



## First Industrial Reports 39.7% EPS Increase and 10.8% FFO Per Share Increase in Third Quarter 2001

October 24, 2001

CHICAGO, October 24, 2001 – First Industrial Realty Trust, Inc. (NYSE: FR), the nation's largest provider of diversified industrial real estate, announced results for the third quarter ended September 30, 2001. Earnings per share (EPS) before extraordinary items were \$0.81 on a fully diluted basis totaling \$32.3 million for the third quarter 2001, compared to \$0.58 on a fully diluted basis totaling \$22.7 million for the third quarter 2000, representing an increase in EPS of 39.7%. Funds from operations (FFO) were \$1.03 per share/unit on a fully diluted basis totaling \$48.3 million for the third quarter 2001, compared to \$0.93 per share/unit on a fully diluted basis totaling \$43.1 million for the third quarter 2000, representing a per share/unit increase in FFO of 10.8%.

"We produced strong results in tough economic times. Our diverse portfolio and profits from re-cycling capital into value-added investments drove our solid results in the third quarter," said Mike Brennan, President and Chief Executive Officer. "In our view, the operating environment going forward will become even more challenging. Nevertheless, we have an experienced management team capable of producing positive results in recessionary times through diligent asset management and opportunistic investments. In addition, we have a very strong balance sheet that allows us tremendous financial flexibility."

The highlights of the company's third quarter are listed below:

### Portfolio Performance

- Same property net operating income (NOI) grew 1.7%.
- Actual cash-on-cash rental increases were 7.3%.
- Occupancy was 91.5% and tenant retention was 65.8%.
- Profitable Capital Recycling and Strategic Reinvestment

For the quarter, sold 37 properties and two parcels of land for \$92.9 million at an average 9.5% capitalization (cap) rate and an average 16.2% unleveraged internal rate of return (IRR). Year to date, sold 103 properties and several parcels of land for \$319.2 million at an average 9.4% cap rate and an average 15.2% unleveraged IRR. For the quarter, acquired \$51.1 million of property, comprising 866,191 square feet and placed in service \$3.2 million of new developments comprising 32,741 square feet, with aggregate first-year stabilized yields of approximately 10.3%. Year to date, acquired \$161.3 million of property, comprising 3.2 million square feet, and placed in service \$40.5 million of new developments comprising 982,834 square feet, with aggregate first-year stabilized yields of approximately 10.4%. Development under construction at the end of the quarter stands at \$236.5 million with an expected yield of 10.6%.

### Enhancing Franchise Value Through the Company's Corporate Services Program

- Generated Integrated Industrial Solutions™ (IIST™) income of \$10.8 million for the quarter, composed of \$5.6 million from existing building services, \$4.9 million from development services and \$0.3 million from land services. Year to date, generated IIST™ income of \$28.4 million, composed of \$17.3 million from existing building services, \$9.4 million from development services, and \$1.7 million from land services.
- IIST™ sales constituted \$82.9 million of the \$92.9 million in total sales for the quarter and generated a 16.9% IRR. Year to date, IIST™ sales constituted \$218.8 million of the \$319.2 million in total sales and generated a 18.9% IRR.
- The IIST™ pipeline volume, which includes development services, existing-building services and land services, exceeds \$490 million.

### Strengthened Financial Position

- FFO payout ratio improved to 63.6% in the quarter from 66.3% one year ago.
- Improved fixed-charge coverage to 2.7 times from 2.4 times one year ago, and improved interest coverage to 3.8 times from 3.4 times one year ago.
- In September and October, repurchased \$18.3 million of stock representing 639,500 shares at an average price of \$28.60.
- Achieved return on assets of 10.9%.
- Continued to execute on the company's self-funding strategy.

### Outlook for 2001 and 2002

Brennan continued, "Due to a significant softening in the overall economy, we are lowering our 2001 and 2002 FFO and EPS estimates. We are currently comfortable with 2001 FFO per share estimates of \$3.95 to \$3.97. These revised estimates assume 2001 same property NOI growth of 2% to 3%. Our IIST™ income assumption for the year is \$37 million to \$39 million. Sales volume in 2001 is assumed to be approximately \$350 million to \$400 million with a 9% to 10% average cap rate. Investment volume assumptions for 2001, which include both new developments and acquisitions, are approximately \$300 million to \$350 million with a 10%-11% average cap rate. We assume no significant changes in relative G&A or capital expenditures, nor do we assume any significant changes in our balance sheet structure. Assuming between \$55 million and \$60 million in book gains from property sales, we now anticipate EPS before extraordinary items to be between \$2.80 and \$2.85 for 2001.

"For 2002, we are currently comfortable with FFO per share estimates of \$4.10 to \$4.20. These revised estimates assume 2002 same property NOI

growth of 1% to 2%. Our IIS™ income assumption for the year is \$40 million to \$45 million. Sales volume in 2002 is assumed to be approximately \$500 million to \$600 million with a 9% to 10% average cap rate. Investment volume assumptions for 2002, which include both new developments and acquisitions, are approximately \$500 million to \$600 million with a 10% to 11% average cap rate. We assume no significant changes in relative G&A or capital expenditures, nor do we assume any significant changes in our balance sheet structure. Assuming between \$55 million and \$60 million in book gains from property sales, we now anticipate EPS before extraordinary items to be between \$2.90 and \$3.00 for 2002.

"A number of factors could impact our ability to deliver results in line with our assumptions, such as interest rates, the overall economy, the supply and demand of industrial real estate, the timing and yields for divestment and investment, and numerous other variables. There can be no assurance that First Industrial can achieve such results for 2001 or 2002. However, I strongly believe that First Industrial has the proper strategic and tactical design to deliver such results. We believe our I-N-D-L infrastructure – with its offensive and defensive characteristics – will continue to support our efforts and prove its value."

The Company calculates FFO to be equal to net income, excluding gains (or losses) from debt restructuring and sales of depreciated property (other than net gains (losses) from sales of properties related to the Company's Integrated Industrial Solutions™ activities), plus depreciation and amortization, excluding amortization of deferred financing costs and interest rate protection agreements, and after adjustments for unconsolidated partnerships and joint ventures.

#### Company Information

First Industrial Realty Trust, Inc., the nation's largest provider of diversified industrial real estate, serves every aspect of Corporate America's industrial real estate needs, including customized supply chain solutions, through its unique I-N-D-L strategy, which utilizes a pure Industrial focus and National platform to provide Diverse facility types, while offering Local, full-service management and expertise. Building, buying, selling, leasing and managing industrial property in major markets nationwide, First Industrial develops long term relationships with corporate real estate directors, tenants and brokers to better serve customers with creative, flexible industrial real estate solutions.

#### Forward-Looking Information

This press release contains forward-looking information about the Company. A number of factors could cause the Company's actual results to differ materially from those anticipated, including changes in the general economic climate, the supply of and demand for industrial properties in the Company's markets, potential environmental liabilities, interest rate levels, the availability of financing, slippage in development or lease-up schedules, tenant credit risks and higher-than-expected costs. For further information on these and other factors that could impact the Company and the statements contained herein, reference should be made to the Company's filings with the Securities and Exchange Commission.

[Click to view the schedule of selected financial information.](#)

First Industrial will host a quarterly conference call at 10 a.m. Central Time, 11 a.m. Eastern Time, on Thursday, October 25th, 2001. The call-in number is (800) 865-4460 and the passcode is "First Industrial." The conference call will also be available live on First Industrial's web site, [www.firstindustrial.com](http://www.firstindustrial.com), under the "Investor Relations" tab. Replay will also be available on the web site.

The company's third quarter supplemental information can be viewed by the end of this week on First Industrial's website, [www.firstindustrial.com](http://www.firstindustrial.com), under the "Financials" tab. For a hard copy of the company's quarterly supplemental information report or other investor materials, please contact:

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