FIRST INDUSTRIAL REALTY TRUST INC
Form 10-Q
May 07, 2008

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

þ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended March 31, 2008

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

Commission file number 1-13102

First Industrial Realty Trust, Inc.
(Exact Name of Registrant as Specified in its Charter)

Maryland	**36-3935116**
(State or Other Jurisdiction of Incorporation or Organization)	*(I.R.S. Employer) Identification No.*

311 S. Wacker Drive, Suite 4000, Chicago, Illinois 60606
(Address of Principal Executive Offices)

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer þ	Accelerated filer o	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No þ

Number of shares of Common Stock, $.01 par value, outstanding as of April 25, 2008: 44,301,123.

FIRST INDUSTRIAL REALTY TRUST, INC.

Form 10-Q

For the Period Ended March 31, 2008

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PART I. FINANCIAL INFORMATION

Item 1. ***Financial Statements***

FIRST INDUSTRIAL REALTY TRUST, INC.

CONSOLIDATED BALANCE SHEETS

	March 31, 2008	December 31, 2007
	(Unaudited)	
	(Dollars in thousands, except share and per share data)	
ASSETS		
Assets:		
Investment in Real Estate:		
Land	$ 648,181	$ 655,523
Buildings and Improvements	2,555,578	2,599,784
Construction in Progress	57,356	70,961
Less: Accumulated Depreciation	(493,188)	(509,981)
Net Investment in Real Estate	2,767,927	2,816,287
Real Estate Held for Sale, Net of Accumulated Depreciation and Amortization of $10,036 and $3,038 at March 31, 2008 and December 31, 2007, respectively	48,795	37,875
Cash and Cash Equivalents	6,085	5,757
Restricted Cash	25,054	24,903
Tenant Accounts Receivable, Net	12,068	9,665
Investments in Joint Ventures	60,694	57,543
Deferred Rent Receivable, Net	30,567	32,665
Deferred Financing Costs, Net	14,661	15,373
Deferred Leasing Intangibles, Net	85,918	87,019
Prepaid Expenses and Other Assets, Net	213,875	170,946
Total Assets	$ 3,265,644	$ 3,258,033
LIABILITIES AND STOCKHOLDERS EQUITY		
Liabilities:		
Mortgage Loans Payable, Net	$ 72,612	$ 73,550
Senior Unsecured Debt, Net	1,551,429	1,550,991
Unsecured Line of Credit	348,706	322,129
Accounts Payable, Accrued Expenses and Other Liabilities, Net	111,718	146,308
Deferred Leasing Intangibles, Net	21,012	22,041

Rents Received in Advance and Security Deposits		32,180		31,425
Dividends Payable		36,423		37,311
Total Liabilities		2,174,080		2,183,755
Commitments and Contingencies				
Minority Interest		148,968		150,359
Stockholders Equity:				
Preferred Stock ($0.01 par value, 10,000,000 shares authorized, 500, 250, 600, and 200 shares of Series F, G, J, and K Cumulative Preferred Stock, respectively, issued and outstanding at March 31, 2008 and December 31, 2007, respectively, having a liquidation preference of $100,000 per share ($50,000), $100,000 per share ($25,000), $250,000 per share ($150,000), and $250,000 per share ($50,000), respectively)				
Common Stock ($0.01 par value, 100,000,000 shares authorized, 48,623,920 and 47,996,263 shares issued and 44,299,806 and 43,672,149 shares outstanding at March 31, 2008 and December 31, 2007, respectively)		486		480
Additional Paid-in-Capital		1,358,559		1,354,674
Distributions in Excess of Accumulated Earnings		(264,756)		(281,587)
Accumulated Other Comprehensive Loss		(11,675)		(9,630)
Treasury Shares at Cost (4,324,114 shares at March 31, 2008 and December 31, 2007)		(140,018)		(140,018)
Total Stockholders Equity		942,596		923,919
Total Liabilities and Stockholders Equity	$	3,265,644	$	3,258,033

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

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FIRST INDUSTRIAL REALTY TRUST, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended March 31, 2008	Three Months Ended March 31, 2007
	(Unaudited) (Dollars in thousands, except share and per share data)	
Revenues:		
Rental Income	$ 70,919	$ 62,164
Tenant Recoveries and Other Income	27,539	29,381
Construction Revenues	22,954	8,247
Total Revenues	121,412	99,792
Expenses:		
Property Expenses	34,761	28,557
General and Administrative	23,289	22,791
Depreciation and Other Amortization	39,152	34,371
Construction Expenses	22,301	8,037
Total Expenses	119,503	93,756
Other Income/Expense:		
Interest Income	644	260
Interest Expense	(28,856)	(29,901)
Amortization of Deferred Financing Costs	(723)	(820)
Loss From Early Retirement of Debt		(146)
Total Other Income/Expense	(28,935)	(30,607)
Loss from Continuing Operations Before Equity in Income of Joint Ventures, Income Tax Benefit and Income Allocated to Minority Interest	(27,026)	(24,571)
Equity in Income of Joint Ventures	3,302	5,631
Income Tax Benefit	2,348	1,916
Minority Interest Allocable to Continuing Operations	3,346	2,931
Loss from Continuing Operations	(18,030)	(14,093)
Income from Discontinued Operations (Including Gain on Sale of Real Estate of $73,361 and $55,370 for the Three Months Ended March 31, 2008 and 2007, respectively)	76,293	64,844

Provision for Income Taxes Allocable to Discontinued Operations (Including $247 and $10,133 allocable to Gain on Sale of Real Estate for the Three Months Ended March 31, 2008 and 2007, respectively)		(247)		(11,227)
Minority Interest Allocable to Discontinued Operations		(9,703)		(6,788)
Income Before Gain on Sale of Real Estate		48,313		32,736
Gain on Sale of Real Estate		7,671		3,574
Provision for Income Taxes Allocable to Gain on Sale of Real Estate		(1,591)		(768)
Minority Interest Allocable to Gain on Sale of Real Estate		(776)		(355)
Net Income	$	53,617	$	35,187
Less: Preferred Stock Dividends		(4,857)		(5,935)
Net Income Available to Common Stockholders	$	48,760	$	29,252
Basic and Diluted Earnings Per Share:				
Loss from Continuing Operations	$	(0.41)	$	(0.40)
Income From Discontinued Operations	$	1.54	$	1.05
Net Income Available to Common Stockholders	$	1.13	$	0.66
Weighted Average Shares Outstanding		42,984		44,410
Dividends/Distribution Declared per Common Share Outstanding	$	0.72	$	0.71

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

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FIRST INDUSTRIAL REALTY TRUST, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended March 31, 2008	Three Months Ended March 31, 2007
	(Unaudited) (Dollars in thousands)	
Net Income	$ 53,617	$ 35,187
Mark to Market of Interest Rate Protection Agreements, Offset by the Tax Benefit	(1,842)	(142)
Amortization of Interest Rate Protection Agreements	(187)	(296)
Mark to Market of Available for Sale Mortgage Notes Receivable	328	
Foreign Currency Translation Adjustment, Offset by the Tax Benefit	(661)	
Other Comprehensive Loss Allocable to Minority Interest	317	14
Other Comprehensive Income	$ 51,572	$ 34,763

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

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FIRST INDUSTRIAL REALTY TRUST, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended March 31, 2008	Three Months Ended March 31, 2007
	(Unaudited) (Dollars in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	$ 53,617	$ 35,187
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Allocation of Income to Minority Interest	7,133	4,212
Depreciation	29,040	30,045
Amortization of Deferred Financing Costs	723	820
Other Amortization	13,576	13,187
Provision for Bad Debt	1,147	92
Loss on Early Retirement of Debt		146
Equity in Income of Joint Ventures	(3,302)	(5,631)
Distributions from Joint Ventures	3,606	5,808
Gain on Sale of Real Estate	(81,032)	(58,944)
Decrease (Increase) in Developments for Sale Costs	1,517	(5,132)
Increase in Tenant Accounts Receivable and Prepaid Expenses and Other Assets, Net	(17,034)	(1,678)
Increase in Deferred Rent Receivable	(1,995)	(2,662)
(Decrease) Increase in Accounts Payable and Accrued Expenses and Rents Received in Advance and Security Deposits	(6,545)	7,928
Decrease (Increase) in Restricted Cash	89	(103)
Net Cash Provided by Operating Activities	540	23,275
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of and Additions to Investment in Real Estate	(160,441)	(196,785)
Net Proceeds from Sales of Investments in Real Estate	175,135	214,302
Contributions to and Investments in Joint Ventures	(5,382)	(4,165)
Distributions from Joint Ventures	974	5,198
Funding of Notes Receivable		(8,385)
Repayment of Mortgage Loans Receivable	6,110	8,385
(Increase) Decrease in Restricted Cash	(240)	15,813
Net Cash Provided by Investing Activities	16,156	34,363

CASH FLOWS FROM FINANCING ACTIVITIES:		
Net Proceeds from the Issuance of Common Stock	56	174
Repurchase of Restricted Stock	(3,348)	(3,707)
Dividends/Distributions	(36,079)	(36,613)
Preferred Stock Dividends	(6,089)	(4,703)
Repayments on Mortgage Loans Payable	(758)	(21,470)
Debt Issuance Costs and Costs Incurred in Connection with the Early Retirement of Debt	(12)	(155)
Proceeds from Unsecured Line of Credit	216,000	179,000
Repayments on Unsecured Line of Credit	(189,000)	(187,000)
Cash Book Overdraft.	2,901	3,009
Net Cash Used in Financing Activities	(16,329)	(71,465)
Net Effect of Exchange Rate Changes on Cash and Cash Equivalents	(39)	
Net Increase (Decrease) in Cash and Cash Equivalents	367	(13,827)
Cash and Cash Equivalents, Beginning of Period	5,757	16,135
Cash and Cash Equivalents, End of Period	$ 6,085	$ 2,308

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

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, except per share data)
(Unaudited)

1. Organization and Formation of Company

First Industrial Realty Trust, Inc. (the Company) was organized in the state of Maryland on August 10, 1993. The Company is a real estate investment trust (REIT) as defined in the Internal Revenue Code of 1986 (the Code). Unless the context otherwise requires, the terms the Company, we, us, and our refer to First Industrial Realty Trust, Inc., F Industrial, L.P. and their other controlled subsidiaries. We refer to our operating partnership, First Industrial, L.P., as the Operating Partnership, and our taxable REIT subsidiary, First Industrial Investment, Inc., as the TRS.

We began operations on July 1, 1994. Our operations are conducted primarily through the Operating Partnership, of which we are the sole general partner with an approximate 87.6% and 87.4% ownership interest at March 31, 2008 and March 31, 2007, and through the TRS, of which the Operating Partnership is the sole stockholder. We also conduct operations through other partnerships, corporations, and limited liability companies, the operating data of which, together with that of the Operating Partnership and the TRS, is consolidated with that of the Company as presented herein. Minority interest at March 31, 2008 and March 31, 2007 of approximately 12.4% and 12.6%, respectively, represents the aggregate partnership interest in the Operating Partnership held by the limited partners thereof.

We also own minority equity interests in, and provide various services to, seven joint ventures which invest in industrial properties (the 2003 Net Lease Joint Venture, the 2005 Development/Repositioning Joint Venture, the 2005 Core Joint Venture, the 2006 Net Lease Co-Investment Program, the 2006 Land/Development Joint Venture , the 2007 Canada Joint Venture and the 2007 Europe Joint Venture, together the Joint Ventures). The Joint Ventures are accounted for under the equity method of accounting. The operating data of the Joint Ventures is not consolidated with that of the Company as presented herein.

As of March 31, 2008, we owned 856 industrial properties (inclusive of developments in process) located in 28 states in the United States and one province in Canada, containing an aggregate of approximately 74.3 million square feet of gross leaseable area (GLA).

2. Summary of Significant Accounting Policies

The accompanying unaudited interim financial statements have been prepared in accordance with the accounting policies described in the financial statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2007 (2007 Form 10-K) and should be read in conjunction with such financial statements and related notes. The following notes to these interim financial statements highlight significant changes to the notes included in the December 31, 2007 audited financial statements included in our 2007 Form 10-K and present interim disclosures as required by the Securities and Exchange Commission.

In order to conform with generally accepted accounting principles, we, in preparation of our financial statements, are required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of March 31, 2008 and December 31, 2007, and the reported amounts of revenues and expenses for the three months ended March 31, 2008 and March 31, 2007. Actual results could differ from those estimates.

In our opinion, the accompanying unaudited interim financial statements reflect all adjustments necessary for a fair statement of our financial position as of March 31, 2008 and December 31, 2007 and the results of our operations and comprehensive income for each of the three months ended March 31, 2008 and March 31, 2007, and our cash flows for each of the three months ended March 31, 2008 and March 31, 2007, and all adjustments are of a normal recurring nature.

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FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Construction Revenues and Expenses

Construction revenues and expenses include revenues and expenses associated with us acting in the capacity of general contractor and development manager for certain third party development projects. For such projects we recognize the gross costs and revenues on a percentage of completion basis. Additionally, for the three months ended March 31, 2008, construction revenues and expenses include amounts relating to the sale of industrial units that we developed to sell.

Deferred Leasing Intangibles

Deferred Leasing Intangibles, exclusive of Deferred Leasing Intangibles held for sale, included in our total assets consist of the following:

	March 31, 2008	December 31, 2007
In-Place Leases	$ 86,341	$ 86,398
Less: Accumulated Amortization	(25,891)	(24,860)
	$ 60,450	$ 61,538
Above Market Leases	$ 5,965	$ 6,440
Less: Accumulated Amortization	(2,400)	(2,519)
	$ 3,565	$ 3,921
Tenant Relationships	$ 25,677	$ 24,970
Less: Accumulated Amortization	(3,774)	(3,410)
	$ 21,903	$ 21,560
Total Deferred Leasing Intangibles, Net	$ 85,918	$ 87,019

Deferred Leasing Intangibles, exclusive of Deferred Leasing Intangibles held for sale, included in our total liabilities consist of the following:

	March 31, 2008	December 31, 2007
Below Market Leases	$ 31,372	$ 31,668
Less: Accumulated Amortization	(10,360)	(9,627)

	$ 21,012	$ 22,041

The fair value of in-place leases, above market leases, tenant relationships and below market leases recorded due to real estate properties acquired for the three months ended March 31, 2008 and March 31, 2007 is as follows:

	March 31, 2008	**March 31, 2007**
In-Place Leases	$ 4,868	$ 9,478
Above Market Leases	$ 61	$ 855
Tenant Relationships	$ 2,299	$ 5,574
Below Market Leases	$ (524)	$ (1,846)

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The weighted average life in months of in-place leases, above market leases, tenant relationships and below market leases recorded as a result of the real estate properties acquired for the three months ended March 31, 2008 and March 31, 2007 is as follows:

	March 31, 2008	March 31, 2007
In-Place Leases	41	65
Above Market Leases	43	107
Tenant Relationships	93	84
Below Market Leases	35	47

Amortization expense related to in-place leases and tenant relationships was \$6,416 and \$5,756 for the three months ended March 31, 2008 and March 31, 2007, respectively. Rental revenues increased by \$1,277 and \$1,055 related to amortization of above/(below) market leases for the three months ended March 31, 2008 and March 31, 2007, respectively.

Recent Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 157, Fair Value Measurements (SFAS 157), which establishes a framework for reporting fair value and expands disclosures about fair value measurements. The Company adopted the required provisions of SFAS 157 that became effective in our first quarter of 2008 (See Note 11). In February 2008, the FASB issued FASB Staff Position No. FAS 157-2, Effective Date of FASB Statement No. 157 (FSP 157-2). FSP 157-2 delays the effective date of SFAS 157 for nonfinancial assets and nonfinancial liabilities, except for certain items that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). We are currently evaluating the impact of SFAS 157 on our Consolidated Financial Statements for items within the scope of FSP 157-2, which will become effective beginning with our first quarter of 2009.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), *Business Combinations* (SFAS 141R). SFAS 141R establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, any noncontrolling interest in the acquiree and the goodwill acquired. SFAS 141R also establishes disclosure requirements to enable the evaluation of the nature and financial effects of the business combination. SFAS 141R is effective for financial statements issued for fiscal years beginning after December 15, 2008. We are currently evaluating the potential impact of adoption of SFAS 141R on our consolidated financial statements.

In December 2007, the FASB issued SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements-an Amendment of ARB No. 51* (SFAS 160). SFAS 160 establishes accounting and reporting standards pertaining to ownership interests in subsidiaries held by parties other than the parent, the amount of net income attributable to the parent and to the noncontrolling interest, changes in a parent s ownership interest, and the valuation of any retained noncontrolling equity investment when a subsidiary is deconsolidated. This statement also establishes disclosure requirements that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners. SFAS 160 is effective for fiscal years beginning on or after December 15, 2008. We are currently evaluating the potential impact of adoption of SFAS 160 on our consolidated financial statements.

In March 2008, the FASB issued SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities an amendment of FASB Statement No. 133* (SFAS 161). SFAS 161 requires entities that utilize derivative instruments to provide qualitative disclosures about their objectives and strategies for using such instruments, as well as any details of credit-risk-related contingent features contained within derivatives. SFAS 161 also requires entities to disclose additional information about the amounts and location of derivatives located within the financial statements, how the provisions of SFAS 133 *Accounting for Derivative Instruments and Hedging Activities* have been applied, and

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FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

the impact that hedges have on an entity s financial position, financial performance, and cash flows. SFAS 161 is effective for fiscal years and interim periods beginning after November 15, 2008. We will comply with the expanded disclosure requirements, as applicable.

3. Investments in Joint Ventures and Property Management Services

At March 31, 2008, the 2003 Net Lease Joint Venture owned 11 industrial properties comprising approximately 5.1 million square feet of GLA, the 2005 Development/Repositioning Joint Venture owned 27 industrial properties comprising approximately 5.7 million square feet of GLA and several land parcels, the 2005 Core Joint Venture owned 61 industrial properties comprising approximately 4.5 million square feet of GLA and several land parcels, the 2006 Net Lease Co-Investment Program owned 12 industrial properties comprising approximately 5.0 million square feet of GLA, the 2006 Land/Development Joint Venture owned several land parcels, and the 2007 Canada Joint Venture owned three industrial properties comprising approximately 0.2 million square feet of GLA and several land parcels. As of March 31, 2008, the 2007 Europe Joint Venture does not own any properties.

During July 2007, we entered into a management arrangement with an institutional investor to provide property management, leasing, acquisition, disposition and portfolio management services for industrial properties (the July 2007 Fund). We do not own an equity interest in the July 2007 Fund, however are entitled to incentive payments if certain economic thresholds related to the industrial properties are achieved.

At March 31, 2008 and December 31, 2007, we have receivables from the Joint Ventures and the July 2007 Fund of $9,355 and $6,068, respectively, which mainly relates to development, leasing, property management and asset management fees due to us from the Joint Ventures and the July 2007 Fund, reimbursement for insurance premiums paid on behalf of the Joint Ventures and the July 2007 Fund and reimbursement for development expenditures made by the TRS who is acting in the capacity of the general contractor for development projects for the 2005 Development/Repositioning Joint Venture. These receivable amounts are included in prepaid expenses and other assets, net.

During the three months ended March 31, 2008 and March 31, 2007, we invested the following amounts in, as well as received distributions from, our Joint Ventures and recognized fees from acquisition, disposition, leasing, development, incentive, property management and asset management services from our Joint Ventures and the July 2007 Fund in the following amounts:

	Three Months Ended March 31, 2008	Three Months Ended March 31, 2007
Contributions	$ 5,082	$ 4,165
Distributions	$ 4,580	$ 11,006
Fees	$ 4,586	$ 5,702

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Mortgage Loans Payable, Net, Senior Unsecured Debt, Net and Unsecured Line of Credit

The following table discloses certain information regarding our mortgage loans payable, senior unsecured debt and unsecured line of credit:

	Outstanding Balance at March 31, 2008	Outstanding Balance at December 31, 2007	Interest Rate at March 31, 2008	Effective Interest Rate at March 31, 2008	Maturity Date
Mortgage Loans Payable, Net	$ 72,612	$ 73,550	5.50% - 9.25%	4.58% - 9.25%	July 2009 - September 2024
Unamortized Premiums	(2,016)	(2,196)			
Mortgage Loans Payable, Gross	$ 70,596	$ 71,354			
Senior Unsecured Debt, Net					
2016 Notes	199,459	199,442	5.750%	5.91%	01/15/16
2017 Notes	99,907	99,905	7.500%	7.52%	12/01/17
2027 Notes	15,056	15,056	7.150%	7.11%	05/15/27
2028 Notes	199,841	199,838	7.600%	8.13%	07/15/28
2011 Notes	199,822	199,807	7.375%	7.39%	03/15/11
2012 Notes	199,442	199,408	6.875%	6.85%	04/15/12
2032 Notes	49,463	49,457	7.750%	7.87%	04/15/32
2009 Notes	124,948	124,937	5.250%	4.10%	06/15/09
2014 Notes	113,861	113,521	6.420%	6.54%	06/01/14
2011 Exchangeable Notes	200,000	200,000	4.625%	4.63%	09/15/11
2017 II Notes	149,630	149,620	5.950%	6.37%	05/15/17
Subtotal	$ 1,551,429	$ 1,550,991			
Unamortized Discounts	13,641	14,079			
Senior Unsecured Debt, Gross	$ 1,565,070	$ 1,565,070			
Unsecured Line of Credit	$ 348,706	$ 322,129	3.535%	3.535%	09/28/12

The following is a schedule of the stated maturities and scheduled principal payments of the mortgage loans, senior unsecured debt and unsecured line of credit, exclusive of premiums and discounts, for the next five years ending December 31, and thereafter:

	Amount
Remainder of 2008	$ 2,353
2009	132,959
2010	15,453
2011	407,269
2012	553,065
Thereafter	873,273
Total	$ 1,984,372

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Stockholders Equity

Shares of Common Stock

During the three months ended March 31, 2008, 150,326 limited partnership interests in the Operating Partnership (Units) were converted into an equivalent number of shares of common stock, resulting in a reclassification of $3,679 of minority interest to equity.

Non-Qualified Employee Stock Options:

During the three months ended March 31, 2008, certain of our employees exercised 1,800 non-qualified employee stock options. Net proceeds to us were approximately $56.

Restricted Stock:

During the three months ended March 31, 2008, we awarded 588,628 of restricted common stock shares or restricted stock units to certain employees and 2,168 shares of restricted common stock to certain directors. These restricted common stock shares and restricted stock units had a fair value of approximately $18,927 on the dates of approval by the Compensation Committee of the Board of Directors. The restricted common stock and restricted stock units awarded to employees generally vests over a three year period and the restricted common stock awarded to directors generally vests over a three to ten year period. Compensation expense will be charged to earnings over the respective vesting period for the shares expected to vest.

Dividend/Distributions:

The following table summarizes dividends/distributions accrued during the three months ended March 31, 2008.

	Three Months Ended March 31, 2008	
	Dividend/ Distribution per Share/Unit	Total Dividend/ Distribution
Common Stock/Operating Partnership Units	$ 0.72	$ 36,423
Series F Preferred Stock	$ 1,559.00	$ 780
Series G Preferred Stock	$ 1,809.00	$ 452
Series J Preferred Stock	$ 4,531.30	$ 2,719
Series K Preferred Stock	$ 4,531.30	$ 906

6. Acquisition of Real Estate

During the three months ended March 31, 2008, we acquired ten industrial properties comprising approximately 1.3 million square feet of GLA and several land parcels. The purchase price of these acquisitions totaled approximately $93,298, excluding costs incurred in conjunction with the acquisition of the industrial properties and land parcels.

7. Sale of Real Estate, Real Estate Held for Sale and Discontinued Operations

During the three months ended March 31, 2008, we sold 38 industrial properties comprising approximately 3.2 million square feet of GLA and several land parcels. Gross proceeds from the sales of the 38 industrial properties and several land parcels were approximately $222,193. The gain on sale of real estate was approximately $81,032. We deferred $2,506 on the gain on sale of real estate on the sale of one of the 38 properties. Since we leased back a portion of the property for one of our regional offices and we provided seller financing, SFAS 98 *Accounting for Leases* required us to defer the gain. The gain on sale of real estate will be recognized when the mortgage note receivable is paid off and retired. The mortgage note receivable matures in August, 2008. The 38 sold industrial properties meet the criteria established by SFAS No. 144, *Accounting for the Impairment or Disposal of Long-*

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Lived Assets. (SFAS 144) to be included in discontinued operations. Therefore, in accordance with SFAS 144, the results of operations and gain on sale of real estate, net of income taxes, for the 38 sold industrial properties are included in discontinued operations. The results of operations and gain on sale of real estate, net of income taxes, for the several land parcels that do not meet the criteria established by SFAS 144 are included in continuing operations.

At March 31, 2008, we had 22 industrial properties comprising approximately 1.2 million square feet of GLA held for sale. In accordance with SFAS 144, the results of operations of the 22 industrial properties held for sale at March 31, 2008 are included in discontinued operations. There can be no assurance that such industrial properties held for sale will be sold.

Income from discontinued operations for the three months ended March 31, 2007 reflects the results of operations of the 38 industrial properties that were sold during the three months ended March 31, 2008, the results of operations of 161 industrial properties that were sold during the year ended December 31, 2007, the results of operations of the 22 industrial properties identified as held for sale at March 31, 2008 and the gain on sale of real estate relating to 35 industrial properties that were sold during the three months ended March 31, 2007.

The following table discloses certain information regarding the industrial properties included in our discontinued operations for the three months ended March 31, 2008 and March 31, 2007:

	Three Months Ended March 31, 2008	Three Months Ended March 31, 2007
Total Revenues	$ 7,975	$ 24,272
Property Expenses	(3,599)	(7,922)
Depreciation and Amortization	(1,444)	(6,876)
Gain on Sale of Real Estate	73,361	55,370
Provision for Income Taxes	(247)	(11,227)
Minority Interest	(9,703)	(6,788)
Income from Discontinued Operations	$ 66,343	$ 46,829

In conjunction with certain property sales, we provided seller financing. At March 31, 2008 and December 31, 2007, we had mortgage notes receivable and accrued interest outstanding of approximately $64,976 and $30,456, respectively, which is included as a component of prepaid expenses and other assets.

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FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. Supplemental Information to Statements of Cash Flows

Supplemental disclosure of cash flow information:

	Three Months Ended March 31, 2008	Three Months Ended March 31, 2007
Interest paid, net of capitalized interest	$ 29,677	$ 29,144
Interest capitalized	$ 2,107	$ 1,374
Supplemental schedule of noncash investing and financing activities:		
Distribution payable on common stock/Units	$ 36,423	$ 36,867
Distribution payable on preferred stock	$	$ 5,935
Exchange of units for common stock:		
Minority interest	$ (3,679)	$ (190)
Common stock	2	
Additional paid-in-capital	3,677	190
	$	$
In conjunction with the property and land acquisitions, the following liabilities were assumed:		
Accounts payable and accrued expenses	$ (251)	$ (4,617)
Mortgage debt	$	$ (38,590)
Write-off of fully depreciated assets	$ (17,614)	$ (10,200)
In conjunction with certain property sales, the Company provided seller financing:		
Mortgage notes receivable	$ 40,282	$ 5,250

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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:

	Three Months Ended March 31, 2008	Three Months Ended March 31, 2007
Numerator:		
Loss from Continuing Operations	$ (18,030)	$ (14,093)
Gain on Sale of Real Estate, Net of Minority Interest and Income Taxes	5,304	2,451
Less: Preferred Stock Dividends	(4,857)	(5,935)
Loss from Continuing Operations Available to Common Stockholders, Net of Minority Interest and Income Taxes For Basic and Diluted EPS	(17,583)	(17,577)
Discontinued Operations, Net of Minority Interest and Income Taxes	66,343	46,829
Net Income Available to Common Stockholders For Basic and Diluted EPS	$ 48,760	$ 29,252