



First Industrial Forms New \$950 Million Strategic Land and Development Joint Venture With the California State Teachers' Retirement System

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New Venture to Invest in High Growth Markets

CHICAGO, July 25 /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 new joint venture, FirstCal 3, LLC, with the California State Teachers' Retirement System (CalSTRS), the second-largest public pension fund in the nation with a \$145 billion portfolio. The venture will invest in strategically located land parcels and vertical development in markets that are projected to benefit most from supply chain reconfiguration, international trade, demographic trends and economic expansion. CB Richard Ellis Investors is the advisor to CalSTRS on this venture, as well as two other ventures between CalSTRS and First Industrial.

"First Industrial's strategy is to provide comprehensive industrial real estate solutions to corporate customers for all of their supply chain needs," said Mike Brennan, president and chief executive officer of First Industrial. "Sourcing competitive private capital is an important part of our strategy. Our new joint venture with CalSTRS will accelerate the long-term growth of our business as we acquire strategic sites and develop new facilities for our expanding customer base."

Hank Thomas, portfolio manager of CalSTRS, stated, "We share First Industrial's investment strategy and believe the industrial real estate sector presents numerous opportunities. First Industrial has an excellent track record of creating value, and we are pleased to expand our relationship into strategic land and development for the benefit of our members."

The total investment capacity of the new venture is approximately \$950 million. The expected capitalization is 35 percent equity and 65 percent debt. CalSTRS has agreed to initially contribute equity up to \$300 million and First Industrial has agreed to initially contribute up to \$33 million, representing a 90 percent and 10 percent equity interest, respectively. The initial term of the venture is 10 years. As properties are sold, capital may be reinvested back into the fund. In addition, the venture may be expanded up to \$1.6 billion once the initial \$950 million investment level has been reached.

"Since the beginning of last year, we have added nearly \$4 billion in new investment capacity through co-investment programs with large private capital providers," said Mike Havala, First Industrial's chief financial officer. "First Industrial's national platform, development experience, and extensive knowledge of the industrial supply chain, combined with the competitive capital provided by CalSTRS, gives us a new advantage in the marketplace as we expand our development business. In addition, the ten-year term of the venture provides us with long-term capital to enhance our earnings growth."

As venture manager, First Industrial will receive fees for development, property management, leasing, dispositions and portfolio administration. In addition, First Industrial has the opportunity to earn performance-based incentives. Plans for this new venture have been in place for several months and a large pipeline of investment opportunities has already been identified.

"Given the success of the two joint ventures formed last year, we are pleased to announce our third venture with CalSTRS," said Johansson Yap, First Industrial's chief investment officer. "This new venture will focus on strategic land and development investments, mostly near coastal and inland ports, and it gives us yet another vehicle to serve the expanding logistics needs of corporate customers."

First Industrial has developed build-to-suit and speculative industrial properties for more than 10 years. Customers include leading companies such as Proctor & Gamble, General Electric, Caterpillar, Ford, Staples, Whirlpool, Solo Cup, and Walgreens. Excluding FirstCal 3, First Industrial already has more than 1,100 acres of land on balance sheet and in joint ventures, which can accommodate more than 19 million square feet of development.

The new joint venture has arranged an initial credit facility with WestLB AG, New York branch.

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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