



**First Industrial Realty Trust, Inc.**  
**Bank of America Merrill Lynch**  
**2014 Global Real Estate Conference**

**September 2014**



## Safe Harbor

This presentation contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934. We intend for such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and are including this statement for purposes of complying with those safe harbor provisions. Forward-looking statements, which are based on certain assumptions and describe future plans, strategies and expectations of the Company, are generally identifiable by use of the words “believe,” “expect,” “intend,” “plan,” “anticipate,” “estimate,” “project,” “seek,” “target,” “potential,” “focus,” “may,” “should” or similar expressions. Our ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Factors which could have a materially adverse effect on our operations and future prospects include, but are not limited to: changes in national, international, regional and local economic conditions generally and real estate markets specifically; changes in legislation/regulation (including changes to laws governing the taxation of real estate investment trusts) and actions of regulatory authorities; our ability to qualify and maintain our status as a real estate investment trust; the availability and attractiveness of financing (including both public and private capital) to us and to our potential counterparties; the availability and attractiveness of terms of additional debt repurchases; interest rates; our credit agency ratings; our ability to comply with applicable financial covenants; competition; changes in supply and demand for industrial properties (including land, the supply and demand for which is inherently more volatile than other types of industrial property) in the Company’s current and proposed market areas; difficulties in identifying and consummating acquisitions and dispositions; our ability to manage the integration of properties we acquire; risks related to our investments in properties through joint ventures; environmental liabilities; slippages in development or lease-up schedules; tenant creditworthiness; higher-than-expected costs; changes in asset valuations and related impairment charges; changes in general accounting principles, policies and guidelines applicable to real estate investment trusts; international business risks; and those additional factors described under the “Risk Factors” and elsewhere in the Company’s annual report on Form 10-K for the year ended December 31, 2013 and in the Company’s subsequent Exchange Act reports. We caution you not to place undue reliance on forward-looking statements, which reflect our outlook only and speak only as of the date of this press release or the dates indicated in the statements. We assume no obligation to update or supplement forward-looking statements. 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.

# Why FR?

## Tested Leadership and Platform

- Focused strategy: Deliver sustainable cash flow growth through leasing and disciplined portfolio and capital management
- Local market experts execute management, leasing, acquisitions, development and targeted sales
- Track record of industry-leading customer service

## Strengthened Capital Structure

- Reduced net debt + preferred stock to EBITDA ratio to 6.5x as of 2Q14 <sup>(1)</sup>
- Net debt plus preferreds reduced by \$931 million since 4Q08
- Returned to investment grade rating on unsecured notes by S&P

## Diversified, In-fill Portfolio

- 66.2 million square feet owned, managed and under development as of 6/30/14
- Nation's top industrial markets
- Predominantly concentrated in distribution and light industrial facilities
- 93.0% occupied as of 6/30/14

## Favorable Industrial Fundamentals

- 2Q14 was the 16<sup>th</sup> consecutive quarter of positive net absorption
- GDP growth drives tenant demand
- New supply still below historical levels

## Cash Flow Growth Opportunity – Potential Drivers

- Lower capital costs
- Small tenant leasing
- Key bulk warehouse lease-up opportunities
- Rental rate escalations
- Lower TI/LC/Cap Ex
- Future development/acquisitions

<sup>(1)</sup> Normalizing G&A and excluding one-time items per earnings conference call dated July 24, 2014

## 2Q14 and 3Q14 Actions

### 3Q14

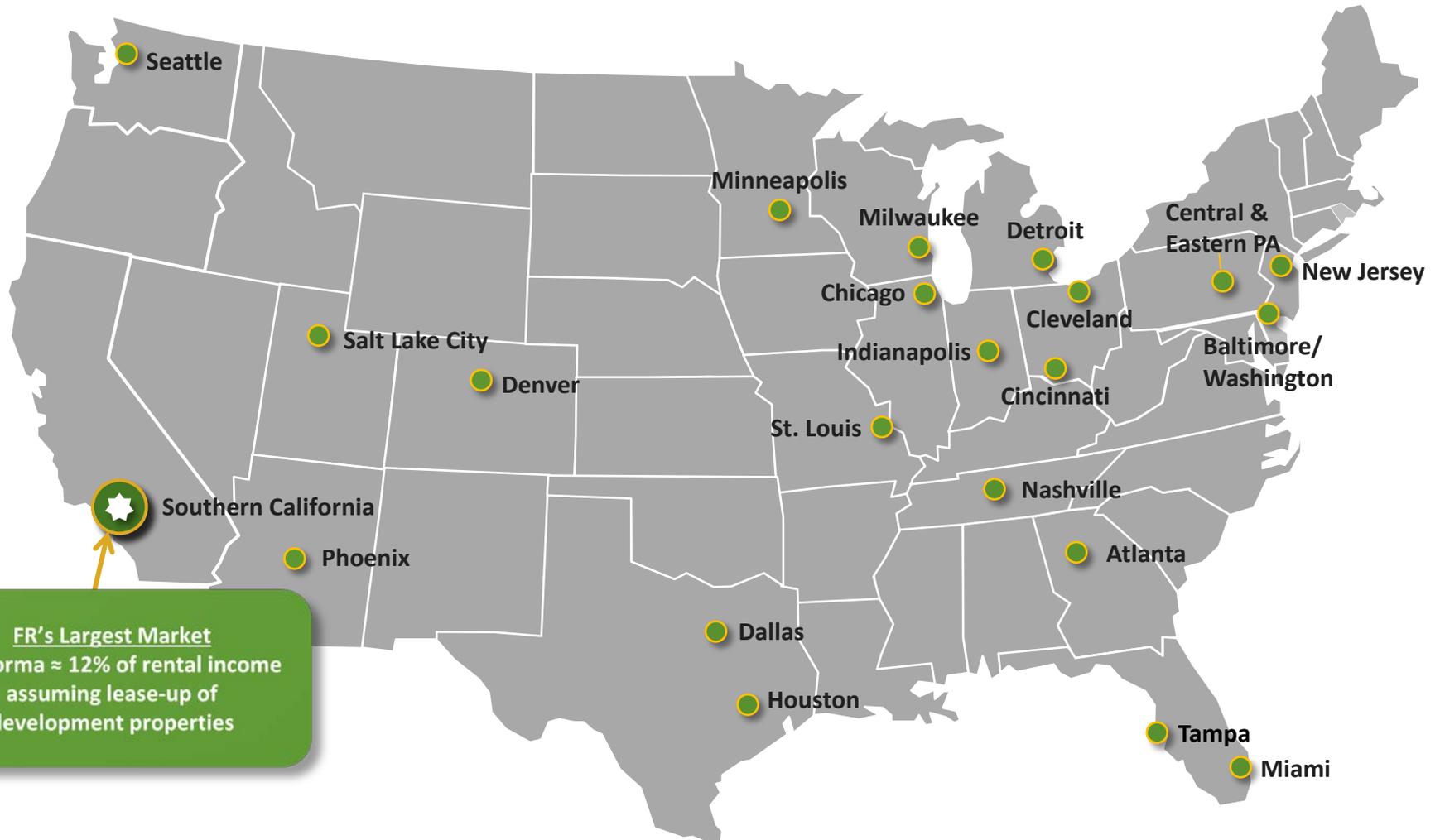
- Signed a long-term lease for a 376,601 SF facility at the First Pinnacle Industrial Center development in Dallas; expected commencement in 2Q15
- Leased 245,143 SF at the First Bandini Logistics Center in Los Angeles on a long-term basis to FAM, LLC; lease start date of December 31, 2014
- Sold seven buildings totaling 461,000 square feet for \$33.2 million<sup>(1)</sup>
  - A six-building portfolio totaling 370,000 SF and one land parcel in Baltimore for \$28.5 million plus a 91,000 SF facility in Houston for \$4.7 million

### 2Q14

- Acquired a leasehold interest in a 100% leased 225,000 SF distribution center in the Inland Empire for \$10.0 million; also a 100% leased 53,000 SF facility in Chicago for \$3.2 million
- Commenced development of the two-building 239,000 SF Interstate North Business Park in Minneapolis; estimated investment of \$19.3 million
  - Includes a 97,000 SF build-to-suit for Goodwill-Easter Seals of Minnesota
- Acquired a development site in Dallas for \$1.2 million
- Sold two facilities totaling 18,000 SF for a total of \$1.3 million

<sup>(1)</sup> Through earnings conference call dated July 24, 2014

# Broad Platform and Presence



**FR's Largest Market**  
Pro-forma  $\approx$  12% of rental income  
assuming lease-up of  
development properties

Size and Diversification: 64 MSF on balance sheet, Top Tenant  $\approx$  2.8% of Net Rent, Top 20: 21.6%

## Where We've Been...

### 2009 – 2010

- Addressed liquidity and maturities
- Redefined strategy
- Rationalized G&A
- Set the stage for portfolio refinement

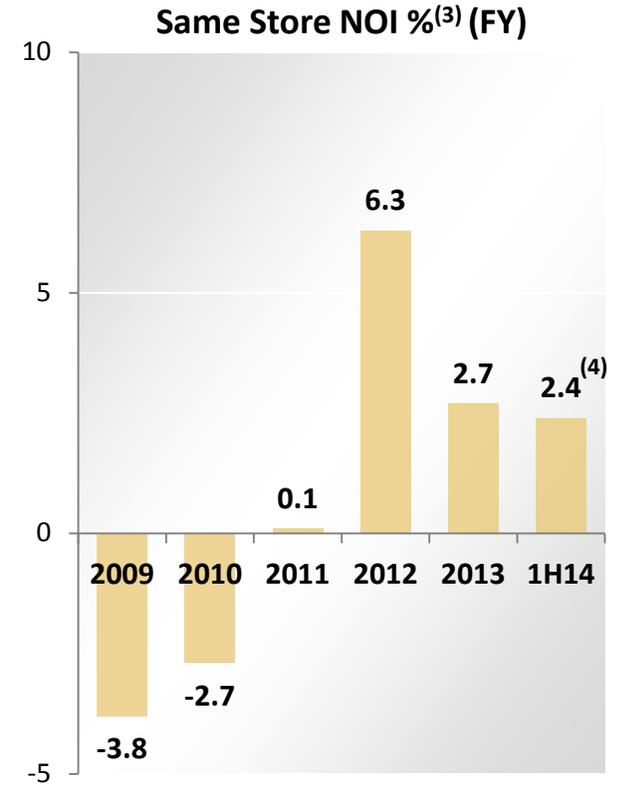
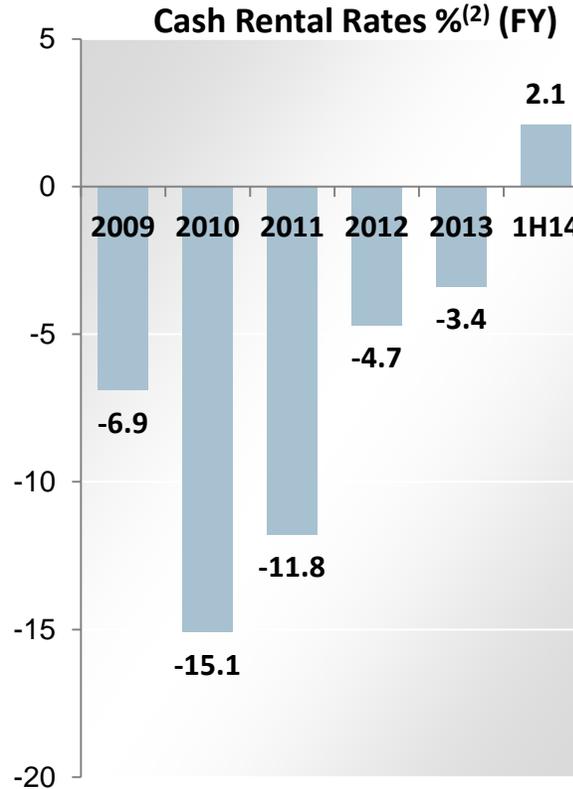
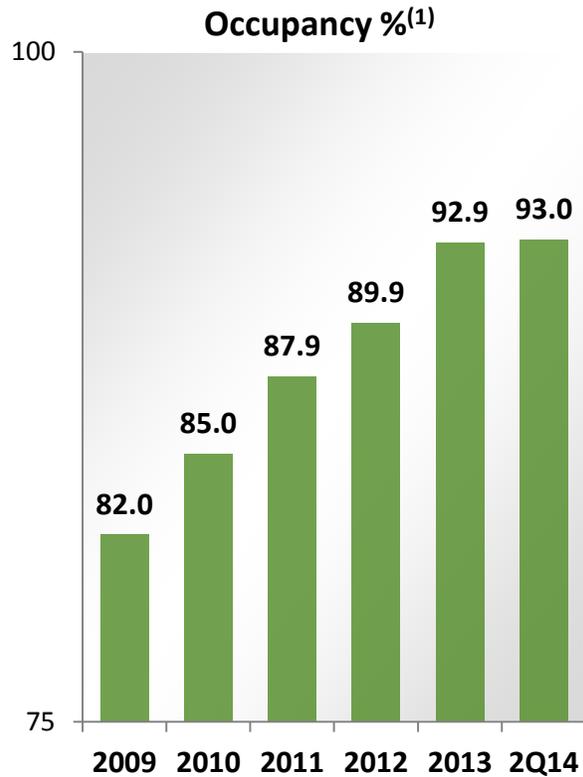
### 2011 – 2Q14

- Drove occupancy and NOI
- Strengthened balance sheet
- Executed targeted sales
- Initiated selective growth
- Re-initiated common dividend



# Where We've Been...

## Key Portfolio Cash Flow Metrics



Our key metrics have recovered, but still have room to grow.

(1) Period End

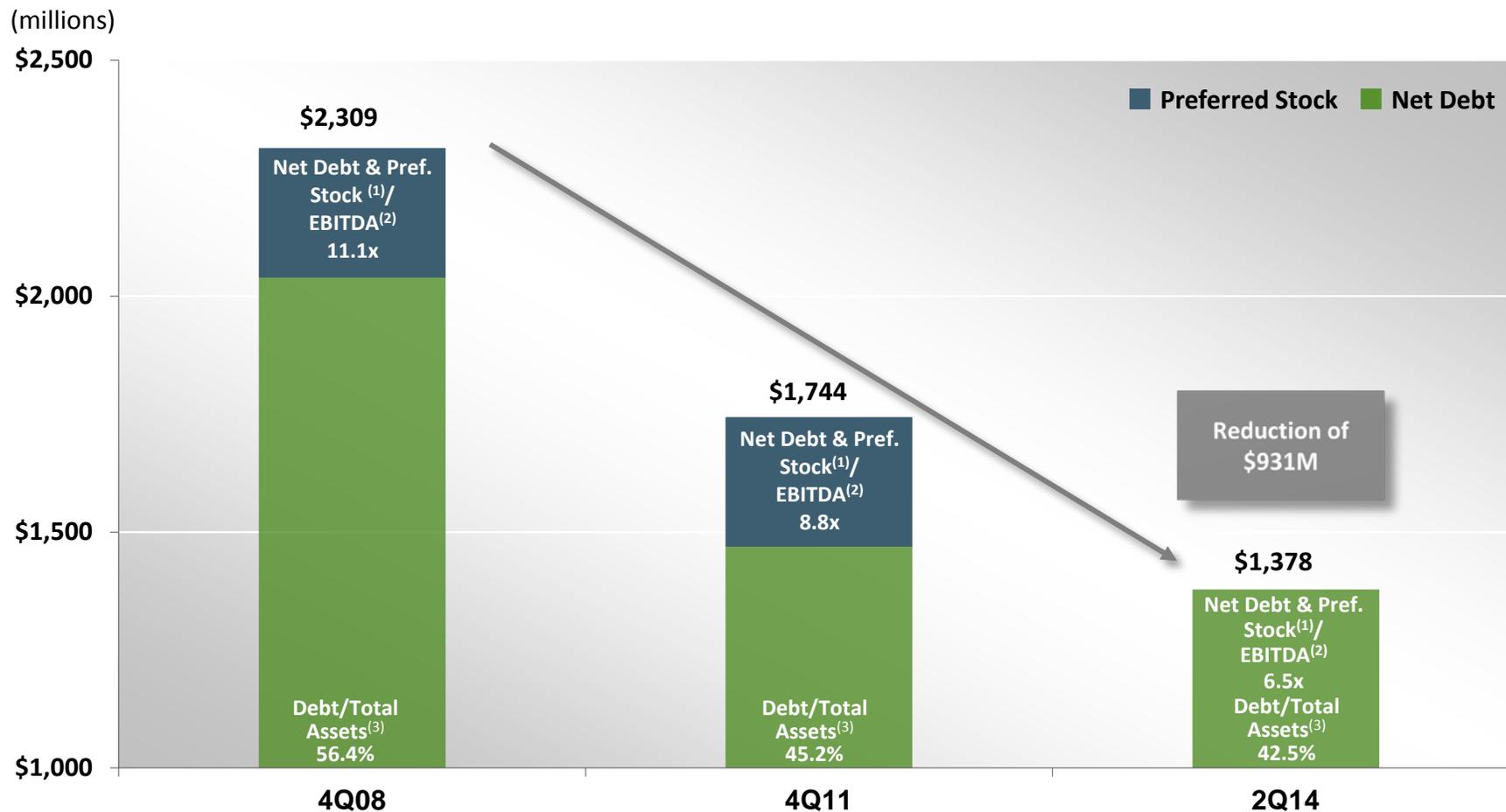
(2) Period Average

(3) Excludes lease termination fees

(4) Excludes the impact of the portions of a one-time restoration fee recognized during 1Q14 and 2Q14

# Where We've Been...

## Capital Management Progress



Current target range: (Debt + Preferred) to EBITDA ratio of 6x to 7x.

<sup>(1)</sup> Net Debt and Preferred = Debt plus book value of preferred stock, net of cash

<sup>(2)</sup> EBITDA adjusted for one-time items and normalized G&A

<sup>(3)</sup> Per unsecured note indentures

# Where We're Going...

## Strategy for Success



### Leasing and Operations Management

- Drive to ±95% by YE 2015
- Grow Rents
- Normalize TI/LC/CapEx
- Customer Service Focus

### Capital Management

- Conservative and Flexible Balance Sheet
- Return to Investment Grade
- Optimize Cost of Capital

### Portfolio Management

- Selective Acquisitions
- Targeted Development Opportunities
- Addition by Subtraction

Grow dividend consistent with sustainable cash flow, close the value gap to public peers and replacement cost.

# Drive to +95%!

## Ten Key Bulk Opportunities

Per Investor Day November 2013

Market	Property	Vacant SF as of 9/30/13	Vacant SF as of 6/30/14
Los Angeles	First Dominguez Gateway Center	213,544	0
Chicago	9501 Nevada	118,670	118,670
Atlanta	596 Bonnie Valentine	212,525	159,525
Central & Eastern PA	18212 Shawley	150,000	150,000
Central & Eastern PA	200 Cascade	127,400	52,000
Central & Eastern PA	301 Railroad	139,960	44,312
Atlanta	3060 South Park	159,193	159,193
Phoenix	9180 Buckeye	98,230	0
Miami	6891 Northwest 74 <sup>th</sup>	72,304	72,304
St. Louis	8921-8957 Frost	<u>80,000</u>	<u>80,000</u>
<b>TOTAL</b>		<b>1,371,826 SF</b>	<b>836,004 SF</b>

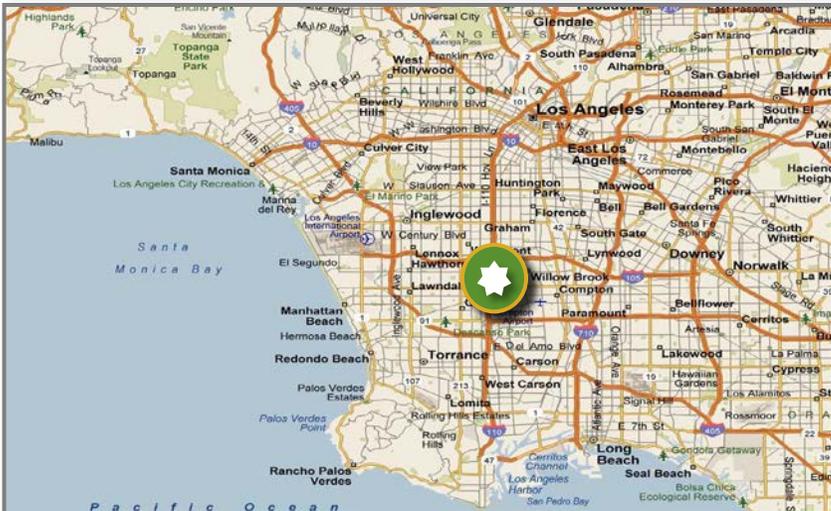
# First Logistics Center @ I-83 • Central Pennsylvania Development



## Summary

Square Feet:	708,000
Estimated Investment:	\$35M
Estimated GAAP Yield:	8.4%
Completed:	4Q13
Lease Start Date:	9/15/14
Potential NOI Impact:	\$2.9M

# First Figueroa Logistics Center • Southern California Development



Summary	
Square Feet:	43,000
Estimated Investment <sup>(1)</sup> :	\$9M
Estimated GAAP Yield <sup>(1)</sup> :	3.8%
Completion Date:	2Q14
Lease Start Date:	6/1/14
Potential Gross NOI Impact:	\$0.3M

<sup>(1)</sup> Incremental investment \$5M, yield 7.1%

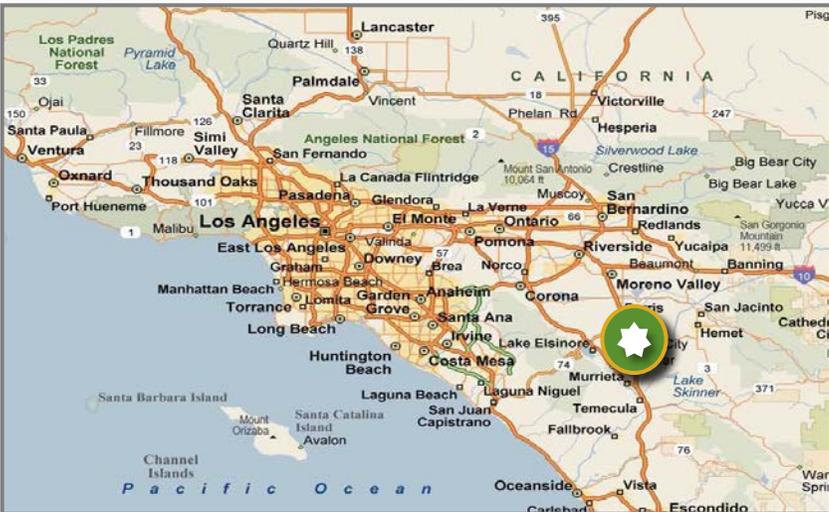
# First Bandini Logistics Center • Southern California Development



## Summary

Square Feet:	489,000
Estimated Investment:	\$54M
Estimated GAAP Yield:	6.5%
Completed:	4Q13
Potential NOI Impact:	\$3.5M

# First 36 Logistics Center • Southern California Development



## Summary

Square Feet:	555,000
Estimated Investment:	\$32M
Estimated GAAP Yield:	6.9%
Completion Date:	2Q14
Potential Annual NOI Impact:	\$2.2M

# First Pinnacle Industrial Center • Dallas

## Development Start – 1Q14



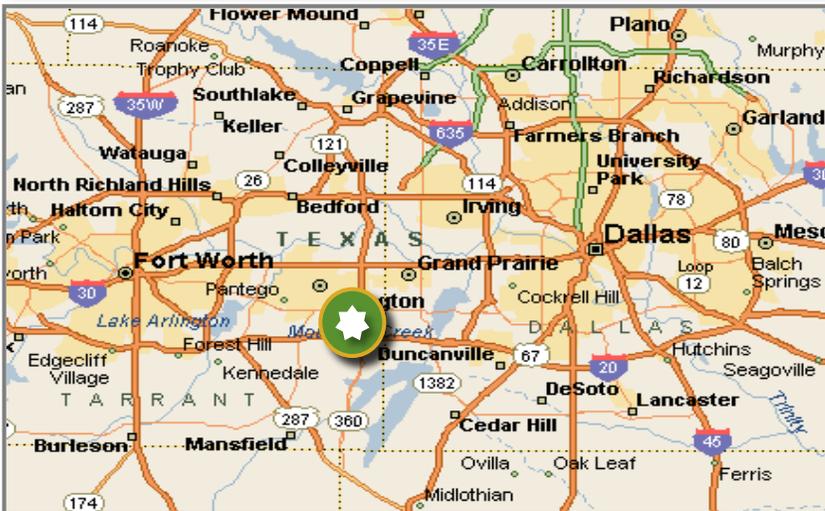
### Summary

Square Feet:	598,000
Estimated Investment <sup>(1)</sup> :	\$26M
Estimated GAAP Yield <sup>(1)</sup> :	7.5%
Targeted Completion Date:	1Q15
Potential NOI Impact:	\$1.9M

<sup>(1)</sup> Incremental investment \$23M, yield 8.3%

# First Arlington Commerce Center @ I-20 • Dallas

## Development Start – Planned 4Q14



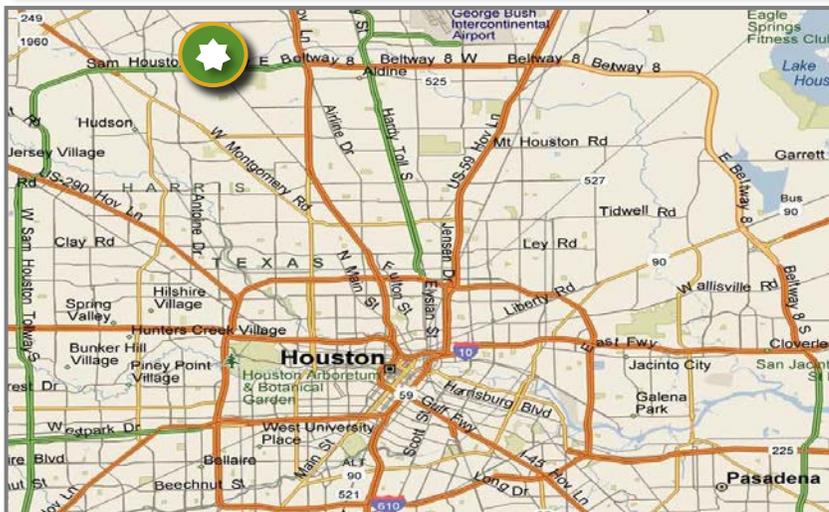
### Summary

Square Feet:	153,000
Estimated Investment <sup>(1)</sup> :	\$10M
Estimated Yield <sup>(1)</sup> :	6.4%
Completion Date:	3Q15
Potential Gross NOI Impact:	\$0.6M

<sup>(1)</sup> Estimated yield based on first year stabilized NOI over GAAP investment basis

# First Northwest Commerce Center • Houston

## Development Start – 1Q14

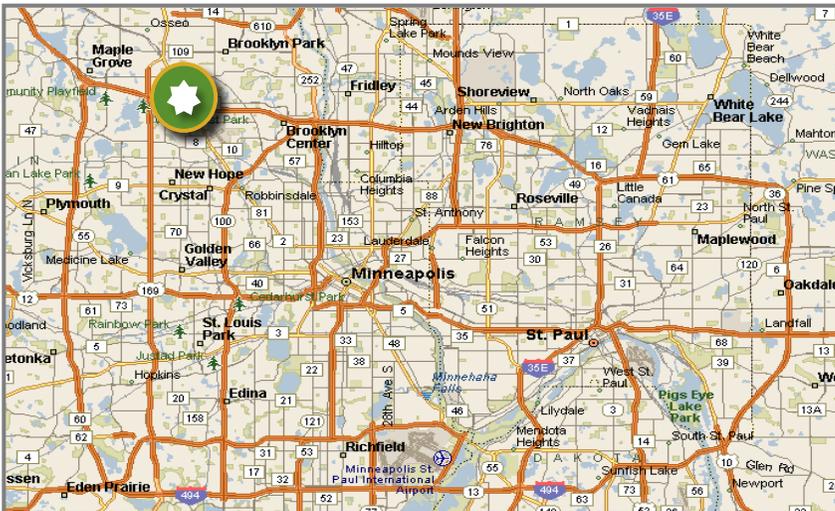


### Summary

Square Feet:	351,000
Estimated Investment:	\$20M
Estimated GAAP Yield:	8.0%
Targeted Completion Date:	1Q15
Potential NOI Impact:	\$1.6M

# Interstate North Business Center • Minneapolis

## Development Start – 2Q14



### Summary

Square Feet:	239,000
Estimated Investment:	\$19M
Estimated GAAP Yield:	7.3%
Completion Date:	1Q15
Potential NOI Impact:	\$1.4M

# Rust-Oleum • Chicago Expansion



Summary	
Square Feet:	250,000
Estimated Investment:	\$9M
Estimated GAAP Yield:	6.5%
Completed:	3Q14
NOI Impact:	\$0.6M

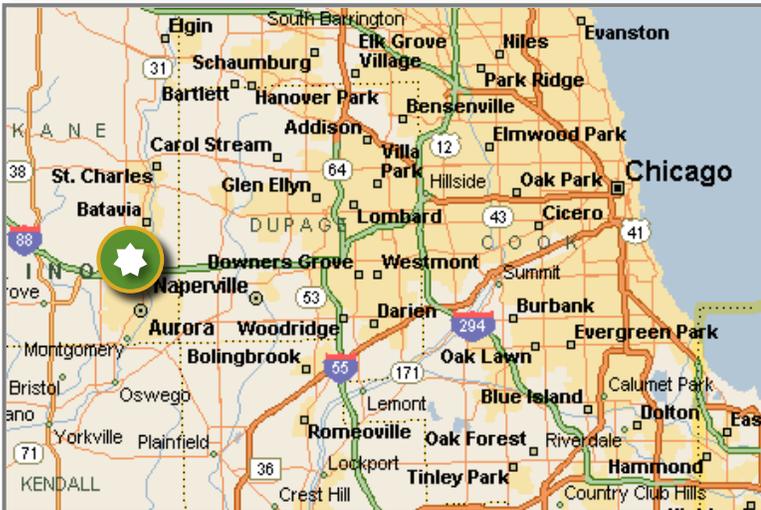
# 4100 Rock Creek • Chicago Acquisition



## Summary

Square Feet:	509,216
Initial Investment:	\$20.5M
Estimated GAAP Yield:	6.6%
Potential NOI Impact:	\$1.4M

# 401 Airport Road • Chicago Acquisition



## Summary

Square Feet:	53,260
Investment:	\$3M
In-place GAAP Yield:	7.1%

# 16875 Heacock Street • Southern California Acquisition

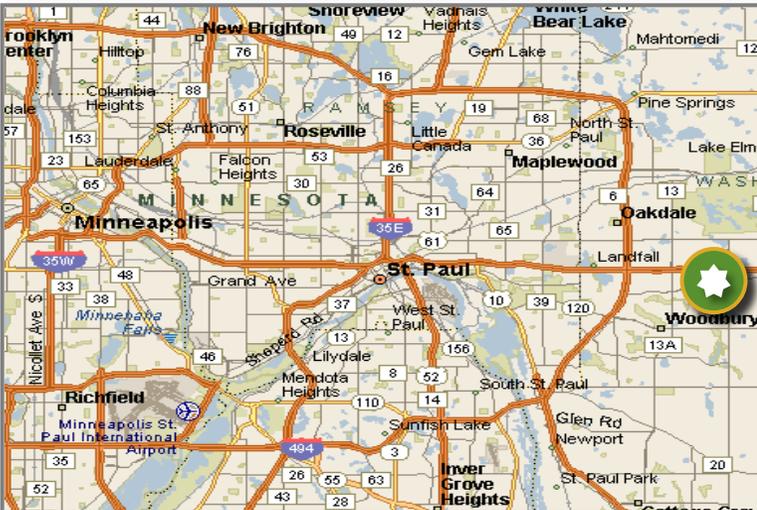


## Summary

Square Feet:	225,450
Investment <sup>(1)</sup> :	\$10M
In-place GAAP Yield:	6.4%

<sup>(1)</sup> Leasehold interest with 40 years remaining plus two 10-year options

# 375 Rivertown Drive • Minneapolis Acquisition



## Summary

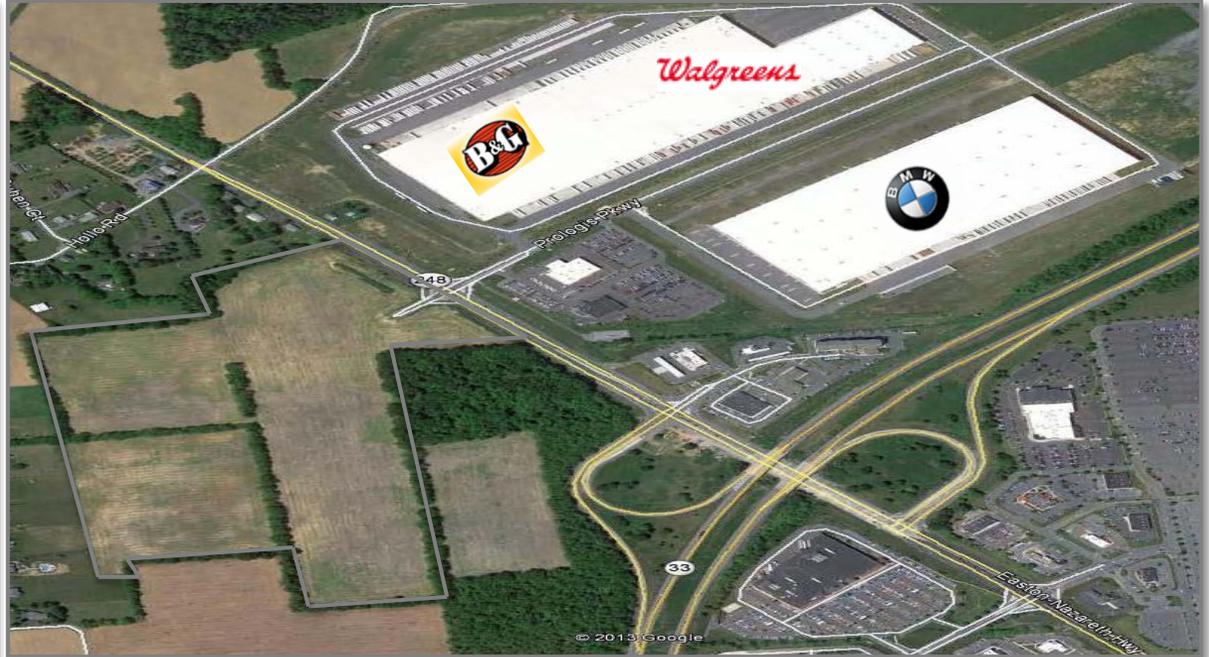
Square Feet:	251,968
Investment:	\$13M
In-place GAAP Yield:	7.3%

# Developable Land Inventory

Key Sites	Market	Developable SF
First 33 Commerce Center	Allentown, PA	584,000
Covington Land	Covington, PA	502,000
Rockdale Land	Nashville, TN	1,500,000
First Nandina Logistics Center	Inland Empire, CA	Up to 1,450,000
First San Michelle Logistics Center	Inland Empire, CA	185,300
Stockton Land	Stockton, CA	<u>1,200,000</u>
<b>Key Sites - Total</b>		<b>5.4 MSF</b>

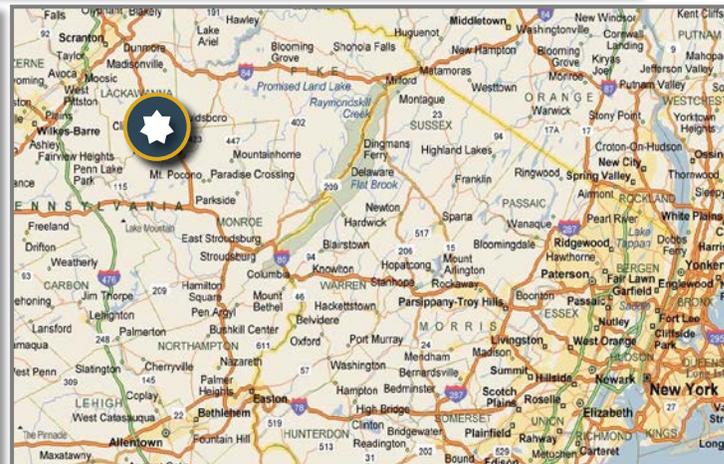
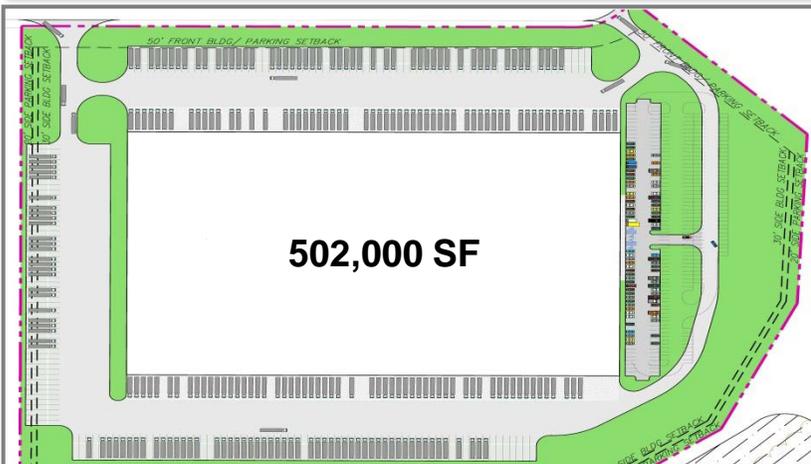
Total Developable Land Inventory: 477 acres, ≈ 6.7 MSF developable

# First 33 Commerce Center • Central & Eastern Pennsylvania Developable Land – 584,000 SF (341K + 243K)



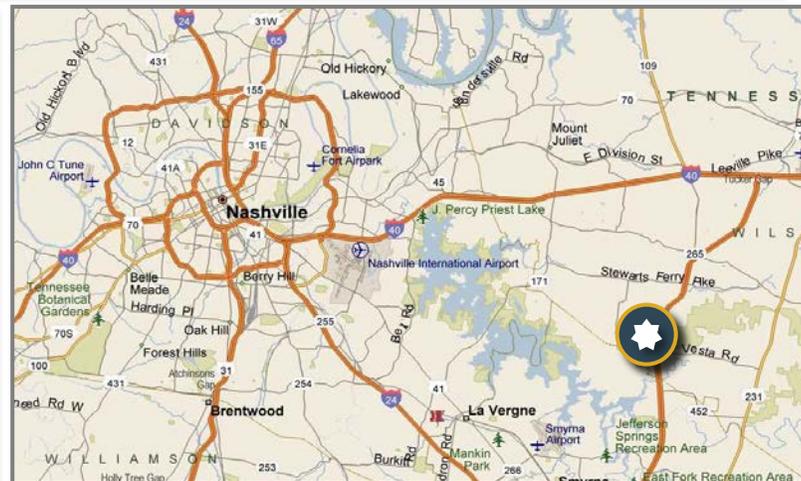
# Covington Land • Central & Eastern Pennsylvania

## Developable Land – 502,000 SF



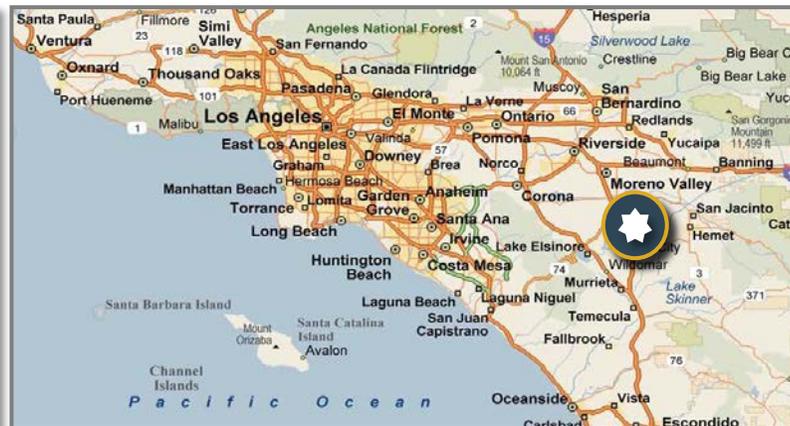
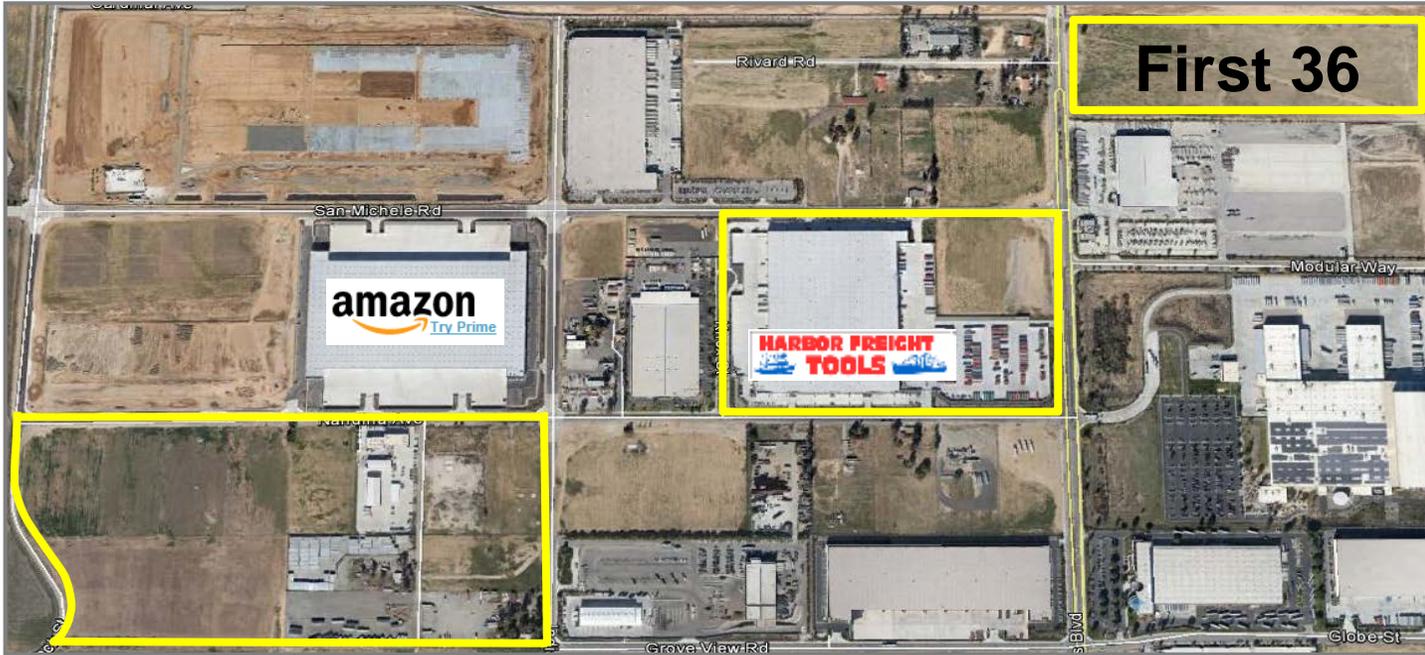
# Rockdale Land • Nashville

## Developable Land – 1,500,000 SF



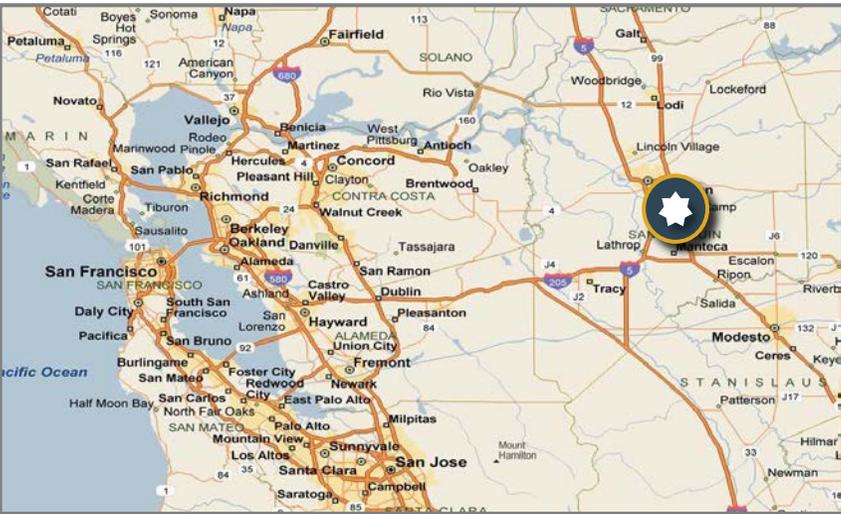
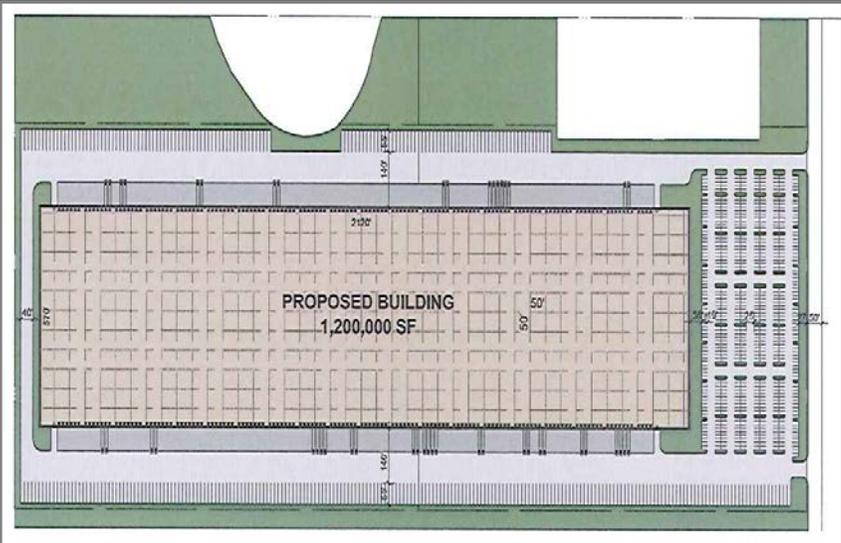
# First Nandina Logistics Center • Southern California

## Developable Land – Up to 1,450,000 SF





# Stockton Land • Northern California Developable Land – 1,200,000 SF



## FR Value Propositions

- Opportunity to deliver AFFO growth of as much as 70% to 90% by YE 2017 from YE 2013
- Valuation discount relative to:
  - Peers
  - Sales comparables
  - Replacement cost

Team and strategy in place to realize the value within our current portfolio.



# Q&A