



## First Industrial Reports 10.6% FFO per Share Increase in 1999

February 14, 2000

### First Industrial Reports 10.6% FFO per Share Increase in 1999

*INDL Strategy and IIS? Capability Drive Strong Results and Position Company for Future Growth*

CHICAGO, February 14, 2000 – First Industrial Realty Trust, Inc. (NYSE: FR), the nation's largest provider of diversified industrial real estate, announced results for the year ending 1999 and the fourth quarter ended December 31, 1999. Funds from Operations ("FFO") for 1999 were \$3.33 per share/unit on a fully diluted basis totaling \$151.0 million, compared to \$3.01 per share/unit on a fully diluted basis totaling \$133.1 million for 1998, representing a per share increase in FFO of 10.6%. Revenues for the year increased 7.0% to \$374.2 million. Net operating income grew 10.0% to \$275.2 million compared to \$250.2 million in 1998.

FFO for fourth quarter was \$0.87 per share/unit on a fully diluted basis totaling \$39.6 million, compared to \$0.80 per share/unit on a fully diluted basis totaling \$36.1 million for the fourth quarter 1998.

"I'm pleased with our progress in 1999," said Michael W. Brennan, President and Chief Executive Officer. "The successful execution of our 1999 plan strengthened the company in every respect. Our key accomplishments are listed below."

**Strong Portfolio Performance** • Occupancy increased to 95.5%. • Same property NOI for the quarter grew 4.9%. • Actual cash-on-cash rental increases were 7.3% for the year and 5.7% for the quarter. • Tenant retention is among the highest in the industry at 76% for the quarter and 75% for the year.

**Enhanced Portfolio Quality** • Sold 56 properties and five parcels of land in 1999 for \$245.8 million, generating a \$29.8 gain with a 9.14% selling cap rate and a 17.1% unleveraged internal rate of return. In the fourth quarter, sold 1.3 million square feet and four parcels of land for \$53.5 million.

• Placed in service \$103.7 million of new developments, 96% leased, comprising 3.1 million square feet for the year, with cap rates of approximately 11%. Placed in service \$57.4 million of developments, 95% leased, comprising 2.0 million square feet in the fourth quarter, with cap rates of approximately 11%. • Acquired \$63.0 million of property comprising 2.0 million square feet for the year, with cap rates of 10.4%. Acquired \$29.7 million of property comprising 1.1 million square feet in the fourth quarter, with cap rates of 10.8%. • The average age of the portfolio is 14.8 years.

**Strengthened Balance Sheet** • Reduced debt by \$44.3 million in 1999. • Improved debt-service coverage to 3.5 times from 3.2 times one year ago. • Improved fixed-charge coverage to 2.4 times from 2.2 times one year ago. • FFO payout ratio decreased to 71.1% from 75.1%. • Self-funded all investments.

**Improved Operational Efficiencies** • Eight regions were consolidated into three highly efficient super regions. • Operating costs were reduced in 1999, with corporate G&A decreasing to 3.5% from 3.7% of revenues and property management G&A decreasing to 2.9% from 3.9%. • First Services generated \$2.5 million in 1999, exceeding our target of \$2.0 million.

**Integrated Industrial Solutions? (IIS?) Launched** • Client driven development services generated \$3.2 million in income in the fourth quarter. • General Electric, General Motors, Hewlett-Packard, American Bottling, Amazon.com, Tenneco and Wal-Mart are part of the growing list of clients served through IIS?. • Client service capabilities expanded with our \$64 million Los Angeles portfolio acquisition in September 1999.

Discussing the company's strategy in 2000, Brennan remarked, "First Industrial is well positioned for the new industrial market, one that will be increasingly driven by the requirements of e-commerce and supply chain management initiatives. Firms that can meet these demands for multiple facility types on a nationwide basis will see unprecedented opportunity.

"First Industrial will focus on three areas to drive profitability in 2000 and beyond. Foremost among these is our commitment to the 'INDL' operating strategy – a pure Industrial focus and a National presence serving the Diverse facility needs of customers, with full-service, Local management.

"Second, as previously announced, our firm will concentrate on the nation's top 25 industrial real estate markets, to ensure strong portfolio performance and increased growth opportunities. Today, 80% of our portfolio is located in the nation's top 25 markets. Sales efforts in our non-core markets are proceeding according to plan.

"Finally, to meet the industrial demands of the new millennium, the company will accelerate the marketing of IIS? targeted at the corporate real estate customer. Through IIS?, the company will market its unique ability to build, acquire and redevelop diverse facility types, whether it is a single asset or group of assets, on a nationwide basis. The IIS? initiative has already contributed significantly to our development activity. In addition to the \$103.7 million of new developments placed in service in 1999, the company has \$230 million of projects under construction or approved, 63 percent pre-leased, with yields of approximately 11 percent. IIS? also assists our leasing efforts and should increase our acquisition pipeline."

**Company Information** First Industrial Realty Trust, Inc., the nation's largest provider of diversified industrial real estate, owns, operates and manages 75 million square feet of industrial facilities. The company is committed to creating shareholder value through its INDL operating strategy, using its pure Industrial focus and its National presence to serve the Diverse facility needs of customers, with full-service, Local management.

**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.

A schedule of selected financial information is attached.

First Industrial will host a quarter-end conference call at 10 a.m. CDT, 11 a.m. EDT on Tuesday, February 15, 2000. The call-in number is (888) 868-9080 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" section. Replay will also be available on the web site.

For a copy of the company's fourth quarter/year end 1999 supplemental information report, 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