



## **First Industrial Realty Trust and the California State Teachers' Retirement System (CalSTRS) Form a \$950 Million Real Estate Joint Venture**

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### **One of the Largest Industrial Real Estate Joint Ventures in the U.S.**

CHICAGO, March 21 /PRNewswire-FirstCall/ -- First Industrial Realty Trust, Inc. (NYSE: FR), the nation's largest provider of diversified industrial real estate, today announced that it has formed a joint venture (the "Venture") with the California State Teachers' Retirement System, the third-largest public pension fund in the nation with a \$125 billion portfolio. CB Richard Ellis Investors is the advisor to CalSTRS on the Venture. The Venture will invest in the development and repositioning of industrial real estate, including land, throughout the United States.

"This joint venture provides us greater capacity to expand our share of the most lucrative part of the industrial real estate business, the development and repositioning of corporate real estate assets," said Mike Brennan, president and chief executive officer of First Industrial. "We are a leader in this area and by partnering with CalSTRS we will further penetrate the corporate real estate market and solidify our position."

The total investment capacity of the venture is approximately \$950 million, with an expected capitalization of 35 percent equity and 65 percent debt. CalSTRS has agreed to contribute up to \$300 million in equity and First Industrial has agreed to contribute up to \$33 million in equity, representing a 90 percent and 10 percent equity interest, respectively. First Industrial is seeding the Venture by selling to it approximately \$86 million of unimproved land and buildings that require repositioning. The Venture has a five year horizon and assets will be sold once value is created.

"We are very excited to be partnering with such a well-respected institution as CalSTRS and look forward to a long and successful relationship with them," said Mike Havala, chief financial officer of First Industrial. "This venture enables us to leverage both our national platform and value-creation expertise to generate higher returns on invested capital. It also enhances our capital management flexibility through incremental private equity funding."

"First Industrial has a strong track record of creating value in the industrial real estate market and this venture allows us to tap into their expertise and infrastructure for the benefit of our members," said Hank Thomas, investment officer of CalSTRS. "We are pleased to be partnering with them on this joint venture."

"First Industrial has extensive relationships with Corporate America and the real estate brokerage community," said Johansson Yap, chief investment officer of First Industrial. "This fund will enable us to consider an even wider range of investment opportunities to better serve our customers' needs."

As Venture manager, First Industrial will receive fees for property management, leasing, development, dispositions and portfolio management administration. In addition, First Industrial has the opportunity to earn performance-based incentive distributions, or promotes.

JPMorgan Chase Bank, N.A. has provided a \$100 million credit facility to the Venture.

Secured Capital, LLC served as advisor to First Industrial Realty Trust, Inc.

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 strategy, which utilizes a pure Industrial focus and National platform 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.

CalSTRS, with a \$125 billion portfolio, is the nation's third-largest public pension fund. It administers retirement, disability and survivor benefits for California's public school educators in grades kindergarten through community college, serving more than 755,000 members and benefit recipients.

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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