FIRST INDUSTRIAL REALTY TRUST INC
Form 8-K
April 30, 2007

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 8-K
Current report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number 1-13102
Date of Report (date of earliest event reported): April 27, 2007
FIRST INDUSTRIAL REALTY TRUST, INC.
(Exact name of Registrant as specified in its Charter)

Maryland	**36-3935116**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

311 S. Wacker Drive, Suite 4000, Chicago, Illinois 60606
(Address of principal executive offices)
(312) 344-4300
(Registrant s telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01 OTHER EVENTS

Property Acquisitions

First Industrial Realty Trust, Inc. and its subsidiaries (the Company) acquired 69 operating industrial properties from unrelated parties during the period January 1, 2006 through December 31, 2006. The combined purchase price of the 69 operating industrial properties acquired totaled approximately $376.1 million, excluding closing costs incurred in conjunction with the acquisition of the industrial properties. The 69 operating industrial properties acquired are described below. The acquisitions were funded with proceeds from property sales, borrowings under the Company s $500.0 million unsecured revolving credit facility and/or working capital. The Operating Partnership will operate the facilities as industrial rental property.

Properties Acquired by the Company:

On January 5, 2006, the Company purchased five light industrial properties and one regional warehouse totaling 101,746 square feet, in the aggregate, located in the metropolitan area of San Diego, CA. The aggregate purchase price was $13.4 million. The properties were purchased from Wells Fargo Bank, N.A., as Trustee of the Harold F. Hutton Trust.

On January 11, 2006, the Company purchased two bulk warehouses totaling 396,639 square feet, in the aggregate, located in the metropolitan areas of Indianapolis, IN and Denver, CO. The aggregate purchase price for the properties was approximately $11.2 million. The properties were purchased from SNKTW, LLC, a Colorado limited liability company.

On January 12, 2006, the Company purchased a 150,000 square feet light industrial property located in the metropolitan area of Los Angeles, CA. The purchase price for the property was approximately $14.0 million. The property was purchased from Saul Leasing, LP.

On January 19, 2006, the Company purchased a 117,483 square feet bulk warehouse located in the metropolitan area of Chicago, IL. The purchase price for the property was approximately $3.8 million. The property was purchased from Dennis Investments, Inc., a Delaware Corporation.

On January 20, 2006, the Company purchased a 60,500 square feet regional warehouse located in the metropolitan area of St. Paul, MN. The purchase price for the property was approximately $2.1 million. The property was purchased from 316 Lake Hazeltine Drive Limited Partnership.

On January 31, 2006, the Company purchased a 84,026 square feet light industrial property located in the metropolitan area of North, NJ. The purchase price for the property was approximately $1.8 million. The property was purchased from Robert Mark, Associates.

On February 1, 2006, the Company purchased a 498,145 square feet bulk warehouse located in the metropolitan area of Dallas, TX. The purchase price for the property was approximately $41.8 million. The property was purchased from U.S. Distribution Center, LLC, Dillon Drive Associates, LLC, Plainview Columbia, LLC, Colorado Briargate Associates, LLC, and Pueblo Investment Properties #1, LLC.

On February 28, 2006, the Company purchased a 133,237 square feet bulk warehouse located in the metropolitan area of Los Angeles, CA. The purchase price for the property was approximately $10.0 million. The property was purchased from Feed The Children California, Inc.

On March 2, 2006, the Company purchased a 44,000 square feet light industrial property located in the metropolitan area of North, NJ. The purchase price for the property was approximately $1.5 million. The property was purchased from EHL Holdings, LLC.

On March 3, 2006, the Company purchased a 121,750 square feet light industrial property located in the metropolitan area of Salt Lake City, UT. The purchase price for the property was approximately $4.5. The property was purchased from 9th West Properties.

On March 17, 2006, the Company purchased a 90,089 square feet regional warehouse located in the metropolitan area of Milwaukee, WI. The purchase price for the property was approximately $3.2 million. The property was purchased from New Berlin Property, LLC.

On April 12, 2006, the Company purchased a 77,011 square feet manufacturing property located in the metropolitan area of Detroit, MI. The purchase price for the property was approximately $4.2 million. The property was purchased from RDM Holdings, Ltd, a Michigan corporation.

On April 20, 2006, the Company purchased nineteen R&D/Flex properties totaling 497,535 square feet, in the aggregate, located in the metropolitan area of Tampa, FL. The aggregate purchase price was approximately $40.1 million. The properties were purchased from Bryan Dairy FlexxSpace, Ltd., Cross Bayou FlexxSpace, Ltd., Pinebrook FlexxSpace, Ltd., and Joel Levy, as Successor Trustee of Land Trust Number one under Unrecorded Land Trust Agreement dated November 29, 1999.

On May 8, 2006, the Company purchased a 355,964 square feet bulk warehouse located in the metropolitan area of Omaha, NE. The purchase price for the property was approximately $11.0 million. The property was purchased from Firstar Fiber, Inc.

On May 12, 2006, the Company purchased a 56,626 square feet R&D/Flex property located in the metropolitan area of Denver, CO. The purchase price for the property was approximately $3.7 million. The property was purchased from Colorado Industrial Portfolio, LLC, a Colorado limited liability company.

On May 12, 2006, the Company purchased a 128,600 square feet light industrial property located in the metropolitan area of St. Louis, MO. The purchase price for the property was approximately $3.7 million. The property was purchased from SLT Development Corporation.

On July 24, 2006, the Company purchased six bulk warehouses totaling 1,060,799 square feet, in the aggregate, located in the metropolitan area of Cleveland, OH. The aggregate purchase price was approximately $50.6 million. The properties were purchased from Duke Realty Ohio, an Indiana general partnership.

On July 25, 2006, the Company purchased a 49,968 square feet regional warehouse located in the metropolitan area of Denver, CO. The purchase price for the property was approximately $2.0 million. The property was purchased from 5909 Broadway, No. 2 LLC, a Colorado limited liability company.

On July 31, 2006, the Company purchased a 60,597 square feet light industrial property located in the metropolitan area of Minneapolis, MN. The purchase price for the property was approximately $5.5 million. The property was purchased from Rycent, LLC, a Minnesota limited liability company.

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On August 1, 2006 the Company purchased a 98,800 square feet regional warehouse located in the metropolitan area of Cincinnati, OH. The purchase price for the property was approximately $1.6 million. The property was purchased from Joseph A. Brant, Trustee and Renrel III Investments, PLL.

On August 1, 2006, the Company purchased a 79,800 square feet regional warehouse located in the metropolitan area of Cincinnati, OH. The purchase price for the property was approximately $2.7 million. The property was purchased from RM Fisher Investments Limited Partnership and CFL-TEN, LLC.

On August 30, 2006, the Company purchased two light industrial properties totaling 81,200 square feet, in the aggregate, located in the metropolitan area of Philadelphia, PA. The aggregate purchase price was approximately $5.8 million. The properties were purchased from Kusic Capital Group III, LLC.

On September 7, 2006, the Company purchased a 67,528 square feet light industrial property located in the metropolitan area of Los Angeles, CA. The purchase price for the property was approximately $7.9 million. The property was purchased from Vector Associates, LLC.

On September 15, 2006, the Company purchased a 120,838 square feet bulk warehouse located in the metropolitan area of Salt Lake City, UT. The purchase price for the property was approximately $5.3 million. The property was purchased from Eckman Midgley Associates, a Utah partnership.

On September 28, 2006, the Company purchased two regional warehouses totaling 192,000 square feet, in the aggregate, located in the metropolitan area of Atlanta, GA. The aggregate purchase price was approximately $7.8 million. The properties were purchased from Real Estate Exchange Services, Inc.

On October 3, 2006, the Company purchased three bulk warehouses totaling 472,685 square feet, in the aggregate, located in the metropolitan area of Salt Lake City, UT. The aggregate purchase price was approximately $22.6 million. The properties were purchased from Ninigret Park Development, LC, a Utah limited company.

On October 5, 2006, the Company purchased a 153,600 square feet bulk warehouse located in the metropolitan area of Phoenix, AZ. The purchase price for the property was approximately $8.1 million. The property was purchased from Roosevelt Business Park, LLC.

On October 10, 2006, the Company purchased a 59,492 square feet regional warehouse located in the metropolitan area of Minneapolis, MN. The purchase price for the property was approximately $4.1 million. The property was purchased from South North Plymouth, LLC.

On October 10, 2006, the Company purchased a 1,057,823 square feet bulk warehouse located in the metropolitan area of Chicago, IL. The purchase price for the property was approximately $39.0 million. The property was purchased from Lanter Company.

On October 19, 2006, the Company purchased a 56,817 square feet regional warehouse located in the metropolitan area of Phoenix, AZ. The purchase price for the property was approximately $4.3 million. The property was purchased from O. Glen Klemp.

On October 24, 2006, the Company purchased a 125,541 square feet bulk warehouse located in the metropolitan area of Los Angeles, CA. The purchase price for the property was approximately $10.5 million. The property was purchased from Scott Valencia Property, CO.

On November 30, 2006, the Company purchased a 101,436 square feet bulk warehouse and a 8,125 square feet light industrial property located in the metropolitan area of Los Angeles, CA. The aggregate purchase price was approximately $10.5 million. The property was purchased from Arthur Hale.

On November 30, 2006, the Company purchased a 207,827 square feet bulk warehouse located in the metropolitan area of Cincinnati, OH. The purchase price for the property was approximately $8.6 million. The property was purchased from 2150 Investment, Co.

The Company also acquired 22 operating industrial properties from unrelated parties during the period January 1, 2006 through December 31, 2006, which are not included in the above list as the properties were vacant upon purchase, leased back to the seller(s) upon purchase or subsequently sold before December 31, 2006. The combined purchase price of the 22 operating industrial properties acquired totaled approximately $197.3 million.

Risk Factor

The following reflects changes to a risk factor previously disclosed in the Company s Form 10-K for the year ended December 31, 2006:

If the IRS were to disagree with our characterization of certain arrangements entered into by the Company as reimbursements or the timing of certain assignments of contracts by the Company, the Company could be subject to a penalty tax or fail to remain qualified as a REIT.

The Company believes that it has operated and intends to continue to operate so as to qualify as a REIT under the Code. Although the Company believes that it is organized and has operated in a manner so as to qualify as a REIT, qualification as a REIT involves the satisfaction of numerous requirements, some of which must be met on a recurring basis. These requirements are established under highly technical and complex Code provisions of which there are only limited judicial or administrative interpretations and involve the determination of various factual matters and circumstances not entirely within the Company s control.

The Company (through one of its subsidiary partnerships) entered into certain development agreements in 2000 through 2003, the performance of which has been completed. Under these agreements, the Company provided services to unrelated third parties and certain payments were made by the unrelated third parties for services provided by certain contractors hired by the Company. The Company believes that these payments were properly characterized by it as reimbursements for costs incurred by it on behalf of the third parties and do not constitute gross income and did not prevent the Company from satisfying the gross income requirements of the REIT provisions (the gross income tests). The Company brought this matter to the attention of the Internal Revenue Service (the IRS). The IRS did not challenge or express any interest in challenging the Company s view on this matter.

Employees of the First Industrial, L.P., a subsidiary partnership of the Company (the Service Employees), were providing certain acquisition and disposition services since 2004 and certain leasing and property management services since 1997 to one of the Company s taxable REIT subsidiaries (the TRS), and have also been providing certain of these services (or similar services) to joint ventures in which First Industrial, L.P. owns a minority interest or to unrelated parties. In determining whether it satisfied the gross income tests for certain years, the Company has taken and intends to take the position that the costs of the Service Employees should be shared between the Operating Partnership and the TRS and that no fee income should be imputed to the Company as a result of such arrangement. However, because certain of these services (or similar services) have also been performed for the joint ventures or unrelated parties described above, there can be no assurance that the IRS will not successfully challenge this position. First Industrial, L.P. believes that it has taken appropriate steps to address this issue going forward, but there can be no assurance that such steps will adequately resolve this issue.

During 2006, the Company determined that the Operating Partnership s fee income to be derived in 2006 and subsequent years from joint ventures with third parties (joint venture fee income) might materially exceed joint venture fee income in prior years. If steps were not taken, this increased fee income might have caused the Company to violate the gross income tests in 2006 and subsequent years. The Company decided to address this issue by transferring employees providing the services, and assigning the service contracts giving rise to the fee income, from the Operating Partnership to the TRS. The Company believes that these transfers were completed early enough in 2006 to have avoided this potential gross income issue for 2006. The employees were transferred promptly to the

TRS. However, the documentation for the assignment of the service contracts was completed later because changes were required to the transaction documentation for each of the joint ventures involved and, in some cases, consent of the respective joint venture partner was needed. It is therefore possible that the IRS could raise an issue as to when the service activity generating the joint venture fee income shifted to the TRS for U.S. federal income tax purposes. In light of this possibility, the Company presently intends to seek clarification from the IRS in the form of a private letter ruling or closing agreement. The Company intends to ask the IRS to confirm that (i) the transfers were made early enough in 2006 to have avoided any potential violation of the gross income tests or alternatively, that (ii) if the transfers occurred later in 2006 than the Company intended, the gross income tests were satisfied in any event.

If the IRS were to challenge either of the positions described in the second and third paragraphs and were successful, or the IRS were unwilling to provide the clarification described in the fourth paragraph, the Company could be found not to have satisfied the gross income tests in one or more of its taxable years. If the Company were found not to have satisfied the gross income tests, it could be subject to a penalty tax as a result of any such violations, but the Company does not believe that any such penalty tax would be material. However, such noncompliance should not adversely affect the Company s qualification as a REIT as long as such noncompliance was due to reasonable cause and not to willful neglect and certain other requirements were met. The Company believes that, in all three situations, any such noncompliance was due to reasonable cause and not willful neglect and that such other requirements will have been met.

If the Company were to fail to qualify as a REIT in any taxable year, it would be subject to federal income tax, including any applicable alternative minimum tax, on its taxable income at corporate rates. This could result in a discontinuation or substantial reduction in dividends to stockholders and in cash to pay interest and principal on debt securities that the Company issues. Unless entitled to relief under certain statutory provisions, the Company would be disqualified from electing treatment as a REIT for the four taxable years following the year during which it failed to qualify as a REIT.

Item 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(a) Financial Statements:

Combined Historical Summaries of Gross Income and Direct Operating Expenses for the 2006 Acquisition A Properties (Unaudited).

Historical Summary of Gross Income and Direct Operating Expenses for the 2006 Acquisition I Property and Notes thereto with Independent Auditors report dated January 19, 2007.

Historical Summary of Gross Income and Direct Operating Expenses for the 2006 Acquisition II Property and Notes thereto with Independent Auditors report dated January 10, 2007.

Historical Summaries of Gross Income and Direct Operating Expenses for the 2006 Acquisition III Property and Notes thereto with Independent Auditors report dated April 9, 2007.

Combined Historical Summaries of Gross Income and Direct Operating Expenses for the 2006 Acquisition IV Properties and Notes thereto with Independent Auditors report dated March 19, 2007.

Historical Summaries of Gross Income and Direct Operating Expenses for the 2006 Acquisition V Property and Notes thereto with Independent Auditors report dated January 23, 2007.

Combined Historical Summaries of Gross Income and Direct Operating Expenses for the 2006 Acquisition VI Properties and Notes thereto with Independent Auditors report dated March 8, 2007.

Historical Summaries of Gross Income and Direct Operating Expenses for the 2006 Acquisition VII Property and Notes thereto with Independent Auditors report dated April 18, 2007.

Historical Summaries of Gross Income and Direct Operating Expenses for the 2006 Acquisition VIII Property and Notes thereto with Independent Auditors report dated January 23, 2007.

Combined Historical Summaries of Gross Income and Direct Operating Expenses for the 2006 Acquisition IX Properties and Notes thereto with Independent Auditors report dated January 19, 2007.

Historical Summaries of Gross Income and Direct Operating Expenses for the 2006 Acquisition X Property and Notes thereto with Independent Auditors report dated March 5, 2007.

(b) Pro Forma Financial Information (Unaudited):

Pro Forma Consolidated Statement of Operations for the Year Ended December 31, 2006.

Pro Forma Consolidated Statement of Operations for the Year Ended December 31, 2005.

(d) Exhibit.

Exhibit No.	Description
23.1	Consent of PricewaterhouseCoopers LLP

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2006 ACQUISITION A PROPERTIES
Combined Historical Summaries of Gross Income and Direct Operating Expenses
For the Years Ended December 31, 2006 and 2005
(Unaudited, Dollars in thousands)

The Combined Historical Summaries of Gross Income and Direct Operating Expenses as shown below, present the summarized results of operations of 52 of 69 operating industrial properties acquired during the period January 1, 2006 through December 31, 2006 (the 2006 Acquisition A Properties) by First Industrial Realty Trust, Inc. (together with its subsidiaries, the Company). The Combined Historical Summary of Gross Income and Direct Operating Expenses for the Year Ended December 31, 2006 include operations only for the periods for which the 2006 Acquisition A Properties were not owned by the Company. These statements are exclusive of one operating industrial property (the 2006 Acquisition I Property), one operating industrial property (the 2006 Acquisition II Property), one operating industrial property (the 2006 Acquisition III Property), six operating industrial properties (the 2006 Acquisition IV Properties), one operating industrial property (the 2006 Acquisition V Property), two operating industrial properties (the 2006 Acquisition VI Properties), one operating industrial property (the 2006 Acquisition VII Property), one operating industrial property (the 2006 Acquisition VIII Property), two operating industrial properties (the 2006 Acquisition IX Properties) and one operating industrial property (the 2006 Acquisition X Property) acquired by the Company during the period January 1, 2006 through December 31, 2006 which have been audited and are included elsewhere in this Form 8-K.

The 2006 Acquisition A Properties were acquired for an aggregate purchase price of approximately $168.4 million and have an aggregate gross leasable area of 3,049,710 square feet (unaudited). A description of each property is included in Item 8.01.

	For the Year Ended December 31, 2006 (Unaudited)	For the Year Ended December 31, 2005 (Unaudited)
Gross Income:		
Rental Income	$ 4,566	$ 12,299
Tenant Recoveries and Other Income	276	2,937
Total Gross Income	4,842	15,236
Direct Operating Expenses:		
Real Estate Taxes	720	3,086
Repairs and Maintenance	201	499
Utilities	88	332
Insurance	89	282
Other	246	1,419
Total Direct Operating Expenses	1,344	5,618
Gross Income in Excess of Direct Operating Expenses	$ 3,498	$ 9,618

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors and Stockholders of
First Industrial Realty Trust, Inc.

We have audited the accompanying Historical Summary of Gross Income and Direct Operating Expenses (Historical Summary) of the 2006 Acquisition I Property as described in Note 1 for the year ended December 31, 2005. This Historical Summary is the responsibility of the 2006 Acquisition I Property s management. Our responsibility is to express an opinion on this Historical Summary based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Historical Summary is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Historical Summary. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall presentation of the Historical Summary. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Historical Summary was prepared for the purpose of complying with certain rules and regulations of the Securities and Exchange Commission as described in Note 1 and is not intended to be a complete presentation of the 2006 Acquisition I Property s revenues and expenses.

In our opinion, the Historical Summary referred to above presents fairly, in all material respects, the gross income and direct operating expenses described in Note 1 of the 2006 Acquisition I Property for the year ended December 31, 2005, in conformity with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP
Chicago, Illinois
January 19, 2007

2006 ACQUISITION I PROPERTY (201 Manville)
Historical Summary of Gross Income and Direct Operating Expenses
For the Year Ended December 31, 2005
(Dollars in thousands)

Gross Income:	
Rental Income	$ 826
Tenant Recoveries	96
Total Gross Income	922
Direct Operating Expenses:	
Real Estate Taxes	85
Total Direct Operating Expenses	85
Gross Income in Excess of Direct Operating Expenses	$ 837

The accompanying notes are an integral part of the financial statements.

2006 ACQUISITION I PROPERTY (201 Manville)
Notes to Historical Summary of Gross Income and Direct Operating Expenses
For the Year Ended December 31, 2005
(Dollars in thousands)

1. Basis of Presentation.

The Historical Summary of Gross Income and Direct Operating Expenses present the results of operations of one operating industrial property acquired by First Industrial Realty Trust, Inc. and its subsidiaries (the Company) on January 12, 2006 (the 2006 Acquisition I Property).

The 2006 Acquisition I Property was acquired for a purchase price of approximately $14.0 million.

Metropolitan Area	# of Properties	Square Feet (Unaudited)	Date Acquired
Los Angeles, CA	1	150,000	January 12, 2006

The Historical Summary has been prepared on the accrual basis of accounting. The Historical Summary has been prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and for inclusion in this current report on Form 8-K of the Company and future registration statements filed by the Company. The Historical Summary is not intended to be a complete presentation of the revenues and expenses of the 2006 Acquisition I Property. The Historical Summary excludes certain expenses such as interest, depreciation and amortization, professional fees, and other costs not directly related to the future operations of the 2006 Acquisition I Property that may not be comparable to the expenses expected to be incurred in future operations. Management is not aware of any material factors relating to this property which would cause the reported financial information not to be necessarily indicative of future operating results.

Use of Estimates

In order to conform with generally accepted accounting principles, management, in preparation of the Historical Summary, is required to make estimates and assumptions that affect the reported amounts of revenues and certain expenses during the reporting period. Actual results could differ from these estimates.

2. Summary of Significant Accounting Policies.

Revenue and Expense Recognition

Rental income is recorded when due from tenants based upon lease terms. The effects of scheduled rent increases and rental concessions, if any, are recognized on a straight-line basis over the term of the tenant s lease. Tenant recovery income includes payments from tenants for real estate taxes and other property operating expenses, if applicable, and is recognized as revenue in the same period the related expenses are incurred by the Property.

Direct operating expenses represent the direct expenses of operating the 2006 Acquisition I Property and include real estate taxes that are expected to continue in the ongoing operation of the 2006 Acquisition I Property. Expenditures for maintenance and repairs, utilities, and insurance are paid directly by the tenant.

2006 ACQUISITION I PROPERTY (201 Manville)
Notes to Historical Summary of Gross Income and Direct Operating Expenses
For the Year Ended December 31, 2005
(Dollars in thousands)

3. Future Rental Revenues.

The 2006 Acquisition I Property is leased to a tenant under a net operating lease. Minimum lease payments receivable, excluding tenant reimbursement of expenses, under the noncancelable operating lease in effect as of December 31, 2005 are approximately as follows:

	2006 Acquisition I Amount
2006	858
2007	
2008	
2009	
2010	
Thereafter	
Total	$ 858

Federal Express Corporation is the sole tenant, occupying 100% of the Property, and therefore represents 100% of the total gross income reported.

4. Subsequent Event.

On November 30, 2006 Federal Express Corporation renewed their lease for a portion of the premise. Federal Express Corporation will occupy 62,250 square feet (unaudited) during the period from February 1, 2007 through November 30, 2011. Annual base rent over the new lease term will be $653,640.

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors and Stockholders of
First Industrial Realty Trust, Inc.

We have audited the accompanying Historical Summary of Gross Income and Direct Operating Expenses (Historical Summary) of the 2006 Acquisition II Property as described in Note 1 for the year ended December 31, 2005. This Historical Summary is the responsibility of the 2006 Acquisition II Property s management. Our responsibility is to express an opinion on this Historical Summary based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Historical Summary is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Historical Summary. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall presentation of the Historical Summary. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Historical Summary was prepared for the purpose of complying with certain rules and regulations of the Securities and Exchange Commission as described in Note 1 and is not intended to be a complete presentation of the 2006 Acquisition II Property s revenues and expenses.

In our opinion, the Historical Summary referred to above presents fairly, in all material respects, the gross income and direct operating expenses described in Note 1 of the 2006 Acquisition II Property for the year ended December 31, 2005, in conformity with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP
Chicago, Illinois
January 10, 2007

2006 ACQUISITION II PROPERTY (5801 Martin Luther King Boulevard)
Historical Summary of Gross Income and Direct Operating Expenses
For the Year Ended December 31, 2005
(Dollars in thousands)

Gross Income:	
Rental Income	$ 3,929
Tenant Recoveries	535
Total Gross Income	4,464
Direct Operating Expenses:	
Real Estate Taxes	535
Insurance	5
Total Direct Operating Expenses	540
Gross Income in Excess of Direct Operating Expenses	$ 3,924

The accompanying notes are an integral part of the financial statements.

2006 ACQUISITION II PROPERTY (5801 Martin Luther King Boulevard)
Notes to Historical Summary of Gross Income and Direct Operating Expenses
For the Year Ended December 31, 2005
(Dollars in thousands)

1. Basis of Presentation.

The Historical Summary of Gross Income and Direct Operating Expenses present the 2005 results of operations of one operating industrial property acquired by First Industrial Realty Trust, Inc. and its subsidiaries (the Company) on February 1, 2006 (the 2006 Acquisition II Property).

The 2006 Acquisition II Property was acquired for an aggregate purchase price of approximately $41.8 million.

Metropolitan Area	# of Properties	Square Feet (Unaudited)	Date Acquired
Dallas, TX	1	498,145	February 1, 2006

The Historical Summary has been prepared on the accrual basis of accounting. The Historical Summary has been prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and for inclusion in this current report on Form 8-K of the Company and future registration statements filed by the Company. The Historical Summary is not intended to be a complete presentation of the revenues and expenses of the 2006 Acquisition II Property. The Historical Summary excludes certain expenses such as interest, depreciation and amortization, professional fees, and other costs not directly related to the future operations of the 2006 Acquisition II Property that may not be comparable to the expenses expected to be incurred in future operations. Management is not aware of any material factors relating to this property which would cause the reported financial information not to be necessarily indicative of future operating results.

Use of Estimates

In order to conform with generally accepted accounting principles, management, in preparation of the Historical Summary, is required to make estimates and assumptions that affect the reported amounts of revenues and certain expenses during the reporting period. Actual results could differ from these estimates.

2. Summary of Significant Accounting Policies.

Revenue and Expense Recognition

Rental income is recorded when due from tenants based upon lease terms. The effects of scheduled rent increases and rent concessions, if any, are recognized on a straight-line basis over the term of the tenant s lease. Tenant recovery income includes payments from tenants for real estate taxes and other property expenses, if applicable, and is recognized as revenue in the same period the related expenses are incurred by the Property.

Direct operating expenses represent the direct expenses of operating the 2006 Acquisition II Property and include real estate taxes and insurance that are expected to continue in the ongoing operation of the 2006 Acquisition II Property. Expenditures for maintenance and repairs and utilities are paid directly by the tenant.

2006 ACQUISITION II PROPERTY (5801 Martin Luther King Boulevard)
Notes to Historical Summary of Gross Income and Direct Operating Expenses
For the Year Ended December 31, 2005
(Dollars in thousands)

3. Future Rental Revenues.

The 2006 Acquisition II Property is leased to a tenant under a net operating lease. Minimum lease payments receivable, excluding tenant reimbursement of expenses, under the noncancelable operating lease in effect as of December 31, 2005 are approximately as follows:

	2006 Acquisition II Amount
2006	3,453
2007	3,453
2008	3,453
2009	3,482
2010	3,988
Thereafter	41,781
Total	$ 59,610

Llano Logistics, Inc. is the sole tenant, occupying 100% of the Property, and therefore, represents 100% of the total gross income reported.

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors and Stockholders of
First Industrial Realty Trust, Inc.

We have audited the accompanying Historical Summary of Gross Income and Direct Operating Expenses (Historical Summary) of the 2006 Acquisition III Property as described in Note 1 for the year ended December 31, 2005. This Historical Summary is the responsibility of the 2006 Acquisition III Property s management. Our responsibility is to express an opinion on this Historical Summary based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Historical Summary is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Historical Summary. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall presentation of the Historical Summary. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Historical Summary was prepared for the purpose of complying with certain rules and regulations of the Securities and Exchange Commission as described in Note 1 and is not intended to be a complete presentation of the 2006 Acquisition III Property s revenues and expenses.

In our opinion, the Historical Summary referred to above presents fairly, in all material respects, the gross income and direct operating expenses described in Note 1 of the 2006 Acquisition III Property for the year ended December 31, 2005, in conformity with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP
Chicago, Illinois
April 9, 2007

2006 ACQUISITION III PROPERTY (10330 I Street)
Historical Summaries of Gross Income and Direct Operating Expenses
For the Three Months Ended March 31, 2006 (Unaudited) and the
Year Ended December 31, 2005
(Dollars in thousands)

	For the Three Months Ended March 31, 2006 (Unaudited)	For the Year Ended December 31, 2005
Gross Income:		
Rental Income	$ 220	$ 714
Tenant Recoveries	45	86
Total Gross Income	265	800
Direct Operating Expenses:		
Real Estate Taxes	43	170
Repairs And Maintenance	2	7
Utilities	20	137
Insurance	4	20
Other		19
Total Direct Operating Expenses	69	353
Gross Income in Excess of Direct Operating Expenses	$ 196	$ 447

The accompanying notes are an integral part of the financial statements.

2006 ACQUISITION III PROPERTY (10330 I Street)
Notes to Historical Summaries of Gross Income and Direct Operating Expenses
For the Three Months Ended March 31, 2006 (Unaudited) and the
Year Ended December 31, 2005
(Dollars in thousands)

1. Basis of Presentation.

The Historical Summaries of Gross Income and Direct Operating Expenses present the results of operations of one operating industrial property acquired by First Industrial Realty Trust, Inc. and its subsidiaries (the Company) on May 8, 2006 (the 2006 Acquisition III Property).

The 2006 Acquisition III Property was acquired for a purchase price of approximately $11.0 million.

Metropolitan Area	# of Properties	Square Feet (Unaudited)	Date Acquired
Omaha, Nebraska	1	355,964	May 8, 2006

The Historical Summaries have been prepared on the accrual basis of accounting. The Historical Summaries have been prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and for inclusion in this current report on Form 8-K of the Company and future registration statements filed by the Company. The Historical Summaries are not intended to be a complete presentation of the revenues and expenses of the 2006 Acquisition III Property. The Historical Summaries exclude certain expenses such as interest, depreciation and amortization, professional fees, and other costs not directly related to the future operations of the 2006 Acquisition III Property that may not be comparable to the expenses expected to be incurred in future operations. Management is not aware of any material factors relating to this property which would cause the reported financial information not to be necessarily indicative of future operating results.

Use of Estimates

In order to conform with generally accepted accounting principles, management, in preparation of the Historical Summaries, is required to make estimates and assumptions that affect the reported amounts of revenues and certain expenses during the reporting period. Actual results could differ from these estimates.

2. Summary of Significant Accounting Policies.

Revenue and Expense Recognition

Rental income is recorded when due from tenants based upon lease terms. The effects of scheduled rent increases and rental concessions, if any, are recognized on a straight-line basis over the term of the tenant s lease. Tenant recovery income includes payments from tenants for real estate taxes, insurance and other property operating expenses, if applicable, and is recognized as revenue in the same period the related expenses are incurred by the Property.

Direct operating expenses represent the direct expenses of operating the 2006 Acquisition III Property and include real estate taxes, repairs and maintenance, utilities, and insurance expense that are expected to continue in the ongoing operation of the 2006 Acquisition III Property. Expenditures for maintenance and repairs are charged to operations as incurred.

2006 ACQUISITION III PROPERTY (10330 I Street)
Notes to Historical Summaries of Gross Income and Direct Operating Expenses
For the Three Months Ended March 31, 2006 (Unaudited) and the
Year Ended December 31, 2005
(Dollars in thousands)

3. Future Rental Revenues.

The 2006 Acquisition III Property is leased to a tenant under a gross operating lease. Minimum lease payments receivable, excluding tenant reimbursem