



First Industrial Reports 21.2% Increase in 1998 Fourth Quarter FFO per Share and 17.1% Increase for Full Year 1998

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Strong Portfolio Performance Drives Results

Highlights

- Fourth quarter 1998 Funds From Operations ("FFO") per share/unit up 21.2% to \$0.80 on a fully diluted basis.
- 1998 FFO per share/unit up 17.1% to \$3.01 on a fully diluted basis.
- Actual cash-on-cash rental increases were 7.3% for the quarter, highest in Company history.
- Same property NOI for the quarter up 4%.
- Net seller of property in the fourth quarter, with \$63.7 million of property sales versus \$25.2 million of investment.
- For the entire year, invested a total of \$581.1 million, of which \$492.0 million was acquisitions and \$89.1 million was development and redevelopment.
- The First Industrial/Carlyle Group joint venture invested \$269 million.
- Gross proceeds from property sales were \$98.3 million for the entire year.
- Increased the annualized common stock dividend to \$2.40 from \$2.12 per share.

CHICAGO, February 15, 1999 - First Industrial Realty Trust, Inc. (NYSE:FR) today reported that for the fourth quarter ended December 31, 1998, the Company generated Funds from Operations (FFO) of \$0.80 per share/unit on a fully diluted basis totaling \$36.1 million, compared to \$0.66 per share/unit on a fully diluted basis totaling \$27.2 million for the fourth quarter 1997, representing a per share increase in FFO of 21.2%. Revenues for fourth quarter 1998 increased 47.2% to \$93.8 million and net operating income grew 50.9% to \$68.1 million compared to the same period in the previous year.

For the fourth quarter 1998, First Industrial's total fully diluted weighted average common shares and units were 45.2 million compared to 41.0 million fully diluted shares and units in the fourth quarter of 1997. The Company's FFO dividend payout ratio decreased to 75.1% for fourth quarter 1998 from 79.1% for fourth quarter 1997. This is the ninth consecutive quarter that First Industrial has posted double-digit FFO growth.

For the 1998 fiscal year, First Industrial grew FFO to \$3.01 per share/unit totaling \$133.1 million compared to \$2.57 per share/unit totaling \$92.4 million, representing a per share/unit increase in FFO of 17.1%. Revenues for twelve months ended December 31, 1998, were up 66.2% to \$349.7 million and net operating income increased 66.1% to \$250.2 million compared to 1997.

For the fiscal year 1998, First Industrial's total fully diluted weighted average common shares and units were 44.3 million compared to 36.0 million fully diluted shares and units in the fiscal year 1997. The Company's FFO dividend payout ratio decreased to 72.5% for the fiscal year 1998 from 79.0% for the fiscal year 1997.

President and Chief Executive Officer Michael Brennan said, "Our fourth quarter results - record quarterly profits, record rental rate increases and a 4% fourth quarter same store increase - show the early effects of our strategy. In 1999, all of our efforts will be focused upon delivering strong earnings growth from internal sources and internally generated capital. We have dubbed 1999 'The Year of the Operator,' and will establish a strong foundation for long-term, sustainable growth without the need for external capital."

Highlights of the Fourth Quarter Ending December 31, 1998

Occupancy was 95.0%. Rent increases on tenant renewals and new leases totaling 3.1 million square feet averaged approximately 7.3% during the quarter, comparing actual cash rents of the expiring leases to actual cash rents of the new or renewal leases.

Same property NOI for the quarter was up 4%.

Realized property sales of \$63.7 million in the fourth quarter.

Placed in service \$11.6 million of development comprising 382,000 square feet in the fourth quarter.

Acquired \$13.6 million of property, comprising 363,000 square feet in the fourth quarter.

First Industrial's focus on diversification has led to the Company's creation of several key diversification indices, used to track progress in several areas, including:

- Product type: (portfolio breakout by annualized base rent)
- Light industrial: 36%
- Bulk warehouse: 34%
- R&D / flex: 16%
- Regional warehouse: 7%
- Manufacturing: 7%
- Geographical presence: 31 markets.

- Customer base:
- Of the more than 3,000 current customers, the largest represents only 1% of total Company rental income.
- In the next 10 years, no more than 3% of current revenue base comes up for renewal in any specific market in any given year.
- Approximately 43% of leases by base rent do not come up for renewal until the year 2002 or later.

Increased the annualized common stock dividend to \$2.40 per share from \$2.12 per share and paid a fourth quarter dividend of \$0.60 per share of common stock on January 19, 1999.

Highlights of the 1998 Fiscal Year Rent increases on tenant renewals and new leases totaling 11.7 million square feet averaged approximately 6.6% for the year, comparing actual cash rents of the expiring leases to actual cash rents of the new or renewal leases. Tenant improvement and leasing costs averaged \$1.00 per square foot on this activity.

Same property NOI for the year was up 3%.

Invested a total of \$581.1 million to expand the in-service portfolio 22% to 987 properties representing 69.3 million square feet.

Acquired 258 properties comprising approximately 12.3 million square feet for \$492.0 million.

Placed in service 14 development and redevelopment projects totaling 2.6 million square feet and representing an investment of \$89.1 million.

Entered six new markets: Baltimore, Hartford, Louisville, Philadelphia, Southern New Jersey and Portland, OR.

First Industrial and The Carlyle Group agreed to co-invest in the ownership of industrial facilities across the United States. The co-investment was completed by investing a total of \$269 million. First Industrial and Carlyle jointly selected acquisitions, and First Industrial is providing property management and asset management for the venture. Currently, the co-investment owns 145 industrial properties comprising 7.4 million square feet.

Sold 52 properties totaling approximately 2.0 million square feet for \$98.3 million and several acres of land for \$1.6 million, recognizing a cumulative gain of \$5.3 million.

As of December 31, 1998, the Company has 20 development, redevelopment and expansion projects underway totaling 2.5 million square feet at an expected investment of \$101.9 million.

Balance sheet remains strong:

\$1.6 billion of market value equity at December 31, 1998.

\$1.2 billion of debt at December 31, 1998.

Weighted average debt maturity: 12 years.

No permanent debt maturities in 1999 and 2000.

Permanent debt all has fixed rate, with a weighted average interest rate of 7.35%.

90% of portfolio is unencumbered by mortgages.

Declared 34.63% of common stock dividends distributed in 1998 qualifies as return of capital for tax purposes, 63.91% qualifies as ordinary income, 0.77% qualifies as 20 percent long term capital gain and 0.69% qualifies as 25% section 1250 gain.

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.

Company Information

First Industrial Realty Trust, Inc., one of the nation's largest, fully integrated providers of industrial real estate, owns and operates 70 million square feet of industrial facilities and manages an additional eight million square feet. The Company's strategy is to create shareholder value through the efficient operation of its national franchise, which is diversified across facility type, geographic location and customer base. First Industrial focuses on superior localized customer service and value-added investments including development and redevelopment. A schedule of selected financial information is attached.

First Industrial will host a year-end results meeting and corresponding listen-only conference call on Tuesday, February 16, 1999, at 3:30 p.m. EST, 2:30 CST. The call-in number is 847-413-3550 and the passcode is "First Industrial." Replay of the meeting is available by dialing 402-351-9928.

For a copy of the Company's fourth quarter 1998 supplemental information report, please contact:

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[Click here to see Selected Financial Data](#)