



First Industrial and the California State Teachers' Retirement System Expand Their Development/Repositioning Joint Venture

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Increase Investment Capacity to \$1.6 Billion to Serve the Growing Supply Chain Needs of Corporate Customers

CHICAGO, Dec 20, 2006 /PRNewswire-FirstCall via COMTEX News Network/ -- First Industrial Realty Trust, Inc. (NYSE: FR), the nation's largest provider of diversified industrial real estate, today announced that it has expanded the investment capacity of its Development/Repositioning Joint Venture (FirstCal 1) with the California State Teachers' Retirement System (CalSTRS), the second-largest public pension fund in the U.S. with a \$153 billion portfolio. Effective immediately, the capital capacity has been increased to \$1.6 billion, up from the original \$950 million capacity established in March 2005. Since the joint venture recycles capital back into the venture as properties are sold, the \$1.6 billion investment capacity is a "point-in-time" limit and total investments can exceed \$1.6 billion over the life of the venture. CB Richard Ellis Investors is the advisor to CalSTRS on the venture.

"We are very pleased to once again expand our relationship with CalSTRS to leverage the strengths of First Industrial's franchise," said Mike Brennan, president and chief executive officer of First Industrial. "Expanding our private capital platform is an important element of our strategy to serve the growing industrial real estate needs of corporate customers. By increasing our capital sources, we can better serve customers as they reconfigure their supply chains and expand into markets benefiting from global trade and favorable demographics."

CalSTRS has made an additional \$200 million equity commitment and First Industrial has increased its equity commitment by \$22 million. This represents a 90 percent and 10 percent equity interest for CalSTRS and First Industrial, respectively, consistent with the previous structure. The projected capitalization remains 35 percent equity and 65 percent debt. Additionally, the term of the venture has been lengthened by one year and will now extend to July 2011.

Since its inception through September 30, 2006, the venture has acquired or has under construction nearly 8 million square feet, of which 2.4 million square feet has been recycled. At the end of third quarter 2006, the fund had \$440 million of gross real estate investments and \$96 million under construction.

As previously announced, First Industrial receives fees for property management, leasing, development, dispositions and portfolio management administration, and has the opportunity to earn performance-based incentive fees.

"Our continued expansion of our private capital base has been an important driver of our earnings growth," said Mike Havala, chief financial officer of First Industrial. "Since March 2005, First Industrial has grown its total private capital by nearly \$4.5 billion to serve a wide spectrum of corporate real estate needs from acquisitions to (re)development to sale- leaseback transactions."

"Through its history and in the course of our relationship, First Industrial has demonstrated a strong track record of creating value in the industrial real estate markets. Expanding our capital commitment allows our members to benefit from investing in value-added real estate opportunities with a trusted partner," said Hank Thomas, investment officer of CalSTRS.

"We have established a strong working relationship with CalSTRS because we share a similar value-creation strategy," said Johansson Yap, chief investment officer of First Industrial. "This strong relationship and expanded capital capacity give us the flexibility to respond quickly to rising customer demand."

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. The Company owns, operates and has under development more than 100 million square feet of industrial real estate in markets throughout the United States. 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.

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.

SOURCE First Industrial Realty Trust, Inc.

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