



First Industrial Reports Third Quarter Results

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**** 5.9 Million Square Feet Leased During the Quarter * Integrated Industrial Solutions™ Posts Strongest Quarter to Date***

First Industrial Realty Trust, Inc. (NYSE: FR), the nation's largest provider of diversified industrial real estate, announced results for the quarter ended September 30, 2002. Fully-diluted earnings per share, including income from discontinued operations and before extraordinary items (EPS), was \$0.58, compared to \$0.81 per share for the same quarter last year, representing a decrease of 28.4 percent. Earnings in the quarter were \$23.2 million, compared to \$32.3 million for the same quarter last year, representing a decrease of 28.2 percent year over year. For the nine months ended September 30, 2002, EPS decreased 19.1 percent to \$1.82 from \$2.25.

"Our team delivered results consistent with our guidance, despite operating in a soft economic environment," said Mike Brennan, president and chief executive officer. "We are particularly pleased with our strong level of leasing, the continued high level of profitability in our dispositions, and the momentum and results of our corporate real estate program."

The highlights of the Company's results are listed below:

- **Portfolio Performance**
 - Leased 5.9 million square feet during the quarter, including development properties sold.
 - Actual cash-on-cash rental increases were 2.3%.
 - Same property net operating income (NOI) declined 2.5%.
 - Occupancy was 90.3% and tenant retention was 65.4%.
- **Profitable Capital Recycling and Strategic Reinvestment**
 - For the quarter, sold 23 properties and 2 parcels of land for \$128.3 million at an average 8.6% capitalization (cap) rate and an average 24.2% unleveraged internal rate of return (IRR). Year-to-date, sold 73 properties and 5 parcels of land for \$323.7 million at an average 8.9% cap rate and an average 18.6% unleveraged IRR.
 - For the quarter, acquired \$40.3 million of property, comprising 813,129 square feet, and placed in service \$54.3 million of new developments, comprising 1.5 million square feet, with an expected aggregate first-year stabilized yield of approximately 10.3%. Year-to-date, acquired \$169.6 million of property, comprising 4.2 million square feet, and placed in service \$92.1 million of new developments, comprising 2.5 million square feet, with an expected aggregate first-year stabilized yield of approximately 10.7%.
 - Development under construction at the end of the quarter stood at \$176.8 million with an expected aggregate first-year stabilized yield of 10.3%.
- **Successfully Expanded the Company's Corporate Real Estate Program**
 - Integrated Industrial Solutions (IIS™) profits increased by 4.7% in the third quarter.
 - For the quarter, generated IIS (TM) income of \$11.3 million, comprised of \$2.0 million from single tenant/user sales, \$7.9 million from merchant development/redevelopment and \$1.4 million from land sales. Year-to-date, generated IIS(TM) income of \$31.7 million, comprised of \$5.4 million from single tenant/user sales, \$24.5 million from merchant development/redevelopment and \$1.8 million from land sales.
 - For the quarter, IIS(TM) sales constituted \$103.5 million and generated a 28.6% unleveraged IRR.

"Our corporate real estate program, which helps companies increase operating efficiencies and bottom-line profitability, had its strongest quarter since it was launched several years ago," continued Brennan. "Current economic forecasts suggest continued opportunity for us to help Corporate America, as more companies seek greater capital efficiency through surplus property sales and sale/leasebacks."

Strong Financial Position

- Achieved return on invested capital of 10.3% for the quarter.
- Fixed-charge coverage is 2.5 times and interest coverage is 3.1 times.
- Weighted average debt maturity of 12 years on permanent debt.
- Renewed early the \$300 million unsecured credit facility, decreasing the interest rate to LIBOR plus 70 basis points. The new facility matures on September 30, 2005.
- Subsequent to the end of the third quarter, on October 1, 2002, prepaid the \$32.6 million outstanding balance on a mortgage loan. The mortgage loan was set to mature in April 2003 and bore an interest rate of 7.50%.

Supplemental Reporting Measure

Funds from operations (FFO) per share decreased 8.7 percent to \$0.94 per share/unit on a fully-diluted basis, compared to \$1.03 per share/unit on a fully-diluted basis for the same quarter last year. FFO totaled \$43.8 million for the quarter compared to \$48.3 million for the third quarter 2001. For the nine months ended September 30, 2002, FFO per share decreased 9.6 percent to \$2.72 from \$3.01. The Company calculates FFO to be equal to net income, excluding gains/losses from debt restructuring and sales of depreciated property (other than net economic gains/losses from sales of properties related to the Company's Integrated Industrial Solutions™ activities), plus depreciation and amortization (other than amortization of deferred financing costs and interest rate protection agreements), and after adjustments for unconsolidated partnerships and joint ventures.

Outlook for 2002 and 2003

Brennan continued, "We continue to operate in a highly competitive leasing market and do not foresee an improvement in real estate fundamentals for several quarters. As we have done throughout this year, we continue to seek to maximize portfolio returns by taking advantage of the strong demand for ownership of industrial properties by investors, selling assets at low cap rates for reinvestment into higher yielding properties. As a result of the weak fundamentals and the dilution caused by our property sales, offset by higher than expected gains on property sales, we are maintaining an estimated 2002 EPS range of \$2.20 to \$2.30. This estimate assumes slightly negative same property NOI in 2002. Sales volume in 2002 is assumed to be approximately \$450 million to \$500 million with a 9% to 10% average cap rate, with book gains from property sales/fees of between \$55 million and \$60 million. Investment volume assumptions for 2002, which include both new developments and acquisitions, are approximately \$350 million to \$450 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. We now expect to deliver FFO per share in the range of \$3.62 to \$3.68 for 2002, with an estimate range of \$0.90 to \$0.96 for the fourth quarter. Our estimate for IIS(TM) income for 2002 is between \$40 million and \$45 million.

"We are initiating our guidance for 2003 with an expected EPS range of between \$2.00 and \$2.20. This estimate assumes flat same property NOI growth in 2003. Sales volume in 2003 is assumed to be approximately \$400 million to \$500 million with a 9% to 10% average cap rate, with book gains from property sales/fees of between \$55 million and \$60 million. Investment volume assumptions for 2003, which include both new developments and acquisitions, are approximately \$400 million to \$500 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. We expect to deliver FFO per share in the range of \$3.55 and \$3.75 for 2003, with an estimate range of between \$0.85 to \$0.89 for the first quarter. Our estimate for IIS(TM) income for 2003 is between \$45 million and \$50 million.

"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 2002 or 2003. 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."

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 operating platform, which utilizes a pure Industrial focus and National scope 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: economic conditions generally and the real estate market specifically, legislative/regulatory changes (including changes to laws governing the taxation of real estate investment trusts), availability of financing, interest rate levels, competition, supply and demand for industrial properties in the Company's current and proposed market areas, potential environmental liabilities, slippage in development or lease-up schedules, tenant credit risks, higher-than-expected costs and changes in general accounting principles, policies and guidelines applicable to real estate investment trusts. 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.

A schedule of selected financial information is attached.

First Industrial will host a quarterly conference call at 10:00 a.m. Central time, 11:00 a.m. Eastern time, on Thursday, October 24, 2002. The call-in number is (800) 865-4460 and the passcode is "First Industrial." The conference call will also be webcast live on First Industrial's web site, <http://www.firstindustrial.com>, under the "Investor Relations" tab. The webcast will be available on the Company's web site for approximately one week following the call.

The company's third quarter supplemental information can be viewed on First Industrial's website, <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:

Karen Henderson

First Industrial Realty Trust, Inc.
311 South Wacker Drive, Suite 4000
Chicago, IL 60606
Phone: (312) 344-4335 - Facsimile: (312) 922-9851

(In thousands, except for per share/unit and property data)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September	September	September	September
	30,	30,	30,	30,
	2002	2001	2002	2001
Statement of Operations and				
FFO Data:				
Total Revenues (d)	\$92,646	\$94,468	\$277,050	\$294,503
Property Expenses (d)	(27,791)	(25,541)	(84,227)	(83,380)
Net Operating Income	64,855	68,927	192,823	211,123
Equity in FFO of Joint				
Ventures (a)	366	313	1,140	977
IIS Services Income (d)	11,277	10,775	31,742	28,376
General & Administrative				
Expense (d)	(3,101)	(3,624)	(11,727)	(11,769)
EBITDA	73,397	76,391	213,978	228,707
Interest Expense	(23,810)	(20,089)	(66,514)	(62,722)
Dividends on Preferred				
Stock	(5,044)	(7,231)	(18,388)	(22,770)
Amortization of Deferred				
Financing Costs	(505)	(459)	(1,464)	(1,357)
Depreciation and Other				
Amortization	(19,322)	(17,624)	(57,442)	(52,098)
Equity in Depreciation and				
Other Amortization of				
Joint Ventures (a)	193	2	(5)	(226)
Gain on Sale of Property (d)	2,303	7,041	14,528	15,599
Income Allocable to				
Minority Interest	(4,026)	(5,778)	(12,503)	(14,602)
Extraordinary Loss (b)	--	--	(888)	(10,309)
Net Income Available to				
Common Stockholders	23,186	32,253	71,302	80,222
Add: Extraordinary Loss				
(b), net of Minority				
Interest	--	--	754	8,712
Net Income Available to				
Common Stockholders Before				
Extraordinary Loss (b)	23,186	32,253	72,056	88,934
Add: Real Estate				
Depreciation and Other				
Amortization	19,056	17,316	56,352	51,189
Less: Gain on Sale of				
Property (d)	(2,303)	(7,041)	(14,528)	(15,599)
Add: Equity in				
Depreciation and Other				
Amortization of Joint				
Ventures (a)	(193)	(2)	5	226
Add: Income Allocable to				
Minority Interest	4,026	5,778	12,503	14,602
Add: Minority Interest				
Allocable to				
Extraordinary Loss (b)	--	--	134	1,597
Funds From Operations				
("FFO")	\$43,772	\$48,304	\$126,522	\$140,949
Net Income Available to				
Common Stockholders				
Before Extraordinary Loss				
(b)	23,186	32,253	72,056	88,934
Less: Gain on Sale of				
Property from				
Discontinued Operations				

(c)	(13,744)	--	(45,028)	--
Less: Net Operating Income from Discontinued Operations (c)	(1,299)	(5,245)	(8,469)	(14,719)
Add: Depreciation and Amortization from Discontinued Operations (c)	153	1,031	1,848	2,779
Add: Minority Interest Allocable to Discontinued Operations (c)	2,203	638	7,742	1,835
Net Income Available to Common Stockholders Before Discontinued Operations (c) and Extraordinary Loss (b)	10,499	28,677	28,149	78,829
Additional Information for Funds Available for Distribution ("FAD"):				
Straight-Line Rental Income	\$859	\$1,467	\$1,543	\$2,744
Non-Incremental Capital Expenditures	\$8,836	\$5,951	\$22,479	\$18,307
Restricted Stock Amortization	\$1,320	\$1,576	\$3,845	\$4,480
Weighted Avg. Number of Shares/Units Outstanding- Basic	46,504	46,738	46,268	46,503
Weighted Avg. Number of Shares/Units Outstanding- Diluted	46,709	46,970	46,565	46,755
Weighted Avg. Number of Shares Outstanding- Basic	39,609	39,662	39,333	39,354
Weighted Avg. Number of Shares Outstanding- Diluted	39,814	39,894	39,630	39,606
Per Share/Unit Data:				
FFO :				
- Basic	\$0.94	\$1.03	\$2.73	\$3.03
- Diluted	\$0.94	\$1.03	\$2.72	\$3.01
Net Income Available to Common Stockholders Before Discontinued Operations and Extraordinary Loss Per Weighted Average Common Share Outstanding:				
- Basic	\$0.27	\$0.72	\$0.72	\$2.00
- Diluted	\$0.26	\$0.72	\$0.71	\$1.99
Net Income Available to Common Stockholders Before Extraordinary Loss				
Per Weighted Average Common Share Outstanding:				
- Basic	\$0.59	\$0.81	\$1.83	\$2.26
- Diluted	\$0.58	\$0.81	\$1.82	\$2.25
Net Income Available to Common Stockholders per Weighted Average Common Share Outstanding:				
- Basic	\$0.59	\$0.81	\$1.81	\$2.04

- Diluted	\$0.58	\$0.81	\$1.80	\$2.03
Dividends/Distributions	\$0.6800	\$0.6575	\$2.0400	\$1.9725
FFO Payout Ratio	72.2%	63.6%	74.6%	65.1%
FAD Payout Ratio	87.4%	71.1%	86.7%	72.4%

Balance Sheet Data (end of period):

Real Estate Before Accumulated Depreciation	\$2,710,946	\$2,527,217
Real Estate Held For Sale, Net	21,365	169,494
Total Assets	2,633,290	2,635,387
Debt	1,418,144	1,289,730
Total Liabilities	1,549,179	1,424,130
Stockholders' Equity and Minority Interest	\$1,084,111	\$1,211,257

Property Data (end of period):

Total Properties	909	930
Total Gross Leasable Area (in sq ft)	61,595,043	64,266,984
Occupancy	90.3%	91.5%

(a) Represents the Company's share of FFO and depreciation and other amortization from three real estate joint ventures in which it owns minority equity interests.

(b) Represents an extraordinary loss from the early retirement of debt.

(c) In August 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard No. 144 "Accounting for the Impairment or Disposal of Long-Lives Assets" ("FAS 144"). FAS 144 requires that the operations and gain (loss) on sale of all properties sold subsequent to December 31, 2001 that were not held for sale at December 31, 2001 and properties that were classified as held for sale subsequent to December 31, 2001 be presented in discontinued operations. FAS 144 also requires that prior periods be restated.

(d) This press release presents funds from operations ("FFO") which is a REIT industry financial measure that is not calculated in accordance with generally accepted accounting principles ("GAAP"). Certain amounts in the selected financial data table (the "Table") reflect adjustments made to GAAP amounts to conform to the calculation of FFO by the Company. These adjustments include discontinued operations, expenses allocable to IIS services income and net economic gains/losses from IIS property sales. Total revenues in the Table include revenues from discontinued operations in the amount \$1,942, \$6,970, \$12,303 and \$19,937 for the three months ended September 30, 2002 and 2001 and the nine months ended September 30, 2002 and 2001, respectively. Total property expenses in the Table exclude expenses allocable to IIS Services income in the amount of \$833, \$574, \$2,241 and \$2,605 for the three months ended September 30, 2002 and 2001 and the nine months ended September 30, 2002 and 2001, respectively. Total property expenses also include expenses from discontinued operations in the amount of \$643, \$1,725, \$3,834 and \$5,217 for the three months ended September 30, 2002 and 2001 and the nine months ended September 30, 2002 and 2001, respectively. General and administrative expense in the Table excludes expenses allocable to IIS services income in the amount of \$658, \$418, \$2,055 and \$1,926 for the three months ended September 30, 2002 and 2001 and the nine months September 30, 2002 and September 30, 2001, respectively. IIS services income in the Table includes net economic gains/losses from IIS property sales in the amount of \$12,768, \$11,767, \$36,038 and \$32,907 for the three months ended September 30, 2002 and 2001 and the nine months ended September 30, 2002 and 2001, respectively. IIS Services income also includes overhead expenses (property expenses and general and administrative expenses allocable to IIS services income) in the amount of \$1,491, \$992, \$4,29 and \$4,531 for the three months ended September 30, 2002 and 2001 and the nine months ended September 30, 2002 and 2001, respectively. Gain on sale of real estate in the Table includes gain on sale of real estate from discontinued operations in the amount of \$13,744 and \$45,028 for the three months ended September 30, 2002 and the nine months ended September 30, 2002, respectively. Gain on sale of real estate also excludes net economic gains from IIS property sales in the amount of \$12,768, \$11,767, \$36,038 and \$32,907 for the three months ended September 30, 2002 and 2001 and the nine months ended September 30, 2002 and 2001, respectively. Make Your Opinion Count - Click Here <http://tbutton.prnewswire.com/prm/11690X76735884>

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CONTACT: Karen Henderson of First Industrial Realty Trust, +1-312-344-4335, or fax, +1-312-922-9851 (FR)

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