participate in non-forfeitable dividends of the Company. Under the two class method, participating security holders are allocated income, in proportion to total weighted average shares outstanding, based upon the greater of net income (after reduction for preferred dividends and redemption of preferred stock) or common dividends declared. Since participating security holders are not obligated to share in losses and no common dividends were declared during the year ended December 31, 2012, there was no allocation of income to participating security holders for the year ended December 31, 2012.

The number of weighted average shares—diluted is the same as the number of weighted average shares—basic for the years ended December 31, 2013 and 2012, as the effect of restricted unit awards and LTIP Unit Awards (as defined in Note 12), which do not participate in non-forfeitable dividends of the Company, was excluded as its inclusion would have been antidilutive to the loss from continuing operations available to First Industrial Realty Trust, Inc.'s common stockholders. The following table discloses the number of non-participating securities outstanding for the years ended December 31, 2013 and 2012 that were excluded from the computation of diluted EPS:

	Number of Awards Outstanding at December 31, 2013	Number of Awards Outstanding at December 31, 2012
Non-Participating Securities:		
Restricted Unit Awards	73,400	483,500
LTIP Unit Awards	718,960	—

10. Income Taxes

The components of income tax (provision) benefit for the years ended December 31, 2014, 2013 and 2012 are comprised of the following:

	2014	2013	2012
Current:			
Federal	\$ (51)	\$ 231	\$(5,210)
State	(196)	(264)	(253)
Foreign	—	—	(10)
Deferred:			
State	9	36	(49)
	<u>\$(238)</u>	<u>\$ 3</u>	<u>\$(5,522)</u>

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Deferred income taxes represent the tax effect of the temporary differences between the book and tax basis of assets and liabilities. Deferred tax assets (liabilities) include the following as of December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Impairment of Real Estate	\$ 2,466	\$ 5,185
Foreign Net Operating Loss Carryforward	585	1,312
Valuation Allowance	(4,224)	(5,357)
Other	<u>1,251</u>	<u>696</u>
Total Deferred Tax Assets, Net of Allowance	<u>\$ 78</u>	<u>\$ 1,836</u>
Straight-line Rent	\$ (90)	\$ (76)
Fixed Assets	—	(1,771)
Other	<u>(112)</u>	<u>(122)</u>
Total Deferred Tax Liabilities	<u>\$ (202)</u>	<u>\$(1,969)</u>
Total Net Deferred Tax Liabilities	<u>\$ (124)</u>	<u>\$ (133)</u>

A valuation allowance is recorded if we believe it is more likely than not that all or some portion of our deferred tax assets will not be realized. We do not have projections of future taxable income or other sources of taxable income in the taxable REIT subsidiaries significant enough to allow us to believe it is more likely than not that we will realize our deferred tax assets. Therefore, we have recorded a valuation allowance against our deferred tax assets. An increase or decrease in the valuation allowance that results from a change in circumstances, and which causes a change in our judgment about the realizability of the related deferred tax assets, is included in the current tax provision.

The income tax (provision) benefit pertaining to income (loss) from continuing operations and gain on sale of real estate of our taxable REIT subsidiaries differs from the amounts computed by applying the applicable federal statutory rate as follows for the years ended December 31, 2014, 2013 and 2012:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Tax (Provision) Benefit at Federal Rate Related to Continuing Operations	\$ (532)	\$ 286	\$ 557
State Tax Provision, Net of Federal Benefit	(214)	(236)	(244)
Non-deductible Permanent Items, Net	1	21	32
IRS Audit Adjustment and Accrued Interest	—	58	(5,523)
Change in Valuation Allowance	1,133	(388)	(166)
Foreign Taxes, Net	—	—	(10)
Other	<u>(626)</u>	<u>262</u>	<u>(168)</u>
Net Income Tax (Provision) Benefit	<u>\$ (238)</u>	<u>\$ 3</u>	<u>\$(5,522)</u>

We evaluate tax positions taken in the financial statements on a quarterly basis under the interpretation for accounting for uncertainty in income taxes. As a result of this evaluation, we may recognize a tax benefit from an uncertain tax position only if it is “more-likely-than-not” that the tax position will be sustained on examination by taxing authorities. As of December 31, 2014, we do not have any unrecognized tax benefits.

We file income tax returns in the U.S., and various states and foreign jurisdictions. In general, the statutes of limitations for income tax returns remain open for the years 2011 through 2014.

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

IRS Tax Refund

On August 24, 2009, we received a private letter ruling from the IRS granting favorable loss treatment under Sections 331 and 336 of the Code on the tax liquidation of one of our former taxable REIT subsidiaries. On November 6, 2009, legislation was signed that allowed businesses with net operating losses for 2008 or 2009 to carry back those losses for up to five years. As a result, we received a refund from the IRS of \$40,418 in the fourth quarter of 2009 (the “Refund”) in connection with this tax liquidation. The IRS disagreed with certain of the property valuations we obtained from an independent valuation expert in support of our fair value of the liquidated taxable REIT subsidiary and our claim for the Refund. During the year ended December 31, 2012, we agreed to an adjustment, which resulted in us owing approximately \$5,300 in taxes and accrued interest. During the year ended December 31, 2012, the Company recorded a charge for the agreed-upon adjustment which was reflected as a component of income tax expense.

Federal Income Tax Treatment of Share Distributions

For income tax purposes, distributions paid to common shareholders are classified as ordinary income, capital gain, return of capital or qualified dividends. We did not pay common share distributions for the year ended December 31, 2012. For the years ended December 31, 2014 and 2013, the distributions per common share were classified as follows:

<u>Common Stock</u>	<u>2014</u>	<u>As a Percentage of Distributions</u>	<u>2013</u>	<u>As a Percentage of Distributions</u>
Ordinary Income	\$0.4412	100.00%	\$0.3088	100.00%
Long-term Capital Gains	—	0.00%	—	0.00%
Unrecaptured Section 1250 Gain	—	0.00%	—	0.00%
Return of Capital	—	0.00%	—	0.00%
Qualified Dividends	—	0.00%	—	0.00%
	<u>\$0.4412</u>	<u>100.00%</u>	<u>\$0.3088</u>	<u>100.00%</u>

For income tax purposes, distributions paid to preferred shareholders are classified as ordinary income, capital gain, return of capital or qualified dividends. For the years ended December 31, 2013 and 2012, the preferred distributions per depositary share were classified as follows:

<u>Series J Preferred Stock</u>	<u>2013 (1)</u>	<u>As a Percentage of Distributions (1)</u>	<u>2012</u>	<u>As a Percentage of Distributions</u>
Ordinary Income	\$0.5085	100.00%	\$ —	0.00%
Long-term Capital Gains	—	0.00%	0.8025	35.42%
Unrecaptured Section 1250 Gain	—	0.00%	—	0.00%
Return of Capital	—	0.00%	1.4632	64.58%
Qualified Dividends	—	0.00%	—	0.00%
	<u>\$0.5085</u>	<u>100.00%</u>	<u>\$2.2657</u>	<u>100.00%</u>

(1) The remaining 4,000,000 Depositary Shares of the Series J Preferred Stock were redeemed on April 11, 2013. The 2013 redemption had no impact on the 2012 allocation included in the table above.

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

<u>Series J Preferred Stock – Depositary Shares Redeemed (2)</u>	<u>2012</u>	<u>As a Percentage of Distributions</u>
Ordinary Income	\$ —	0.00%
Long-term Capital Gains	0.7864	35.42%
Unrecaptured Section 1250 Gain	—	0.00%
Return of Capital	1.4339	64.58%
Qualified Dividends	—	0.00%
	<u>\$2.2203</u>	<u>100.00%</u>

(2) Schedule relates to the 2,000,000 Depositary Shares of the Series J Preferred Stock that were redeemed on December 21, 2012.

<u>Series K Preferred Stock</u>	<u>2013 (3)</u>	<u>As a Percentage of Distributions (3)</u>	<u>2012</u>	<u>As a Percentage of Distributions</u>
Ordinary Income	\$0.9969	100.00%	\$ —	0.00%
Long-term Capital Gains	—	0.00%	0.8025	35.42%
Unrecaptured Section 1250 Gain	—	0.00%	—	0.00%
Return of Capital	—	0.00%	1.4632	64.58%
Qualified Dividends	—	0.00%	—	0.00%
	<u>\$0.9969</u>	<u>100.00%</u>	<u>\$2.2657</u>	<u>100.00%</u>

(3) Schedule relates to the 2,000,000 Depositary Shares of the Series K Preferred Stock that were redeemed on July 18, 2013. The 2013 redemption had no impact on the 2012 allocation included in the table above.

11. Future Rental Revenues

Our properties are leased to tenants under net and semi-net operating leases. Minimum lease payments receivable, excluding tenant reimbursements of expenses, under non-cancelable operating leases in effect as of December 31, 2014 are approximately as follows:

2015	\$ 260,127
2016	224,722
2017	186,174
2018	147,495
2019	113,219
Thereafter	325,648
Total	<u>\$1,257,385</u>

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

12. Stock Based Compensation

In May 2014, the stockholders of the Company approved a stock incentive plan (the “2014 Stock Incentive Plan”), which is administered by the Compensation Committee of the Board of Directors and replaces all prior active long term stock incentive plans (the “Prior Plans”). After approval of the 2014 Stock Incentive Plan, no further awards may be issued under the Prior Plans but outstanding awards previously granted under Prior Plans remained outstanding in accordance with their terms. The number of shares of common stock that may be issued under the 2014 Stock Incentive Plan is equal to 3.6 million shares plus shares equal to the aggregate number of outstanding awards previously granted under the Prior Plans at the time the 2014 Stock Incentive Plan was approved, resulting in a total of 4.9 million shares that have been reserved for issuance under the 2014 Stock Incentive Plan. As of December 31, 2014, awards covering 3.5 million shares of common stock were available to be granted under the 2014 Stock Incentive Plan.

Officers, certain employees, our independent directors and our affiliates generally are eligible to participate in the 2014 Stock Incentive Plan. Awards made under the 2014 Stock Incentive Plan can be in the form of restricted stock awards, restricted stock units, performance share awards, dividend equivalent rights, non-statutory stock options and stock appreciation rights. Special provisions apply to awards granted under the 2014 Stock Incentive Plan in the event of a change in control in the Company.

In September 1994, the Board of Directors approved and we adopted a 401(k)/Profit Sharing Plan. Under our 401(k)/Profit Sharing Plan, all eligible employees may participate by making voluntary contributions. We may make, but are not required to make, matching contributions. For the years ended December 31, 2014, 2013 and 2012, total expense recognized for the 401(k)/Profit Sharing Plan related to matching contributions was \$387, \$300 and \$284, respectively.

For the years ended December 31, 2014, 2013 and 2012, we awarded 299,805, 284,461 and 565,137 shares, respectively, of restricted stock awards to certain employees, which had a fair value of \$5,413, \$4,719 and \$7,065 on the date of approval by either the Compensation Committee of the Board of Directors or the approval date of the 2014 Stock Incentive Plan. These restricted stock awards were issued based upon the achievement of certain corporate performance goals and generally vest over a period of three years. Additionally, during the year ended December 31, 2014, we awarded 19,250 shares of restricted stock to non-employee members of the Board of Directors, which had a fair value of \$350 on the date of approval. These restricted stock awards vest over a one-year period.

Compensation expense is charged to earnings over the vesting periods for the shares expected to vest except if the recipient is not required to provide future service in exchange for vesting of such shares. If vesting of a recipient's restricted stock award is not contingent upon future service, the expense is recognized immediately at the date of grant. During the years ended December 31, 2014, 2013 and 2012, we recognized \$1,451, \$1,008 and \$3,649, respectively, of compensation expense related to restricted stock awards granted to our Chief Executive Officer for which future service was not required.

The Board of Directors adopted the 2013 Long-Term Incentive Program (“LTIP”) and, effective July 1, 2013, certain officers and employees were granted 718,960 performance units (“LTIP Unit Awards”). The LTIP Unit Awards had a fair value of \$5,411 on the grant date as determined by a lattice-binomial option-pricing model based on a Monte Carlo simulation. The LTIP Unit Awards vest based upon the relative total shareholder return (“TSR”) of our common stock compared to the TSRs of the MSCI US REIT Index and the NAREIT Industrial Index. The TSR for half of the granted units is calculated based upon the performance from July 1, 2013 through June 30, 2014 and the TSR for the other half is calculated based upon the performance from July 1, 2013 through December 31, 2015. Compensation expense is charged to earnings on a straight-line basis over the

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

respective performance periods. At the end of the respective performance periods each participant will be issued shares of our common stock equal to the maximum shares issuable to the participant for the performance period multiplied by a percentage, ranging from 0% to 100% based on our TSR as compared to the TSRs of the MSCI US REIT Index and the NAREIT Industrial Index. The participant is also entitled to dividend equivalents for shares issued pursuant to vested LTIP Unit Awards, which dividend equivalents represent any common dividends that would have been paid with respect to such issued shares after the grant of the LTIP Unit Awards and prior to the date of settlement.

As mentioned above, the fair value of the LTIP Unit Awards at issuance was determined by a lattice-binomial option-pricing model based on a Monte Carlo simulation using the following assumptions:

Expected dividend yield	2.22%
Expected volatility - range used	24.28% - 34.66%
Expected volatility - weighted average	30.61%
Risk-free interest rate	0.03% - 0.71%
Expected term	1 - 2.5 years

For the years ended December 31, 2014, 2013 and 2012, we recognized \$7,605, \$6,202 and \$8,559, respectively, in amortization related to restricted stock and unit awards and LTIP Unit Awards, of which \$41, \$43 and \$32 was capitalized in connection with development activities. At December 31, 2014, we had \$5,079 in unrecognized compensation related to unvested restricted stock awards and LTIP Unit Awards. The weighted average period that the unrecognized compensation is expected to be recognized is 0.79 years.

Restricted stock and unit award and LTIP Unit Award transactions for the year ended December 31, 2014 are summarized as follows:

	<u>Awards</u>	<u>Weighted Average Grant Date Fair Value</u>
Outstanding at December 31, 2013 (Restricted Stock and Unit and LTIP Unit Awards)	1,281,221	\$ 9.72
Issued (Restricted Stock Awards)	319,055	\$18.06
Forfeited (Restricted Stock and Unit and LTIP Unit Awards)	(105,346)	\$ 5.83
Vested (Restricted Stock and LTIP Unit Awards)	(678,212)	\$10.69
Outstanding at December 31, 2014 (Restricted Stock and LTIP Unit Awards)	<u>816,718</u>	\$12.68

13. Derivatives

Our objectives in using derivatives are to add stability to interest expense and to manage our cash flow volatility and exposure to interest rate movements. To accomplish this objective, we primarily use interest rate protection agreements as part of our interest rate risk management strategy. Interest rate protection agreements designated as cash flow hedges involve the receipt of variable-rate amounts from a counterparty in exchange for fixed-rate payments over the life of the agreements without exchange of the underlying notional amount.

In connection with origination of the Unsecured Term Loan (see Note 5), during January 2014, we entered into four interest rate protection agreements, with an aggregate notional value of \$200,000, to manage our

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

exposure to changes in the one month LIBOR rate (the “Group I Swaps”). The Group I Swaps fix the LIBOR rate at a weighted average rate of 2.29% and mature on January 29, 2021. We designated the Group I Swaps as cash flow hedges.

In order to maintain our flexibility to pursue an offering of unsecured debt in the future, during August 2014, we entered into three interest rate protection agreements, with an aggregate notional value of \$220,000, to manage our exposure to changes in the three month LIBOR rate (the “Group II Swaps”; together with the Group I Swaps, the “Swaps”). The Group II Swaps fix the LIBOR rate at a rate of 2.5795% and are effective from December 1, 2014 through December 1, 2024. We designated the Group II Swaps as cash flow hedges.

Our agreements with our derivative counterparties contain provisions where if we default on any of our indebtedness, then we could also be declared in default on our derivative obligations subject to certain thresholds. As of December 31, 2014, we have not posted any collateral related to these agreements and were not in breach of any of the agreement provisions. If we had breached these provisions, we could have been required to settle our obligations under the agreements at their termination value.

Our Series F Preferred Stock was subject to a coupon rate reset. The coupon rate reset every quarter at 2.375% plus the greater of i) the 30 year Treasury CMT Rate, ii) the 10 year Treasury CMT Rate or iii) 3-month LIBOR. For the period January 1, 2014 through March 6, 2014 (the redemption date), the coupon rate was 6.275%. In October 2008, we entered into an interest rate swap agreement with a notional value of \$50,000 to mitigate our exposure to floating interest rates related to the forecasted reset rate of the coupon rate of our Series F Preferred Stock (the “Series F Agreement”). This Series F Agreement fixed the 30 year Treasury CMT rate at 5.2175%. Accounting guidance for derivatives does not permit hedge accounting treatment related to equity instruments and therefore the mark-to-market gains or losses related to this agreement are recorded in the statement of operations. For the year ended December 31, 2013, gains of \$52 were recognized as mark-to-market gain on interest rate protection agreements. Quarterly payments were treated as a component of the mark-to-market gains or losses and totaled \$774 for the year ended December 31, 2013. The Series F Agreement matured on October 1, 2013.

The following table sets forth our financial liabilities related to the Swaps, which are included in Accounts Payable, Accrued Expenses and Other Liabilities on the accompanying consolidated balance sheet and are accounted for at fair value on a recurring basis as of December 31, 2014:

Description	Fair Value	Fair Value Measurements at Reporting Date Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Liabilities:				
Swaps	\$(12,279)	—	\$(12,279)	—

There was no ineffectiveness recorded on the Swaps during the year ended December 31, 2014. See Note 7 for more information.

The estimated fair value of the Swaps was determined using the market standard methodology of netting the discounted fixed cash payments and the discounted expected variable cash receipts. The variable cash receipts are based on an expectation of interest rates (forward curves) derived from observable market interest rate curves. In addition, credit valuation adjustments are incorporated in the fair value to account for potential non-performance risk, including our own non-performance risk and the respective counterparty’s non-performance risk. We determined that the significant inputs used to value the Swaps fell within Level 2 of the fair value hierarchy.

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

14. Commitments and Contingencies

In the normal course of business, we are involved in legal actions arising from the ownership of our industrial properties. In our opinion, the liabilities, if any, that may ultimately result from such legal actions are not expected to have a materially adverse effect on our consolidated financial position, operations or liquidity.

One property has a lease granting the tenant an option to purchase the property. Such option is exercisable at a fixed purchase price in excess of our depreciated cost of the asset. We have no notice of exercise of the tenant purchase option.

At December 31, 2014, we had outstanding letters of credit and performance bonds in the aggregate amount of \$17,585.

In conjunction with the development of industrial properties, we have entered into agreements with general contractors for the construction of industrial buildings. At December 31, 2014, we had four industrial buildings totaling approximately 1.3 million square feet of GLA under construction. The estimated total investment as of December 31, 2014 is approximately \$79,000 (unaudited). Of this amount, approximately \$50,600 (unaudited) remains to be funded. There can be no assurance that the actual completion cost will not exceed the estimated total investment stated above.

Ground and Operating Lease Agreements

For the years ended December 31, 2014, 2013 and 2012, we recognized \$1,300, \$1,440 and \$1,565, respectively, in operating and ground lease expense.

Future minimum rental payments under the terms of all non-cancelable ground and operating leases under which we are the lessee as of December 31, 2014 are as follows:

2015	\$ 1,939
2016	1,975
2017	1,911
2018	1,165
2019	533
Thereafter	26,391
Total*	<u>\$33,914</u>

* Minimum rental payments have not been reduced by minimum sublease rentals of \$5,359 due in the future under non-cancelable subleases.

15. Subsequent Events

From January 1, 2015 to February 24, 2015, we sold six industrial properties for approximately \$12,864.

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

16. Quarterly Financial Information (unaudited)

The following tables summarize our quarterly financial information. The first, second and third fiscal quarters of 2014 and all fiscal quarters in 2013 have been revised in accordance with guidance on accounting for discontinued operations. Net Income (Loss) Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities and basic and diluted EPS from Net Income (Loss) Available to First Industrial Realty Trust, Inc.'s Common Stockholders have not been affected.

	Year Ended December 31, 2014			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Total Revenues	\$ 83,861	\$ 84,044	\$ 86,361	\$ 90,333
Equity in Income (Loss) of Joint Ventures	2,966	556	(14)	(9)
Noncontrolling Interest Allocable to Continuing Operations	(58)	(124)	(325)	(309)
Income from Continuing Operations, Net of Noncontrolling Interest	3,868	3,028	7,938	7,615
Income from Discontinued Operations	1,141	1,052	13,932	11,698
Noncontrolling Interest Allocable to Discontinued Operations	(46)	(41)	(543)	(452)
Loss on Sale of Real Estate	—	—	—	(83)
Noncontrolling Interest Allocable to Loss on Sale of Real Estate ..	—	—	—	3
Net Income Attributable to First Industrial Realty Trust, Inc. ...	4,963	4,039	21,327	18,781
Preferred Dividends	(1,019)	—	—	—
Redemption of Preferred Stock	(1,462)	—	—	—
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities	2,482	4,039	21,327	18,781
Income from Continuing Operations Allocable to Participating Securities	(18)	(32)	(33)	(32)
Income from Discontinued Operations Allocable to Participating Securities	(14)	(11)	(57)	(47)
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ 2,450</u>	<u>\$ 3,996</u>	<u>\$ 21,237</u>	<u>\$ 18,702</u>
Basic and Diluted Earnings Per Share:				
Income from Continuing Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ 0.01</u>	<u>\$ 0.03</u>	<u>\$ 0.07</u>	<u>\$ 0.07</u>
Income from Discontinued Operations Attributable to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ 0.01</u>	<u>\$ 0.01</u>	<u>\$ 0.12</u>	<u>\$ 0.10</u>
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ 0.02</u>	<u>\$ 0.04</u>	<u>\$ 0.19</u>	<u>\$ 0.17</u>
Weighted Average Shares Basic/Diluted (In Thousands):				
Weighted Average Shares – Basic	109,676	109,815	110,072	110,118
LTIP Unit Awards	539	589	199	287
Weighted Average Shares —Diluted	<u>110,215</u>	<u>110,404</u>	<u>110,271</u>	<u>110,405</u>

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

	Year Ended December 31, 2013			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Total Revenues	\$ 78,187	\$ 79,576	\$ 79,071	\$ 81,620
Equity in Income of Joint Ventures	20	27	72	17
Noncontrolling Interest Allocable to Continuing Operations	159	308	13	(47)
Income (Loss) from Continuing Operations, Net of Noncontrolling Interest	372	(1,341)	3,182	2,192
(Loss) Income from Discontinued Operations	(1,598)	13,011	5,303	19,850
Noncontrolling Interest Allocable to Discontinued Operations	73	(553)	(220)	(817)
Gain on Sale of Real Estate, Net of Income Tax	262	—	291	337
Noncontrolling Interest Allocable to Gain on Sale of Real Estate	(12)	—	(12)	(13)
Net (Loss) Income Attributable to First Industrial Realty Trust, Inc.	(903)	11,117	8,544	21,549
Preferred Dividends	(3,837)	(2,277)	(1,392)	(1,227)
Redemption of Preferred Stock	—	(3,546)	(2,121)	—
Net (Loss) Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities	(4,740)	5,294	5,031	20,322
Income from Continuing Operations Allocable to Participating Securities	(36)	—	—	(6)
Income from Discontinued Operations Allocable to Participating Securities	—	(42)	(42)	(84)
Net (Loss) Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ (4,776)</u>	<u>\$ 5,252</u>	<u>\$ 4,989</u>	<u>\$ 20,232</u>
Basic and Diluted Earnings Per Share:				
(Loss) Income from Continuing Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ (0.03)</u>	<u>\$ (0.06)</u>	<u>\$ 0.00</u>	<u>\$ 0.01</u>
(Loss) Income from Discontinued Operations Attributable to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ (0.02)</u>	<u>\$ 0.11</u>	<u>\$ 0.05</u>	<u>\$ 0.17</u>
Net (Loss) Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ (0.05)</u>	<u>\$ 0.05</u>	<u>\$ 0.05</u>	<u>\$ 0.18</u>
Weighted Average Shares Basic/Diluted (In Thousands):				
Weighted Average Shares – Basic	100,774	108,117	109,474	109,490
LTIP Unit Awards	—	—	—	485
Weighted Average Shares – Diluted	<u>100,774</u>	<u>108,117</u>	<u>109,474</u>	<u>109,975</u>

SCHEDULE III:
REAL ESTATE AND ACCUMULATED DEPRECIATION
As of December 31, 2014

Building Address	Location (City/State)	(a)		(b)		(c)		Gross Amount Carried		Accumulated Depreciation 12/31/2014	Year Acquired/ Constructed	Depreciable Lives (Years)
		Encumbrances	Land	Buildings and		Capitalized Subsequent to Acquisition or Completion	Costs	At Close of Period 12/31/14				
				Improvements	Provision			Land	Buildings and Improvements			
(In thousands)												
Atlanta												
4250 River Green Parkway	Duluth, GA	\$ —	\$ 264	\$ 1,522	\$ 82	\$ 214	\$ 1,654	\$ 1,868	\$ 871	1994	(i)	
1650 Highway 155	McDonough, GA	—	788	4,544	(363)	365	4,604	4,969	2,602	1994	(i)	
1665 Dogwood	Conyers, GA	—	635	3,662	972	635	4,634	5,269	2,230	1994	(i)	
1715 Dogwood	Conyers, GA	—	288	1,675	827	228	2,562	2,790	1,052	1994	(i)	
11235 Harland Drive	Covington, GA	—	125	739	218	125	957	1,082	433	1994	(i)	
4051 Southmeadow Parkway	Atlanta, GA	—	726	4,130	880	726	5,010	5,736	2,366	1994	(i)	
4071 Southmeadow Parkway	Atlanta, GA	—	750	4,460	1,742	828	6,124	6,952	2,919	1994	(i)	
4081 Southmeadow Parkway	Atlanta, GA	—	1,012	5,918	1,796	1,157	7,569	8,726	3,409	1994	(i)	
5570 Tulane Drive (d)	Atlanta, GA	2,218	527	2,984	1,184	546	4,149	4,695	1,694	1996	(i)	
955 Cobb Place	Kennesaw, GA	2,895	780	4,420	927	804	5,323	6,127	2,100	1997	(i)	
1005 Sigman Road	Conyers, GA	2,127	566	3,134	433	574	3,559	4,133	1,318	1999	(i)	
2050 East Park Drive	Conyers, GA	—	452	2,504	151	459	2,648	3,107	998	1999	(i)	
1256 Oakbrook Drive	Norcross, GA	—	336	1,907	340	339	2,244	2,583	744	2001	(i)	
1265 Oakbrook Drive	Norcross, GA	—	307	1,742	335	309	2,075	2,384	698	2001	(i)	
1280 Oakbrook Drive	Norcross, GA	—	281	1,592	286	283	1,876	2,159	624	2001	(i)	
1300 Oakbrook Drive	Norcross, GA	—	420	2,381	254	423	2,632	3,055	866	2001	(i)	
1325 Oakbrook Drive	Norcross, GA	—	332	1,879	338	334	2,215	2,549	743	2001	(i)	
1351 Oakbrook Drive	Norcross, GA	—	370	2,099	(1,020)	146	1,303	1,449	626	2001	(i)	
1346 Oakbrook Drive	Norcross, GA	—	740	4,192	(684)	352	3,896	4,248	1,925	2001	(i)	
3060 South Park Blvd	Ellenwood, GA	—	1,600	12,464	2,691	1,604	15,151	16,755	4,306	2003	(i)	
Greenwood Industrial Park	McDonough, GA	4,338	1,550	—	7,632	1,550	7,632	9,182	1,943	2004	(i)	
46 Kent Drive	Cartersville, GA	1,415	794	2,252	(52)	798	2,196	2,994	770	2005	(i)	
605 Stonehill Drive	Atlanta, GA	—	485	1,979	(23)	490	1,951	2,441	1,704	2005	(i)	
5095 Phillip Lee Drive	Atlanta, GA	4,885	735	3,627	485	740	4,107	4,847	2,358	2005	(i)	
6514 Warren Drive	Norcross, GA	—	510	1,250	127	513	1,374	1,887	454	2005	(i)	
6544 Warren Drive	Norcross, GA	—	711	2,310	293	715	2,599	3,314	906	2005	(i)	
5356 E. Ponce De Leon	Stone Mountain, GA	—	604	3,888	90	610	3,972	4,582	1,811	2005	(i)	
5390 E. Ponce De Leon	Stone Mountain, GA	—	397	1,791	108	402	1,894	2,296	705	2005	(i)	
195 & 197 Collins Boulevard	Athens, GA	—	1,410	5,344	896	989	6,661	7,650	3,516	2005	(i)	
1755 Enterprise Drive	Buford, GA	1,242	712	2,118	(202)	716	1,912	2,628	618	2006	(i)	
4555 Atwater Court	Buford, GA	2,235	881	3,650	298	885	3,844	4,729	1,048	2006	(i)	
80 Liberty Industrial Parkway	McDonough, GA	—	756	3,695	(1,244)	467	2,740	3,207	902	2007	(i)	
596 Bonnie Valentine	Pendergrass, GA	—	2,580	21,730	3,675	2,594	25,391	27,985	5,939	2007	(i)	
11415 Old Roswell Road	Alpharetta, GA	3,126	2,403	1,912	628	2,428	2,515	4,943	963	2008	(i)	
Baltimore												
9700 Martin Luther King Hwy	Lanham, MD	—	700	1,920	742	700	2,662	3,362	1,103	2003	(i)	
9730 Martin Luther King Hwy	Lanham, MD	—	500	955	535	500	1,490	1,990	581	2003	(i)	
4621 Boston Way	Lanham, MD	—	1,100	3,070	517	1,100	3,587	4,687	1,338	2003	(i)	
4720 Boston Way	Lanham, MD	—	1,200	2,174	792	1,200	2,966	4,166	1,047	2003	(i)	

SCHEDULE III:
REAL ESTATE AND ACCUMULATED DEPRECIATION
As of December 31, 2014

Building Address	Location (City/State)	(a)		(b)		(c) Costs Capitalized Subsequent to Acquisition or Completion	Gross Amount Carried At Close of Period 12/31/14		Accumulated Depreciation 12/31/2014	Year Acquired/ Constructed	Depreciable Lives (Years)	
		Encumbrances	Land	Buildings and Improvements	Initial Cost		Buildings and Improvements	Total				
(In thousands)												
22520 Randolph Drive	Dulles, VA	—	3,200	8,187	(656)	(656)	3,208	7,523	10,731	1,675	2004	(i)
22630 Dulles Summit Court	Dulles, VA	—	2,200	9,346	(820)	(820)	2,206	8,520	10,726	1,994	2004	(i)
4201 Forbes Boulevard	Lanham, MD	—	356	1,823	186	186	375	1,990	2,365	586	2005	(i)
4370-4383 Lottford Vista Road	Lanham, MD	—	279	1,358	89	89	296	1,430	1,726	325	2005	(i)
4400 Lottford Vista Road	Lanham, MD	—	351	1,955	241	241	372	2,175	2,547	581	2005	(i)
4420 Lottford Vista Road	Lanham, MD	—	539	2,196	6	6	568	2,173	2,741	587	2005	(i)
11204 McCormick Road	Hunt Valley, MD	—	1,017	3,132	(59)	(59)	1,038	3,052	4,090	1,184	2005	(i)
11110 Pepper Road	Hunt Valley, MD	—	918	2,529	281	281	938	2,790	3,728	1,012	2005	(i)
11100-11120 Gilroy Road	Hunt Valley, MD	—	901	1,455	166	166	919	1,603	2,522	569	2005	(i)
318 Clubhouse Lane	Hunt Valley, MD	—	701	1,691	(106)	(106)	718	1,568	2,286	532	2005	(i)
10709 Gilroy Road	Hunt Valley, MD	2,348	913	2,705	(143)	(143)	913	2,562	3,475	1,172	2005	(i)
10707 Gilroy Road	Hunt Valley, MD	—	1,111	3,819	502	502	1,136	4,296	5,432	1,491	2005	(i)
38 Loveton Circle	Sparks, MD	—	1,648	2,151	(241)	(241)	1,690	1,868	3,558	722	2005	(i)
1225 Bengies Road	Baltimore, MD	—	2,640	270	14,041	14,041	2,823	14,128	16,951	3,352	2008	(i)
Central Pennsylvania												
1214-B Freedom Road	Cranberry Township, PA	1,359	31	994	613	613	200	1,438	1,638	1,191	1994	(i)
401 Russell Drive	Middletown, PA	—	262	857	1,696	1,696	287	2,528	2,815	1,891	1994	(i)
2700 Commerce Drive	Middletown, PA	—	196	997	935	935	206	1,922	2,128	1,421	1994	(i)
2701 Commerce Drive	Middletown, PA	1,884	141	859	1,270	1,270	164	2,106	2,270	1,403	1994	(i)
2780 Commerce Drive	Middletown, PA	1,648	113	743	1,130	1,130	209	1,777	1,986	1,349	1994	(i)
350 Old Silver Spring Road	Mechanicsburg, PA	—	510	2,890	7,043	7,043	541	9,902	10,443	3,975	1997	(i)
16522 Hunters Green Parkway	Hagerstown, MD	12,222	1,390	13,104	4,841	4,841	1,863	17,472	19,335	4,732	2003	(i)
18212 Shawley Drive	Hagerstown, MD	6,438	1,000	5,847	910	910	1,016	6,741	7,757	1,683	2004	(i)
37 Valley View Drive	Jessup, PA	2,954	542	—	3,017	3,017	532	3,027	3,559	752	2004	(i)
301 Railroad Avenue	Shiremanstown, PA	—	1,181	4,447	3,034	3,034	1,328	7,334	8,662	3,078	2005	(i)
431 Railroad Avenue	Shiremanstown, PA	8,297	1,293	7,164	1,666	1,666	1,341	8,782	10,123	3,518	2005	(i)
6951 Allentown Blvd	Harrisburg, PA	—	585	3,176	301	301	601	3,461	4,062	1,181	2005	(i)
320 Reliance Road	Washington, PA	—	201	1,819	(282)	(282)	178	1,560	1,738	734	2005	(i)
1351 Eisenhower Blvd., Bldg. 1	Harrisburg, PA	—	382	2,343	(64)	(64)	387	2,274	2,661	721	2006	(i)
1351 Eisenhower Blvd., Bldg. 2	Harrisburg, PA	—	436	1,587	43	43	443	1,623	2,066	601	2006	(i)
1490 Dennison Circle	Carlisle, PA	—	1,500	—	13,880	13,880	2,341	13,039	15,380	2,722	2008	(i)
298 First Avenue	Gouldsboro, PA	—	7,022	—	57,272	57,272	7,019	57,275	64,294	9,106	2008	(i)
225 Cross Farm Lane	York, PA	17,214	4,718	—	23,163	23,163	4,715	23,166	27,881	4,204	2008	(i)
105 Steamboat Blvd	Manchester, PA	—	4,085	14,464	1	1	4,070	14,480	18,550	1,700	2012	(i)
20 Leo Lane	York County, PA	—	6,884	—	26,451	26,451	6,889	26,446	33,335	717	2013	(i)
Chicago												
720-730 Landwehr Drive	Northbrook, IL	—	521	2,982	783	783	521	3,765	4,286	1,723	1994	(i)
1385 101st Street	Lemont, IL	4,244	967	5,554	1,727	1,727	968	7,280	8,248	3,386	1994	(i)
1750 South Sayre Avenue	Bedford Park, IL	—	224	1,309	470	470	224	1,779	2,003	826	1994	(i)

SCHEDULE III:
REAL ESTATE AND ACCUMULATED DEPRECIATION
As of December 31, 2014

Building Address	Location (City/State)	(a)		(b)		(c) Costs Capitalized Subsequent to Acquisition or Completion		Gross Amount Carried At Close of Period 12/31/14		Accumulated Depreciation 12/31/2014	Year Acquired/ Constructed	Depreciable Lives (Years)
		Encumbrances	Land	Buildings and Improvements		Buildings and Improvements	Land	Total				
				Initial Cost	Buildings and Improvements							
(In thousands)												
585 Slawin Court	Mount Prospect, IL	—	611	3,505	596	525	4,187	4,712	2,376	1994	(i)	
2300 Windsor Court	Addison, IL	3,470	688	3,943	989	696	4,924	5,620	2,493	1994	(i)	
305-311 Era Drive	Northbrook, IL	—	200	1,154	1,150	205	2,299	2,504	832	1994	(i)	
365 North Avenue	Carol Stream, IL	5,882	1,042	6,882	2,719	1,073	9,570	10,643	5,181	1994	(i)	
11241 Melrose Street	Franklin Park, IL	—	332	1,931	78	208	2,133	2,341	1,291	1995	(i)	
11939 South Central Avenue	Alsip, IL	—	1,208	6,843	2,657	1,305	9,403	10,708	3,942	1997	(i)	
1010-50 Sesame Street	Bensenville, IL	—	979	5,546	3,720	1,048	9,197	10,245	3,223	1997	(i)	
800 Business Drive	Mount Prospect, IL	—	631	3,493	328	666	3,786	4,452	1,328	2000	(i)	
580 Slawin Court	Mount Prospect, IL	781	233	1,292	(37)	162	1,326	1,488	551	2000	(i)	
1005 101st Street	Lemont, IL	6,131	1,200	6,643	1,233	1,220	7,856	9,076	2,668	2001	(i)	
175 Wall Street	Glendale Heights, IL	1,395	427	2,363	163	433	2,520	2,953	869	2002	(i)	
800-820 Thorndale Avenue	Bensenville, IL	—	751	4,159	812	761	4,961	5,722	1,476	2002	(i)	
251 Airport Road	North Aurora, IL	4,998	983	—	6,697	983	6,697	7,680	2,211	2002	(i)	
1661 Feehanville Drive	Mount Prospect, IL	—	985	5,455	3,252	1,044	8,648	9,692	2,968	2004	(i)	
400 Crossroads Pkwy	Bolingbrook, IL	5,429	1,178	9,453	808	1,181	10,258	11,439	3,105	2005	(i)	
7609 W. Industrial Drive	Forest Park, IL	—	1,207	2,343	122	1,213	2,459	3,672	1,082	2005	(i)	
7801 W. Industrial Drive	Forest Park, IL	—	1,215	3,020	476	1,220	3,491	4,711	1,656	2005	(i)	
825 E. 26th Street	LaGrange, IL	—	1,547	2,078	2,474	1,617	4,482	6,099	2,185	2005	(i)	
725 Kimberly Drive	Carol Stream, IL	—	793	1,395	223	801	1,610	2,411	580	2005	(i)	
17001 S. Vincennes	Thornton, IL	—	497	504	37	513	525	1,038	373	2005	(i)	
1111 Davis Road	Elgin, IL	2,387	998	1,859	601	1,046	2,412	3,458	1,481	2006	(i)	
2900 W. 166th Street	Markham, IL	—	1,132	4,293	(881)	1,134	3,410	4,544	806	2007	(i)	
555 W. Algonquin Road	Arlington Heights, IL	2,021	574	741	1,936	579	2,672	3,251	703	2007	(i)	
7000 W. 60th Street	Chicago, IL	—	609	932	100	667	974	1,641	603	2007	(i)	
1501 Oakton Street	Elk Grove Village, IL	7,391	3,369	6,121	434	3,482	6,442	9,924	1,535	2008	(i)	
16500 W. 103rd Street	Woodridge, IL	2,431	744	2,458	366	762	2,806	3,568	878	2008	(i)	
8505 50th Street	Kenosha, WI	—	3,212	—	32,953	3,212	32,953	36,165	4,850	2008	(i)	
4100 Rock Creek Blvd	Joliet, IL	—	4,476	16,061	479	4,476	16,540	21,016	1,043	2013	(i)	
10100 58th Place	Kenosha, WI	—	4,201	17,604	1,443	4,201	19,047	23,248	1,417	2013	(i)	
401 Airport Road	North Aurora, IL	—	534	1,957	—	534	1,957	2,491	54	2014	(i)	
Cincinnati												
9900-9970 Princeton	Cincinnati, OH	3,643	545	3,088	1,759	566	4,826	5,392	2,083	1996	(i)	
4700-4750 Creek Road	Blue Ash, OH	—	1,080	6,118	1,346	1,109	7,435	8,544	3,273	1996	(i)	
4436 Muhlhauser Road	Hamilton, OH	3,707	630	—	5,375	630	5,375	6,005	1,657	2002	(i)	
4438 Muhlhauser Road	Hamilton, OH	4,581	779	—	6,579	779	6,579	7,358	2,116	2002	(i)	
420 Wards Corner Road	Loveland, OH	—	600	1,083	757	606	1,834	2,440	586	2003	(i)	
422 Wards Corner Road	Loveland, OH	—	600	1,811	35	592	1,854	2,446	586	2003	(i)	
4663 Dues Drive	Westchester, OH	—	858	2,273	620	875	2,876	3,751	2,393	2005	(i)	

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Building Address	Location (City/State)	(a)		(b)		(c) Costs Capitalized Subsequent to Acquisition or Completion	Gross Amount Carried At Close of Period 12/31/14		Accumulated Depreciation 12/31/2014	Year Acquired/ Constructed	Depreciable Lives (Years)	
		Encumbrances	Land	Buildings and Improvements			Buildings and Improvements	Total				
							(In thousands)					
9345 Princeton-Glendale Road	Westchester, OH	1,530	818	1,648	380		840	2,006	2,846	1,098	2006	(i)
9525 Glades Drive	Westchester, OH	—	347	1,323	115		355	1,430	1,785	585	2007	(i)
9774-9792 Windisch Road	Westchester, OH	—	392	1,744	78		394	1,820	2,214	566	2007	(i)
9808-9830 Windisch Road	Westchester, OH	—	395	2,541	85		397	2,624	3,021	617	2007	(i)
9842-9862 Windisch Road	Westchester, OH	—	506	3,148	102		508	3,248	3,756	796	2007	(i)
9872-9898 Windisch Road	Westchester, OH	—	546	3,039	159		548	3,196	3,744	812	2007	(i)
9902-9922 Windisch Road	Westchester, OH	—	623	4,003	729		627	4,728	5,355	1,503	2007	(i)
Cleveland												
30311 Emerald Valley Parkway	Glenwillow, OH	8,914	681	11,838	845		691	12,673	13,364	3,862	2006	(i)
30333 Emerald Valley Parkway	Glenwillow, OH	3,896	466	5,447	54		475	5,492	5,967	1,876	2006	(i)
7800 Cochran Road	Glenwillow, OH	3,897	972	7,033	243		991	7,257	8,248	2,123	2006	(i)
7900 Cochran Road	Glenwillow, OH	4,794	775	6,244	237		792	6,464	7,256	1,900	2006	(i)
7905 Cochran Road	Glenwillow, OH	—	920	6,174	691		921	6,864	7,785	2,210	2006	(i)
30600 Carter Street	Solon, OH	—	989	3,042	881		1,022	3,890	4,912	2,487	2006	(i)
8181 Darrow Road	Twinsburg, OH	6,983	2,478	6,791	2,040		2,496	8,813	11,309	3,351	2008	(i)
Dallas												
2406-2416 Walnut Ridge	Dallas, TX	—	178	1,006	633		172	1,645	1,817	603	1997	(i)
2401-2419 Walnut Ridge	Dallas, TX	—	148	839	416		142	1,261	1,403	441	1997	(i)
900-906 Great Southwest Pkwy	Arlington, TX	—	237	1,342	638		270	1,947	2,217	837	1997	(i)
3000 West Commerce	Dallas, TX	—	456	2,584	1,225		469	3,796	4,265	1,498	1997	(i)
3030 Hansboro	Dallas, TX	—	266	1,510	(664)		87	1,025	1,112	643	1997	(i)
405-407 113th	Arlington, TX	—	181	1,026	511		185	1,533	1,718	618	1997	(i)
816 111th Street	Arlington, TX	857	251	1,421	195		258	1,609	1,867	700	1997	(i)
7427 Dogwood Park	Richland Hills, TX	—	96	532	302		102	828	930	298	1998	(i)
7348-54 Tower Street	Richland Hills, TX	—	88	489	213		94	696	790	268	1998	(i)
7339-41 Tower Street	Richland Hills, TX	—	98	541	180		104	715	819	266	1998	(i)
7437-45 Tower Street	Richland Hills, TX	—	102	563	294		108	851	959	302	1998	(i)
7331-59 Airport Freeway	Richland Hills, TX	1,655	354	1,958	368		372	2,308	2,680	904	1998	(i)
7338-60 Dogwood Park	Richland Hills, TX	—	106	587	244		112	825	937	289	1998	(i)
7450-70 Dogwood Park	Richland Hills, TX	—	106	584	136		112	714	826	273	1998	(i)
7423-49 Airport Freeway	Richland Hills, TX	1,450	293	1,621	434		308	2,040	2,348	755	1998	(i)
7400 Whitehall Street	Richland Hills, TX	—	109	603	95		115	692	807	266	1998	(i)
1602-1654 Terre Colony	Dallas, TX	1,788	458	2,596	845		468	3,431	3,899	1,148	2000	(i)
2351-2355 Merritt Drive	Garland, TX	—	101	574	104		92	687	779	242	2000	(i)
2220 Merritt Drive	Garland, TX	—	352	1,993	145		316	2,174	2,490	661	2000	(i)
2010 Merritt Drive	Garland, TX	—	350	1,981	55		318	2,068	2,386	668	2000	(i)
2363 Merritt Drive	Garland, TX	—	73	412	(8)		47	430	477	159	2000	(i)
2447 Merritt Drive	Garland, TX	—	70	395	(166)		23	276	299	156	2000	(i)
2465-2475 Merritt Drive	Garland, TX	—	91	514	39		71	573	644	227	2000	(i)
2485-2505 Merritt Drive	Garland, TX	—	431	2,440	762		426	3,207	3,633	1,196	2000	(i)

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		(a) Encumbrances	Buildings and Land Improvements	(b) Initial Cost	Buildings and Valuation Completion Provision	At Close of Period 12/31/14					
						Land	Buildings and Improvements	Total			
(In thousands)											
2110 Hutton Drive	Carrollton, TX	—	374	2,117	117	255	2,353	2,608	844	2001	(j)
2025 McKenzie Drive	Carrollton, TX	1,398	437	2,478	133	442	2,606	3,048	896	2001	(j)
2019 McKenzie Drive	Carrollton, TX	1,706	502	2,843	374	507	3,212	3,719	1,122	2001	(j)
2029-2035 McKenzie Drive	Carrollton, TX	1,502	306	1,870	236	306	2,106	2,412	741	2001	(j)
2015 McKenzie Drive	Carrollton, TX	2,475	510	2,891	402	516	3,287	3,803	1,109	2001	(j)
2009 McKenzie Drive	Carrollton, TX	2,404	476	2,699	519	481	3,213	3,694	1,092	2001	(j)
900-1100 Avenue S	Grand Prairie, TX	2,344	623	3,528	959	629	4,481	5,110	1,250	2002	(j)
Plano Crossing (f)	Plano, TX	9,157	1,961	11,112	997	1,981	12,089	14,070	3,660	2002	(j)
7413A-C Dogwood Park	Richland Hills, TX	—	110	623	245	111	867	978	269	2002	(j)
7450 Tower Street	Richland Hills, TX	—	36	204	103	36	307	343	111	2002	(j)
7436 Tower Street	Richland Hills, TX	—	57	324	196	58	519	577	177	2002	(j)
7426 Tower Street	Richland Hills, TX	—	76	429	186	76	615	691	160	2002	(j)
7427-7429 Tower Street	Richland Hills, TX	—	75	427	163	76	589	665	219	2002	(j)
2840-2842 Handley Ederville Road	Richland Hills, TX	—	112	635	52	113	686	799	208	2002	(j)
7451-7477 Airport Freeway	Richland Hills, TX	1,363	256	1,453	499	259	1,949	2,208	625	2002	(j)
7450 Whitehall Street	Richland Hills, TX	—	104	591	339	105	929	1,034	250	2002	(j)
3000 Wesley Way	Richland Hills, TX	—	208	1,181	18	211	1,196	1,407	367	2002	(j)
7451 Dogwood Park	Richland Hills, TX	666	133	753	184	134	936	1,070	258	2002	(j)
825-827 Avenue H (d)	Arlington, TX	2,481	600	3,006	67	604	3,069	3,673	1,229	2004	(j)
1013-31 Avenue M	Grand Prairie, TX	—	300	1,504	240	302	1,742	2,044	573	2004	(j)
1172-84 113th Street (d)	Grand Prairie, TX	1,933	700	3,509	5	704	3,510	4,214	1,239	2004	(j)
1200-16 Avenue H (d)	Arlington, TX	1,731	600	2,846	329	604	3,171	3,775	928	2004	(j)
1322-66 W. North Carrier Parkway (e)	Grand Prairie, TX	4,739	1,000	5,012	1,003	1,006	6,009	7,015	1,796	2004	(j)
2401-2407 Centennial Drive	Arlington, TX	2,143	600	2,534	(50)	604	2,480	3,084	991	2004	(j)
3111 West Commerce Street	Dallas, TX	3,802	1,000	3,364	1,264	1,011	4,617	5,628	1,419	2004	(j)
13800 Senlac Drive	Farmers Ranch, TX	3,142	823	4,042	(214)	825	3,826	4,651	1,306	2005	(j)
801-831 S Great Southwest Pkwy (g)	Grand Prairie, TX	—	2,581	16,556	53	2,586	16,604	19,190	7,867	2005	(j)
801 Heinz Way	Grand Prairie, TX	2,618	599	3,327	315	601	3,640	4,241	1,338	2005	(j)
901-937 Heinz Way	Grand Prairie, TX	2,035	493	2,758	45	481	2,815	3,296	1,101	2005	(j)
3301 Century Circle	Irving, TX	2,110	760	3,856	(16)	771	3,829	4,600	867	2007	(j)
3901 W Miller Road	Garland, TX	—	1,912	—	15,478	1,947	15,443	17,390	2,955	2008	(j)
Denver											
4785 Elati	Denver, CO	—	173	981	205	175	1,184	1,359	481	1997	(j)
4770 Fox Street	Denver, CO	—	132	750	332	134	1,080	1,214	423	1997	(j)
3851-3871 Revere	Denver, CO	1,271	361	2,047	363	368	2,403	2,771	983	1997	(j)
4570 Ivy Street	Denver, CO	—	219	1,239	279	220	1,517	1,737	649	1997	(j)
5855 Stapleton Drive North	Denver, CO	—	288	1,630	249	290	1,877	2,167	780	1997	(j)
5885 Stapleton Drive North	Denver, CO	—	376	2,129	316	380	2,441	2,821	987	1997	(j)
5977 North Broadway	Denver, CO	1,415	268	1,518	506	271	2,021	2,292	794	1997	(j)
5952-5978 North Broadway	Denver, CO	2,262	414	2,346	904	422	3,242	3,664	1,439	1997	(j)

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		Encumbrances	Land	Buildings and Improvements	Completion and Valuation Provision	Buildings and Improvements		Total				
						Initial Cost	Buildings and Improvements					
							(In thousands)					
4721 Ironton Street	Denver, CO	—	232	1,313	319	236	1,628	1,864	665	1997	(i)	
7003 E 47th Ave Drive	Denver, CO	—	441	2,689	58	441	2,747	3,188	1,189	1997	(i)	
9500 West 49th Street—A	Wheatridge, CO	—	283	1,625	120	287	1,741	2,028	775	1997	(i)	
9500 West 49th Street—B	Wheatridge, CO	—	225	1,272	200	227	1,470	1,697	603	1997	(i)	
9500 West 49th Street—C	Wheatridge, CO	—	600	3,409	163	601	3,571	4,172	1,567	1997	(i)	
9500 West 49th Street—D	Wheatridge, CO	—	246	1,537	487	247	2,023	2,270	927	1997	(i)	
451-591 East 124th Avenue	Littleton, CO	—	383	2,145	481	383	2,626	3,009	1,096	1997	(i)	
15000 West 6th Avenue	Golden, CO	—	913	5,174	1,147	918	6,316	7,234	2,824	1997	(i)	
14998 West 6th Avenue Bldg E	Golden, CO	—	565	3,199	371	570	3,565	4,135	1,486	1997	(i)	
14998 West 6th Avenue Bldg F	Englewood, CO	—	269	1,525	101	273	1,622	1,895	698	1997	(i)	
6547 South Racine Circle	Englewood, CO	2,703	739	4,241	170	739	4,411	5,150	1,868	1997	(i)	
11701 East 53rd Avenue	Denver, CO	—	416	2,355	414	422	2,763	3,185	1,145	1997	(i)	
5401 Oswego	Denver, CO	—	273	1,547	313	278	1,855	2,133	798	1997	(i)	
14818 West 6th Avenue Bldg A	Golden, CO	—	468	2,799	278	468	3,077	3,545	1,277	1997	(i)	
14828 West 6th Avenue Bldg B	Golden, CO	—	503	2,942	397	503	3,339	3,842	1,442	1997	(i)	
445 Bryant Street	Denver, CO	6,747	1,829	10,219	2,664	1,829	12,883	14,712	5,429	1998	(i)	
3811 Joliet	Denver, CO	—	735	4,166	543	752	4,692	5,444	1,926	1998	(i)	
12055 E 49th Ave/4955 Peoria	Denver, CO	—	298	1,688	529	305	2,210	2,515	892	1998	(i)	
4940-4950 Paris	Denver, CO	—	152	861	285	156	1,142	1,298	469	1998	(i)	
4970 Paris	Denver, CO	—	95	537	101	97	636	733	256	1998	(i)	
7367 South Revere Parkway	Englewood, CO	3,151	926	5,124	820	934	5,936	6,870	2,420	1998	(i)	
8200 East Park Meadows Drive (d)	Lone Tree, CO	—	1,297	7,348	1,265	1,304	8,606	9,910	3,098	2000	(i)	
3250 Quentin Street (d)	Aurora, CO	—	1,220	6,911	782	1,230	7,683	8,913	2,655	2000	(i)	
Highpoint Bus Ctr B	Littleton, CO	—	739	—	3,308	781	3,266	4,047	971	2000	(i)	
1130 W. 124th Avenue	Westminster, CO	—	441	—	3,289	441	3,289	3,730	1,241	2000	(i)	
1070 W. 124th Avenue	Westminster, CO	—	374	—	2,836	374	2,836	3,210	1,002	2000	(i)	
1020 W. 124th Avenue	Westminster, CO	—	374	—	2,809	374	2,809	3,183	949	2000	(i)	
8810 W. 116th Circle	Broomfield, CO	—	312	—	1,514	370	1,456	1,826	422	2001	(i)	
960 W. 124th Avenue	Westminster, CO	—	441	—	3,507	442	3,506	3,948	1,187	2001	(i)	
8820 W. 116th Circle	Broomfield, CO	—	338	1,918	321	372	2,205	2,577	658	2003	(i)	
8835 W. 116th Circle	Broomfield, CO	—	1,151	6,523	1,410	1,304	7,780	9,084	2,445	2003	(i)	
18150 E. 32nd Place	Aurora, CO	1,824	563	3,188	226	572	3,405	3,977	1,105	2004	(i)	
3400 Fraser Street	Aurora, CO	2,155	616	3,593	(184)	620	3,405	4,025	1,005	2005	(i)	
7005 E. 46th Avenue Drive	Denver, CO	1,348	512	2,025	32	517	2,052	2,569	682	2005	(i)	
4001 Salazar Way	Frederick, CO	—	1,271	6,508	(773)	1,276	5,730	7,006	1,360	2006	(i)	
5909-5915 N. Broadway	Denver, CO	898	495	1,268	107	500	1,370	1,870	566	2006	(i)	
Detroit												
1731 Thorncroft	Troy, MI	—	331	1,904	189	331	2,093	2,424	1,050	1994	(i)	
47461 Clipper	Plymouth Township, MI	—	122	723	54	122	777	899	409	1994	(i)	

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		Encumbrances	Land	Buildings and Improvements	Initial Cost	Buildings and Improvements	Completion Provision				
(In thousands)											
449 Executive Drive.....	Troy, MI	—	125	425	1,066	218	1,398	1,616	1,268	1994	(i)
501 Executive Drive.....	Troy, MI	—	71	236	678	129	856	985	659	1994	(i)
451 Robbins Drive.....	Troy, MI	—	96	448	877	192	1,229	1,421	1,104	1994	(i)
1416 Meijer Drive.....	Troy, MI	—	94	394	399	121	766	887	701	1994	(i)
1624 Meijer Drive.....	Troy, MI	—	236	1,406	1,093	373	2,362	2,735	1,999	1994	(i)
1972 Meijer Drive.....	Troy, MI	—	315	1,301	787	372	2,031	2,403	1,555	1994	(i)
1707 Northwood Drive.....	Troy, MI	—	95	262	1,720	239	1,838	2,077	1,446	1994	(i)
1788 Northwood Drive.....	Troy, MI	—	50	196	483	103	626	729	566	1994	(i)
1826 Northwood Drive.....	Troy, MI	—	55	208	472	103	632	735	557	1994	(i)
1864 Northwood Drive.....	Troy, MI	—	57	190	489	107	629	736	573	1994	(i)
2451 Elliott Avenue.....	Troy, MI	—	78	319	733	164	966	1,130	786	1994	(i)
2730 Research Drive.....	Rochester Hills, MI	—	903	4,215	829	903	5,044	5,947	4,093	1994	(i)
2791 Research Drive.....	Rochester Hills, MI	—	557	2,731	1,017	560	3,745	4,305	2,552	1994	(i)
2871 Research Drive.....	Rochester Hills, MI	—	324	1,487	437	327	1,921	2,248	1,420	1994	(i)
3011 Research Drive.....	Rochester Hills, MI	—	457	2,104	492	457	2,596	3,053	2,091	1994	(i)
2870 Technology Drive.....	Rochester Hills, MI	—	275	1,262	356	279	1,614	1,893	1,278	1994	(i)
2900 Technology Drive.....	Rochester Hills, MI	—	214	977	513	219	1,485	1,704	971	1994	(i)
2930 Technology Drive.....	Rochester Hills, MI	—	131	594	435	138	1,022	1,160	698	1994	(i)
2950 Technology Drive.....	Rochester Hills, MI	—	178	819	368	185	1,180	1,365	801	1994	(i)
23014 Commerce Drive.....	Farmington Hills, MI	—	39	203	189	56	375	431	333	1994	(i)
23028 Commerce Drive.....	Farmington Hills, MI	—	98	507	278	125	758	883	704	1994	(i)
23035 Commerce Drive.....	Farmington Hills, MI	—	71	355	237	93	570	663	526	1994	(i)
23042 Commerce Drive.....	Farmington Hills, MI	—	67	277	273	89	528	617	500	1994	(i)
23065 Commerce Drive.....	Farmington Hills, MI	—	71	408	338	93	724	817	599	1994	(i)
23079 Commerce Drive.....	Farmington Hills, MI	—	68	301	290	79	580	659	524	1994	(i)
23093 Commerce Drive.....	Farmington Hills, MI	—	211	1,024	1,219	295	2,159	2,454	1,758	1994	(i)
23135 Commerce Drive.....	Farmington Hills, MI	—	146	701	392	158	1,081	1,239	904	1994	(i)
23163 Commerce Drive.....	Farmington Hills, MI	—	111	513	384	138	870	1,008	729	1994	(i)
23177 Commerce Drive.....	Farmington Hills, MI	—	175	1,007	611	254	1,539	1,793	1,313	1994	(i)
23206 Commerce Drive.....	Farmington Hills, MI	—	125	531	367	137	886	1,023	730	1994	(i)
23370 Commerce Drive.....	Farmington Hills, MI	—	59	233	174	66	400	466	374	1994	(i)
1451 East Lincoln Avenue.....	Madison Heights, MI	—	299	1,703	(179)	148	1,675	1,823	864	1995	(i)
4400 Purks Drive.....	Auburn Hills, MI	—	602	3,410	3,300	612	6,700	7,312	3,042	1995	(i)
32450 N Avis Drive.....	Madison Heights, MI	—	281	1,590	541	286	2,126	2,412	1,047	1996	(i)
12707 Eckles Road.....	Plymouth Township, MI	—	255	1,445	220	267	1,653	1,920	729	1996	(i)
9300-9328 Harrison Road.....	Romulus, MI	—	147	834	407	159	1,229	1,388	541	1996	(i)
9330-9358 Harrison Road.....	Romulus, MI	—	81	456	255	89	703	792	287	1996	(i)
28420-28448 Highland Road.....	Romulus, MI	—	143	809	753	154	1,551	1,705	529	1996	(i)
28450-28478 Highland Road.....	Romulus, MI	—	81	461	457	90	909	999	343	1996	(i)

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Building Address	Location (City/State)	(a)		(b)		(c) Costs		Gross Amount Carried At Close of Period 12/31/14	Accumulated Depreciation 12/31/2014	Year Acquired/ Constructed	Depreciable Lives (Years)
		Encumbrances	Land	Buildings and Improvements	Initial Cost	Buildings and Improvements Provision	Completion				
							(In thousands)	Total			
28421-28449 Highland Road	Romulus, MI	—	109	617	473	119	1,080	1,199	451	1996	(i)
28451-28479 Highland Road	Romulus, MI	—	107	608	411	117	1,009	1,126	396	1996	(i)
28825-28909 Highland Road	Romulus, MI	—	70	395	396	78	783	861	307	1996	(i)
28933-29017 Highland Road	Romulus, MI	—	112	634	599	122	1,223	1,345	434	1996	(i)
28824-28908 Highland Road	Romulus, MI	—	134	760	577	145	1,326	1,471	525	1996	(i)
28932-29016 Highland Road	Romulus, MI	—	123	694	582	133	1,266	1,399	486	1996	(i)
9710-9734 Harrison Road	Romulus, MI	—	125	706	432	135	1,128	1,263	474	1996	(i)
9740-9772 Harrison Road	Romulus, MI	—	132	749	401	143	1,139	1,282	492	1996	(i)
9840-9868 Harrison Road	Romulus, MI	—	144	815	296	155	1,100	1,255	452	1996	(i)
9800-9824 Harrison Road	Romulus, MI	—	117	664	362	127	1,016	1,143	401	1996	(i)
29265-29285 Airport Drive	Romulus, MI	—	140	794	263	151	1,046	1,197	462	1996	(i)
29185-29225 Airport Drive	Romulus, MI	—	140	792	514	151	1,295	1,446	580	1996	(i)
29149-29165 Airport Drive	Romulus, MI	—	216	1,225	305	231	1,515	1,746	674	1996	(i)
29101-29115 Airport Drive	Romulus, MI	—	130	738	285	141	1,012	1,153	472	1996	(i)
29031-29045 Airport Drive	Romulus, MI	—	124	704	215	134	909	1,043	374	1996	(i)
29050-29062 Airport Drive	Romulus, MI	—	127	718	218	137	926	1,063	385	1996	(i)
29120-29134 Airport Drive	Romulus, MI	—	161	912	522	173	1,422	1,595	569	1996	(i)
29200-29214 Airport Drive	Romulus, MI	—	170	963	310	182	1,261	1,443	465	1996	(i)
9301-9339 Middlebelt Road	Romulus, MI	—	124	703	444	130	1,141	1,271	510	1996	(i)
32975 Capitol Avenue	Livonia, MI	—	135	748	(166)	77	640	717	313	1998	(i)
32920 Capitol Avenue	Livonia, MI	—	76	422	(62)	27	409	436	217	1998	(i)
11923 Brookfield Avenue	Livonia, MI	—	120	665	(324)	32	429	461	294	1998	(i)
450 Robbins Drive	Troy, MI	—	166	920	231	178	1,139	1,317	467	1998	(i)
12886 Westmore Avenue	Livonia, MI	—	190	1,050	(351)	86	803	889	442	1998	(i)
47711 Clipper Street	Plymouth Township, MI	—	539	2,983	359	575	3,306	3,881	1,338	1998	(i)
32975 Industrial Road	Livonia, MI	—	160	887	(191)	92	764	856	379	1998	(i)
32985 Industrial Road	Livonia, MI	—	137	761	(329)	46	523	569	319	1998	(i)
32995 Industrial Road	Livonia, MI	—	160	887	(409)	53	585	638	363	1998	(i)
12874 Westmore Avenue	Livonia, MI	—	137	761	(302)	58	538	596	301	1998	(i)
1775 Bellingham	Troy, MI	—	344	1,902	329	367	2,208	2,575	893	1998	(i)
1785 East Maple	Troy, MI	—	92	507	200	98	701	799	257	1998	(i)
980 Chicago	Troy, MI	—	206	1,141	328	220	1,455	1,675	537	1998	(i)
1885 Enterprise Drive	Rochester Hills, MI	—	209	1,158	544	223	1,688	1,911	561	1998	(i)
1935-55 Enterprise Drive	Rochester Hills, MI	—	1,285	7,144	943	1,371	8,001	9,372	3,229	1998	(i)
5500 Enterprise Court	Warren, MI	—	675	3,737	680	721	4,371	5,092	1,751	1998	(i)
750 Chicago Road	Troy, MI	—	323	1,790	385	345	2,153	2,498	880	1998	(i)
800 Chicago Road	Troy, MI	—	283	1,567	370	302	1,918	2,220	763	1998	(i)
850 Chicago Road	Troy, MI	—	183	1,016	218	196	1,221	1,417	493	1998	(i)
1100 East Mandoline Road	Madison Heights, MI	—	888	4,915	(1,257)	332	4,214	4,546	2,372	1998	(i)
1080, 1120, 1180 John Papalas Drive (e)	Lincoln Park, MI	—	366	3,241	366	297	3,676	3,973	1,918	1998	(i)

SCHEDULE III:
REAL ESTATE AND ACCUMULATED DEPRECIATION
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Building Address	Location (City/State)	(a)		(b)		(c) Costs		Gross Amount Carried		Accumulated Depreciation 12/31/2014	Year Acquired/ Constructed	Depreciable Lives (Years)
		Encumbrances	Land	Buildings and Improvements	Initial Cost	Buildings and Improvements Completion Provision	Capitalized Subsequent to Acquisition or Completion	At Close of Period 12/31/14				
								Land	Total			
							(In thousands)					
4872 S. Lapeer Road	Lake Orion Twsp, MI	—	1,342	5,441	1,208	1,412	6,579	7,991	2,609	1999	(i)	
22701 Trolley Industrial	Taylor, MI	—	795	—	7,435	849	7,381	8,230	2,475	1999	(i)	
1400 Allen Drive	Troy, MI	—	209	1,154	223	212	1,374	1,586	455	2000	(i)	
1408 Allen Drive	Troy, MI	—	151	834	121	153	953	1,106	318	2000	(i)	
32505 Industrial Drive	Madison Heights, MI	—	345	1,910	107	351	2,011	2,362	694	2000	(i)	
1799-1855 Northfield Drive (d)	Rochester Hills, MI	—	481	2,665	367	490	3,023	3,513	1,060	2000	(i)	
28435 Automation Blvd	Wixom, MI	—	621	—	3,664	628	3,657	4,285	919	2004	(i)	
32200 N Avis Drive	Madison Heights, MI	—	503	3,367	(1,446)	195	2,229	2,424	867	2005	(i)	
100 Kay Industrial Drive	Orion Township, MI	—	677	2,018	171	685	2,181	2,866	860	2005	(i)	
11800 Sears Drive	Livonia, MI	—	693	1,507	1,212	476	2,936	3,412	1,451	2005	(i)	
1099 Chicago Road	Troy, MI	—	1,277	1,332	(1,275)	303	1,031	1,334	294	2005	(i)	
42555 Merrill Road	Sterling Heights, MI	—	1,080	2,300	3,487	1,090	5,777	6,867	1,991	2006	(i)	
200 Northpointe Drive	Orion Township, MI	—	723	2,063	36	734	2,088	2,822	882	2006	(i)	
Houston												
3351 Rauch Street	Houston, TX	—	272	1,541	510	278	2,045	2,323	764	1997	(i)	
3801-3851 Yale Street	Houston, TX	1,977	413	2,343	419	425	2,750	3,175	1,158	1997	(i)	
3337-3347 Rauch Street	Houston, TX	—	227	1,287	454	233	1,735	1,968	669	1997	(i)	
8505 N Loop East	Houston, TX	1,630	439	2,489	626	449	3,105	3,554	1,271	1997	(i)	
4749-4799 Eastpark Drive	Houston, TX	2,409	594	3,368	1,290	611	4,641	5,252	1,898	1997	(i)	
4851 Homestead Road	Houston, TX	3,139	491	2,782	1,549	504	4,318	4,822	1,684	1997	(i)	
3365-3385 Rauch Street	Houston, TX	1,622	284	1,611	710	290	2,315	2,605	1,022	1997	(i)	
5050 Campbell Road	Houston, TX	1,871	461	2,610	1,009	470	3,610	4,080	1,316	1997	(i)	
4300 Pine Timbers	Houston, TX	2,712	489	2,769	756	499	3,515	4,014	1,476	1997	(i)	
2500-2530 Fairway Park Drive	Houston, TX	3,287	766	4,342	2,059	792	6,375	7,167	2,419	1997	(i)	
6550 Longpointe	Houston, TX	1,567	362	2,050	1,004	370	3,046	3,416	1,092	1997	(i)	
1815 Turning Basin Drive	Houston, TX	1,992	487	2,761	1,095	531	3,812	4,343	1,443	1997	(i)	
1819 Turning Basin Drive	Houston, TX	—	231	1,308	591	251	1,879	2,130	753	1997	(i)	
1805 Turning Basin Drive	Houston, TX	2,559	564	3,197	1,820	616	4,965	5,581	1,708	1997	(i)	
9835A Genard Road	Houston, TX	—	1,505	8,333	3,257	1,581	11,514	13,095	3,962	1999	(i)	
9835B Genard Road	Houston, TX	—	245	1,357	663	256	2,009	2,265	690	1999	(i)	
11505 State Highway 225	LaPorte City, TX	—	940	4,675	606	940	5,281	6,221	1,847	2005	(i)	
1500 E. Main Street	Houston, TX	—	201	1,328	(26)	204	1,299	1,503	858	2005	(i)	
7230-7238 Wynnwood	Houston, TX	—	254	764	173	259	932	1,191	349	2007	(i)	
7240-7248 Wynnwood	Houston, TX	—	271	726	35	276	756	1,032	342	2007	(i)	
7250-7260 Wynnwood	Houston, TX	—	200	481	141	203	619	822	227	2007	(i)	
6400 Long Point	Houston, TX	—	188	898	(47)	188	851	1,039	291	2007	(i)	
12705 S. Kirkwood, Ste 100-150	Stafford, TX	—	154	626	8	155	633	788	166	2007	(i)	
12705 S. Kirkwood, Ste 200-220	Stafford, TX	—	404	1,698	275	393	1,984	2,377	747	2007	(i)	
8850 Jameel	Houston, TX	—	171	826	4	171	830	1,001	305	2007	(i)	
8800 Jameel	Houston, TX	—	163	798	(100)	124	737	861	264	2007	(i)	
8700 Jameel	Houston, TX	—	170	1,020	(178)	120	892	1,012	236	2007	(i)	

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		Encumbrances	Land	Initial Cost		Buildings and Improvements	Completion Provision	Buildings and Improvements					Total
				Land Improvements	Buildings and Improvements			Land Improvements	Total				
(In thousands)													
Houston, TX	8600 Jameel	—	163	818	41	337	1,063	163	859	1,022	313	2007	(i)
Houston, TX	7967 Blankenship	—	307	1,166	337	(659)	1,063	307	1,503	1,810	363	2010	(i)
Houston, TX	8800 City Park Loop East	23,226	3,717	19,237	12,057	—	3,717	3,717	18,578	22,295	2,726	2011	(i)
Houston, TX	4800 West Greens Road	—	3,350	—	—	—	12,057	3,318	12,089	15,407	75	2014	(i)
Indianapolis													
Indianapolis, IN	2900 N Shadeland Avenue	—	2,057	13,565	3,828	2,057	3,828	2,057	17,393	19,450	7,484	1996	(i)
Indianapolis, IN	1445 Brookville Way	—	459	2,603	1,063	476	1,063	476	3,649	4,125	1,548	1996	(i)
Indianapolis, IN	1440 Brookville Way	3,661	665	3,770	985	685	3,770	685	4,735	5,420	2,049	1996	(i)
Indianapolis, IN	1240 Brookville Way	—	247	1,402	324	258	324	258	1,715	1,973	776	1996	(i)
Indianapolis, IN	1345 Brookville Way	—	586	3,321	1,160	601	1,160	601	4,466	5,067	1,872	1996	(i)
Indianapolis, IN	1350 Brookville Way	—	205	1,161	249	204	249	204	1,411	1,615	639	1996	(i)
Indianapolis, IN	1341 Sadlier Circle South	—	131	743	205	136	205	136	943	1,079	414	1996	(i)
Indianapolis, IN	1322-1438 Sadlier Circle East	—	145	822	296	152	296	152	1,111	1,263	491	1996	(i)
Indianapolis, IN	1327-1441 Sadlier Circle West	—	218	1,234	607	225	607	225	1,834	2,059	740	1996	(i)
Indianapolis, IN	1402-1430 Sadlier Circle West	—	165	934	398	171	398	171	1,326	1,497	581	1996	(i)
Indianapolis, IN	1504 Sadlier Circle South	—	219	1,238	(104)	115	1,238	115	1,238	1,353	746	1996	(i)
Indianapolis, IN	1365-1367 Sadlier Way Circle East	—	121	688	181	91	688	91	899	990	393	1996	(i)
Indianapolis, IN	1352-1354 Sadlier Circle West	—	178	1,008	186	166	186	166	1,206	1,372	541	1996	(i)
Indianapolis, IN	1335 Sadlier Circle East	—	81	460	202	85	460	85	658	743	287	1996	(i)
Indianapolis, IN	1425 Sadlier Circle West	—	21	117	41	23	117	23	156	179	67	1996	(i)
Indianapolis, IN	6951 East 30th Street	—	256	1,449	227	265	227	265	1,667	1,932	754	1996	(i)
Indianapolis, IN	6701 East 30th Street	—	78	443	98	82	443	82	537	619	247	1996	(i)
Indianapolis, IN	6737 East 30th Street	1,722	385	2,181	222	398	222	398	2,390	2,788	1,098	1996	(i)
Indianapolis, IN	6555 East 30th Street	—	484	4,760	2,065	484	2,065	484	6,825	7,309	2,870	1996	(i)
Indianapolis, IN	7901 West 21st Street	4,946	1,048	6,027	246	1,048	246	1,048	6,273	7,321	2,725	1997	(i)
Indianapolis, IN	1225 Brookville Way	—	60	—	417	68	417	68	409	477	172	1997	(i)
Indianapolis, IN	6751 E 30th Street	2,420	728	2,837	354	741	354	741	3,178	3,919	1,301	1997	(i)
Indianapolis, IN	6575 East 30th Street	1,814	118	—	2,068	128	2,068	128	2,058	2,186	880	1998	(i)
Indianapolis, IN	6585 East 30th Street	2,814	196	—	3,195	196	3,195	196	3,391	3,391	1,278	1998	(i)
Indianapolis, IN	5705-97 Park Plaza Court	2,464	600	2,194	853	609	853	609	3,038	3,647	1,070	2003	(i)
Indianapolis, IN	9319-9341 Castlegate Drive	—	530	1,235	688	544	688	544	1,909	2,453	652	2003	(i)
Richmond, IN	1133 Northwest L Street	—	201	1,358	(188)	208	(188)	208	1,163	1,371	636	2006	(i)
Noblesville, IN	14425 Bergen Blvd	—	647	—	3,484	743	3,484	743	3,388	4,131	615	2007	(i)
Miami													
Ft. Lauderdale, FL	4700 NW 15th Avenue	—	908	1,883	269	912	269	912	2,148	3,060	777	2007	(i)
Ft. Lauderdale, FL	4710 NW 15th Avenue	—	830	2,722	346	834	346	834	3,064	3,898	856	2007	(i)
Ft. Lauderdale, FL	4720 NW 15th Avenue	—	937	2,455	404	942	404	942	2,854	3,796	828	2007	(i)
Ft. Lauderdale, FL	4740 NW 15th Avenue	—	1,107	3,111	320	1,112	320	1,112	3,426	4,538	944	2007	(i)
Ft. Lauderdale, FL	4750 NW 15th Avenue	—	947	3,079	406	951	406	951	3,481	4,432	785	2007	(i)
Ft. Lauderdale, FL	4800 NW 15th Avenue	—	1,092	3,308	514	1,097	514	1,097	3,817	4,914	1,050	2007	(i)

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		Encumbrances	Land Improvements	Buildings and Improvements		Buildings and Improvements	Total					
				Initial Cost								
6891 NW 74th Street	Medley, FL	—	857	3,428	3,988	864	7,409	8,273	1,687	2007	(i)	
12601 & 12605 NW 115th Avenue	Medley, FL	—	2,316	—	440	762	1,994	2,756	270	2008	(i)	
Milwaukee												
N25 W23255 Paul Road	Pewaukee, WI	—	569	3,270	1,836	450	5,225	5,675	1,880	1994	(i)	
5355 South Westridge Drive	New Berlin, WI	5,089	1,630	7,058	(108)	1,646	6,934	8,580	1,643	2004	(i)	
320-334 W. Vogel Avenue	Milwaukee, WI	2,692	506	3,199	(100)	508	3,097	3,605	1,481	2005	(i)	
4950 South 6th Avenue	Milwaukee, WI	1,444	299	1,565	273	301	1,836	2,137	1,026	2005	(i)	
17005 W. Ryerson Road	New Berlin, WI	2,915	403	3,647	251	405	3,896	4,301	1,549	2005	(i)	
W140 N9059 Lilly Road	Menomonee Falls, WI	—	343	1,153	(117)	366	1,247	1,613	420	2005	(i)	
200 W. Vogel Avenue-Bldg B	Milwaukee, WI	1,641	301	2,150	22	302	2,127	2,429	1,021	2005	(i)	
4921 S. 2nd Street	Milwaukee, WI	—	101	713	(196)	58	560	618	278	2005	(i)	
1500 Peebles Drive	Richland Center, WI	—	1,577	1,018	(278)	1,528	789	2,317	697	2005	(i)	
16600 West Glendale Avenue	New Berlin, WI	2,317	704	1,923	933	715	2,845	3,560	1,494	2006	(i)	
2485 Commerce Drive	New Berlin, WI	1,386	483	1,516	131	491	1,639	2,130	743	2007	(i)	
14518 Whittaker Way	Menomonee Falls, WI	—	437	1,082	382	445	1,456	1,901	538	2007	(i)	
N58W15380 Shawn Circle	Menomonee Falls, WI	—	1,188	—	16,931	1,204	16,915	18,119	3,014	2008	(i)	
Minneapolis/St. Paul												
6201 West 111th Street	Bloomington, MN	3,293	1,358	8,622	13,466	1,519	21,927	23,446	11,065	1994	(i)	
7251-7267 Washington Avenue	Edina, MN	—	129	382	871	182	1,200	1,382	842	1994	(i)	
7301-7325 Washington Avenue	Edina, MN	—	174	391	70	193	442	635	113	1994	(i)	
7101 Winnetka Avenue South	Brooklyn Park, MN	5,629	2,195	6,084	3,996	2,228	10,047	12,275	7,107	1994	(i)	
9901 West 74th Street	Eden Prairie, MN	3,303	621	3,289	3,291	639	6,562	7,201	5,599	1994	(i)	
1030 Lone Oak Road	Eagan, MN	2,553	456	2,703	764	456	3,467	3,923	1,588	1994	(i)	
1060 Lone Oak Road	Eagan, MN	3,216	624	3,216	616	624	4,316	4,940	2,115	1994	(i)	
5400 Nathan Lane	Plymouth, MN	2,826	749	4,461	951	757	5,404	6,161	2,660	1994	(i)	
6655 Wedgwood Road	Maple Grove, MN	—	1,466	8,342	4,267	1,466	12,609	14,075	5,446	1994	(i)	
10120 W 76th Street	Eden Prairie, MN	—	315	1,804	1,884	315	3,688	4,003	1,978	1995	(i)	
12155 Nicollet Avenue	Burnsville, MN	—	286	—	1,809	288	1,807	2,095	829	1995	(i)	
4100 Peavey Road	Chaska, MN	—	277	2,261	779	277	3,040	3,317	1,332	1996	(i)	
5205 Highway 169	Plymouth, MN	—	446	2,525	891	578	3,284	3,862	1,526	1996	(i)	
7100-7198 Shady Oak Road	Eden Prairie, MN	4,569	715	4,054	2,252	736	6,285	7,021	2,484	1996	(i)	
7500-7546 Washington Avenue	Eden Prairie, MN	—	229	1,300	881	235	2,175	2,410	928	1996	(i)	
7550-7586 Washington Avenue	Eden Prairie, MN	—	153	867	290	157	1,153	1,310	511	1996	(i)	
5240-5300 Valley Industrial Blvd	Shakopee, MN	2,450	362	2,049	1,215	371	3,255	3,626	1,215	1996	(i)	
500-530 Kasota Avenue SE	Minneapolis, MN	—	415	2,354	1,276	434	3,611	4,045	1,467	1998	(i)	
2530-2570 Kasota Avenue	St. Paul, MN	—	407	2,308	964	441	3,238	3,679	1,315	1998	(i)	
5775 12th Avenue	Shakopee, MN	3,965	590	—	5,279	590	5,279	5,869	2,103	1998	(i)	
1157 Valley Park Drive	Shakopee, MN	3,969	760	—	6,803	888	6,675	7,563	2,579	1999	(i)	
9600 West 76th Street	Eden Prairie, MN	2,325	1,000	2,450	483	1,034	2,899	3,933	968	2004	(i)	
9700 West 76th Street	Eden Prairie, MN	3,151	1,000	2,709	1,007	1,038	3,678	4,716	1,284	2004	(i)	

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		(a) Encumbrances	(b) Initial Cost		Gross Amount Carried At Close of Period 12/31/14						
			Buildings and Land Improvements	Buildings and Land Improvements		Total					
(In thousands)											
7600 69th Avenue	Greenfield, MN	—	1,500	8,328	1,391	1,510	9,709	11,219	3,571	2004	(i)
5017 Boone Avenue North	New Hope, MN	—	1,000	1,599	(6)	1,009	1,584	2,593	813	2005	(i)
2300 West Highway 13	Burnsville, MN	—	2,517	6,069	(1,651)	1,296	5,639	6,935	3,449	2005	(i)
1087 Park Place	Shakopee, MN	—	1,195	4,891	(409)	1,198	4,479	5,677	1,091	2005	(i)
5391 12th Avenue SE	Shakopee, MN	4,218	1,392	8,149	(495)	1,395	7,651	9,046	1,915	2005	(i)
4701 Valley Industrial Blvd S	Shakopee, MN	5,483	1,296	7,157	(337)	1,299	6,817	8,116	2,477	2005	(i)
6455 City West Parkway	Eden Prairie, MN	—	659	3,189	949	665	4,132	4,797	974	2006	(i)
7035 Winnetka Avenue North	Brooklyn Park, MN	4,076	1,275	—	6,492	1,343	6,424	7,767	1,245	2007	(i)
139 Eva Street	St. Paul, MN	—	2,132	3,105	(286)	2,175	2,776	4,951	560	2008	(i)
21900 Dodd Boulevard	Lakeville, MN	9,031	2,289	7,952	—	2,289	7,952	10,241	1,692	2010	(i)
375 Rivertown Drive	Woodbury, MN	7,058	2,635	8,157	48	2,635	8,205	10,840	407	2014	(i)
935 Aldrin Drive	Eagan, MN	—	2,096	7,884	1	2,096	7,885	9,981	65	2014	(i)
7050 Winnetka Avenue North	Brooklyn Park, MN	—	1,623	—	7,792	1,632	7,783	9,415	—	2014	(i)
7051 West Broadway	Brooklyn Park, MN	—	1,275	—	5,246	1,277	5,244	6,521	—	2014	(i)
Nashville											
1621 Heil Quaker Boulevard	Nashville, TN	1,945	413	2,383	984	430	3,350	3,780	1,594	1995	(i)
3099 Barry Drive	Portland, TN	—	418	2,368	(683)	248	1,855	2,103	1,022	1996	(i)
1931 Air Lane Drive	Nashville, TN	2,344	489	2,785	327	493	3,108	3,601	1,326	1997	(i)
4640 Cummings Park	Nashville, TN	2,053	360	2,040	638	365	2,673	3,038	957	1999	(i)
1740 River Hills Drive	Nashville, TN	2,759	848	4,383	607	888	4,950	5,838	1,933	2005	(i)
211 Ellery Court	Nashville, TN	2,727	606	3,192	349	616	3,531	4,147	1,098	2007	(i)
130 Maddox Road	Gallatin, TN	15,636	1,778	—	23,548	1,778	23,548	25,326	3,490	2008	(i)
Northern New Jersey											
14 World's Fair Drive	Franklin, NJ	—	483	2,735	717	503	3,432	3,935	1,490	1997	(i)
12 World's Fair Drive	Franklin, NJ	—	572	3,240	1,071	593	4,290	4,883	1,887	1997	(i)
22 World's Fair Drive	Franklin, NJ	—	364	2,064	533	375	2,586	2,961	1,029	1997	(i)
26 World's Fair Drive	Franklin, NJ	—	361	2,048	523	377	2,555	2,932	1,052	1997	(i)
24 World's Fair Drive	Franklin, NJ	—	347	1,968	490	362	2,443	2,805	1,040	1997	(i)
20 World's Fair Drive Lot 13	Somers, NJ	—	9	—	2,576	691	1,894	2,585	657	1999	(i)
45 Route 46	Pine Brook, NJ	—	969	5,491	913	978	6,395	7,373	2,256	2000	(i)
43 Route 46	Pine Brook, NJ	—	474	2,686	551	479	3,232	3,711	1,223	2000	(i)
39 Route 46	Pine Brook, NJ	—	260	1,471	197	262	1,666	1,928	583	2000	(i)
26 Chapin Road	Pine Brook, NJ	—	956	5,415	672	965	6,078	7,043	2,177	2000	(i)
30 Chapin Road	Pine Brook, NJ	—	960	5,440	499	969	5,930	6,899	2,080	2000	(i)
20 Hook Mountain Road	Pine Brook, NJ	—	1,507	8,542	2,809	1,534	11,324	12,858	4,700	2000	(i)
30 Hook Mountain Road	Pine Brook, NJ	—	389	2,206	539	396	2,738	3,134	977	2000	(i)
16 Chapin Road	Pine Brook, NJ	—	885	5,015	516	901	5,515	6,416	1,924	2000	(i)
20 Chapin Road	Pine Brook, NJ	—	1,134	6,426	598	1,154	7,004	8,158	2,383	2000	(i)
2500 Main Street	Sayreville, NJ	—	944	—	4,558	944	4,558	5,502	1,319	2002	(i)
2400 Main Street	Sayreville, NJ	—	996	—	5,575	996	5,575	6,571	1,507	2003	(i)

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		Encumbrances	Land	Buildings and Improvements			Land	Buildings and Improvements				Total
309-313 Pierce Street	Somerset, NJ	3,283	1,300	4,628	1,020	(In thousands)	1,309	5,639	6,948	1,968	2004	(j)
Philadelphia												
230-240 Welsh Pool Road	Exton, PA	—	154	851	355		170	1,190	1,360	438	1998	(j)
254 Welsh Pool Road	Exton, PA	—	75	418	206		91	608	699	255	1998	(j)
243-251 Welsh Pool Road	Exton, PA	—	144	796	441		159	1,222	1,381	446	1998	(j)
151-161 Philips Road	Exton, PA	—	191	1,059	345		229	1,366	1,595	553	1998	(j)
216 Philips Road	Exton, PA	—	199	1,100	498		220	1,577	1,797	689	1998	(j)
14 McFadden Road	Palmer, PA	—	600	1,349	(274)		625	1,050	1,675	265	2004	(j)
2801 Red Lion Road	Philadelphia, PA	—	950	5,916	(51)		964	5,851	6,815	2,214	2005	(j)
3240 S. 78th Street	Philadelphia, PA	—	515	1,245	(492)		423	845	1,268	251	2005	(j)
200 Cascade Drive, Bldg. 1	Allentown, PA	16,944	2,133	17,562	366		2,769	17,292	20,061	4,972	2007	(j)
200 Cascade Drive, Bldg. 2	Allentown, PA	2,334	310	2,268	174		316	2,436	2,752	690	2007	(j)
6300 Bristol Pike	Levittown, PA	—	1,074	2,642	(194)		964	2,558	3,522	1,523	2008	(j)
2455 Boulevard of Generals	Norristown, PA	3,235	1,200	4,800	846		1,226	5,620	6,846	1,894	2008	(j)
Phoenix												
1045 South Edward Drive	Tempe, AZ	—	390	2,160	370		396	2,524	2,920	877	1999	(j)
50 South 56th Street	Chandler, AZ	3,766	1,206	3,218	1,362		1,252	4,534	5,786	1,224	2004	(j)
4701 W. Jefferson	Phoenix, AZ	2,508	926	2,195	443		929	2,635	3,564	1,418	2005	(j)
7102 W. Roosevelt	Phoenix, AZ	—	1,613	6,451	344		1,620	6,788	8,408	2,207	2006	(j)
4137 West Adams Street	Phoenix, AZ	—	990	2,661	467		1,038	3,080	4,118	1,039	2006	(j)
245 W. Lodge	Tempe, AZ	—	898	3,066	(1,890)		362	1,712	2,074	710	2007	(j)
1590 E Riverview Dr.	Phoenix, AZ	4,721	1,293	5,950	403		1,292	6,354	7,646	1,396	2008	(j)
14131 N. Rio Vista Blvd	Peoria, AZ	—	2,563	9,388	1,101		2,563	10,489	13,052	2,665	2008	(j)
8716 W. Ludlow Drive	Peoria, AZ	—	2,709	10,970	1,393		2,709	12,363	15,072	2,869	2008	(j)
3815 W. Washington Street	Phoenix, AZ	3,589	1,675	4,514	149		1,719	4,619	6,338	959	2008	(j)
9180 W. Buckeye Road	Tolleson, AZ	7,021	1,904	6,805	2,568		1,923	9,354	11,277	1,665	2008	(j)
8644 West Ludlow Drive	Peoria, AZ	—	1,726	7,216	—		1,726	7,216	8,942	43	2014	(j)
8606 West Ludlow Drive	Peoria, AZ	—	956	2,668	—		956	2,668	3,624	17	2014	(j)
8679 West Ludlow Drive	Peoria, AZ	—	672	2,791	—		672	2,791	3,463	17	2014	(j)
Salt Lake City												
1270 West 2320 South	West Valley, UT	—	138	784	144		143	923	1,066	362	1998	(j)
1275 West 2240 South	West Valley, UT	—	395	2,241	352		408	2,580	2,988	1,032	1998	(j)
1288 West 2240 South	West Valley, UT	—	119	672	136		123	804	927	319	1998	(j)
2235 South 1300 West	West Valley, UT	—	198	1,120	168		204	1,282	1,486	512	1998	(j)
1293 West 2200 South	West Valley, UT	—	158	896	282		163	1,173	1,336	471	1998	(j)
1279 West 2200 South	West Valley, UT	—	198	1,120	369		204	1,483	1,687	715	1998	(j)
1272 West 2240 South	West Valley, UT	—	336	1,905	410		347	2,304	2,651	966	1998	(j)
1149 West 2240 South	West Valley, UT	—	217	1,232	325		225	1,549	1,774	620	1998	(j)
1142 West 2320 South	West Valley, UT	—	217	1,232	260		225	1,484	1,709	571	1998	(j)
1152 West 2240 South	West Valley, UT	—	1,652	—	2,323		669	3,306	3,975	1,190	2000	(j)

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						(In thousands)					
2323 South 900 W	Salt Lake City, UT	—	886	2,995	(3)	898	2,980	3,878	1,388	2006	(i)
1815-1957 South 4650 West	Salt Lake City, UT	6,983	1,707	10,873	541	1,713	11,408	13,121	3,065	2006	(i)
2100 Alexander Street	West Valley, UT	—	376	1,670	319	376	1,989	2,365	518	2007	(i)
2064 Alexander Street	West Valley, UT	—	864	2,771	83	869	2,849	3,718	825	2007	(i)
Seattle											
1901 Raymond Ave SW	Renton, WA	1,101	4,458	2,659	400	4,594	2,923	7,517	624	2008	(i)
19014 64th Avenue South	Kent, WA	3,063	1,990	3,979	514	2,042	4,441	6,483	1,116	2008	(i)
18640 68th Avenue South	Kent, WA	440	1,218	1,950	307	1,258	2,217	3,475	551	2008	(i)
Southern California											
1944 Vista Bella Way	Rancho Dominguez, CA	3,620	1,746	3,148	465	1,822	3,537	5,359	1,298	2005	(i)
2000 Vista Bella Way	Rancho Dominguez, CA	1,314	817	1,673	292	853	1,929	2,782	737	2005	(i)
2835 East Ana Street	Rancho Dominguez, CA	3,105	1,682	2,750	339	1,772	2,999	4,771	963	2005	(i)
16275 Technology Drive	San Diego, CA	—	2,848	8,641	527	2,859	9,157	12,016	2,359	2005	(i)
665 N. Baldwin Park Blvd.	City of Industry, CA	4,226	2,124	5,219	1,601	2,143	6,801	8,944	2,477	2006	(i)
27801 Avenue Scott	Santa Clarita, CA	7,228	2,890	7,020	788	2,902	7,796	10,698	2,377	2006	(i)
2610 & 2660 Columbia Street	Torrance, CA	4,524	3,008	5,826	740	3,031	6,543	9,574	1,770	2006	(i)
433 Alaska Avenue	Torrance, CA	—	681	168	(5)	684	160	844	85	2006	(i)
4020 S. Compton Avenue	Los Angeles, CA	—	3,800	7,330	(233)	3,825	7,072	10,897	1,716	2006	(i)
6305 El Camino Real	Carlsbad, CA	—	1,590	6,360	7,730	1,590	14,090	15,680	3,419	2006	(i)
2325 Camino Vida Roble	Carlsbad, CA	1,954	1,441	1,239	627	1,446	1,861	3,307	458	2006	(i)
2335 Camino Vida Roble	Carlsbad, CA	1,055	817	762	207	821	965	1,786	350	2006	(i)
2345 Camino Vida Roble	Carlsbad, CA	681	562	456	51	565	504	1,069	224	2006	(i)
2355 Camino Vida Roble	Carlsbad, CA	640	481	365	237	483	600	1,083	171	2006	(i)
2365 Camino Vida Roble	Carlsbad, CA	1,212	1,098	630	323	1,102	949	2,051	273	2006	(i)
2375 Camino Vida Roble	Carlsbad, CA	1,326	1,210	874	96	1,214	966	2,180	323	2006	(i)
6451 El Camino Real	Carlsbad, CA	2,885	2,885	1,931	623	2,895	2,544	5,439	802	2006	(i)
8572 Spectrum Lane	San Diego, CA	2,034	806	3,225	274	807	3,498	4,305	680	2007	(i)
13100 Gregg Street	Poway, CA	—	1,040	4,160	509	1,073	4,636	5,709	1,353	2007	(i)
21730-21748 Marilla Street	Chatsworth, CA	2,766	2,585	3,210	58	2,608	3,245	5,853	912	2007	(i)
8015 Paramount	Pico Rivera, CA	—	3,616	3,902	61	3,657	3,922	7,579	1,395	2007	(i)
3365 E. Slauson	Vernon, CA	—	2,367	3,243	40	2,396	3,254	5,650	1,219	2007	(i)
3015 East Ana	Rancho Dominguez, CA	—	19,678	9,321	6,305	20,144	15,160	35,304	3,470	2007	(i)
19067 Reyes Avenue	Rancho Dominguez, CA	—	9,281	3,920	102	9,381	3,922	13,303	1,557	2007	(i)
24870 Nandina Avenue	Moreno Valley, CA	—	13,543	—	20,885	6,482	27,946	34,428	1,627	2012	(i)
1250 Rancho Conejo Blvd.	Thousand Oaks, CA	—	1,435	779	42	1,441	815	2,256	331	2007	(i)

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1260 Rancho Conejo Blvd.	Thousand Oaks, CA	—	1,353	722	(844)	675	556	1,231	232	2007	(j)
1270 Rancho Conejo Blvd.	Thousand Oaks, CA	—	1,224	716	21	1,229	732	1,961	305	2007	(j)
1280 Rancho Conejo Blvd.	Thousand Oaks, CA	2,861	2,043	3,408	(114)	2,051	3,286	5,337	682	2007	(j)
1290 Rancho Conejo Blvd.	Thousand Oaks, CA	2,416	1,754	2,949	(204)	1,761	2,738	4,499	594	2007	(j)
100 West Sinclair Street	Riverside, CA		4,894	3,481	(5,233)	1,819	1,323	3,142	540	2007	(j)
14050 Day Street	Moreno Valley, CA	3,313	2,538	2,538	291	2,565	2,801	5,366	779	2008	(j)
12925 Marlay Avenue	Fontana, CA	9,092	6,072	7,891	762	6,090	8,635	14,725	3,159	2008	(j)
18201-18291 Santa Fe	Rancho Dominguez, CA	9,708	6,720	—	9,004	6,897	8,827	15,724	1,636	2008	(j)
1011 Rancho Conejo	Thousand Oaks, CA	5,328	7,717	2,518	(155)	7,752	2,327	10,079	1,000	2008	(j)
2300 Corporate Center Drive	Thousand Oaks, CA	—	6,506	4,885	(5,427)	3,236	2,728	5,964	901	2008	(j)
20700 Denker Avenue	Rancho Dominguez, CA	5,280	5,767	2,538	1,282	5,964	3,624	9,588	1,433	2008	(j)
18408 Laurel Park Road	Rancho Dominguez, CA	—	2,850	2,850	722	2,874	3,548	6,422	879	2008	(j)
19021 S. Reyes Avenue	Rancho Dominguez, CA	—	8,183	7,501	761	8,545	7,900	16,445	1,675	2008	(j)
6185 Kimball Avenue	Chino, CA	—	6,385	—	12,343	6,382	12,346	18,728	796	2013	(j)
5555 Bandini Blvd.	Bell, CA	—	32,536	—	20,917	32,540	20,913	53,453	647	2013	(j)
16875 Heacock Street	Moreno Valley, CA	—	—	6,831	72	—	6,903	6,903	253	2014	(j)
4710 Guasti Road	Ontario, CA	—	2,846	6,564	—	2,846	6,564	9,410	41	2014	(j)
17100 Perris Blvd	Moreno Valley, CA	—	6,388	—	22,595	6,395	22,588	28,983	356	2014	(j)
13414 S. Figueroa	Los Angeles, CA	—	1,701	—	6,577	1,887	6,391	8,278	88	2014	(j)
Southern New Jersey											
2060 Springdale Road	Cherry Hill, NJ	—	258	1,436	625	258	2,061	2,319	808	1998	(j)
111 Whittendale Drive	Morristown, NJ	—	522	2,916	519	522	3,435	3,957	1,217	2000	(j)
7851 Airport Highway	Pennsauken, NJ	—	160	508	381	162	887	1,049	352	2003	(j)
103 Central Avenue	Mt. Laurel, NJ	—	610	1,847	1,471	619	3,309	3,928	1,085	2003	(j)
7890 Airport Hwy/7015											
Central	Pennsauken, NJ	—	300	989	543	425	1,407	1,832	947	2006	(j)
600 Creek Road	Delanco, NJ	—	2,125	6,504	(3,821)	1,557	3,251	4,808	746	2007	(j)
St. Louis											
8921-8971 Frost Avenue	Hazelwood, MO	—	431	2,479	818	431	3,297	3,728	1,456	1994	(j)
9043-9083 Frost Avenue	Hazelwood, MO	—	319	1,838	2,338	319	4,176	4,495	1,480	1994	(j)
10431 Midwest Industrial Blvd	Olivette, MO	1,446	237	1,360	745	237	2,105	2,342	875	1994	(j)
10751 Midwest Industrial Boulevard	Olivette, MO	—	193	1,119	294	194	1,412	1,606	584	1994	(j)
6951 N Hanley (d)	Hazelwood, MO	—	405	2,295	2,577	419	4,858	5,277	1,839	1996	(j)

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(In thousands)											
1067-1083 Warson-Bldg A	St. Louis, MO	1,642	246	1,359	826	251	2,180	2,431	570	(j)	
1093-1107 Warson-Bldg B	St. Louis, MO	2,813	380	2,103	1,681	388	3,776	4,164	1,027	(j)	
1113-1129 Warson-Bldg C	St. Louis, MO	2,322	303	1,680	1,454	310	3,127	3,437	1,139	(j)	
1131-1151 Warson-Bldg D	St. Louis, MO	2,198	353	1,952	949	360	2,894	3,254	766	(j)	
6821-6857 Hazelwood Avenue	Berkeley, MO	—	985	6,205	908	985	7,113	8,098	2,090	(j)	
13701 Rider Trail North	Earth City, MO	—	800	2,099	710	804	2,805	3,609	1,025	2003	
1908-2000 Innerbelt (d)	Overland, MO	7,215	1,590	9,026	1,095	1,591	10,120	11,711	3,741	2003	
9060 Latty Avenue	Berkeley, MO	—	687	1,947	(90)	694	1,850	2,544	1,554	2004	
21-25 Gateway Commerce Center	Edwardsville, IL	—	1,874	31,958	(331)	1,902	31,599	33,501	7,272	2006	
6647 Romiss Court	St. Louis, MO	—	230	681	(8)	241	662	903	245	2008	
Tampa											
5313 Johns Road	Tampa, FL	—	204	1,159	573	257	1,679	1,936	640	1997	
5525 Johns Road	Tampa, FL	—	192	1,086	294	200	1,372	1,572	539	1997	
5709 Johns Road	Tampa, FL	—	192	1,086	197	200	1,275	1,475	534	1997	
5711 Johns Road	Tampa, FL	—	243	1,376	159	255	1,523	1,778	640	1997	
5453 W Waters Avenue	Tampa, FL	—	71	402	163	82	554	636	236	1997	
5455 W Waters Avenue	Tampa, FL	—	307	1,742	747	326	2,470	2,796	1,043	1997	
5553 W Waters Avenue	Tampa, FL	—	307	1,742	417	326	2,140	2,466	885	1997	
5501 W Waters Avenue	Tampa, FL	—	215	871	298	242	1,142	1,384	491	1997	
5503 W Waters Avenue	Tampa, FL	—	98	402	328	110	718	828	374	1997	
5555 W Waters Avenue	Tampa, FL	—	213	1,206	230	221	1,428	1,649	625	1997	
5557 W Waters Avenue	Tampa, FL	—	59	335	59	62	391	453	160	1997	
5463 W Waters Avenue	Tampa, FL	—	497	2,751	694	560	3,382	3,942	1,371	1998	
5461 W Waters Avenue	Tampa, FL	—	261	—	1,355	265	1,351	1,616	541	1998	
5481 W Waters Avenue	Tampa, FL	—	558	—	2,263	561	2,260	2,821	832	1999	
4515-4519 George Road	Tampa, FL	—	633	3,587	854	640	4,434	5,074	1,526	2001	
6089 Johns Road	Tampa, FL	—	180	987	2	186	983	1,169	320	2004	
6091 Johns Road	Tampa, FL	—	140	730	(32)	144	694	838	219	2004	
6103 Johns Road	Tampa, FL	—	220	1,160	16	226	1,170	1,396	387	2004	
6201 Johns Road	Tampa, FL	—	200	1,107	3	205	1,105	1,310	415	2004	
6203 Johns Road	Tampa, FL	—	300	1,460	(311)	311	1,138	1,449	348	2004	
6205 Johns Road	Tampa, FL	—	270	1,363	152	278	1,507	1,785	445	2004	
6101 Johns Road	Tampa, FL	—	210	833	49	216	876	1,092	304	2004	
9908 Tampa West Blvd	Tampa, FL	—	2,622	8,643	(820)	2,635	7,810	10,445	2,722	2005	

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REAL ESTATE AND ACCUMULATED DEPRECIATION
As of December 31, 2014

Building Address	Location (City/State)	(a) Encumbrances	(b) Initial Cost		(c) Costs Capitalized Subsequent to Acquisition or Completion Provision	Gross Amount Carried At Close of Period 12/31/14		Accumulated Depreciation 12/31/2014	Year Acquired/ Constructed	Depreciable Lives (Years)	
			Land	Buildings and Improvements		Land	Buildings and Improvements				Total
(In thousands)											
7201-7281 Bryan Dairy Road (d)	Largo, FL	—	1,895	5,408	(1,552)	1,365	4,386	5,751	1,129	2006	(j)
4900-4914 Creekside Drive (h)	Clearwater, FL	—	3,702	7,338	(3,486)	2,245	5,309	7,554	1,787	2006	(j)
12345 Starkey Road	Largo, FL	—	898	2,078	(629)	599	1,748	2,347	651	2006	(j)
Other											
5050 Kendrick Court	Grand Rapids, MI	—	1,721	11,433	(2,272)	988	9,894	10,882	7,264	1994	(j)
2250 Delaware Avenue	Des Moines, IA	—	277	1,609	(133)	173	1,580	1,753	743	1998	(j)
9601A Dessau Road	Austin, TX	1,187	255	—	1,893	366	1,782	2,148	711	1999	(j)
9601C Dessau Road	Austin, TX	1,418	248	—	2,319	355	2,212	2,567	1,089	1999	(j)
9601B Dessau Road	Austin, TX	1,177	248	—	1,883	355	1,776	2,131	652	2000	(j)
6266 Hurt Road	Horn Lake, MS	—	427	—	3,712	387	3,752	4,139	836	2004	(j)
6301 Hazeltine National Drive	Orlando, FL	—	909	4,613	57	920	4,659	5,579	1,718	2005	(j)
12626 Silicon Drive	San Antonio, TX	—	768	3,448	(449)	779	2,988	3,767	934	2005	(j)
3100 Pinson Valley Parkway	Birmingham, AL	—	303	742	(280)	225	540	765	212	2005	(j)
3730 Wheeler Avenue	Fort Smith, AR	—	720	2,800	(589)	583	2,348	2,931	827	2006	(j)
3200 Pond Station	Jefferson County, KY	—	2,074	—	9,896	2,120	9,850	11,970	2,052	2007	(j)
581 Welltown Road/Tyson Blvd.	Winchester, VA	—	2,320	—	10,945	2,401	10,864	13,265	2,054	2007	(j)
7501 NW 106th Terrace	Kansas City, MO	10,997	4,152	—	13,659	4,228	13,583	17,811	2,108	2008	(j)
600 Greene Drive	Greenville, KY	—	294	8,570	(727)	296	7,841	8,137	4,094	2008	(j)
Land Parcels											
Land Parcels (i)		—	159,831	—	5,930	150,135	15,626	165,761	2,184		
Total		\$599,985	\$743,319	\$1,635,277	\$779,479	\$718,188	\$2,439,887	\$3,158,075	\$786,978		

NOTES:

- (a) See description of encumbrances in Note 5 of the Notes to Consolidated Financial Statements. For purposes of this schedule, the total principal balance of a mortgage loan payable that is collateralized by a pool of properties is allocated among the properties in the pool based on each property's carrying balance.
- (b) Initial cost for each respective property is tangible purchase price allocated in accordance with FASB's guidance on business combinations.
- (c) Improvements are net of the write-off of fully depreciated assets and impairment of real estate.

SCHEDULE III:
REAL ESTATE AND ACCUMULATED DEPRECIATION
As of December 31, 2014

(d)	Comprised of two properties.		
(e)	Comprised of three properties.		
(f)	Comprised of four properties.		
(g)	Comprised of five properties.		
(h)	Comprised of eight properties.		
(i)	These properties represent developable land and land parcels for which we receive ground lease income.		
(j)	Depreciation is computed based upon the following estimated lives:		
	Buildings and Improvements	7 to 50 years	
	Land Improvements	3 to 20 years	
	Tenant Improvements	Shorter of Lease	
		Term or Useful Life	

FIRST INDUSTRIAL REALTY TRUST, INC.
SCHEDULE III:
REAL ESTATE AND ACCUMULATED DEPRECIATION
As of December 31, 2014

At December 31, 2014, the aggregate cost of land and buildings and equipment for federal income tax purpose was approximately \$3.2 billion (excluding construction in progress).

The changes in investment in real estate, including investment in real estate held for sale, for the three years ended December 31, are as follows:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
		(In thousands)	
Balance, Beginning of Year	\$3,119,547	\$3,130,942	\$3,115,050
Acquisition of Real Estate Assets	84,526	69,481	65,770
Construction Costs and Improvements	104,782	100,207	74,116
Disposition of Real Estate Assets	(98,378)	(142,369)	(94,093)
Impairment of Real Estate	—	(2,652)	(1,246)
Write-off of Fully Depreciated Assets	(27,108)	(36,062)	(28,655)
Balance, End of Year	<u>\$3,183,369</u>	<u>\$3,119,547</u>	<u>\$3,130,942</u>

The changes in accumulated depreciation, including accumulated depreciation for real estate held for sale, for the three years ended December 31, are as follows:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
		(In thousands)	
Balance, Beginning of Year	\$748,044	\$735,593	\$695,931
Depreciation for Year	93,457	94,271	100,074
Disposition of Real Estate Assets	(27,415)	(45,758)	(31,757)
Write-off of Fully Depreciated Assets	(27,108)	(36,062)	(28,655)
Balance, End of Year	<u>\$786,978</u>	<u>\$748,044</u>	<u>\$735,593</u>

PART II

MARKET INFORMATION

The following table sets forth for the periods indicated the high and low closing prices per share and distributions declared per share for our common stock, which trades on the New York Stock Exchange under the trading symbol “FR.”

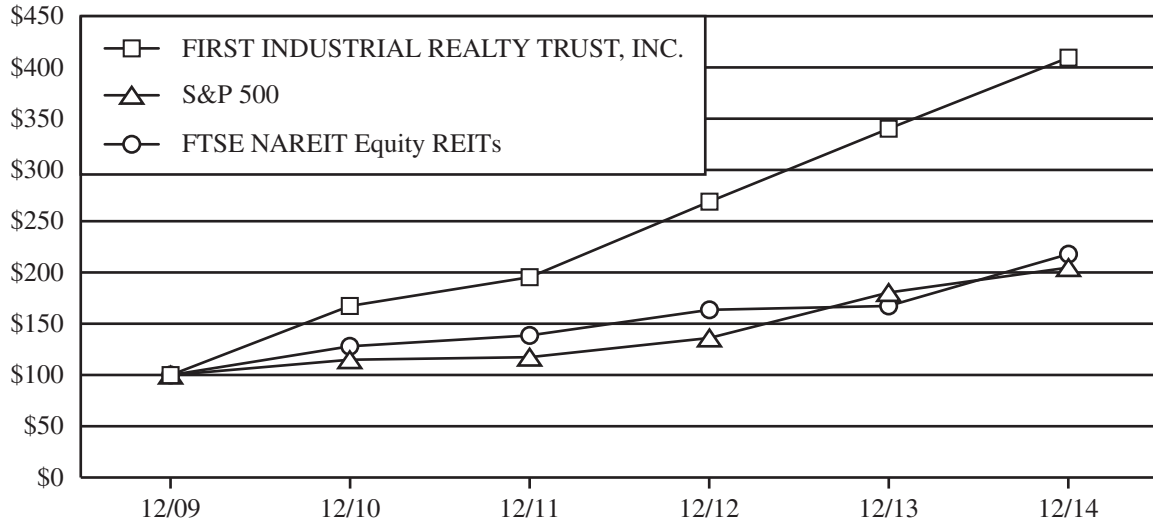
<u>Quarter Ended</u>	<u>High</u>	<u>Low</u>	<u>Distribution Declared</u>
December 31, 2014	\$21.16	\$16.96	\$0.1025
September 30, 2014	\$19.30	\$16.91	\$0.1025
June 30, 2014	\$19.37	\$17.86	\$0.1025
March 31, 2014	\$19.50	\$16.42	\$0.1025
December 31, 2013	\$18.81	\$16.30	\$0.0850
September 30, 2013	\$17.08	\$14.83	\$0.0850
June 30, 2013	\$18.71	\$14.26	\$0.0850
March 31, 2013	\$17.13	\$14.22	\$0.0850

We had 450 common stockholders of record registered with our transfer agent as of February 24, 2015.

Performance Graph

The following graph provides a comparison of the cumulative total stockholder return among the Company, the FTSE NAREIT Equity REIT Total Return Index (the “NAREIT Index”) and the Standard & Poor’s 500 Index (“S&P 500”). The historical information set forth below is not necessarily indicative of future performance.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*
Among First Industrial Realty Trust Inc., the S&P 500 Index, and the FTSE NAREIT Equity REITs
Index



* \$100 invested on 12/31/09 in stock or index, including reinvestment of dividends. Fiscal year ending December 31.

	12/09	12/10	12/11	12/12	12/13	12/14
FIRST INDUSTRIAL REALTY TRUST, INC.	\$100.00	\$167.50	\$195.60	\$269.22	\$340.64	\$410.11
S&P 500	\$100.00	\$115.06	\$117.49	\$136.30	\$180.44	\$205.14
FTSE NAREIT Equity REITs	\$100.00	\$127.96	\$138.57	\$163.60	\$167.63	\$218.16

* The information provided in this performance graph shall not be deemed to be “soliciting material,” to be “filed” or to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934 unless specifically treated as such.

CORPORATE MANAGEMENT AND DIRECTORS

CORPORATE MANAGEMENT

Bruce W. Duncan

President and Chief Executive Officer

Scott A. Musil

Chief Financial Officer,

Treasurer and Assistant Secretary

Johannson L. Yap

Chief Investment Officer and

Executive Vice President — West Region

David G. Harker

Executive Vice President — Central Region

Peter O. Schultz

Executive Vice President — East Region

Christopher M. Schneider

*Chief Information Officer and Senior Vice President —
Operations*

Donald R. Stoffle

Executive Director — Dispositions

Robert J. Walter

Senior Vice President — Capital Markets

Daniel J. Hemmer

General Counsel and Secretary

Arthur J. Harmon

Vice President — Investor Relations

DIRECTORS

W. Ed Tyler†

Chairman

First Industrial Realty Trust, Inc.

Chief Executive Officer

Ideapoint Ventures

Director

Nanophase Technologies Corporation

Bruce W. Duncan‡

President and Chief Executive Officer

First Industrial Realty Trust, Inc.

Chairman

Starwood Hotels & Resorts Worldwide, Inc.

Director

T. Rowe Price Funds

Matthew S. Dominski‡§

Director

CBL & Associates Properties, Inc.

H. Patrick Hackett, Jr.*‡§

Principal

HHS Co.

Director

Wintrust Financial Corporation

Wintrust Bank

John Rau*§

President, Chief Executive Officer and Director

Miami Corporation

Director

AGL Resources Inc.

BMO Financial Corp.

BMO/Harris Bank

L. Peter Sharpe*†

Former President and Chief Executive Officer

Cadillac Fairview Corporation

Director

Postmedia Network Canada Corp.

Morguard Corporation

Allied Properties Real Estate Investment Trust

Multiplan Empreendimentos Imobiliarios S.A.

* Audit Committee

† Compensation Committee

‡ Investment Committee

§ Nominating/Corporate

Governance Committee

CORPORATE AND STOCKHOLDER INFORMATION

Executive Office

First Industrial Realty Trust, Inc.
311 South Wacker Drive, Suite 3900
Chicago, IL 60606
Phone: 312.344.4300
Fax: 312.922.6320
www.firstindustrial.com
info@firstindustrial.com

Stock Exchange Listing

New York Stock Exchange
Symbol: FR

Registrar and Transfer Agent

Computershare Trust Company, N.A.
P.O. Box 43078
Providence, RI 02940-3078
Phone: 800.446.2617

Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP
Chicago, Illinois

Corporate Counsel

Barack Ferrazzano Kirschbaum &
Nagelberg LLP
Chicago, Illinois

10-K Report

A copy of the Company's Form 10-K as filed with the Securities and Exchange Commission is available on the Company's website and may also be obtained free of charge by contacting the Director of Investor Relations and Corporate Communications, First Industrial Realty Trust, Inc. Included in such report were the certifications required by Section 302 of the Sarbanes-Oxley Act.

Annual Meeting

The Annual Meeting of Stockholders of First Industrial Realty Trust, Inc., will be held on Thursday, May 7, 2015, at 9:00 A.M. CDT at the 10th Floor Conference Room, 311 South Wacker Drive, Chicago, Illinois.

To contact First Industrial's Audit Committee:

Chairman of the Audit Committee
c/o First Industrial Realty Trust, Inc.
311 South Wacker Drive, Suite 3900
Chicago, IL 60606

To contact First Industrial's Nominating/Corporate Governance Committee:

Chairman of the Nominating/Corporate Governance Committee
c/o First Industrial Realty Trust, Inc.
311 South Wacker Drive, Suite 3900
Chicago, IL 60606



LETTER TO STOCKHOLDERS
FROM THE PRESIDENT AND CEO

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

PROXY STATEMENT

2014 ANNUAL REPORT