



**LETTER TO STOCKHOLDERS
FROM THE CHAIRMAN, PRESIDENT AND CEO
NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
PROXY STATEMENT
2015 ANNUAL REPORT**

**In connection with the 2016 Annual Meeting of Stockholders,
we have collected the Letter to Stockholders from the Chairman,
President and CEO, Notice of Annual Meeting of Stockholders,
Proxy Statement and 2015 Annual Report under one cover.**

**First Industrial Realty Trust, Inc.
www.firstindustrial.com**

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To My Fellow Stockholders,

2015 was another very successful year for First Industrial, as reflected in our operating performance, portfolio improvement via both quality investments and targeted dispositions, and balance sheet strength. We delivered total return to shareholders of 10.3%, ranking us second among industrial REITs and 30th out of the 142 real estate companies tracked by REITZone Publications. Our accomplishments during the year were the result of a true team effort, with contributions from each and every member of our organization. So, many thanks to all of my teammates around the country.

Strong Operating Performance

Our portfolio metrics are a critical window into the leasing performance of our team, the strength of our portfolio, and the health of our industry. Chief among these is occupancy. Back at our Investor Day in November 2013, we set a goal of reaching 95% occupancy by year-end 2015. At that time, many in the marketplace were skeptical of our ability to reach that level. In fact, we achieved 96.1% occupancy at year-end, growing 180 basis points for the year. Surpassing this goal by a wide margin was a major point of pride within our organization.

Our strong 2015 performance was also exhibited in other metrics. Same store cash net operating income was up 5.2% on a cash basis, excluding termination fees and a large one-time restoration fee in 2014. Same store growth was primarily the result of higher average occupancy, contractual rent bumps, increased rental rates on leasing, and lower free rent. Cash rental rates for new and renewal leases combined were up 3.5% for the year. 2015 marks the first full year that rental rate change has been positive for both new and renewal leasing since 2008.

We were also proud once again to deliver industry leading customer service scores as measured by leading independent research firm Kingsley Associates. We believe tenant satisfaction is a competitive advantage and helps us retain and attract tenants. Our tenant retention by square footage was a solid 76.5% in 2015 and we aim to be near that level again in 2016.

Healthy Business Fundamentals, Maintaining a Focus on Risk Management

Overall industrial real estate demand is strong. It is being driven by modest GDP growth that is creating new requirements for businesses across our regions. Above and beyond this primary source of demand, the industrial real estate sector is benefiting from the structural demand driver of e-commerce-related space needs. E-commerce companies, both established and emerging ones as well as traditional retailers reconfiguring their supply chains for omnichannel distribution, are requiring more industrial space. That comes in the form of strategically located distribution centers that house a wide range of product SKUs and buildings near population centers that handle “the last mile” of distribution in a world where customers are expecting what they want when they want it.

With demand for industrial real estate exceeding new supply for the 23rd quarter in a row, market rates continued their upward trend. While supply has increased over the past several years, it is just now trending towards the 20-year historical average and is well below the peak levels of the prior cycle.

Given the relatively short construction period for industrial assets, a central part of our underwriting discipline for new investments is keeping a keen eye on macro supply levels as well as drilling down to the fundamentals for individual submarkets. We believe we are in the later stages of the cycle, so risk management in our development efforts is even more critical. As we have discussed on our quarterly calls, we have a self-imposed \$325 million revolving cap on total development commitments and acquisitions with vacancy. The dollar amount of exposure included in the cap for each asset is pro rata based on its leasing levels. Simply put, once we are at this cap, we would not start new developments or buy buildings with vacancy until we free up enough cap space through lease-up. We think this \$325 million level is appropriate at approximately 8% of our

enterprise value, and it is also supported by our low leverage and high portfolio occupancy levels. While we are excited about our growth opportunities, we will take care not to add too much operating leverage to our system so that we are protected in the event of a shock to overall demand or a general downward turn in the economy.

Notwithstanding which inning of the cycle we are in, the environment remains healthy for industrial landlords and we expect overall cash rental rates to be positive once again in 2016.

Enhancing Our Portfolio through Active Management

Our platform and our people are essential in our efforts to create value through active portfolio management via developments and acquisitions as well as targeted dispositions.

Development continues to offer us the best opportunity to create value by targeting yields 100 to 150 basis points above prevailing acquisition yields. Importantly, we are also able to build the types of buildings that can meet tenants' needs for the long-term, with leading features like wider truck courts, ample dock doors and car parking and individual security fencing. We were successful in doing so in 2015, and we have a number of projects in our pipeline where we look to build upon our track record.

Our 2015 "graduating class" of developments placed in service was comprised of seven buildings, totaling 1.8 million square feet with an estimated investment of \$109.2 million. These investments were located in Southern California, Dallas, Houston and Minneapolis. As a group, they were 95% leased at year-end, with a weighted average expected GAAP yield of 7.3%, which reflects the expected first year cash yield over the GAAP investment basis.

At year-end, we had 1.2 million square feet of developments that are in lease-up, with a total estimated investment of \$82.4 million. These projects were located in Southern California, Dallas, the Lehigh Valley, and Phoenix. As a group, they were 35% leased at year-end and have a targeted weighted average GAAP yield of 7.0%.

Finally, we also had four developments under construction at year-end, comprised of three speculative projects located in Southern California, Chicago and Dallas and a built-to-suit in Atlanta. These developments total 1.4 million square feet and were 28% leased as of December 31st, with an estimated investment of \$78.7 million and a targeted weighted average GAAP yield of 7.5%.

In the first quarter, we started a redevelopment project in the South Bay submarket of Los Angeles. We demolished an inefficient 162,000 square-foot building and are now constructing a state-of-the-art 63,000 square-foot transload facility pre-leased to a third party logistics provider for seven years. The initial GAAP yield on our cumulative investment of \$17.6 million is 5.2%, although the economic yield will be lower.

With an eye towards replenishing our future supply of development opportunities, we are also excited about two new development sites we acquired in the first quarter of 2016. One is in Southern California in the Inland Empire West submarket of Chino, where we plan to build six buildings of varying sizes totaling 936,000 square feet to serve strong tenant demand. Total investment will be approximately \$90 million and our targeted GAAP yield in the low sixes, which compares favorably to market cap rates in the low-to-mid fours for acquisitions. We also acquired a site in Phoenix where we initially will build a 600,000 square-foot facility with a targeted GAAP yield in the mid-to-high sevens. This site also has potential for another 500,000 square-foot stand-alone building or expansion, plus we have an option on an adjacent site. We hope to commence these developments in the second half of 2016.

While the acquisition market is challenging, which helps explain our focus on development, our platform uncovered a number of attractive opportunities in 2015. Acquisitions totaled \$169.2 million, comprised of \$143.1 million of buildings and \$26.1 million of key land sites, some of which are in production. The buildings were 67% leased at acquisition at an expected weighted average stabilized GAAP yield of 5.9%. These acquisitions added to our holdings in key markets, including Southern California which is our largest market and growing.

In the first quarter of 2016, we acquired a high quality, 126,000 square-foot building in Orlando that was 100% leased. The purchase price for this building was \$9.3 million and the in-place yield was 7.8%, reflecting above-market rental rates. This is our second asset in Orlando, a market which has seen fundamentals strengthen, and we look to add to our holdings there over time.

We continued our disciplined program of selling assets that have lower expected cash flow growth to fund our investments. Thus far, we have been able to do so with minimal dilution, particularly when evaluated on an AFFO basis.

For all of 2015, sales totaled \$158.4 million, comprised of 66 buildings totaling 3.8 million square feet plus four land parcels. The weighted average in-place cap rate for the buildings was 6.7% with an expected stabilized NOI yield of 7.5%.

Since we started our sales effort in 2010 through the date of our fourth quarter earnings call, we have disposed of more than \$650 million of buildings and land. We have used these proceeds to help fund new investments of more than \$850 million, including developments in process. This represents a significant enhancement to our portfolio.

The transaction market remains active and we expect to sell \$150 to \$200 million of properties in 2016 as we continue our active portfolio management strategy. While the financing market has seen some turbulence thus far this year, especially for CMBS, our sales are typically bite-sized and targeted to local investors that obtain financing from banks, as well as users who often can access the SBA market.

We may suffer some near-term dilution from these sales, as we expect to use most of the proceeds to fund our investment program, which has been focused on developments where income can lag given our typical allowance for one-year lease-up from construction completion. As we are focused on long-term cash flow growth and enhancing our portfolio, we think it is worth the wait.

Sound Balance Sheet

Our balance sheet is very strong and we aim to ensure it stays that way. At the end of the fourth quarter, our Net Debt plus Preferred Stock to EBITDA was 6.1 times, excluding acquisition costs. This is at the low end of our target range of six to seven times.

We continued to position the balance sheet to lower interest costs and to provide us flexibility. We executed a new unsecured credit facility in March 2015 that matures in March of 2019, and we have the ability to extend the maturity for an additional year subject to certain conditions. We also closed on a \$260 million, 7-year unsecured term loan in September for which we locked the interest rate at 3.39% via swap agreements. This term loan effectively pre-funded our first quarter 2016 debt payoffs comprised of \$160 million of our 5.75% unsecured notes and \$58 million of secured debt with an interest rate of 7.75%.

Driving Cash Flow and the Dividend

All of our efforts are aligned with driving cash flow for investors, and along with it, the dividend. In 2015, we delivered AFFO of \$0.98 per share, representing 20% growth from 2014. At our Investor Day in November of 2015, we outlined a path to generate strong AFFO growth with several potential drivers, namely:

- contractual rent escalations;
- higher rental rates on new and renewal leasing;
- lower debt costs;
- lease-up of our development investments in process where we have already funded much of the construction costs;
- our portfolio improvement efforts, which drive lower recurring cap ex;

- higher average occupancy levels, which mean more revenue and less expense leakage; and
- redeployment of excess cash flow, after paying the dividend, into high quality assets with strong cash flow growth potential.

In February 2016, our board of directors increased our quarterly dividend per share to \$0.19, a 49% increase. This dividend is at a higher AFFO payout ratio than what we have targeted in the past three years. This is being driven by the growth in taxable income, primarily resulting from our growth in cash flow, combined with some potential impact from our planned asset sales in 2016. We believe growing cash flow and increasing dividends is a high class problem.

Positioning Our Company for the Future

As we announced in January, I plan to retire by year-end 2016, so this is my final annual letter to stockholders as CEO. I was honored to be appointed Chairman of the Board, and look forward to continuing to serve my fellow shareholders now and after we determine my successor.

I am proud of what the First Industrial team has achieved during my tenure as CEO. As long-time shareholders know, I joined the Company during the depths of the financial crisis in 2009. Together with my teammates, day-in and day-out, we have focused on executing on our plan to drive cash flow, transform our portfolio, and deliver value to shareholders. We have done so, and a fitting symbol of how far we have come is that we were selected to be added as a constituent in the S&P MidCap 400 Index in the first quarter of 2016. However, as I like to say, there is no future in the past.

I am excited about what is ahead for the Company with our attractive opportunity to deliver significant cash flow growth. It is a perfect time for this transition because our Company and our industry are in great shape. Our balance sheet is strong. We have a high quality portfolio — as reflected in our metrics — that we continue to enhance every day. Most importantly, we have a great team that has brought us where we are today and will take us further in the future.

In Conclusion

Here at First Industrial, it is business as usual. We are focused on delivering value for shareholders by realizing the cash flow growth opportunity we outlined at our November 2015 Investor Day and continuing to demonstrate the quality of our portfolio and the strength of our platform.

We also have the opportunity to add value by further closing the gap in valuation to the pricing of private market transactions and to our public peers. We believe our performance and our metrics do not warrant such a gap.

As always, our team is focused on meeting — and more importantly — exceeding our goals. We thank you for your continuing support.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Duncan", written in a cursive style.

Bruce W. Duncan
Chairman, President and Chief Executive Officer



FIRST INDUSTRIAL REALTY TRUST, INC.

311 South Wacker Drive

Suite 3900

Chicago, Illinois 60606

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held on May 11, 2016

NOTICE IS HEREBY GIVEN that the 2016 Annual Meeting of Stockholders (the “Annual Meeting”) of First Industrial Realty Trust, Inc. (the “Company”) will be held on Wednesday, May 11, 2016 at 9:00 a.m. in the 2nd Floor Conference Center, 311 South Wacker Drive, Chicago, Illinois 60606 for the following purposes:

1. To elect six directors to the Board of Directors to serve until the 2017 Annual Meeting of Stockholders, and until their successors are duly elected and qualify;
2. To approve, on an advisory (i.e. non-binding) basis, the compensation of the Company’s named executive officers as disclosed in this Proxy Statement;
3. To ratify the appointment of PricewaterhouseCoopers LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2016; and
4. To consider and act upon any other matters that may properly be brought before the Annual Meeting and at any adjournments or postponements thereof.

Any action may be taken on the foregoing matters at the Annual Meeting on the date specified above, or on any date or dates to which, by original or later adjournment, the Annual Meeting may be adjourned, or to which the Annual Meeting may be postponed.

The Board of Directors has fixed the close of business on March 21, 2016 as the record date for the Annual Meeting. Only stockholders of record of the Company’s common stock at the close of business on that date will be entitled to notice of and to vote at the Annual Meeting and at any adjournments or postponements thereof.

You are requested to fill in and sign the enclosed Proxy Card, which is being solicited by the Board of Directors, and to mail it promptly in the enclosed postage-prepaid envelope. Any proxy may be revoked by delivery of a later dated proxy. Stockholders of record who attend the Annual Meeting may vote in person, even if they have previously delivered a signed proxy. “Street name” stockholders who wish to vote in person will need to obtain a duly executed proxy form from the institution that holds their shares prior to the Annual Meeting.

By Order of the Board of Directors

Bruce W. Duncan

Chairman of the Board, President and Chief Executive Officer

Chicago, Illinois

April 8, 2016

WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE COMPLETE, SIGN, DATE AND PROMPTLY RETURN THE ENCLOSED PROXY CARD IN THE POSTAGE-PREPAID ENVELOPE PROVIDED.



FIRST INDUSTRIAL REALTY TRUST, INC.

311 South Wacker Drive

Suite 3900

Chicago, Illinois 60606

PROXY STATEMENT

FOR THE 2016 ANNUAL MEETING OF STOCKHOLDERS

To Be Held on May 11, 2016

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of First Industrial Realty Trust, Inc. ("First Industrial" or the "Company") for use at the 2016 Annual Meeting of Stockholders of the Company to be held on Wednesday, May 11, 2016, and at any adjournments or postponements thereof (the "Annual Meeting"). At the Annual Meeting, stockholders will be asked to vote (i) to elect six directors to the Board of Directors to serve until the 2017 Annual Meeting of Stockholders, and until their successors are duly elected and qualify, (ii) to approve, on an advisory (i.e. non-binding) basis, the compensation of the Company's named executive officers as disclosed in this Proxy Statement, (iii) to ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the current fiscal year and (iv) to act on any other matters properly brought before them.

This Proxy Statement and the accompanying Notice of Annual Meeting and Proxy Card are first being sent to stockholders on or about April 8, 2016. The Board of Directors has fixed the close of business on March 21, 2016 as the record date for the Annual Meeting (the "Record Date"). Only stockholders of record of our common stock ("Common Stock") at the close of business on the Record Date will be entitled to notice of and to vote at the Annual Meeting. As of the Record Date, there were 111,247,508 shares of Common Stock outstanding and entitled to vote at the Annual Meeting. Holders of Common Stock outstanding as of the close of business on the Record Date will be entitled to one vote for each share held by them on each matter presented to the stockholders at the Annual Meeting.

Stockholders of the Company are requested to complete, sign, date and promptly return the accompanying Proxy Card in the enclosed postage-prepaid envelope. Shares represented by a properly executed Proxy Card received prior to the vote at the Annual Meeting and not revoked will be voted at the Annual Meeting as directed on the Proxy Card. If a properly executed Proxy Card is submitted and no instructions are given, the persons designated as proxy holders on the Proxy Card will vote (i) FOR the election of the six nominees for director named in this Proxy Statement, (ii) FOR the approval, on an advisory basis, of the compensation of our named executive officers, (iii) FOR the ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the current fiscal year and (iv) in their own discretion with respect to any other business that may properly come before the stockholders at the Annual Meeting or at any adjournments or postponements thereof. We have not received notice of any matters other than those set forth in this Proxy Statement and, accordingly, it is not anticipated that any other matters will be presented at the Annual Meeting.

The presence, in person or by proxy, of holders of at least a majority of the total number of outstanding shares of Common Stock entitled to vote is necessary to constitute a quorum for the transaction of business at the Annual Meeting. The affirmative vote of the holders of a majority of the votes cast with a quorum present at the Annual Meeting is required (i) for the election of directors, (ii) for the approval, on an advisory basis, of the compensation of our named executive officers and (iii) for the ratification of the appointment of the Company's independent registered public accounting firm. Abstentions will not be counted as votes cast and, accordingly, will have no effect on the result of the vote, although they will be counted for quorum purposes.

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A stockholder of record may revoke a proxy at any time before it has been exercised by filing a written revocation with the Secretary of the Company at the address of the Company set forth above, by filing a duly executed proxy bearing a later date, or by appearing in person and voting by ballot at the Annual Meeting. Any stockholder of record as of the Record Date attending the Annual Meeting may vote in person whether or not a proxy has been previously given, but the presence (without further action) of a stockholder at the Annual Meeting will not constitute revocation of a previously given proxy. “Street name” stockholders who wish to vote in person will need to obtain a duly executed proxy form from the institution that holds their shares prior to the Annual Meeting.

Appendix A to this Proxy Statement contains the Company’s 2015 Annual Report, including the Company’s financial statements for the fiscal year ended December 31, 2015 and certain other information required by the rules and regulations of the Securities and Exchange Commission (the “SEC”). However, the Company’s 2015 Annual Report is not part of the proxy solicitation material. See “Other Matters — Incorporation by Reference” herein.

BROKER NON-VOTES

Stockholders of the Company who have received this Proxy Statement from their broker or other fiduciary should have received instructions for directing how that broker or fiduciary should vote the stockholder’s shares. It will be the broker’s or fiduciary’s responsibility to vote the stockholder’s shares for the stockholder in the manner directed. The stockholder must complete, execute and return the voting instruction form in the envelope provided by the broker.

Under the rules of the New York Stock Exchange (the “NYSE”), brokers generally may vote on routine matters, such as the ratification of an independent public accounting firm, but may not vote on non-routine matters unless they have received voting instructions from the person for whom they are holding shares. If there is a non-routine matter presented to stockholders at a meeting and the stockholder’s broker or fiduciary does not receive instructions from the stockholder on how to vote on that matter, the broker or fiduciary will return the Proxy Card to the Company, indicating that he or she does not have the authority to vote on that matter. This is generally referred to as a “broker non-vote” and may affect the outcome of the voting on those matters, as discussed below.

The proposal described in this Proxy Statement for the ratification of the appointment of PricewaterhouseCoopers LLP as the Company’s independent registered public accounting firm for the fiscal year ended December 31, 2016 is considered a routine matter under the NYSE rules. Each of the other proposals is considered a non-routine matter under NYSE rules and could result in broker non-votes. Broker non-votes will not be counted as votes cast and, accordingly, will have no effect on the result of the vote. However, broker non-votes will be counted for quorum purposes. We therefore encourage stockholders to provide directions to their broker as to how the stockholder wants their shares voted on all matters to be brought before the Annual Meeting. The stockholder should do this by carefully following the instructions the broker gives the stockholder concerning its procedures. This ensures that the stockholder’s shares will be voted at the meeting.

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PROPOSAL 1

ELECTION OF DIRECTORS

Pursuant to the Company's Charter, the maximum number of members allowed to serve on the Company's Board of Directors is twelve. The Board of Directors of the Company currently consists of six seats. Each of the directors is serving for a term of one year and until his successor is duly elected and qualifies. The Company's Nominating/Corporate Governance Committee identifies and recommends individuals for service on the Board of Directors, and the Board of Directors then either approves or rejects in whole all of such nominees.

The Board of Directors has nominated Matthew S. Dominski, Bruce W. Duncan, H. Patrick Hackett, Jr., John Rau, L. Peter Sharpe and W. Ed Tyler to serve as directors (the "Nominees"). All of the Nominees are currently serving as directors of the Company. Each of the Nominees has consented to be named as a nominee in this Proxy Statement. The Board of Directors anticipates that each of the Nominees will serve as a director if elected. However, if any person nominated by the Board of Directors is unable to accept election, the proxies will vote for the election of such other person or persons as the Board of Directors may recommend.

The Board of Directors recommends a vote FOR each of the Nominees.

INFORMATION REGARDING THE NOMINEES

The following biographical descriptions set forth certain information with respect to the six Nominees for election as directors and certain executive officers, based on information furnished to the Company by such persons. The following information is as of the Record Date unless otherwise specified.

Matthew S. Dominski

Director since 2010

Mr. Dominski, 61, has been a director of the Company since March 2010. He also presently serves as a director of CBL & Associates Properties, Inc., a shopping mall real estate investment trust in the United States. From 1993 through 2000, Mr. Dominski served as Chief Executive Officer of Urban Shopping Centers ("Urban"), formerly one of the largest regional mall property companies in the country and also a publicly traded real estate investment trust. Following the purchase of Urban by Rodamco North America in 2000, Mr. Dominski served as Urban's President until 2002. In 2003, Mr. Dominski formed Polaris Capital, LLC, a Chicago, Illinois based real estate investment firm of which he was joint owner through 2013. From 1998 until 2004, Mr. Dominski served as a member of the Board of Trustees of the International Council of Shopping Centers. Mr. Dominski's extensive experience leading other public and private real estate companies, both as a senior executive and a director, is a valuable asset to the Board of Directors.

Bruce W. Duncan

Director since 2009

Mr. Duncan, 64, has been President, Chief Executive Officer and a director of the Company since January 2009 and the Chairman of the Board of Directors since January 2016. Since September 2013, Mr. Duncan has also served as a director of the T. Rowe Price Funds. In addition, Mr. Duncan presently serves as the chairman of the Board of Directors of Starwood Hotels & Resorts Worldwide, Inc. (NYSE: HOT) ("Starwood"), a leading worldwide hotel and leisure company, a position he has held since May 2005. From April 2007 to September 2007, Mr. Duncan served as Chief Executive Officer of Starwood on an interim basis. Mr. Duncan has served as a director of Starwood since 1999 and as a trustee of the REIT subsidiary of Starwood from 1995 to 2006. He also was a senior advisor to Kohlberg Kravis & Roberts & Co. from July 2008 until January 2009. From May 2005 to December 2005, Mr. Duncan was Chief Executive Officer and Trustee of Equity Residential (NYSE: EQR) ("EQR"), a publicly traded apartment company. From January 2003 to May 2005, he was President, Chief Executive Officer and Trustee, and from April 2002 to December 2002, President and Trustee of EQR. From December 1995 until March 2000, Mr. Duncan served as Chairman, President and Chief Executive Officer of Cadillac Fairview Corporation, a real estate operating company. From January 1992 to October 1994, Mr. Duncan was President and Co-Chief Executive Officer of JMB Institutional Realty Corporation providing

PROXY STATEMENT

advice and management for investments in real estate by tax-exempt investors and from 1978 to 1992, he worked for JMB Realty Corporation where he served in various capacities, culminating as Executive Vice President and a member of the Board of Directors. Mr. Duncan also currently serves on the Advisory Board of Governors of the National Association of Real Estate Investment Trusts (“NAREIT”). Mr. Duncan’s extensive experience leading other publicly traded real estate companies, both as a senior executive and a director, is critical to his ability to lead the Company as its Chief Executive Officer, and is a valuable asset to the Board of Directors. Moreover, as the Company’s Chief Executive Officer, Mr. Duncan brings to our Board of Directors his in-depth knowledge of our business, strategy, operations, competition and financial position. Mr. Duncan’s membership on the Board of Directors is critical to ensuring appropriate coordination and communication between the Company’s executive officers and the Board of Directors.

H. Patrick Hackett, Jr.

Director since 2009

Mr. Hackett, 64, has been a director of the Company since December 2009. Mr. Hackett is the Principal of HHS Co., an investment company located in the Chicago area. Previously, he served as the President and Chief Executive Officer of RREEF Capital, Inc. and as Principal of The RREEF Funds, an international commercial real estate investment management firm. Mr. Hackett taught real estate finance at the Kellogg Graduate School of Management for 15 years when he also served on the real estate advisory boards of Kellogg and the Massachusetts Institute of Technology. He also currently serves on the board of Wintrust Financial Corporation (NASDAQ: WTFC) and Wintrust Bank and is a trustee of Northwestern University. Mr. Hackett provides the Board of Directors with valuable real estate investment and finance expertise, and the Board of Directors further benefits from Mr. Hackett’s experience on other boards in the financial services sector. In addition, Mr. Hackett’s financial expertise is valuable to the Company’s Audit Committee, which he has chaired since June 2010, and he has been determined to be an “audit committee financial expert.”

John Rau

Director since 1994

Mr. Rau, 67, has been a director of the Company since June 1994 and Lead Independent Director since January 2016. Since December 2002, Mr. Rau has served as President and Chief Executive Officer and as a director of Miami Corporation, a private asset management firm. From January 1997 to March 2000, he was a director, President and Chief Executive Officer of Chicago Title Corporation (NYSE: CTZ), and its subsidiaries, Chicago Title and Trust Co., Chicago Title Insurance Co., Ticor Title Insurance Co. and Security Union Title Insurance Co. Mr. Rau was a director of BorgWarner, Inc. from 1997 to 2006, a director of William Wrigley Jr. Company from March 2005 until the company was sold to Mars, Inc. in September 2008 and a director of Nicor, Inc. from 1997 until it was sold to AGL Resources Inc. in December 2011, and continues as a director of AGL Resources Inc. Mr. Rau is a director of BMO Financial Corp. and BMO/Harris Bank, and served as a director of LaSalle Bank, N.A. until its 2007 sale to Bank of America. From July 1993 until November 1996, Mr. Rau was Dean of the Indiana University School of Business. From 1991 to 1993, Mr. Rau served as Chairman of the Illinois Economic Development Board and as special advisor to Illinois Governor Jim Edgar. From 1990 to 1993, he was Chairman of the Banking Research Center Board of Advisors and a Visiting Scholar at Northwestern University’s J.L. Kellogg Graduate School of Management. During that time, he also served as Special Consultant to McKinsey & Company, a worldwide strategic consulting firm. From 1989 to 1991, Mr. Rau served as President and Chief Executive Officer of LaSalle National Bank. From 1979 to 1989, he was associated with The Exchange National Bank, serving as President from 1983 to 1989, at which time The Exchange National Bank merged with LaSalle National Bank. Prior to 1979, he was associated with First National Bank of Chicago. Mr. Rau’s extensive experience in the banking and title insurance industries provides the Board of Directors with valuable insight into the matters of corporate and real estate finance, as well as financial services management and risk management. Moreover, Mr. Rau’s financial expertise is valuable to the Company’s Audit Committee, on which he currently serves.

L. Peter Sharpe

Director since 2010

Mr. Sharpe, 69, has been a director of the Company since November 2010. He served as President and Chief Executive Officer of Cadillac Fairview Corporation from March 2000 through December 31, 2010. Prior to

PROXY STATEMENT

March 2000, Mr. Sharpe held various positions at Cadillac Fairview Corporation, including serving as its Executive Vice President of Operations from 1990 to 2000. Mr. Sharpe currently serves as a director of Postmedia Network Canada Corp., Morguard Corporation, Allied Properties Real Estate Investment Trust and Multiplan Empreendimentos Imobiliários S.A. (Bovespa: MULT3), one of the leading developers, owners and operators of shopping centers in Brazil. From 2009 through 2010, Mr. Sharpe served as Chairman of the Board of Directors of the International Council of Shopping Centers, the global trade association of the shopping center industry. Previously, Mr. Sharpe served as a director on the boards of Legacy REIT, from 1997 to 2001, and Fairmont Hotels & Resorts, from 2001 to 2006. Mr. Sharpe's experience managing large real estate development companies, and serving on the boards of real estate investment trusts, has provided him with real estate knowledge and corporate organizational skills that benefit our Board of Directors tremendously. In addition to his executive experience, inclusive of managing a substantial real estate entity for an institutional ownership constituency, Mr. Sharpe has a substantial background in real estate investment leasing and operations activities. Moreover, Mr. Sharpe's financial expertise, and his experience serving on the Audit Committees of other publicly traded real estate companies, is valuable to the Company's Audit Committee.

W. Ed Tyler

Director since 2000

Mr. Tyler, 63, has been a director of the Company since March 2000, served as Lead Director from October 2008 to January 2009 and served as non-executive Chairman of the Board of Directors from January 2009 to January 2016. Mr. Tyler also served as the Company's interim Chief Executive Officer from October 2008 to January 2009. Mr. Tyler is a director of Nanophase Technologies Corporation (NASDAQ: NANX). Mr. Tyler was appointed CEO of Ideapoint Ventures in 2002. Ideapoint Ventures is an early stage venture fund that focuses on nanotechnologies. Prior to joining Ideapoint Ventures, Mr. Tyler served as Chief Executive Officer and a director of Moore Corporation Limited, a provider of data capture, information design, marketing services, digital communications and print solutions, from 1998 to 2000. Prior to joining Moore Corporation, Mr. Tyler served in various capacities at R.R. Donnelley & Sons Company, most recently as Executive Vice President and Chief Technology Officer, from 1997 to 1998, and as Executive Vice President and Sector President of Donnelley's Networked Services Sector, from 1995 to 1997. Mr. Tyler's extensive experience as a senior executive and director of other companies, both private and publicly traded, is extremely valuable to the Board of Directors.

INFORMATION REGARDING EXECUTIVE OFFICERS AND OTHER SENIOR MANAGEMENT

Scott A. Musil

Mr. Musil, 48, has been Chief Financial Officer of the Company since March 2011. He served as acting Chief Financial Officer of the Company from December 2008 to March 2011. Mr. Musil has also served as Senior Vice President of the Company since March 2001, Treasurer of the Company since May 2002 and Assistant Secretary of the Company since August 2014. Mr. Musil previously served as Controller of the Company from December 1995 to March 2012, Assistant Secretary of the Company from May 1996 to March 2012 and July 2012 to May 2014, Vice President of the Company from May 1998 to March 2001, Chief Accounting Officer from March 2006 to May 2013 and Secretary from March 2012 to July 2012 and May 2014 to August 2014. Prior to joining the Company, he served in various capacities with Arthur Andersen & Company, culminating as an audit manager specializing in the real estate and finance industries. Mr. Musil is a non-practicing certified public accountant. His professional affiliations include the American Institute of Certified Public Accountants and NAREIT.

Johannson L. Yap

Mr. Yap, 53, has been the Chief Investment Officer of the Company since February 1997 and Executive Vice President — West Region since March 2009. From April 1994 to February 1997, he served as Senior Vice President — Acquisitions of the Company. Prior to joining the Company, Mr. Yap joined The Shidler Group, a former affiliate of the Company, in 1988 as an acquisitions associate, and became Vice President in 1991, with

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responsibility for acquisitions, property management, leasing, project financing, sales and construction management functions. His professional affiliations include Urban Land Institute, NAREIT and the Council of Logistics Management, and he serves as a member of both the Board of Advisors for the James Graaskamp Center for Real Estate at the University of Wisconsin and the Advisory Board of the Center for Real Estate at the Kelley School of Business of the University of Indiana.

David G. Harker

Mr. Harker, 57, has been Executive Vice President — Central Region of the Company since March 2009. From April 2005 to March 2009 he served as Executive Director — Investments of the Company. From 2002 to April 2005, he served as a Senior Regional Director of the Company and from 1998 to 2002 he served as a Regional Director of the Company, with responsibility for the Company's portfolio in Nashville, St. Louis, Louisville and Memphis. Prior to joining the Company, Mr. Harker was a Vice President of the Trammell Crow Company from 1992 to 1998.

Peter O. Schultz

Mr. Schultz, 53, has been Executive Vice President — East Region of the Company since March 2009. From January 2009 to March 2009 he served as Senior Vice President — Portfolio Management of the Company. From November 2007 to December 2008, he served as a Managing Director of the Company, with responsibility for the Company's East Region. From September 2004 to November 2007, he served as a Vice President — Leasing of the Company, with responsibility for the Company's leasing team and asset management plan implementation in the East Region. From January 2001 to September 2004, he served as a Senior Regional Director of the Company, with responsibility for the Company's portfolio in Eastern Pennsylvania and Southern New Jersey. From March 1998 to December 2000, he served as a Regional Director of the Company, with responsibility for the Company's portfolio in Eastern Pennsylvania. Prior to joining the Company, Mr. Schultz served as President and Managing Partner of PBS Properties, Inc. from November 1990 to March 1998, prior to which time he was Director of Marketing and Sales for the Pickering Group and Morgantown Properties. His professional affiliations include the National Association of Industrial and Office Properties.

THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

The Board of Directors. The Board of Directors currently consists of six seats. A majority of the members of the Board of Directors are independent as affirmatively determined by the Board of Directors. In determining the independence of its members, the Board of Directors applied the independence standards and tests set forth in Sections 303A.02(a) and (b) of the Listed Company Manual of the NYSE.

Applying such standards, the Board of Directors has affirmatively determined that each of Messrs. Dominski, Hackett, Rau, Sharpe and Tyler are independent directors.

The Board of Directors held eleven meetings and acted four times by unanimous consent during 2015. Each of the directors serving in 2015 attended at least 75% of the total number of meetings of the Board of Directors and of the respective committees of the Board of Directors of which he was a member. Although the Company does not have a formal policy regarding director attendance at Annual Meetings of Stockholders, all of the directors then serving attended the 2015 Annual Meeting of Stockholders. During 2015, Mr. Tyler, in his capacity as Chairman of the Board, presided at meetings of non-management directors.

The Board of Directors has adopted Corporate Governance Guidelines to reflect the principles by which it operates. These guidelines, as well as the charters of the Audit Committee, Compensation Committee and Nominating/Corporate Governance Committee of the Board of Directors, are accessible at the investor relations pages of the Company's website at www.firstindustrial.com and are available in print free of charge to any stockholder or other interested party who requests them. The Company has adopted a Code of Business Conduct and Ethics, which includes the principles by which the Company expects its employees, officers and directors to conduct Company business and which is accessible at the investor relations pages of the Company's website at

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www.firstindustrial.com and is available in print free of charge to any stockholder or other interested party who requests it. The Company intends to post on its website amendments to, or waivers from, any provision of the Company's Code of Business Conduct and Ethics. The Company also posts or otherwise makes available on its website from time to time other information that may be of interest to investors and other interested parties. However, none of the information provided on the Company's website is part of the proxy solicitation material. See "Other Matters — Incorporation by Reference" herein.

The Board of Directors has appointed an Audit Committee, a Compensation Committee, an Investment Committee and a Nominating/Corporate Governance Committee.

Audit Committee. The Audit Committee is directly responsible for the appointment, discharge, compensation, and oversight of the work of any independent registered public accounting firm employed by the Company for the purpose of preparing or issuing an audit report or related work. In connection with such responsibilities, the Audit Committee approves the engagement of independent public accountants, reviews with the independent public accountants the audit plan, the audit scope, and the results of the annual audit engagement, pre-approves audit and non-audit services and fees of the independent public accountants, reviews the independence of the independent public accountants and reviews the adequacy of the Company's internal control over financial reporting.

The Audit Committee currently consists of Messrs. Hackett, Sharpe and Rau. Each of Messrs. Hackett, Sharpe and Rau is, in the judgment of the Company's Board of Directors, independent as required by the listing standards of the NYSE and the rules of the SEC. Also, in the judgment of the Company's Board of Directors, each member is financially literate as required by the listing standards of the NYSE. Further, in the judgment of the Company's Board of Directors, Mr. Hackett is an "audit committee financial expert," as such term is defined in the SEC rules, and has "accounting or related financial management expertise," as defined in the listing standards of the NYSE. See Mr. Hackett's biography on page 4. Mr. Hackett is also the current Chairman of the Audit Committee. The Audit Committee met five times in 2015.

Compensation Committee. The Compensation Committee has overall responsibility for approving and evaluating the compensation plans, policies and programs relating to the executive officers of the Company. The Compensation Committee administers the First Industrial Realty Trust, Inc. 2011 Stock Incentive Plan (the "2011 Stock Plan") and the First Industrial Realty Trust, Inc. 2014 Stock Incentive Plan (the "2014 Stock Plan"), and has the authority to grant awards under the 2014 Stock Plan. The Compensation Committee currently consists of Mr. Tyler and Mr. Sharpe, both of whom are, in the judgment of the Company's Board of Directors, independent as required by the listing standards of the NYSE. Mr. Sharpe currently serves as the Chairman of the Compensation Committee. The Compensation Committee met three times in 2015.

Investment Committee. The Investment Committee provides oversight and discipline to the investment process. Investment opportunities are described in written reports based on detailed research and analyses in a standardized format applying appropriate underwriting criteria. The Investment Committee meets with the Company's investment personnel, reviews each submission thoroughly and approves acquisitions and dispositions of land of greater than \$5 million and all other acquisitions, dispositions and development projects of greater than \$20 million. The Investment Committee makes a formal recommendation to the Board of Directors for all acquisitions, dispositions and development projects in excess of \$50 million. The membership of the Investment Committee currently consists of Messrs. Hackett, Dominski and Duncan. The Investment Committee met eight times in 2015.

Nominating/Corporate Governance Committee. The Nominating/Corporate Governance Committee recommends individuals for election as directors at the Annual Meeting of Stockholders of the Company and in connection with any vacancy that may develop on the Board of Directors. In turn, the Board of Directors as a whole either approves by a majority vote all of the nominations so recommended by the Nominating/Corporate Governance Committee or rejects all of the nominations in whole, but not in part. In the event that the Board of Directors rejects the recommended nominations, the Nominating/Corporate Governance Committee would develop a new recommendation. In addition, the Nominating/Corporate Governance Committee develops and

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oversees the Company's corporate governance policies. The membership of the Nominating/Corporate Governance Committee currently consists of Messrs. Dominski, Hackett and Rau, each of whom, in the judgment of the Board of Directors, is independent as required by the listing standards of the NYSE. Mr. Rau is the current Chairman of the Nominating/Corporate Governance Committee. The Nominating/Corporate Governance Committee met once during 2015 and met in March 2016 to determine its nominations for this Proxy Statement.

The Nominating/Corporate Governance Committee will consider nominees recommended by stockholders of the Company. In order for a stockholder to nominate a candidate for election as a director at an Annual Meeting, proper notice must be given in accordance with our Bylaws and applicable SEC regulations to the Secretary of the Company. Pursuant to our Bylaws and applicable SEC regulations, such notice of a director nominee must be provided to the Secretary of the Company not more than 150 days and not less than 120 days prior to the first anniversary of the date the Company's proxy statement for the prior year's Annual Meeting of Stockholders was released to stockholders. The fact that the Company may not insist upon compliance with these requirements should not be construed as a waiver by the Company of its right to do so at any time in the future.

In general, it is the Nominating/Corporate Governance Committee's policy that, in its judgment, its recommended nominees for election as members of the Board of Directors of the Company must, at a minimum, have business experience of a breadth, and at a level of complexity, sufficient to understand all aspects of the Company's business and, through either experience or education, have acquired such knowledge as is sufficient to qualify as financially literate. In addition, recommended nominees must be persons of integrity and be committed to devoting the time and attention necessary to fulfill their duties to the Company. While the Nominating/Corporate Governance Committee has not adopted a formal diversity policy, diversity is one of the factors that the Nominating/Corporate Governance Committee considers in identifying director nominees. As part of the nomination process, the Nominating/Corporate Governance Committee evaluates how a particular individual would affect the diversity of the Company's Board of Directors in terms of how that person may contribute to the Board of Directors' overall balance of perspectives, backgrounds, knowledge, experience, skill sets and expertise in matters pertaining to the Company's business.

The Nominating/Corporate Governance Committee may identify nominees for election as members of the Board of Directors through its own sources (including through nominations by stockholders made in accordance with our Bylaws), through sources of other directors of the Company, and through the use of third-party search firms. Subject to the foregoing minimum standards, the Nominating/Corporate Governance Committee will evaluate each nominee on a case-by-case basis, assessing each nominee's judgment, experience, independence, understanding of the Company's business or that of other related industries, and such other factors as the Nominating/Corporate Governance Committee concludes are pertinent in light of the current needs of the Company's Board of Directors.

Communications by Stockholders and Other Interested Parties. Stockholders of the Company and other interested parties may send communications to the Board of Directors as a whole, its individual members, its committees or its non-management members as a group. Communications to the Board of Directors as a whole should be addressed to "The Board of Directors;" communications to any individual member of the Board of Directors should be addressed to such individual member; communications to any committee of the Board of Directors should be addressed to the Chairman of such committee; and communications to non-management members of the Board of Directors as a group should be addressed to the Lead Independent Director. In each case, communications should be further addressed "c/o First Industrial Realty Trust, Inc., 311 South Wacker Drive, Suite 3900, Chicago, Illinois 60606." All communications will be forwarded to their respective addressees and, if a stockholder marks his or her communication "Confidential," will be forwarded directly to the addressee.

Board Leadership Structure and Lead Independent Director. Our Board of Directors recognizes that one of its key responsibilities is to evaluate and determine its optimal leadership structure so as to provide effective oversight of management and a fully-engaged, high-functioning Board of Directors. As previously announced, Mr. Duncan has informed us that he plans to retire as the Company's Chief Executive Officer by year-end 2016, and the Board of Directors is currently conducting a process to choose his successor. As a result of these

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developments, the Board of Directors has re-evaluated the leadership structure of the Board of Directors and believes that having Mr. Duncan serve as both Chairman and Chief Executive Officer is currently in the best interests of the Company. Our Board of Directors believes that appointing Mr. Duncan as Chairman before he retires as Chief Executive Officer will both provide for an orderly transition when Mr. Duncan's successor as Chief Executive Officer is identified and ensure that Mr. Duncan continues to be an asset to the Company following his retirement as our Chief Executive Officer.

In establishing the structure of the Board of Directors, we believe that the objective is to strengthen the independence and general role of the Board of Directors with appropriate checks and balances on the power, actions and performance of our Chief Executive Officer. Because Mr. Duncan is currently serving as both our Chairman and as our Chief Executive Officer, the Board of Directors has established the Lead Independent Director position to provide leadership to our independent directors and liaise on their behalf with our Chief Executive Officer and Chairman as may be appropriate. The Board of Directors has chosen Mr. Rau, the Chairman of its Nominating/Corporate Governance Committee, to serve as Lead Independent Director. The Lead Independent Director chairs the executive sessions of the independent directors and is empowered to call meetings of the independent directors of the Board of Directors. The Lead Independent Director also approves information sent to the Board of Directors and has the authority to approve information sent to the Board of Directors, as well as meeting agendas and schedules, to ensure that there is sufficient time for discussion of all agenda items.

Board Oversight of Risk Management. The Board of Directors oversees the business of the Company and our stockholders' interests in the long-term financial strength and overall success of the Company's business. In this respect, the Board of Directors is responsible for overseeing the Company's risk management. The Board of Directors delegates many of these functions to the Board's committees. Each committee of the Board of Directors is responsible for reviewing the risk exposure of the Company related to the committees' areas of responsibility and providing input to the Board of Directors on such risks. The Board of Directors and its committees regularly review material strategic, operational, financial, compensation and compliance risks with management.

For example, under its charter, the Audit Committee is required to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the financial information that will be provided to the stockholders, the systems of internal controls that management and the Board of Directors have established and the audit process. The Audit Committee is responsible for facilitating communication between the Company's independent auditors and the Board of Directors and management, and for reviewing with the independent auditors the adequacy of the Company's internal controls. The Audit Committee also reviews with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.

Similarly, the Compensation Committee strives to adopt compensation incentives that encourage appropriate risk-taking behavior that is consistent with the Company's long-term business strategy. We do not believe that our compensation policies and practices are reasonably likely to have a material adverse effect on the Company. The Compensation Committee has focused on aligning our compensation policies with our stockholders' long-term interests and avoiding short-term rewards for management or awards that encourage excessive or unnecessary risk taking. For example, a substantial amount of compensation provided to the Company's executive officers is in the form of equity awards for which the ultimate value of the award is tied to the Company's stock price and which are subject to long-term vesting schedules. In addition, annual cash and equity bonuses provided to management under the 2015 Employee Bonus Plan (as defined on page 14) were contingent, among other factors, upon the Company's satisfaction of prescribed levels of funds from operations ("FFO"), same store net operating income growth and fixed charge coverage ratio. Because these awards are directly tied to increased financial performance and stock price, in line with our stockholders' interests, we believe that none of these types of awards contribute to excessive or unnecessary risk taking.

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DIRECTOR COMPENSATION

Compensation of non-employee directors is reviewed annually by the Compensation Committee of the Board of Directors, which makes any recommendations of compensation changes to the entire Board of Directors. Non-employee directors are not entitled to retirement benefits, incentive compensation or perquisites for their service, although they are reimbursed for their out-of-pocket expenses for meeting attendance.

Compensation for non-employee directors of the Company currently consists of an annual cash director's fee of \$70,000 and an annual grant of restricted Common Stock with a grant date fair value of approximately \$70,000. No fees are paid for attendance at in-person or telephonic meetings of the Board of Directors and its committees. Additional annual fees are paid in cash for service as Chairman of the Audit Committee, Chairman of the Compensation Committee and Chairman of the Nominating/Corporate Governance Committee in amounts of \$30,000, \$20,000 and \$15,000, respectively, and for non-chair service on the Audit Committee, the Compensation Committee, the Investment Committee and the Nominating/Corporate Governance Committee in amounts of \$9,000, \$7,500, \$7,500 and \$6,000, respectively. No additional fee is currently paid for service as Lead Independent Director.

Mr. Duncan, our Chief Executive Officer, receives no additional compensation for his service as a director or his service as Chairman of our Board of Directors. Prior to Mr. Duncan's appointment as Chairman, the Company paid Mr. Tyler, our prior Chairman, an annual fee equal to \$50,000 for such service.

DIRECTOR COMPENSATION TABLE

<u>Name</u>	<u>Fees Earned or Paid in Cash (\$)</u>	<u>Stock Awards (\$)⁽¹⁾⁽²⁾</u>	<u>Total Compensation (\$)</u>
Matthew S. Dominski	83,500	69,992	153,492
H. Patrick Hackett, Jr.	113,500	69,992	183,492
John Rau	94,000	69,992	163,992
L. Peter Sharpe	99,000	69,992	168,992
W. Ed Tyler	120,000	69,992	189,992

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- (1) Amounts reflect the aggregate grant date fair value of each award as determined under FASB ASC Topic 718.
- (2) Represents 3,477 shares of restricted Common Stock granted to Messrs. Dominski, Hackett, Rau, Sharpe and Tyler during 2015. In addition to the restricted Common Stock granted in 2015 reflected in the above table, as of December 31, 2015, Mr. Rau held an additional 185 shares of unvested restricted Common Stock and Mr. Tyler held an additional 371 shares of unvested restricted Common Stock.

COMPENSATION DISCUSSION AND ANALYSIS

2015 ACCOMPLISHMENTS

2015 was a successful year for the Company, marked by continued execution of our strategy: driving long-term cash flow growth and value for shareholders through leasing; enhancing our portfolio through new developments; acquiring and selling select properties; and maintaining our strong balance sheet.

Decisions by the Board of Directors on executive compensation are reflective of the Company's strong performance during the year, including:

- Delivering total return to stockholders of 10.3%;
- Growing our Common Stock dividend by 24.4%;
- Increasing in-service portfolio occupancy to 96.1% at year-end 2015, up 180 basis points from year-end 2014;
- Growing rental rates on new and renewal leases by 3.5% on a cash basis;
- Placing in service seven buildings totaling 1.8 million square feet, three of which are located in Southern California, two in Dallas, and one each in Houston and Minneapolis, that were 95% leased on average at December 31, 2015, with a total estimated investment of \$109.2 million;
- Completing four additional developments totaling 1.2 million square feet located in Dallas, Eastern Pennsylvania, Phoenix and Southern California, with an estimated total investment of \$82.4 million;
- Starting four additional developments totaling 1.4 million square feet, one of which is a 100% leased build-to-suit located in Atlanta and the remainder of which are speculative developments located in Chicago, Dallas and Southern California, with an estimated total investment of \$78.7 million;
- Acquiring eight industrial properties comprising 1.9 million square feet plus several development sites for a total of \$169.2 million; and
- Selling 66 industrial properties totaling 3.8 million square feet plus four land parcels for a total of \$158.4 million.

OBJECTIVES AND DESIGN OF COMPENSATION PROGRAM

The Company maintains the philosophy that compensation of its executive officers and other employees should serve the best interests of the Company's stockholders. Accordingly, the Company believes that its executive compensation program should not only serve to attract and retain talented and capable individuals, but should also provide them with proper incentives linked to performance criteria that are designed to maximize the Company's overall performance. To this end, the Company's compensation program consists of a mix of compensation that is intended to compensate executive officers for their contributions during the year, and to reward them for achievements that lead to increased Company performance and increases in stockholder value.

THE EXECUTIVE COMPENSATION PROCESS AND THE ROLE OF EXECUTIVE OFFICERS IN COMPENSATION DECISIONS

The Compensation Committee of the Company's Board of Directors (the "Compensation Committee") has overall responsibility for approving and evaluating the compensation plans, policies and programs relating to the executive officers of the Company. The Compensation Committee typically formulates compensation beginning in December of the prior fiscal year and continuing through the first quarter of the applicable fiscal year, by setting that year's salary and, if applicable, maximum cash and equity bonuses for the Company's employees, including those named executive officers listed in the Summary Compensation Table on page 22 (the "Named Executive Officers"). Also, typically in the first quarter of the applicable fiscal year, the Compensation

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Committee adopts, and the full Board of Directors ratifies, the performance criteria to be used for that year in determining the incentive compensation of the Company's employees, including the Named Executive Officers, other than those covered by separate plans or agreements. Then, after the end of the applicable fiscal year, the Compensation Committee meets to determine incentive compensation to be paid to the Company's employees, including the Named Executive Officers, with respect to that year, pursuant to the performance criteria or, as applicable, pursuant to separate plans or agreements. Per such determination, the Company pays cash bonuses and issues restricted Common Stock, typically in February or March.

Historically, the Company's Chief Executive Officer and Chief Financial Officer have participated in meetings with the Compensation Committee at various times throughout the year. During the first quarter of the applicable fiscal year, they typically meet with the Compensation Committee to present and discuss recommendations with respect to the applicable fiscal year's salaries and maximum cash and equity bonuses for the Named Executive Officers, other than themselves. Also, in the first quarter of each year, they typically meet with the Compensation Committee to present and discuss recommendations with respect to incentive compensation for the year just ended. In addition, they traditionally meet with the Compensation Committee regarding employment agreements that the Company has entered into (if any) and, if a compensation consultant has been engaged to evaluate the Company's compensation programs, assist the Compensation Committee in providing compensation information to such consultant. However, neither our Chief Executive Officer nor our Chief Financial Officer participate in any decisions with respect to their own compensation.

Periodically, though not every year, the Company and the Compensation Committee engage the services of outside consultants to evaluate the Company's executive compensation program. In 2012 and 2013, the Compensation Committee retained FPL Associates, L.P. ("FPL"), a nationally-recognized compensation consulting firm specializing in the real estate industry, to review the appropriateness of our compensation, including that of the Named Executive Officers. The Compensation Committee retains the discretion to work again with FPL or an alternative compensation consultant to review our executive compensation program. Consistent with SEC rules, the Company assessed whether the work of FPL raised any conflict of interest and determined that the retention of FPL to advise the Compensation Committee concerning executive compensation matters did not create a conflict of interest. Neither the Compensation Committee nor the Company has any other professional relationship with FPL.

The Compensation Committee directed FPL to, among other things: (1) assist the Compensation Committee in applying our compensation philosophy for the Named Executive Officers, including the determination of the portion of total compensation awarded in the form of base salary, annual incentives and equity-based compensation, as well as selecting the appropriate performance metrics and levels of performance; (2) analyze current compensation conditions among the Company's peers, and assess the competitiveness and appropriateness of compensation levels for the Named Executive Officers; (3) recommend to the Compensation Committee any modifications or additions to the Company's existing compensation programs that it deems advisable; (4) make specific recommendations to the Compensation Committee for base salary, annual incentives and equity-based awards for the Named Executive Officers; and (5) assist with the establishment of the Long-Term Incentive Program (as described in greater detail on page 17 under "Long-Term Incentive Program").

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As part of its review, FPL surveyed the compensation programs of 30 real estate companies. This peer group, which was referenced primarily to gauge the general appropriateness of the Company's overall executive compensation structure, included the following companies, 15 of which at such time had a total capitalization smaller than the Company's and 15 of which had a total capitalization larger than the Company's:

Acadia Realty Trust	American Assets Trust, Inc.	Ashford Hospitality Trust, Inc.
Colonial Properties Trust	CubeSmart	DCT Industrial Trust Inc.
DiamondRock Hospitality Company	Dupont Fabros Technology, Inc.	EastGroup Properties, Inc.
EPR Properties	Equity One, Inc.	Extra Space Storage Inc.
Felcor Lodging Trust Incorporated	Glimcher Realty Trust	Hersha Hospitality Trust
LaSalle Hotel Properties	Lexington Realty Trust	Medical Properties Trust, Inc.
Omega Healthcare Investors, Inc.	Pennsylvania Real Estate Investment Trust	Post Properties, Inc.
PS Business Parks, Inc.	RLJ Lodging Trust	Saul Centers, Inc.
Sovran Self Storage, Inc.	Strategic Hotels & Resorts, Inc.	Sun Communities, Inc.
Sunstone Hotel Investors, Inc.	W. P. Carey Inc.	Washington Real Estate Investment Trust

The Compensation Committee used the data provided in connection with FPL's survey not as a benchmark per se, but rather as a reference point to gauge generally the appropriateness of the Company's executive compensation programs.

EXECUTIVE COMPENSATION COMPONENTS

The components of the Company's executive compensation program are base salary, cash and equity incentive bonuses and benefits and perquisites. Each component of the Company's executive compensation program is intended to attract and retain talented, capable individuals to the Company's executive ranks.

Base salary and benefits and perquisites are intended to provide a level of fixed compensation to the Named Executive Officers for services rendered during the year. Increases to base salary are typically a function of individual performance and general economic conditions. Benefits and perquisites available generally to the Company's employees, including the Named Executive Officers, currently include: premiums paid by the Company on term life insurance and long-term disability insurance; standard health, life and disability insurance; car allowances; and 401(k) matching contributions.

Incentive bonuses, by contrast, are linked to, and are a function of, the achievement of performance criteria that are designed with the intention of incentivizing the Named Executive Officers to maximize the Company's overall performance. Incentive bonuses are awarded as either cash or equity. The Compensation Committee does not have a specific policy regarding the mix of cash and non-cash compensation awarded to the Named Executive Officers. Although the exact percentages vary among individuals, equity comprises approximately 45-50% of the potential incentive bonuses for the Named Executive Officers as a group. For our Chief Executive Officer, the mix of cash and equity compensation he is entitled to receive is set forth in his employment agreement. Additionally, his annual incentive bonuses will typically be payable in a combination of cash and shares of restricted Common Stock, and it is expected that the portion paid in restricted Common Stock will be proportionate to the equity incentive compensation received by the Company's executive officers generally.

Historically, base salary and benefits and perquisites have made up approximately 20-30% of a Named Executive Officer's compensation in a typical year, while incentive bonuses have comprised the remaining portion. Although this mix may vary from year to year, the Compensation Committee strives to ensure that the Named Executive Officers' compensation is largely performance-based.

The Compensation Committee believes that restricted Common Stock awards and Performance Unit (as defined on page 17) awards play an important role in aligning management's interests with those of the Company's stockholders in that restricted Common Stock and Performance Units (other than the vesting and transfer restrictions applicable to them) are economically identical to stockholders' Common Stock. For this reason, restricted Common Stock and Performance Unit awards have been a significant part of executive compensation, although the Compensation Committee may use other forms of equity compensation in the future.

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ADVISORY VOTE ON EXECUTIVE COMPENSATION

We have determined that our stockholders should vote on a say-on-pay proposal each year, consistent with the preference expressed by our stockholders at our 2011 Annual Meeting of Stockholders. While the results of each of these votes is non-binding, we believe that presenting this matter to our stockholders annually is an important means of obtaining investor feedback on our compensation policies.

At our 2015 Annual Meeting of Stockholders, 98.8% of the votes cast in the vote on the compensation of our Named Executive Officers as disclosed in the proxy statement for that meeting were in favor of such compensation and, as a result, the compensation of our Named Executive Officers was approved by our stockholders on an advisory basis. In light of this support, the Board of Directors and Compensation Committee elected not to make any changes to our executive compensation policies at this time.

To the extent that the advisory vote conducted at our 2016 Annual Meeting indicates a lack of support for the compensation of our Named Executive Officers as disclosed in this Proxy Statement, we plan to consider our stockholders' concerns and expect that the Compensation Committee will evaluate whether any actions are necessary to address those concerns.

SETTING EXECUTIVE COMPENSATION

Base Salary

The Company provides the Named Executive Officers with base salary to compensate them for services rendered during the fiscal year. The base salaries of the Named Executive Officers are a function of either the minimum base salaries specified in their employment agreements or the base salary negotiated at the time of an executive's initial employment, and any subsequent increases to such base salaries approved by the Compensation Committee. In determining increases to such base salaries for any year, the Compensation Committee considers individual performance of the Named Executive Officers in the most recently completed year, including organizational and management development and leadership exhibited from year-to-year. The Compensation Committee also considers, but does not specifically benchmark compensation to, peer information provided by compensation consultants. The Compensation Committee also considers general economic conditions prevailing at the end of such year, when the increases for the following year are typically determined. The Company does not guarantee annual base salary increases to anyone. In December 2012, the Company entered into an employment agreement with Mr. Duncan that provides, among other things, for a minimum annual base salary of \$850,000. Mr. Duncan voluntarily agreed to reduce his base salary to \$832,000 during 2013, 2014 and 2015. For 2015, the base salaries paid to the Named Executive Officers remained the same as in 2014 as reflected in the Summary Compensation Table of this Proxy Statement.

Annual Incentive Bonuses

The Company provides its senior executives with annual incentive compensation, which currently includes cash and equity awards, in the form of restricted Common Stock, to incentivize and reward them for Company and individual performance. The Company does not guarantee annual bonuses to anyone.

2015 Employee Bonus Plan

For 2015, each Named Executive Officer participated in the incentive compensation plan generally available to the Company's employees (the "2015 Employee Bonus Plan"), which plan was recommended by the Compensation Committee and adopted by the Board of Directors on March 11, 2015.

Under the 2015 Employee Bonus Plan, a "bonus pool" is established based on the achievement by the Company of certain identified thresholds of four performance categories. These categories are (i) FFO per share (as described below), (ii) same store NOI ("SS NOI") growth (as described below), (iii) fixed charge coverage ratio (as described below) and (iv) discretionary financial and non-financial objectives determined by the Company's Chief Executive Officer. The Compensation Committee believes that FFO per share is an important measure of the Company's performance because, by excluding gains or losses related to sales of previously

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depreciated real estate assets, real estate asset depreciation and amortization and impairment charges (reversals) recorded on depreciable real estate, FFO captures the operating results of the long-term assets that form the core of the Company's business and makes comparison of the Company's operating results with those of other REITs more meaningful. The Compensation Committee believes that, because our success depends largely upon our ability to lease space and to recover the operating costs associated with those leases from our tenants, SS NOI is also an important measure of the Company's performance. Finally, the Compensation Committee believes that fixed charge coverage ratio is an important measure of the Company's performance because it is critical to maintaining and improving the rating on the Company's unsecured debt.

Each of these performance categories may be adjusted by the Compensation Committee in its discretion to exclude the effects of certain items. The Compensation Committee assigned weighting factors to each of the performance categories, such that performance in certain categories had a more pronounced impact on the bonus pool under the 2015 Employee Bonus Plan than did performance in other categories. The weighting factors were as follows:

<u>Category</u>	<u>Weighting Factor</u>
FFO ⁽¹⁾ per share	65%
SS NOI ⁽²⁾ growth	10%
Fixed charge coverage ratio ⁽³⁾	10%
Discretionary objectives	15%

- (1) FFO is a non-GAAP financial measure created by NAREIT as a supplemental measure of REIT operating performance that excludes certain items from net income (loss) determined in accordance with GAAP. FFO is calculated by us in accordance with the definition adopted by the Board of Governors of NAREIT and therefore may not be comparable to other similarly titled measures of other companies. Please see the reconciliation of FFO to net income available to common stockholders contained in our Annual Report on Form 10-K filed on February 25, 2016.
- (2) SS NOI is a non-GAAP financial measure that provides a measure of rental operations, and does not factor in depreciation and amortization, general and administrative expense, acquisition costs, interest expense, impairment charges, interest income, equity in income from joint ventures, income tax expense/benefit, gains and losses on retirement of debt, sale of real estate and mark-to-market and settlement loss on interest rate protection agreements. The Company defines SS NOI as revenues minus property expenses such as real estate taxes, repairs and maintenance, property management, utilities, insurance and other expenses, minus the net operating income of properties that are not same store properties and minus the impact of straight-line rent, the amortization of lease inducements, the amortization of above/below market rent and lease termination fees. As so defined, SS NOI may not be comparable to same store net operating income or similar measures reported by other REITs that define same store properties or net operating income differently. The major factors influencing SS NOI are changes in occupancy levels, rental rates, tenant recoveries and free rent periods. Please see the reconciliation of same store revenues and property expenses to SS NOI contained in our Annual Report on Form 10-K filed on February 25, 2016.
- (3) The Company is a party to certain lending arrangements that require the Company to maintain a specified fixed charge coverage ratio. For purposes of the 2015 Employee Bonus Plan, the Company defined fixed charge coverage ratio in accordance with that certain Second Amended and Restated Unsecured Revolving Credit Agreement, dated as of March 10, 2015, a copy of which was filed with our Current Report on Form 8-K filed on March 12, 2015.

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The Compensation Committee established performance targets relating to each performance category for the 2015 Employee Bonus Plan. The Company's 2015 performance in the identified performance categories resulted in the following funding of the bonus pool associated with that performance category:

<u>Category</u>	<u>Performance Target</u>	<u>Actual Result</u>	<u>Bonus Pool Funding %</u>
FFO per share	\$1.32 ⁽¹⁾	\$1.37 ⁽¹⁾	106.3%
SS NOI growth	4.0% ⁽²⁾	5.5% ⁽²⁾	125.0%
Fixed charge coverage ratio	2.57x	2.66x ⁽³⁾	125.0%

- (1) Amount excludes an accrual for cash bonuses and certain other items.
- (2) The Compensation Committee calculated SS NOI growth using a cumulative quarterly average as opposed to the methodology traditionally utilized in our financial reporting, which measures the year-over-year growth of our properties.
- (3) Amount adjusted to account for the timing of certain debt issuances.

The Compensation Committee determined that the funding percentage for the bonus pool with respect to the discretionary objectives should be 80% based on the Company's overall performance in 2015, as described in greater detail on page 11 under "2015 Accomplishments." The Company's 2015 performance in the identified performance categories resulted in the Compensation Committee authorizing an aggregate bonus pool available under the 2015 Employee Bonus Plan in an amount up to 100% of the aggregate target maximum cash and equity bonuses of all eligible employees, including the Named Executive Officers. After determining the aggregate bonus pool available under the 2015 Employee Bonus Plan, the Compensation Committee and our Chief Executive Officer allocated individual awards based on the individual award recipients' performance.

The target maximum bonuses for the Named Executive Officers for purposes of the 2015 Employee Bonus Plan were as follows:

<u>Executive Officer</u>	<u>Target Maximum Cash Bonus (% of Base Salary)</u>	<u>Target Maximum Equity Bonus (% of Base Salary)</u>
Bruce W. Duncan	225%	200%
Scott A. Musil	150%	100%
Johannson L. Yap	200%	140%
David G. Harker	150%	100%
Peter O. Schultz	150%	100%

The actual percentage of cash and equity bonuses (the "Individual Cash Percentage" and the "Individual Equity Percentage") awarded to the Named Executive Officers were determined as described below.

The actual individual bonuses paid to the Named Executive Officers (other than our Chief Executive Officer) from the bonus pool were determined by the Compensation Committee, after recommendations from our Chief Executive Officer, based upon the respective officer's achievement of the following individual performance objectives that were approved by the Board of Directors and communicated to the officer:

<u>Executive Officer</u>	<u>Individual Performance Objectives</u>
Scott A. Musil	Progress with respect to leverage and fixed charge coverage ratios, execution of the Company's unsecured line of credit and term loan and overall investor relations
Johannson L. Yap	Progress with respect to investments and divestitures, completing and leasing developments and overall performance of the West Region of the Company
David G. Harker	Progress with respect to investments, completing and leasing developments and overall performance of the Central Region of the Company
Peter O. Schultz	Progress with respect to investments, completing and leasing developments and overall performance of the East Region of the Company

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The actual individual bonus paid to our Chief Executive Officer from the bonus pool was determined by the Compensation Committee based upon its assessment of the Company's overall performance and the Company's achievement of the corporate performance goals under the 2015 Employee Bonus Plan.

The aggregate amount of cash and equity bonuses paid to the Named Executive Officers under the 2015 Employee Bonus Plan was \$6,210,099. The cash bonus payments and equity grants made in the first quarter of 2016 to each of our Named Executive Officers in settlement of awards under the 2015 Employee Bonus Plan, together with the applicable Individual Cash Percentage and Individual Equity Percentage, are reflected in the following table:

<u>Executive Officer</u>	<u>Individual Cash Percentage (%)⁽¹⁾</u>	<u>Cash Bonus Paid (\$)</u>	<u>Individual Equity Percentage (%)⁽¹⁾</u>	<u>Shares of Restricted Stock⁽²⁾</u>	<u>Grant Date Fair Value of Award (\$)</u>
Bruce W. Duncan	81	1,550,000	94	81,081	1,589,998
Scott A. Musil	94	375,000	113	15,300	300,033
Johannson L. Yap	73	550,000	108	29,322	575,004
David G. Harker	97	350,000	125	15,300	300,033
Peter O. Schultz	91	340,000	112	14,280	280,031

- (1) The Individual Cash Percentage and Individual Equity Percentage each reflect the actual cash bonus or equity issuance as a percentage of the respective target maximum amount for each individual.
- (2) The number of shares approved by the Compensation Committee was determined based on the \$19.61 closing price of the Common Stock on February 9, 2016, which was the date the Compensation Committee approved awards under the 2015 Employee Bonus Plan.

For 2013 and 2014, the Named Executive Officers participated in an incentive compensation plan similar to the 2015 Employee Bonus Plan.

Long-Term Incentive Program

On June 25, 2013, upon recommendation from the Compensation Committee, the Board of Directors adopted the Long-Term Incentive Program (the "LTIP"), effective as of July 1, 2013. The purpose of the LTIP is to provide incentives for the achievement of longer-term sustained value creation metrics and retention by focusing on longer-term fundamentals. Awards under the LTIP are predicated on the achievement of performance metrics, which ensures that the Company is able to base awards on measurable performance factors and business results.

The Board of Directors has authorized grants of awards in 2013, 2015 and 2016 under the LTIP (the "LTIP Awards"). Other than the performance periods, each of the LTIP Awards have identical vesting criteria and other terms and conditions. Grantees of LTIP Awards were issued a specified number of performance units ("Performance Units"), each of which represents the right to receive, upon vesting, one share of Common Stock plus dividend equivalents representing any dividends that accrued with respect to such share after the issuance of the Performance Units and prior to the date of vesting. All vested Performance Units and dividend equivalents will be settled in shares of Common Stock. Only those dividend equivalents that have accrued prior to the vesting date with respect to the shares underlying the Performance Units that actually vest will be paid to grantee upon vesting.

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Each LTIP Award vests based upon the relative total stockholder return of our Common Stock as compared to the MSCI U.S. REIT Index, with respect to 75% of the total Performance Units, and the NAREIT Industrial Index, with respect to the remaining 25% of the Performance Units, over the pre-established performance measurement period, as follows:

MSCI U.S. REIT Index Performance Units

	Total Company Stockholder Return for Performance Period Relative to Total Return for Performance Period of MSCI US REIT Index (RMS G)	Percentage of Performance Units Vested
Threshold . . .	MSCI US REIT Index minus 2%	25%
Target	MSCI US REIT Index plus 1%	40%
Stretch	MSCI US REIT Index plus 4%	85%
Maximum . . .	MSCI US REIT Index plus 7%	100%

NAREIT Industrial Index Performance Units

	Total Company Stockholder Return for Performance Period Relative to Total Return for Performance Period of NAREIT Industrial Index (FNINDTR)	Percentage of Performance Units Vested
Threshold . . .	NAREIT Industrial Index minus 2%	25%
Target	NAREIT Industrial Index plus 1%	40%
Stretch	NAREIT Industrial Index plus 4%	85%
Maximum . . .	NAREIT Industrial Index plus 7%	100%

Upon the consummation of a change of control of the Company, each grantee of an LTIP Award would become vested in a number of Performance Units based on the level of achievement of the applicable performance targets through the date of the change of control. In the event of a termination of a grantee's employment due to death or disability, the grantee would become vested in a pro rata number of Performance Units based on the level of achievement of the applicable performance targets through the date of death or disability. In the event of termination of a grantee's employment due to voluntary retirement, the grantee would become vested in a pro rata number of Performance Units based on the level of achievement of the applicable performance targets through the end of the original performance period.

On June 25, 2013, the Board of Directors authorized two equal grants under the LTIP to be made to certain employees of the Company, including each Named Executive Officer, effective as of July 1, 2013 (the "2013 LTIP Awards"). The performance period for all of the 2013 LTIP Awards began on July 1, 2013. The performance period for one-half of the awards ended on June 30, 2014 and the performance period for the other half ended on December 31, 2015. For the period July 1, 2013 through June 30, 2014, the total stockholder return of our Common Stock outperformed the MSCI U.S. REIT Index and the NAREIT Industrial Index by 11.00% and 9.21%, respectively. For the period July 1, 2013 through December 31, 2015, the total stockholder return of our Common Stock outperformed the MSCI U.S. REIT Index and the NAREIT Industrial Index by 9.48% and 10.67%, respectively. Accordingly, 100% of the 2013 LTIP Awards vested.

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The 2013 LTIP Awards awarded to each of our Named Executive Officers and the number of shares of Common Stock earned by such Named Executive Officers on June 30, 2014 and December 31, 2015, respectively, including in each case Common Stock issued due to dividend equivalents that accrued with respect to such 2013 LTIP Awards, were as follows:

<u>Executive Officer</u>	<u>2013 LTIP Awards</u>	<u>Shares of Common Stock Earned June 30, 2014</u>	<u>Shares of Common Stock Earned December 31, 2015</u>
Bruce W. Duncan	81,700	41,441	42,627
Scott A. Musil	81,700	41,441	42,627
Johannson L. Yap	81,700	41,441	42,627
David G. Harker	65,360	33,153	34,101
Peter O. Schultz	81,700	41,441	42,627

Effective January 1, 2015, the Board of Directors authorized an additional grant of Performance Units under the LTIP to be made to certain employees of the Company, including each Named Executive Officer (the “2015 LTIP Awards”). The performance period for the 2015 LTIP Awards began on January 1, 2015 and ends on December 31, 2017. The 2015 LTIP Awards awarded to each of our Named Executive Officers were as follows:

<u>Executive Officer</u>	<u>2015 LTIP Awards</u>
Bruce W. Duncan	24,039
Scott A. Musil	24,039
Johannson L. Yap	24,039
David G. Harker	22,837
Peter O. Schultz	24,039

Effective January 1, 2016, the Board of Directors authorized an additional grant of Performance Units under the LTIP to be made to certain employees of the Company, including each Named Executive Officer (the “2016 LTIP Awards”). The performance period for the 2016 LTIP Awards began on January 1, 2016 and ends on December 31, 2018. The 2016 LTIP Awards awarded to each of our Named Executive Officers were as follows:

<u>Executive Officer</u>	<u>2016 LTIP Awards</u>
Bruce W. Duncan	21,981
Scott A. Musil	21,981
Johannson L. Yap	21,981
David G. Harker	21,981
Peter O. Schultz	21,981

Broad-Based Benefits

All full-time employees, including the Named Executive Officers, are eligible to participate in our health and welfare benefit programs, including medical, dental and vision care coverage, disability insurance and life insurance, and our 401(k) plan. We also provide car allowances to certain of our employees, including certain of the Named Executive Officers.

Termination and Change-in-Control Triggers

Mr. Duncan has an employment agreement and separate agreements with respect to his restricted Common Stock and Performance Unit awards granted pursuant to the Company’s 2011 and 2014 Stock Plans, which agreements specify events, including change-in-control and, in the case of his restricted Common Stock awards, involuntary termination other than for cause, that trigger the payment of cash and vesting in restricted Common Stock and, as discussed above, Performance Units. Each of the other Named Executive Officers have agreements

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with respect to their restricted Common Stock and Performance Unit awards granted pursuant to the Company's 2011 and 2014 Stock Plans that specify events, including change-in-control, that trigger the vesting of such awards. The Company believes having such events as triggers for the payment of cash and/or vesting in restricted Common Stock and Performance Units promotes stability and continuity of management. See "Potential Payments Upon Termination or Change of Control" on page 27 for more information on the payments triggered by such events.

Stock Ownership Guidelines and Other Policies

The stock ownership guidelines for the Company's directors and senior executive officers are as follows:

<u>Position</u>	<u>Retainer/ Base Salary Multiple</u>
Directors	3x
Chief Executive Officer	5x
Chief Financial Officer, Chief Investment Officer and Executive Vice Presidents	4x

The stock ownership goal for each person subject to the ownership guidelines is determined on an individual basis, using their current retainers or base salaries and using the greater of (i) the market price on the date of purchase or grant of such Common Stock (or equity valued by reference to Common Stock) or (ii) the market price of such Common Stock (or equity valued by reference to Common Stock) as of the date compliance with the stock ownership guidelines is measured. For persons assuming a director or senior executive officer level position, the stock ownership goal must be achieved within five years after the date they assume such position. A copy of the Stock Ownership Guidelines can be found on the Investor Relations/Corporate Governance section of the Company's website at www.firstindustrial.com.

The Company's insider trading policy prohibits, among other things, its directors and employees from entering into hedging or monetization transactions with respect to the Company's securities and from holding the Company's securities in margin accounts or otherwise pledging such securities as collateral for loans.

Stock Retention Requirements

Until the directors and senior executive officers reach their respective stock ownership goal, they will be required to retain shares that are owned on the date they became subject to the Stock Ownership Guidelines and at least seventy-five percent (75%) of "net shares" delivered through the Company's executive compensation plans. "Net shares" deducts from the number of shares obtained by exercising stock options or through the vesting of awards the number of shares the director or senior executive officer sells to pay exercise costs or taxes. If the director or senior executive officer transfers an award to a family member, the transferee becomes subject to the same retention requirements. Until the director and senior executive officer stock ownership goals have been met, shares may be disposed of only for one or more of the exclusion purposes as set forth in the Company's Stock Ownership Guidelines.

Tax Implications

Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), generally limits the deductible amount of annual compensation paid by a public company to a "covered employee" (the chief executive officer and three other most highly compensated executive officers of the company other than the chief financial officer) to no more than \$1 million. The Company does not believe that Section 162(m) of the Code is applicable to its current arrangements with its executive officers.

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COMPENSATION COMMITTEE REPORT

The Compensation Committee of the Board of Directors of the Company has reviewed, and discussed with management, the Compensation Discussion and Analysis included in this Proxy Statement. Based on such review and discussions, the Compensation Committee recommended to the Board of Directors of the Company that the Compensation Discussion and Analysis be included in this Proxy Statement and, through incorporation by reference from this Proxy Statement, the Company's Annual Report on Form 10-K for the Company's fiscal year ended December 31, 2015.

Submitted by the Compensation Committee:

L. Peter Sharpe, Chairman

W. Ed Tyler

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SUMMARY COMPENSATION TABLE

The Summary Compensation Table below sets forth the aggregate compensation for Bruce W. Duncan, the Company's President and Chief Executive Officer; Scott A. Musil, the Company's Chief Financial Officer; and certain of the Company's other highly compensated executive officers as required by SEC rules. The 2015 Grants of Plan-Based Awards table following the Summary Compensation Table provides additional information regarding incentive compensation granted by the Company to these officers in 2015.

Name and Principal Position	Year	Salary (\$)	Bonus \$(⁽¹⁾)	Stock Awards \$(⁽²⁾)	Non-Equity Incentive Plan Compensation \$(⁽³⁾)	All Other Compensation \$(⁽⁴⁾)	Total (\$)
Bruce W. Duncan	2015	832,000	—	1,480,103 ⁽⁵⁾	1,550,000	19,453	3,881,556
President and Chief Executive Officer	2014	832,000	—	1,450,546	1,325,000	18,523	3,626,059
	2013	834,250	—	1,622,916	1,500,000	16,858	3,974,024
Scott A. Musil	2015	265,000	—	480,102 ⁽⁵⁾	375,000	9,853	1,129,955
Chief Financial Officer	2014	265,000	—	320,641	340,000	8,923	934,564
	2013	265,000	135,555	884,926	400,000	7,258	1,692,739
Johannson L. Yap	2015	379,000	—	630,093 ⁽⁵⁾	550,000	19,453	1,578,456
Chief Investment Officer and Executive Vice President – West Region	2014	379,000	—	519,166	530,000	20,123	1,448,289
	2013	379,000	193,650	1,074,932	659,000	26,372	2,332,954
David G. Harker	2015	240,000	—	463,586 ⁽⁵⁾	350,000	17,053	1,070,639
Executive Vice President – Central Region	2014	240,000	—	325,767	330,000	16,123	911,890
	2013	240,000	135,555	771,944	400,000	14,458	1,561,957
Peter O. Schultz	2015	250,000	—	475,089 ⁽⁵⁾	340,000	18,253	1,083,342
Executive Vice President – East Region	2014	250,000	—	264,683	340,000	17,323	872,006
	2013	250,000	135,555	874,922	360,000	15,658	1,636,135

- (1) Amounts for 2013 reflect awards paid in July 2013 under the 2012 Retention Bonus Plan, pursuant to which service-based incentive awards were paid to certain employees of the Company, including the Named Executive Officers other than Mr. Duncan, to promote retention of employees that were important to the ongoing repositioning of the Company.
- (2) Amounts reflect the aggregate grant date fair value of each award as determined under FASB ASC Topic 718. See note 10 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2015 for a discussion of the assumptions used in valuing the 2015 awards. Amounts reflected were not actually received in the year reported and do not necessarily reflect the amounts that will actually be realized under the respective awards.
- (3) Amounts for 2015 reflect cash awards paid in March 2016 under the 2015 Employee Bonus Plan. The material terms of awards under the 2015 Employee Bonus Plan are described in the Compensation Discussion and Analysis under "2015 Employee Bonus Plan."
- (4) For 2015, includes car allowances paid on behalf of Messrs. Duncan, Yap, Harker and Schultz and a term life insurance premium, short-term and long-term disability insurance premium and 401(k) matching payments paid on behalf of each Named Executive Officer.
- (5) Amount reflects (a) awards of 57,606, 11,523, 18,435, 11,292, and 11,292 shares of service-based restricted Common Stock granted to Messrs. Duncan, Musil, Yap, Harker and Schultz, respectively, in 2015 in connection with the 2014 Employee Bonus Plan, valued at \$21.70 per share under FASB ASC Topic 718 and (b) awards of 24,039, 24,039, 24,039, 22,837 and 24,039 Performance Units with a 36-month performance period granted in 2015 to Messrs. Duncan, Musil, Yap, Harker and Schultz, respectively, valued at 9.57 per unit under FASB ASC Topic 718.

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2015 GRANTS OF PLAN-BASED AWARDS

Name (a)	Grant Date ⁽¹⁾ (b)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units ⁽⁴⁾ (i)	Grant Date Fair Value of Stock and Option Awards ⁽⁵⁾ (l)
		Threshold (\$) (c)	Target ⁽²⁾ (\$) (d)	Maximum ⁽³⁾ (\$) (e)	Threshold (#) (f)	Target (#) (g)	Maximum (#) (h)		
Bruce W. Duncan	1/1/2015	—	—	—	6,010	9,616	24,039	—	230,053(6)
	2/9/2015	—	1,275,000	1,912,500	—	—	—	—	—
	2/9/2015	—	—	—	—	—	—	57,606	1,250,050
Scott A. Musil	1/1/2015	—	—	—	6,010	9,616	24,039	—	230,053(6)
	2/9/2015	—	—	397,500	—	—	—	—	—
	2/9/2015	—	—	—	—	—	—	11,523	250,049
Johannson L. Yap	1/1/2015	—	—	—	6,010	9,616	24,039	—	230,053(6)
	2/9/2015	—	—	758,000	—	—	—	—	—
	2/9/2015	—	—	—	—	—	—	18,435	400,040
David G. Harker	1/1/2015	—	—	—	5,709	9,135	22,837	—	218,550(6)
	2/9/2015	—	—	360,000	—	—	—	—	—
	2/9/2015	—	—	—	—	—	—	11,292	245,036
Peter O. Schultz	1/1/2015	—	—	—	6,010	9,616	24,039	—	230,053(6)
	2/9/2015	—	—	375,000	—	—	—	—	—
	2/9/2015	—	—	—	—	—	—	11,292	245,036

- (1) Reflects the date such awards were made effective by the Compensation Committee or the Board of Directors, as applicable.
- (2) For Mr. Duncan, amount reflects the target annual cash incentive bonus to which he is entitled pursuant to the terms of his employment agreement. No threshold or target amounts were established with respect to awards under the 2015 Employee Bonus Plan for the other Named Executive Officers.
- (3) Amounts reflect the target maximum cash incentive bonus that could become payable to the recipient under the 2015 Employee Bonus Plan. The material terms of awards under the 2015 Employee Bonus Plan are described in the Compensation Discussion and Analysis under “2015 Employee Bonus Plan.”
- (4) Amounts reflect the shares of service-based restricted Common Stock granted in 2015 for service in 2014 under the 2014 Employee Bonus Plan. Such restricted Common Stock awards vest ratably over a period of three years.
- (5) Amounts reflect the aggregate grant date fair value of each stock award as determined under FASB ASC Topic 718.
- (6) Amounts reflected were not actually received in 2015 and do not necessarily reflect the amounts that will actually be realized with respect to the 2015 LTIP Awards. The amounts actually earned with respect to the 2015 LTIP Awards, if any, would not be earned until the end of the applicable performance period.

Employment Agreement with Mr. Duncan

On December 17, 2012, Mr. Duncan entered into an employment agreement with the Company and its operating partnership, First Industrial L.P., which reflects the terms and conditions of Mr. Duncan’s employment. The agreement had an initial term expiring on December 31, 2014, unless otherwise terminated, with up to three one-year extensions that will automatically be effective provided that neither Mr. Duncan nor the Company provides notice to the other at least six months prior to the expiration of the initial term or any subsequent

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renewal term of their respective intent not to renew. As neither party has delivered a termination notice, Mr. Duncan's employment agreement currently expires December 31, 2016, subject to one remaining automatic one-year extension. As discussed above, Mr. Duncan has announced his intention to retire as our Chief Executive Officer by the end of this year and we are currently conducting a process to choose his successor.

Mr. Duncan's employment agreement provides for a minimum annual base salary of \$850,000. Under the agreement, Mr. Duncan is also eligible for annual cash performance bonuses under the Company's incentive bonus plan, based on the satisfaction of performance goals established by the Compensation Committee in accordance with the terms of such plan, with a target annual bonus of 150% of Mr. Duncan's base salary, and a target maximum annual bonus of 225% of his base salary. Mr. Duncan is also entitled to participate in all long-term cash and equity incentive plans generally available to the senior executives of the Company with a target annual award of 150% of Mr. Duncan's base salary, and a target maximum annual award of 200% of his base salary. Equity awards granted to Mr. Duncan in connection with any long-term cash and equity incentive plan will vest in accordance with the vesting terms set forth in the restricted stock agreement he entered into on December 17, 2012 in connection with his employment agreement.

Mr. Duncan's employment agreement also provides for payments and benefits to Mr. Duncan by the Company in some circumstances in the event of a termination of employment or of a change of control (which payments and benefits are described on page 27 under "Potential Payments Upon Termination or Change of Control.")

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OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END 2015

Name (a)	Stock Awards			
	Number of Shares or Units of Stock That Have Not Vested (#) (g)	Market Value of Shares or Units of Stock That Have Not Vested (\$) ⁽¹⁾ (h)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) ⁽²⁾ (i)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$) ⁽¹⁾ (j)
Bruce W. Duncan	131,051 ⁽³⁾	2,900,159	—	—
	—	—	24,593	544,243
Scott A. Musil	28,706 ⁽⁴⁾	635,264	—	—
	—	—	24,593	544,243
Johannson L. Yap	46,715 ⁽⁵⁾	1,033,803	—	—
	—	—	24,593	544,243
David G. Harker	28,864 ⁽⁶⁾	638,760	—	—
	—	—	23,363	517,023
Peter O. Schultz	26,222 ⁽⁷⁾	580,293	—	—
	—	—	24,593	544,243

- (1) The dollar amounts shown in columns (h) and (j) are approximately equal to the product of the number of shares or units reported in columns (g) and (i), respectively, multiplied by \$22.13, which was the closing price of the Common Stock on December 31, 2015, the last trading day of the year. This valuation does not take into account any diminution in value that results from the restrictions applicable under the respective awards.
- (2) Amounts reflect unvested Performance Units granted in 2015 and dividend equivalents accrued through December 31, 2015 with respect to such Performance Units. The vesting and other material terms of the 2015 LTIP Awards are described in the Compensation Discussion and Analysis under “Long-Term Incentive Plan.” The number of unvested Performance Units, and accrued dividend equivalents, reflected is based on maximum achievement of the performance measures applicable to the 2015 LTIP Awards, as the Company achieved maximum performance through December 31, 2015 with respect to such performance measures.
- (3) Of the shares of unvested restricted Common Stock reported here, 66,051 vested in January 2016, 45,798 vest in January 2017 and 19,202 vest in January 2018. All shares reflected in this footnote were fully transferable by Mr. Duncan as of their grant date pursuant to and subject to the terms of the applicable award agreements, and all such shares have been so transferred to a revocable trust of which Mr. Duncan is the sole trustee and sole beneficiary.
- (4) Of the shares of unvested restricted Common Stock reported here, 15,145 vested in January 2016, 9,720 vest in January 2017 and 3,841 vest in January 2018.
- (5) Of the shares of unvested restricted Common Stock reported here, 24,906 vested in January 2016, 15,664 vest in January 2017 and 6,145 vest in January 2018.
- (6) Of the shares of unvested restricted Common Stock reported here, 15,363 vested in January 2016, 9,737 vest in January 2017 and 3,764 vest in January 2018.
- (7) Of the shares of unvested restricted Common Stock reported here, 13,841 vested in January 2016, 8,617 vest in January 2017 and 3,764 vest in January 2018.

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2015 OPTION EXERCISES AND STOCK VESTED

In 2015, no options were exercised by the Named Executive Officers and an aggregate of 424,957 Performance Units (inclusive of accrued dividend equivalents related thereto) and shares of restricted Common Stock held by the Named Executive Officers vested, as described more fully in the table below.

Name (a)	Stock Awards	
	Number of Shares Acquired on Vesting (#) ⁽¹⁾ (d)	Value Realized on Vesting (\$) (e)
Bruce W. Duncan	181,656 ⁽¹⁾	3,915,139
Scott A. Musil	59,810 ⁽²⁾	1,300,742
Johannson L. Yap	73,034 ⁽³⁾	1,575,801
David G. Harker	51,776 ⁽⁴⁾	1,122,295
Peter O. Schultz	58,681 ⁽⁵⁾	1,277,259

- (1) The shares of Common Stock reported herein were acquired as a result of the vesting of (a) 72,362 restricted shares on January 1, 2015, the value of which is based on the closing price of the Common Stock as reported by the NYSE for January 2, 2015 (\$20.80), the first trading day following the date of vesting of such award; (b) 66,667 restricted shares on December 17, 2015, the value of which is based on the closing price of the Common Stock as reported by the NYSE for such date (\$22.00) and (c) 42,627 Performance Units and accrued dividend equivalents related thereto on December 31, 2015, the value of which is based on the closing price of the Common Stock as reported by the NYSE for such date (\$22.13).
- (2) The shares of Common Stock reported herein were acquired as a result of the vesting of (a) 17,183 restricted shares on January 1, 2015, the value of which is based on the closing price of the Common Stock as reported by the NYSE for January 2, 2015 (\$20.80), the first trading day following the date of vesting of such award and (b) 42,627 Performance Units and accrued dividend equivalents related thereto on December 31, 2015, the value of which is based on the closing price of the Common Stock as reported by the NYSE for such date (\$22.13).
- (3) The shares of Common Stock reported herein were acquired as a result of the vesting of (a) 30,407 restricted shares on January 1, 2015, the value of which is based on the closing price of the Common Stock as reported by the NYSE for January 2, 2015 (\$20.80), the first trading day following the date of vesting of such award and (b) 42,627 Performance Units and accrued dividend equivalents related thereto on December 31, 2015, the value of which is based on the closing price of the Common Stock as reported by the NYSE for such date (\$22.13).
- (4) The shares of Common Stock reported herein were acquired as a result of the vesting of (a) 17,675 restricted shares on January 1, 2015, the value of which is based on the closing price of the Common Stock as reported by the NYSE for January 2, 2015 (\$20.80), the first trading day following the date of vesting of such award and (b) 34,101 Performance Units and accrued dividend equivalents related thereto on December 31, 2015, the value of which is based on the closing price of the Common Stock as reported by the NYSE for such date (\$22.13).
- (5) The shares of Common Stock reported herein were acquired as a result of the vesting of (a) 16,054 restricted shares on January 1, 2015, the value of which is based on the closing price of the Common Stock as reported by the NYSE for January 2, 2015 (\$20.80), the first trading day following the date of vesting of such award and (b) 42,627 Performance Units and accrued dividend equivalents related thereto on December 31, 2015, the value of which is based on the closing price of the Common Stock as reported by the NYSE for such date (\$22.13).

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE OF CONTROL

Employment Agreement with Mr. Duncan

The Company has entered into a written employment agreement with Mr. Duncan that provides for certain lump sum payments and post-termination benefits to Mr. Duncan by the Company in some circumstances in the event of a termination of employment or of a change of control.

In addition to the events of termination of employment identified in the following table, Mr. Duncan's employment agreement provides for payments in the event of his death or disability. Upon death or disability, Mr. Duncan is entitled to (i) his base salary and vacation pay accrued through the date of his death or disability, (ii) his accrued bonus for the fiscal year prior to the year of his death or disability, to the extent not paid, (iii) his unreimbursed business expenses incurred through the date of his death or disability and (iv) certain health care benefits and any other benefits he may be eligible for under the Company's plans, policies or practices.

Mr. Duncan's employment agreement also contains important non-financial provisions that apply in the event of a termination of employment or of a change of control. Mr. Duncan has agreed to a one-year covenant not to compete after his termination. His employment agreement does not provide for a gross-up payment in the event of any excise tax.

Stock Incentive Plans

Under the 2011 and 2014 Stock Plans, unvested restricted Common Stock vests in the event of a change of control. In addition, such Stock Plans empower the Compensation Committee to determine other vesting events in the individual restricted Common Stock awards, including vesting events such as involuntary termination of employment without cause and termination due to disability or death. Assuming that the triggering event occurred on December 31, 2015, each Named Executive Officer would have vested in restricted Common Stock having the respective values set forth in the table below.

With respect to the 2015 LTIP Awards and the 2016 LTIP Awards, upon the consummation of a change of control of the Company, each grantee would become vested in a number of Performance Units based on the level of achievement of the applicable performance targets through the date of the change of control. In the event of a termination of a grantee's employment due to death or disability, the grantee would become vested in a pro rata number of Performance Units based on the level of achievement of the applicable performance targets through the date of death or disability. In the event of termination of a grantee's employment due to voluntary retirement, the grantee would become vested in a pro rata number of Performance Units based on the level of achievement of the applicable performance targets through the end of the original performance period.

Life Insurance

In addition to the events of termination of employment identified in the following table and above, each Named Executive Officer is covered by a Company-provided life insurance policy generally available to the Company's employees. Such policy would entitle the respective Named Executive Officer's beneficiary to a payment of \$400,000 in the event of such Named Executive Officer's death.

PROXY STATEMENT

Termination and Change of Control Payments

The following table includes estimated payments owed and benefits required to be provided to our Named Executive Officers under the employment agreements and Stock Plans described above, exclusive of benefits available on a non-discriminatory basis generally, in each case assuming that the triggering event described in the table occurred on December 31, 2015.

Name	Triggering Event	Severance (\$)	Accelerated Equity Awards (\$) ⁽¹⁾	Medical Insurance Premiums (\$) ⁽²⁾
Bruce W. Duncan	Change of Control ⁽³⁾	—	3,444,402	—
	Termination Following Change of Control	\$6,862,500	—	39,329
	Termination w/o Cause ⁽⁴⁾	\$5,800,000	2,900,159	39,329
Scott A. Musil ⁽⁵⁾	Change of Control ⁽³⁾	—	1,179,507	—
	Termination w/o Cause	—	—	—
Johannson L. Yap ⁽⁵⁾	Change of Control ⁽³⁾	—	1,578,046	—
	Termination w/o Cause	—	—	—
David G. Harker ⁽⁵⁾	Change of Control ⁽³⁾	—	1,155,783	—
	Termination w/o Cause	—	—	—
Peter O. Schultz ⁽⁵⁾	Change of Control ⁽³⁾	—	1,124,536	—
	Termination w/o Cause	—	—	—

- (1) For purposes of estimating the value of awards of restricted Common Stock which vest, the Company has considered any applicable employment agreement limitations and assumed a price per share of its Common Stock of \$22.13, which was the closing price of the Common Stock on December 31, 2015, the last trading day of the year.
- (2) Present value of estimated premiums required to be paid by the Company or cash payments in lieu of benefits required to be provided.
- (3) Upon a change of control of the Company, the vesting of any unvested restricted Common Stock held by the officer will accelerate, and the 2015 LTIP Awards will vest based on the level of achievement of the applicable performance targets through the date of the change of control. The amounts reflected in this table for the unvested 2015 LTIP Awards are based on the highest level of achievement of the applicable performance targets and include accrued dividend equivalents through December 31, 2015.
- (4) Includes constructive discharge under the terms of Mr. Duncan's employment agreement.
- (5) None of Messrs. Musil, Yap, Harker or Schultz was a party to an employment agreement with the Company as of December 31, 2015. As such, the amounts disclosed in this table relate only to awards of restricted Common Stock and Performance Units granted to Messrs. Musil, Yap, Harker and Schultz under the 2014 Stock Plan.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The Compensation Committee currently consists of Mr. Tyler, who served as the Company's interim Chief Executive Officer from October 22, 2008 until January 9, 2009, and Mr. Sharpe. Except for Mr. Tyler's and Mr. Sharpe's services as directors, neither Mr. Tyler nor Mr. Sharpe had any other business relationship or affiliation with the Company in 2015 requiring disclosure by the Company under Item 404 of Regulation S-K.

PROXY STATEMENT

REPORT OF THE AUDIT COMMITTEE

Pursuant to a meeting of the Audit Committee on February 16, 2016, the Audit Committee reports that it has: (i) reviewed and discussed the Company's audited financial statements with management; (ii) discussed with the independent registered public accounting firm the matters (such as the quality of the Company's accounting principles and internal controls) required to be discussed by Statement on Auditing Standards No. 16, *Communications with Audit Committees*; and (iii) received written confirmation from PricewaterhouseCoopers LLP that it is independent and written disclosures as required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit Committee concerning independence, and discussed with PricewaterhouseCoopers LLP its independence. Based on the review and discussions referred to in items (i) through (iii) above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company's annual report for the Company's fiscal year ended December 31, 2015.

Submitted by the Audit Committee:

H. Patrick Hackett, Jr., Chairman
John Rau
L. Peter Sharpe

TRANSACTIONS WITH RELATED PERSONS, PROMOTERS AND CERTAIN CONTROL PERSONS

Transactions involving the Company and its executive officers and directors that are reportable under Item 404 of Regulation S-K are required by the Company's written policies to be reported to and approved by the Nominating/Corporate Governance Committee of the Board of Directors. The Nominating/Corporate Governance Committee addresses such transactions on a case-by-case basis, after considering the relevant facts and circumstances.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 (as amended, the "Exchange Act") requires the Company's officers and directors, and persons who own more than ten percent of a registered class of the Company's equity securities, to file reports of ownership and changes in ownership with the SEC and the NYSE. Officers, directors and "greater than ten-percent" stockholders are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms so filed.

Based solely on review of the copies of such forms furnished to the Company for 2015, all of the Company's officers, directors and "greater than ten-percent" stockholders timely filed all reports required to be filed by Section 16(a) of the Exchange Act during 2015, except that Mr. Yap filed a Form 4 on August 11, 2015 related to a 401(k) transaction occurring August 5, 2015 due to a delay in the Company's 401(k) plan administrator reporting such transaction to the Company.

PROXY STATEMENT

SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN BENEFICIAL OWNERS

The following table presents information concerning the ownership of Common Stock of the Company and limited partnership units (“Units”) of First Industrial, L.P. (which generally are redeemable for Common Stock on a one-for-one basis or cash at the option of the Company) by:

- all directors named and nominees named in this Proxy Statement (the “named directors”);
- all Named Executive Officers identified in the Summary Compensation Table;
- all named directors and Named Executive Officers of the Company as a group; and
- persons and entities known to the Company to be beneficial owners of more than 5% of the Company’s Common Stock.

The information is presented as of the Record Date, unless otherwise indicated, and is based on representations of officers and directors of the Company and filings received by the Company on Schedule 13G under the Exchange Act. As of the Record Date, there were 111,247,508 shares of Common Stock and 4,295,884 Units outstanding.

<u>Names and Addresses of 5% Stockholders</u>	<u>Common Stock/Units Beneficially Owned</u>	
	<u>Number</u>	<u>Percent of Class</u>
The Vanguard Group ⁽¹⁾ 100 Vanguard Blvd. Malvern, PA 19355	16,158,838	14.53%
BlackRock, Inc. ⁽²⁾ 55 East 52 nd Street New York, NY 10022	8,076,690	7.26%
Vanguard Specialized Funds – Vanguard REIT Index Fund ⁽³⁾ 100 Vanguard Blvd. Malvern, PA 19355	7,977,711	7.17%
The London Company ⁽⁴⁾ 1800 Bayberry Court, Suite 301 Richmond, Virginia 23226	7,586,439	6.82%
Invesco Ltd. ⁽⁵⁾ 1555 Peachtree Street NE, Suite 1800 Atlanta, GA 30309	6,565,899	5.90%

Names and Addresses of Directors and Officers*

Bruce W. Duncan ⁽⁶⁾	1,003,968	**
Matthew S. Dominski ⁽⁷⁾	24,227	**
H. Patrick Hackett, Jr. ⁽⁸⁾	74,750	**
John Rau ⁽⁷⁾	54,719	**
L. Peter Sharpe ⁽⁷⁾	57,327	**
W. Ed Tyler ⁽⁷⁾	89,559	**
Scott A. Musil ⁽⁹⁾	138,045	**
Johannson L. Yap ⁽¹⁰⁾	338,971	**
David G. Harker ⁽¹¹⁾	117,722	**
Peter O. Schultz ⁽¹²⁾	132,160	**
All named directors and currently-serving executive officers as a group (10 persons) ⁽¹³⁾	2,031,448	1.83%

PROXY STATEMENT

* The business address for each of the directors and Named Executive Officers of the Company is 311 South Wacker Drive, Suite 3900, Chicago, Illinois 60606.

** Less than 1%

- (1) Pursuant to a Schedule 13G/A filed February 10, 2016 of The Vanguard Group (“Vanguard Group”). Of the shares reported, Vanguard Group has the sole power to vote 302,929 shares, the shared power to vote 91,000 shares, the sole power to dispose of 15,925,659 shares and the shared power to dispose of 233,179 shares.
- (2) Pursuant to a Schedule 13G/A filed January 26, 2016 of Blackrock, Inc. (“Blackrock”). Blackrock has the sole power to vote 7,808,744 shares and sole power to dispose of all 8,076,690 shares.
- (3) Pursuant to a Schedule 13G/A filed February 9, 2016 of Vanguard Specialized Funds – Vanguard REIT Index Fund (“Vanguard REIT”). Of the shares reported, Vanguard REIT has the sole power to vote and dispose of all 7,977,711 shares.
- (4) Pursuant to a Schedule 13G/A filed February 9, 2016 of The London Company (“London”). London has the sole power to vote and dispose of 6,914,238 shares and the shared power to dispose of 672,201 shares.
- (5) Pursuant to a Schedule 13G filed February 16, 2016 of Invesco Ltd. (“Invesco”). Invesco has the sole power to vote 5,082,417 shares and the sole power to dispose of all 6,565,899 shares.
- (6) Includes 146,081 shares of restricted Common Stock issued under the 2014 Stock Plan.
- (7) Includes 3,477 shares of restricted Common Stock issued under the 2014 Stock Plan.
- (8) Includes 3,477 shares of restricted Common Stock issued under the 2014 Stock Plan. Also includes 71,273 shares of Common Stock held jointly with his wife.
- (9) Includes 28,861 shares of restricted Common Stock issued under the 2014 Stock Plan.
- (10) Includes 1,680 Units. Also includes 51,131 shares of restricted Common Stock issued under the 2014 Stock Plan.
- (11) Includes 28,801 shares of restricted Common Stock issued under the 2014 Stock Plan.
- (12) Includes 26,661 shares of restricted Common Stock issued under the 2014 Stock Plan.
- (13) Includes 1,680 Units. Also includes 298,920 shares of restricted Common Stock issued under the 2014 Stock Plan.

PROXY STATEMENT

PROPOSAL 2

ADVISORY VOTE ON EXECUTIVE COMPENSATION

Pursuant to Section 14A of the Exchange Act, our stockholders are entitled to vote to approve, on an advisory or non-binding basis, the compensation of our Named Executive Officers as disclosed in this Proxy Statement in accordance with SEC rules.

The Board of Directors believes that its executive compensation program serves the best interests of the Company's stockholders by not only attracting and retaining talented, capable individuals, but also providing them with proper incentives linked to performance criteria that are designed to maximize the Company's overall performance. To this end, the Company's compensation program consists of a mix of compensation that is intended to compensate the Named Executive Officers for their contributions during the year and to reward them for achievements that lead to increased Company performance and increases in stockholder value. Please refer to "Compensation Discussion and Analysis" for a discussion of the compensation of our Named Executive Officers.

We are asking for stockholder approval of the compensation of our Named Executive Officers as disclosed in this Proxy Statement in accordance with SEC rules, which disclosures include the disclosures under "Compensation Discussion and Analysis" and the compensation tables and the narrative discussion following the compensation tables. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our Named Executive Officers and the policies and practices described in this Proxy Statement.

This vote is advisory and therefore not binding on the Company, the Compensation Committee or the Board of Directors. The Board of Directors and the Compensation Committee value the opinions of the Company's stockholders and to the extent there is any significant vote against the compensation of our Named Executive Officers as disclosed in this Proxy Statement, we will consider those stockholders' concerns, and the Compensation Committee will evaluate whether any actions are necessary to address those concerns.

Accordingly, we ask our stockholders to vote on the following resolution at the Annual Meeting:

"RESOLVED, that the Company's stockholders approve, on an advisory basis, the compensation of the named executive officers, as disclosed in the Company's Proxy Statement for the 2016 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission under 'Compensation Discussion and Analysis' and the compensation tables and the narrative discussion following the compensation tables."

The affirmative vote of the holders of a majority of the votes cast with a quorum present at the Annual Meeting is required for advisory approval of this proposal.

The Board of Directors recommends an advisory vote FOR the approval of the compensation of the Named Executive Officers as disclosed in this Proxy Statement.

PROPOSAL 3

**RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM**

The accounting firm of PricewaterhouseCoopers LLP (or its predecessor, Coopers & Lybrand L.L.P.) has served as the Company's independent auditors since the Company's formation in August 1993. On October 23, 2015, the Audit Committee of the Board of Directors appointed PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the 2016 fiscal year. A representative of PricewaterhouseCoopers LLP will be present at the Annual Meeting, will be given the opportunity to make a statement if he or she so desires and will be available to respond to appropriate questions.

Our Charter and Bylaws do not require that our stockholders ratify the appointment of our independent registered certified public accounting firm. We are doing so because we believe it is a matter of good corporate practice. If our stockholders do not ratify the appointment, the Audit Committee will reconsider whether to retain PricewaterhouseCoopers LLP but may still retain them. Even if the appointment is ratified, the Audit Committee, in its discretion, may change the appointment at any time during the year if it determines that a change in registered certified public accounting firm would be in the best interests of the Company and its stockholders.

FEES

During 2015 and 2014, the aggregate fees for services provided by PricewaterhouseCoopers LLP in the following categories and amounts are:

	<u>2015</u>	<u>2014</u>
Audit Fees ⁽¹⁾	\$1,067,600	\$1,099,745
Audit-Related Fees ⁽²⁾	32,008	75,707
Tax Fees ⁽³⁾	27,300	26,500
All Other Fees ⁽⁴⁾	<u>2,862</u>	<u>1,944</u>
Total Fees	<u>\$1,129,770</u>	<u>\$1,203,896</u>

- (1) Audit Fees include amounts related to the audits of the Company's annual financial statements, the reviews of our quarterly financial statements and internal control over financial reporting and other services that are normally provided by the auditor in connection with securities offerings and other filings with the SEC.
- (2) Audit-Related Fees include amounts related to joint venture audits and certain agreed-upon procedures.
- (3) Tax Fees include amounts related to tax services related to federal and state tax return preparation.
- (4) All Other Fees include amounts related to technical research tools.

PRE-APPROVAL OF SERVICES

The Audit Committee pre-approves all audit, audit-related, tax and other services proposed to be provided by the Company's independent registered public accounting firm. Consideration and approval of such services generally occur at the Audit Committee's regularly scheduled meetings. In situations where it is impractical to wait until the next regularly scheduled meeting, the Audit Committee has delegated the authority to approve the audit, audit-related, tax and other services to each of its individual members. Approvals of audit, audit-related, tax and other services pursuant to the above-described delegation of authority are reported to the full Audit Committee.

**The Board of Directors recommends a vote FOR ratification of the appointment of
PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for
fiscal 2016.**

PROXY STATEMENT

OTHER MATTERS

SOLICITATION OF PROXIES

The cost of solicitation of proxies in the form enclosed herewith will be borne by the Company. In addition to the solicitation of proxies by mail, the directors, officers and employees of the Company may also solicit proxies personally or by telephone without additional compensation for such activities. The Company will also request persons, firms and corporations holding shares in their names or in the names of their nominees, which are beneficially owned by others, to send proxy materials to and obtain proxies from such beneficial owners. The Company will reimburse such holders for their reasonable expenses.

Georgeson Shareholder Services, Inc. acts as the Company's proxy solicitor at a cost of \$8,000, plus reasonable out of pocket expenses.

STOCKHOLDER PROPOSALS

Under applicable SEC rules, stockholder proposals intended to be presented at the 2017 Annual Meeting of Stockholders must be received by the Secretary of the Company no later than December 9, 2016, in order to be considered for inclusion in the proxy statement and on the proxy card that will be solicited by the Board of Directors in connection with such meeting. Additionally, under our Bylaws, stockholder proposals intended to be presented at the 2017 Annual Meeting of Stockholders must be received by the Secretary of the Company no later than December 9, 2016, and no earlier than November 9, 2016, in order to be considered timely and must comply with certain additional requirements contained in our Bylaws in order to be proper.

INCORPORATION BY REFERENCE

Appendix A to this Proxy Statement is the Company's 2015 Annual Report, which includes its consolidated financial statements and management's discussion and analysis of financial condition and results of operations, as well as certain other financial and other information required by the rules and regulations of the SEC. Information contained in Appendix A to this Proxy Statement shall not be deemed to be "filed" or "soliciting material," or subject to liability for purposes of Section 18 of the Exchange Act to the maximum extent permitted under the Exchange Act.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDERS MEETING TO BE HELD ON MAY 11, 2016

The Proxy Statement, Notice of Annual Meeting, Proxy Card and the Company's 2015 Annual Report are available on the "Proxy Statement" tab of the Investor Relations page on the Company's website, at www.firstindustrial.com.

For directions to attend the Annual Meeting in person, please contact Arthur J. Harmon, the Company's Vice President of Investor Relations and Marketing, at (312) 344-4320.

OTHER MATTERS

The Board of Directors does not know of any matters other than those described in this Proxy Statement that will be presented for action at the Annual Meeting. If other matters are presented, it is the intention of the persons named as proxies in the accompanying Proxy Card to vote in their discretion all shares represented by validly executed proxies.

REGARDLESS OF THE NUMBER OF SHARES YOU OWN, YOUR VOTE IS IMPORTANT TO THE COMPANY. PLEASE COMPLETE, SIGN, DATE AND PROMPTLY RETURN THE ENCLOSED PROXY CARD TODAY.

APPENDIX A
2015 Annual Report

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EXPLANATORY NOTE

This 2015 Annual Report discusses the financial performance and results of operations of both First Industrial Realty Trust, Inc., a Maryland corporation (the “Company”), and the operating partnership of which the Company serves as general partner, First Industrial, L.P., a Delaware limited partnership (the “Operating Partnership”). At December 31, 2015, the Company owned an approximate 96.3% common general partnership interest in the Operating Partnership. The remaining approximate 3.7% common limited partnership interests in the Operating Partnership are owned by certain limited partners. As the sole general partner of the Operating Partnership, the Company exercises exclusive and complete discretion over the Operating Partnership’s day-to-day management and control.

The Company and the Operating Partnership are managed and operated as one enterprise. The financial results of the Operating Partnership are consolidated into the financial statements of the Company. The Company has no significant assets other than its investment in the Operating Partnership. Substantially all of the Company’s assets are held by, and its operations are conducted through, the Operating Partnership and its subsidiaries. Therefore, the assets and liabilities of the Company and the Operating Partnership are substantially the same.

We have chosen to discuss the financial performance results of operations of both the Company and the Operating Partnership in this 2015 Annual Report. To help you understand the differences between the Company and the Operating Partnership, this 2015 Annual Report provides the following separate disclosures for each of the Company and the Operating Partnership:

- consolidated financial statements;
- a single set of consolidated notes to such financial statements that includes separate discussions of each entity’s stockholders’ equity or partners’ capital, as applicable; and
- a combined Management’s Discussion and Analysis of Financial Condition and Results of Operations section that includes distinct information related to each entity.

The main areas of difference between the consolidated financial statements of the Company and those of the Operating Partnership, as well as the benefits of combined reporting, are further explained in the Company’s and the Operating Partnership’s Form 10-K for the period ended December 31, 2015 filed with the Securities and Exchange Commission on February 25, 2016, a copy of which may be obtained by following the procedures set forth on page A-102 of this 2015 Annual Report.

Unless stated otherwise in this 2015 Annual Report or the context otherwise requires, the terms “we,” “our” and “us” refer to the Company and its subsidiaries, including the Operating Partnership and its consolidated subsidiaries.

SELECTED FINANCIAL DATA

The following tables set forth the selected financial and operating data for the Company and the Operating Partnership on a consolidated basis. The following selected consolidated financial data should be read in conjunction with the Consolidated Financial Statements and Notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this 2015 Annual Report.

The Company

	Year Ended 12/31/15	Year Ended 12/31/14	Year Ended 12/31/13	Year Ended 12/31/12	Year Ended 12/31/11
	(In thousands, except per share data)				
Statement of Operations Data:					
Total Revenues	\$ 365,762	\$ 344,599	\$ 318,454	\$ 304,517	\$ 292,757
Income (Loss) from Continuing Operations	76,705	23,182	4,862	(21,286)	(35,571)
Net Income (Loss) Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities	73,802	46,629	25,907	(22,069)	(27,010)
Basic Per Share Data:					
Income (Loss) from Continuing Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders	\$ 0.67	\$ 0.18	\$ (0.09)	\$ (0.44)	\$ (0.65)
Net Income (Loss) Available to First Industrial Realty Trust, Inc.'s Common Stockholders	0.67	0.42	0.24	(0.24)	(0.34)
Diluted Per Share Data:					
Income (Loss) from Continuing Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders	\$ 0.66	\$ 0.18	\$ (0.09)	\$ (0.44)	\$ (0.65)
Net Income (Loss) Available to First Industrial Realty Trust, Inc.'s Common Stockholders	0.66	0.42	0.24	(0.24)	(0.34)
Dividends/Distributions Per Share	\$ 0.51	\$ 0.41	\$ 0.34	\$ 0.00	\$ 0.00
Basic Weighted Average Shares	110,352	109,922	106,995	91,468	80,616
Diluted Weighted Average Shares	110,781	110,325	106,995	91,468	80,616
Balance Sheet Data (End of Period):					
Real Estate, Before Accumulated Depreciation	\$3,293,968	\$3,183,369	\$3,119,547	\$3,121,448	\$2,992,096
Total Assets	2,718,051	2,581,995	2,597,510	2,608,842	2,666,657
Indebtedness	1,442,411	1,349,846	1,296,806	1,335,766	1,479,483
Total Equity	1,115,135	1,090,827	1,171,219	1,145,653	1,072,595
Cash Flow Data:					
Cash Flow From Operating Activities	\$ 162,149	\$ 137,176	\$ 125,751	\$ 136,422	\$ 87,534
Cash Flow From Investing Activities	(197,074)	(69,069)	(61,313)	(42,235)	(3,779)
Cash Flow From Financing Activities	29,426	(66,166)	(61,748)	(99,407)	(99,504)
Other Data:					
Funds from Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities (1)	\$ 140,841	\$ 127,890	\$ 105,011	\$ 80,640	\$ 72,151

- (1) Funds from operations ("FFO") is a non-GAAP measure used in the real estate industry. See definition and a complete reconciliation of FFO to Net Income (Loss) Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities under the caption "Supplemental Earnings Measure" on pages A-19 through A-21.

SELECTED FINANCIAL DATA

The Operating Partnership

	<u>Year Ended 12/31/15</u>	<u>Year Ended 12/31/14</u>	<u>Year Ended 12/31/13</u>	<u>Year Ended 12/31/12</u>	<u>Year Ended 12/31/11</u>
	(In thousands, except per Unit data)				
Statement of Operations Data:					
Total Revenues	\$ 365,762	\$ 344,599	\$ 318,454	\$ 304,517	\$ 292,916
Income (Loss) from Continuing Operations . . .	76,820	23,434	4,908	(21,142)	(35,282)
Net Income (Loss) Available to Unitholders and Participating Securities	76,682	48,704	27,033	(23,169)	(28,527)
Basic Per Unit Data:					
Income (Loss) from Continuing Operations Available to Unitholders	\$ 0.67	\$ 0.18	\$ (0.09)	\$ (0.43)	\$ (0.64)
Net Income (Loss) Available to Unitholders . .	0.67	0.42	0.24	(0.24)	(0.33)
Diluted Per Unit Data:					
Income (Loss) from Continuing Operations Available to Unitholders	\$ 0.66	\$ 0.18	\$ (0.09)	\$ (0.43)	\$ (0.64)
Net Income (Loss) Available to Unitholders . .	0.66	0.42	0.24	(0.24)	(0.33)
Distributions Per Unit	\$ 0.51	\$ 0.41	\$ 0.34	\$ 0.00	\$ 0.00
Basic Weighted Average Units	114,709	114,388	111,646	96,509	85,913
Diluted Weighted Average Units	115,138	114,791	111,646	96,509	85,913
Balance Sheet Data (End of Period):					
Real Estate, Before Accumulated Depreciation	\$3,293,968	\$3,183,369	\$3,119,547	\$3,121,448	\$2,992,096
Total Assets	2,728,766	2,592,708	2,608,111	2,619,445	2,677,287
Indebtedness	1,442,411	1,349,846	1,296,806	1,335,766	1,479,483
Total Partners' Capital	1,125,850	1,101,590	1,181,817	1,156,257	1,083,215
Cash Flow Data:					
Cash Flow From Operating Activities	\$ 162,286	\$ 137,918	\$ 126,410	\$ 136,611	\$ 88,135
Cash Flow From Investing Activities	(197,074)	(69,724)	(61,926)	(42,235)	(3,779)
Cash Flow From Financing Activities	29,304	(66,253)	(61,800)	(99,567)	(100,083)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with "Selected Financial Data" and the Consolidated Financial Statements and Notes thereto appearing elsewhere in this 2015 Annual Report.

In addition, the following discussion may contain 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 (the "Exchange Act"). 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. Forward-looking statements are based on certain assumptions and describe our future plans, strategies and expectations, and are generally identifiable by use of the words "believe," "expect," "plan," "intend," "anticipate," "estimate," "project," "seek," "target," "potential," "focus," "may," "will," "should" or similar words. Although we believe the expectations reflected in forward-looking statements are based upon reasonable assumptions, we can give no assurance that our expectations will be attained or that results will not materially differ. 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) and changes in interest rates; the availability and attractiveness of terms of additional debt repurchases; changes in our credit agency ratings; our ability to comply with applicable financial covenants; our competitive environment; changes in supply, demand and valuation of industrial properties and land in our current and potential market areas; difficulties in identifying and consummating acquisitions and dispositions; our ability to manage the integration of properties we acquire; potential liability relating to environmental matters; defaults on or non-renewal of leases by our tenants; decreased rental rates or increased vacancy rates; higher-than-expected real estate construction costs and delays in development or lease-up schedules; changes in general accounting principles, policies and guidelines applicable to real estate investment trusts; and those additional factors described in "Risk Factors" and elsewhere in this 2015 Annual Report and in the Company's Form 10-K for the year ended December 31, 2015 and other 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 2015 Annual Report. We assume no obligation to update or supplement forward-looking statements.

Business Overview

The Company is a self-administered and fully integrated real estate company which owns, manages, acquires, sells, develops and redevelops industrial real estate. The Company is a Maryland corporation organized on August 10, 1993 and a real estate investment trust as defined in the Code.

We believe our financial condition and results of operations are, primarily, a function of our performance in four key areas: leasing of industrial properties, acquisition and development of additional industrial properties, disposition of industrial properties and access to external capital.

We generate revenue primarily from rental income and tenant recoveries from operating leases of our industrial properties. Such revenue is offset by certain property specific operating expenses, such as real estate taxes, repairs and maintenance, property management, utilities and insurance expenses, along with certain other costs and expenses, such as depreciation and amortization costs and general and administrative and interest expenses. Our revenue growth is dependent, in part, on our ability to: (i) increase rental income, through increasing either or both occupancy rates and rental rates at our properties; (ii) maximize tenant recoveries; and (iii) minimize operating and certain other expenses. Revenues generated from rental income and tenant recoveries are a significant source of funds, in addition to income generated from gains/losses on the sale of our properties (as discussed below), for our liquidity. The leasing of property, in general, and occupancy rates, rental

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

rates, operating expenses and certain non-operating expenses, in particular, are impacted, variously, by property specific, market specific, general economic and other conditions, many of which are beyond our control. The leasing of property also entails various risks, including the risk of tenant default. If we were unable to maintain or increase occupancy rates and rental rates at our properties or to maintain tenant recoveries and operating and certain other expenses consistent with historical levels and proportions, our revenue would decline. Further, if a significant number of our tenants were unable to pay rent (including tenant recoveries) or if we were unable to rent our properties on favorable terms, our financial condition, results of operations, cash flow and ability to make distributions to our stockholders and Unitholders, the market price of the Company's common stock and the market value of the Units would be adversely affected.

Our revenue growth is also dependent, in part, on our ability to acquire existing, and develop new industrial properties on favorable terms. We seek to identify opportunities to acquire existing industrial properties on favorable terms, and, when conditions permit, also seek to acquire and develop new industrial properties on favorable terms. Existing properties, as they are acquired, and acquired and developed properties, as they are leased, generate revenue from rental income, tenant recoveries and fees, income from which, as discussed above, is a source of funds for our distributions to our stockholders and Unitholders. The acquisition and development of properties is impacted, variously, by property specific, market specific, general economic and other conditions, many of which are beyond our control. The acquisition and development of properties also entails various risks, including the risk that our investments may not perform as expected. For example, acquired existing and acquired and developed new properties may not sustain and/or achieve anticipated occupancy and rental rate levels. With respect to acquired and developed new properties, we may not be able to complete construction on schedule or within budget, resulting in increased debt service expense and construction costs and delays in leasing the properties. Also, we face significant competition for attractive acquisition and development opportunities from other well-capitalized real estate investors, including publicly-traded REITs and private investors. Further, as discussed below, we may not be able to finance the acquisition and development opportunities we identify. If we were unable to acquire and develop sufficient additional properties on favorable terms, or if such investments did not perform as expected, our revenue growth would be limited and our financial condition, results of operations, cash flow and ability to make distributions to our stockholders and Unitholders, the market price of the Company's common stock and the market value of the Units would be adversely affected.

We also generate income from the sale of our properties (including existing buildings, buildings which we have developed or re-developed on a merchant basis and land). The gain/loss on, and fees from, the sale of such properties are included in our income and can be a significant source of funds, in addition to revenues generated from rental income and tenant recoveries. Proceeds from sales are being used to repay outstanding debt and, market conditions permitting, may be used to fund the acquisition of existing, and the acquisition and development of new, industrial properties. The sale of properties is impacted, variously, by property specific, market specific, general economic and other conditions, many of which are beyond our control. The sale of properties also entails various risks, including competition from other sellers and the availability of attractive financing for potential buyers of our properties. Further, our ability to sell properties is limited by safe harbor rules applying to REITs under the Code which relate to the number of properties that may be disposed of in a year, their tax bases and the cost of improvements made to the properties, along with other tests which enable a REIT to avoid punitive taxation on the sale of assets. If we are unable to sell properties on favorable terms, our income growth would be limited and our financial condition, results of operations, cash flow and ability to make distributions to our stockholders and Unitholders, the market price of the Company's common stock and the market value of the Units could be adversely affected.

We utilize a portion of the net sales proceeds from property sales, borrowings under our Unsecured Credit Facility and proceeds from the issuance, when and as warranted, of additional debt and equity securities to refinance debt and finance future acquisitions and developments. Access to external capital on favorable terms

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

plays a key role in our financial condition and results of operations, as it impacts our cost of capital and our ability and cost to refinance existing indebtedness as it matures and to fund acquisitions and developments. Our ability to access external capital on favorable terms is dependent on various factors, including general market conditions, interest rates, credit ratings on our debt, the market's perception of our growth potential, our current and potential future earnings and cash distributions and the market price of the Company's common stock. If we were unable to access external capital on favorable terms, our financial condition, results of operations, cash flow and ability to make distributions to our stockholders and Unitholders, the market price of the Company's common stock and the market value of the Units could be adversely affected.

Summary of Significant Transactions During 2015

During 2015, we completed the following significant transactions and financing activities:

- We acquired eight industrial properties comprising approximately 1.9 million square feet of GLA and several land parcels for an aggregate purchase price of approximately \$169.2 million, excluding costs incurred in conjunction with the acquisitions.
- We placed in-service six developments totaling approximately 1.8 million square feet of GLA at a total cost of approximately \$109.2 million.
- We sold 66 industrial properties comprising approximately 3.8 million square feet of GLA and several land parcels for total gross sales proceeds of approximately \$158.4 million.
- We amended our existing \$625.0 million revolving credit agreement, extending the maturity to March, 2019 (with an option to extend an additional one year at our election). The interest rate on our Unsecured Credit Facility is currently LIBOR plus 115 basis points subject to a pricing grid for changes in our leverage ratio or credit ratings. The weighted average interest rate at December 31, 2015, is 1.57%.
- We entered into a seven-year, \$260.0 million unsecured loan (the "2015 Unsecured Term Loan") with a syndicate of financial institutions. The interest rate is currently LIBOR plus 160 basis points subject to a pricing grid for changes in our leverage ratio or credit ratings. We also entered into interest rate protection agreements to effectively convert the variable rate to a fixed rate, providing a weighted average effective rate of 3.39% as of December 31, 2015.
- We paid an annual cash dividend of \$0.51 per common share or Unit, an increase of 24% from 2014.

Results of Operations

Comparison of Year Ended December 31, 2015 to Year Ended December 31, 2014

The Company's net income was \$76.7 million and \$51.0 million for the years ended December 31, 2015 and 2014, respectively. The Operating Partnership's net income was \$76.8 million and \$51.3 million for the years ended December 31, 2015 and 2014, respectively.

The tables below summarize our revenues, property expenses and depreciation and other amortization by various categories for the years ended December 31, 2015 and 2014. Same store properties are properties owned prior to January 1, 2014 and held as an in-service property through December 31, 2015 and developments and redevelopments that were placed in service prior to January 1, 2014 or were substantially completed for the 12 months prior to January 1, 2014. Properties which are at least 75% occupied at acquisition are placed in service. Acquisitions that are less than 75% occupied at the date of acquisition, developments and redevelopments are placed in service as they reach the earlier of a) stabilized occupancy (generally defined as 90% occupied), or b) one year subsequent to acquisition or development/redevelopment construction completion. Properties are moved from the same store classification to the redevelopment classification when capital

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

expenditures for a project are estimated to exceed 25% of the undepreciated gross book value of the property. Acquired properties are properties that were acquired subsequent to December 31, 2013 and held as an operating property through December 31, 2015. Sold properties are properties that were sold subsequent to December 31, 2013. (Re)Developments include developments and redevelopments that were not: a) substantially complete 12 months prior to January 1, 2014; or b) stabilized prior to January 1, 2014. Other revenues are derived from operations of properties not placed in service under one of the categories discussed above, the operations of our maintenance company, fees earned from our Joint Ventures and other miscellaneous revenues. Other expenses are derived from the operations of properties not placed in service under one of the categories discussed above, operations of our maintenance company, vacant land expenses and other miscellaneous regional expenses.

During the period between January 1, 2014 and December 31, 2015, one industrial property previously classified within same store, comprising approximately 0.2 million square feet, was reclassified and is included in the Other classification as of December 31, 2015. This property was taken out of service during the fourth quarter of 2015. We intend to demolish the existing industrial property and construct a new industrial property, at which time the property will be reclassified from Other to the (Re) Developments classification. The newly constructed property will return to the same store classification following a complete calendar year of in service classification.

Our future financial condition and results of operations, including rental revenues, may be impacted by the future acquisition, development and sale of properties. Our future revenues and expenses may vary materially from historical rates.

For the years ended December 31, 2015 and 2014, the average occupancy rates of our same store properties were 94.2% and 93.2%, respectively.

	<u>2015</u>	<u>2014</u>	<u>\$ Change</u>	<u>% Change</u>
			(\$ in 000's)	
REVENUES				
Same Store Properties	\$324,165	\$318,420	\$ 5,745	1.8%
Acquired Properties	8,828	2,896	5,932	204.8%
Sold Properties	13,751	24,203	(10,452)	(43.2)%
(Re) Developments	14,124	2,131	11,993	562.8%
Other	4,894	3,956	938	23.7%
	<u>\$365,762</u>	<u>\$351,606</u>	<u>\$ 14,156</u>	<u>4.0%</u>
Discontinued Operations	<u>—</u>	<u>(7,007)</u>	<u>7,007</u>	<u>(100.0)%</u>
Total Revenues	<u><u>\$365,762</u></u>	<u><u>\$344,599</u></u>	<u><u>\$ 21,163</u></u>	<u><u>6.1%</u></u>

Revenues from same store properties increased \$5.7 million primarily due to an increase in occupancy as well as an increase in rental rates during the year ended December 31, 2015 as compared to December 31, 2014, partially offset by a decrease in restoration fees. Revenues from acquired properties increased \$5.9 million due to the 16 industrial properties acquired subsequent to December 31, 2013 totaling approximately 3.0 million square feet of GLA. Revenues from sold properties decreased \$10.5 million due to the 95 industrial properties sold subsequent to December 31, 2013 totaling approximately 5.8 million square feet of GLA. Revenues from (re)developments increased \$12.0 million due to an increase in occupancy. Other revenues increased \$0.9 million primarily due to an increase in occupancy related to a property acquired in 2013 that was placed in service during 2014.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

	<u>2015</u>	<u>2014</u>	<u>\$ Change</u>	<u>% Change</u>
			(\$ in 000's)	
PROPERTY EXPENSES				
Same Store Properties	\$ 92,244	\$ 93,205	\$ (961)	(1.0)%
Acquired Properties	2,494	869	1,625	187.0%
Sold Properties	6,245	10,905	(4,660)	(42.7)%
(Re) Developments	3,521	1,934	1,587	82.1%
Other	10,124	10,370	(246)	(2.4)%
	<u>\$114,628</u>	<u>\$117,283</u>	<u>\$(2,655)</u>	<u>(2.3)%</u>
Discontinued Operations	—	(2,784)	2,784	(100.0)%
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Property Expenses	<u>\$114,628</u>	<u>\$114,499</u>	<u>\$ 129</u>	<u>0.1%</u>

Property expenses include real estate taxes, repairs and maintenance, property management, utilities, insurance and other property related expenses. Property expenses from same store properties decreased \$1.0 million primarily due to lower snow removal costs incurred during the year ended December 31, 2015 as compared to the year ended December 31, 2014 due to the harsh 2014 winter. Property expenses from acquired properties increased \$1.6 million due to properties acquired subsequent to December 31, 2013. Property expenses from sold properties decreased \$4.7 million due to properties sold subsequent to December 31, 2013. Property expenses from (re)developments increased \$1.6 million primarily due to an increase in real estate tax expense related to the substantial completion of developments. Other expenses remained relatively unchanged.

General and administrative expense for the Company increased by \$1.9 million, or 8.3% and increased for the Operating Partnership by \$2.1 million, or 9.0%, primarily due to an increase in employee compensation and incentive compensation.

For the years ended December 31, 2015 and 2014, we recognized \$1.4 million and \$1.0 million, respectively, of expense related to costs associated with acquiring industrial properties from third parties.

The impairment charge for the year ended December 31, 2015 of \$0.6 million is due to marketing certain properties for sale and our assessment of the likelihood of a potential sale transaction.

	<u>2015</u>	<u>2014</u>	<u>\$ Change</u>	<u>% Change</u>
			(\$ in 000's)	
DEPRECIATION AND OTHER AMORTIZATION				
Same Store Properties	\$ 98,107	\$100,758	\$(2,651)	(2.6)%
Acquired Properties	5,567	1,723	3,844	223.1%
Sold Properties	3,993	8,257	(4,264)	(51.6)%
(Re) Developments	4,008	1,843	2,165	117.5%
Corporate Furniture, Fixtures and Equipment and Other	2,139	1,704	435	25.5%
	<u>\$113,814</u>	<u>\$114,285</u>	<u>\$ (471)</u>	<u>(0.4)%</u>
Discontinued Operations	—	(2,388)	2,388	(100.0)%
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Depreciation and Other Amortization	<u>\$113,814</u>	<u>\$111,897</u>	<u>\$ 1,917</u>	<u>1.7%</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Depreciation and other amortization from same store properties decreased \$2.7 million primarily due to accelerated depreciation and amortization taken during the year ended December 31, 2014 attributable to certain tenants who terminated their lease early. Depreciation and other amortization from acquired properties increased \$3.8 million due to properties acquired subsequent to December 31, 2013. Depreciation and other amortization from sold properties decreased \$4.3 million due to properties sold subsequent to December 31, 2013. Depreciation and other amortization from (re)developments increased \$2.2 million primarily due to an increase in developments that were placed in service. Depreciation from corporate furniture, fixtures and equipment and other increased \$0.4 million primarily due to additional furniture, fixtures and equipment asset purchases as well as an increase related to additional leasing costs incurred for a property that was placed in service during 2014.

For the year ended December 31, 2015, we recognized \$48.9 million of gain on sale of real estate related to the sale of 66 industrial properties comprising approximately 3.8 million square feet of GLA and several land parcels. For the year ended December 31, 2014, we recognized \$0.1 million of loss on sale of real estate related to the sale of land parcels that did not meet the criteria for inclusion in discontinued operations.

Interest income decreased \$2.0 million, or 97.1%, primarily due to the receipt of prepayment fees of \$0.7 million related to notes receivable that were paid off early during the year ended December 31, 2014 and a decrease in the weighted average note receivable balance outstanding for the year ended December 31, 2015 as compared to the year ended December 31, 2014.

Interest expense decreased \$4.8 million, or 6.6%, primarily due to a decrease in the weighted average interest rate for the year ended December 31, 2015 (4.99%) as compared to the year ended December 31, 2014 (5.33%) and an increase in capitalized interest of \$1.0 million for the year ended December 31, 2015 as compared to the year ended December 31, 2014 due to an increase in development activities, offset by an increase in the weighted average debt balance outstanding for the year ended December 31, 2015 (\$1,399.9 million) as compared to the year ended December 31, 2014 (\$1,380.6 million).

Amortization of deferred financing costs remained relatively unchanged.

In August 2014, we entered into three interest rate protection agreements in order to maintain our flexibility to pursue an offering of unsecured debt. During the year ended December 31, 2015, we settled the interest rate protection agreements and reclassified the fair market value loss recorded in other comprehensive income relating to the three interest rate protection agreements to earnings as a result of determining the forecasted offering of unsecured debt was no longer probable to occur within the time period stated in the respective hedge designation memos. For the year ended December 31, 2015, we recorded \$11.5 million in mark-to-market and settlement loss on the three interest rate protection agreements.

For the year ended December 31, 2014, we recognized a loss from retirement of debt of \$0.7 million due to the early payoff of certain mortgage loans.

Equity in income of joint ventures decreased \$3.4 million during the year ended December 31, 2015 as compared to the year ended December 31, 2014 primarily due to a decrease in our pro rata share of gain and earn outs from the sales of industrial properties from the 2003 Net Lease Joint Venture.

The income tax provision is not significant.

As discussed in Note 2 to the Consolidated Financial Statements, we adopted the new accounting standard relating to discontinued operations on January 1, 2015. There were no sales of industrial properties during the year ended December 31, 2015 that met the criteria to be classified as discontinued operations. The industrial

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

properties sold prior to January 1, 2015 that met the criteria to be classified as discontinued operations continue to be presented as discontinued operations in the Consolidated Statements of Operations. The following table summarizes certain information regarding the industrial properties included in discontinued operations for the year ended December 31, 2014.

	<u>2014</u> (\$ in 000's)
Total Revenues	\$ 7,007
Property Expenses	(2,784)
Depreciation and Amortization	(2,388)
Gain on Sale of Real Estate	<u>25,988</u>
Income from Discontinued Operations	<u>\$27,823</u>

Income from discontinued operations for the year ended December 31, 2014 reflects the results of operations and gain on sale of real estate relating to 29 industrial properties that were sold during the year ended December 31, 2014.

Comparison of Year Ended December 31, 2014 to Year Ended December 31, 2013

The Company's net income was \$51.0 million and \$41.4 million for the years ended December 31, 2014 and 2013, respectively. The Operating Partnership's net income was \$51.3 million and \$41.5 million for the years ended December 31, 2014 and 2013, respectively.

The tables below summarize our revenues, property expenses and depreciation and other amortization by various categories for the years ended December 31, 2014 and 2013. Same store properties are properties owned prior to January 1, 2013 and held as an in-service property through December 31, 2014 and developments and redevelopments that were placed in service prior to January 1, 2013 or were substantially completed for the 12 months prior to January 1, 2013. Properties which are at least 75% occupied at acquisition are placed in service. Acquisitions that are less than 75% occupied at the date of acquisition, developments and redevelopments are placed in service as they reach the earlier of a) stabilized occupancy (generally defined as 90% occupied), or b) one year subsequent to acquisition or development/redevelopment construction completion. Properties are moved from the same store classification to the redevelopment classification when capital expenditures for a project are estimated to exceed 25% of the undepreciated gross book value of the property. Acquired properties are properties that were acquired subsequent to December 31, 2012 and held as an operating property through December 31, 2014. Sold properties are properties that were sold subsequent to December 31, 2012. (Re)Developments include developments and redevelopments that were not: a) substantially complete 12 months prior to January 1, 2013; or b) stabilized prior to January 1, 2013. Other revenues are derived from operations of properties not placed in service under one of the categories discussed above, the operations of our maintenance company, fees earned from our Joint Ventures and other miscellaneous revenues. Other expenses are derived from the operations of properties not placed in service under one of the categories discussed above, operations of our maintenance company, vacant land expenses and other miscellaneous regional expenses.

Our future financial condition and results of operations, including rental revenues, may be impacted by the future acquisition and sale of properties. Our future revenues and expenses may vary materially from historical rates.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the years ended December 31, 2014 and 2013, the average occupancy rates of our same store properties were 92.5% and 90.9%, respectively.

	<u>2014</u>	<u>2013</u>	<u>\$ Change</u>	<u>% Change</u>
	(\$ in 000's)			
REVENUES				
Same Store Properties	\$331,594	\$315,118	\$ 16,476	5.2%
Acquired Properties	6,894	453	6,441	1,421.9%
Sold Properties	7,007	20,727	(13,720)	(66.2)%
(Re) Developments	3,966	1,163	2,803	241.0%
Other	2,145	1,720	425	24.7%
	<u>\$351,606</u>	<u>\$339,181</u>	<u>\$ 12,425</u>	<u>3.7%</u>
Discontinued Operations	(7,007)	(20,727)	13,720	(66.2)%
Total Revenues	<u>\$344,599</u>	<u>\$318,454</u>	<u>\$ 26,145</u>	<u>8.2%</u>

Revenues from same store properties increased \$16.5 million primarily due to an increase in occupancy, an increase in tenant recoveries and a one-time restoration fee recognized in 2014, partially offset by an increase in the straight-line rent reserve for doubtful accounts. Revenues from acquired properties increased \$6.4 million due to the 10 industrial properties acquired subsequent to December 31, 2012 totaling approximately 2.2 million square feet of GLA. Revenues from sold properties decreased \$13.7 million due to the 96 industrial properties sold subsequent to December 31, 2012 totaling approximately 5.0 million square feet of GLA. Revenues from (re)developments increased \$2.8 million due to an increase in occupancy. Other revenues increased \$0.4 million primarily due to an increase in maintenance company revenues.

	<u>2014</u>	<u>2013</u>	<u>\$ Change</u>	<u>% Change</u>
	(\$ in 000's)			
PROPERTY EXPENSES				
Same Store Properties	\$100,468	\$ 93,542	\$ 6,926	7.4%
Acquired Properties	2,647	454	2,193	483.0%
Sold Properties	2,784	8,126	(5,342)	(65.7)%
(Re) Developments	2,414	501	1,913	381.8%
Other	8,970	9,217	(247)	(2.7)%
	<u>\$117,283</u>	<u>\$111,840</u>	<u>\$ 5,443</u>	<u>4.9%</u>
Discontinued Operations	(2,784)	(8,126)	5,342	(65.7)%
Total Property Expenses	<u>\$114,499</u>	<u>\$103,714</u>	<u>\$10,785</u>	<u>10.4%</u>

Property expenses include real estate taxes, repairs and maintenance, property management, utilities, insurance and other property related expenses. Property expenses from same store properties increased \$6.9 million primarily due to higher snow removal costs incurred during the year ended December 31, 2014 as compared to the year ended December 31, 2013 due to the harsh 2014 winter, an increase in real estate tax expense and an increase in bad debt expense. Property expenses from acquired properties increased \$2.2 million due to properties acquired subsequent to December 31, 2012. Property expenses from sold properties decreased \$5.3 million due to properties sold subsequent to December 31, 2012. Property expenses from (re)developments increased \$1.9 million primarily due to an increase in real estate tax expense related to the substantial completion of developments. Other expenses remained relatively unchanged.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General and administrative expense for both the Company and the Operating Partnership remained relatively unchanged.

For the years ended December 31, 2014 and 2013, we recognized \$1.0 million and \$0.3 million, respectively, of expense related to costs associated with acquiring industrial properties from third parties.

	<u>2014</u>	<u>2013</u>	<u>\$ Change</u>	<u>% Change</u>
	(\$ in 000's)			
DEPRECIATION AND OTHER AMORTIZATION				
Same Store Properties	\$104,120	\$104,676	\$ (556)	(0.5)%
Acquired Properties	4,642	871	3,771	433.0%
Sold Properties	2,388	7,727	(5,339)	(69.1)%
(Re) Developments	2,399	567	1,832	323.1%
Corporate Furniture, Fixtures and Equipment and Other	736	837	(101)	(12.1)%
	<u>\$114,285</u>	<u>\$114,678</u>	<u>\$ (393)</u>	<u>(0.3)%</u>
Discontinued Operations	(2,388)	(7,727)	5,339	(69.1)%
Total Depreciation and Other Amortization	<u>\$111,897</u>	<u>\$106,951</u>	<u>\$ 4,946</u>	<u>4.6%</u>

Depreciation and other amortization from same store properties remained relatively unchanged. Depreciation and other amortization from acquired properties increased \$3.8 million due to properties acquired subsequent to December 31, 2012. Depreciation and other amortization from sold properties decreased \$5.3 million due to properties sold subsequent to December 31, 2012. Depreciation and other amortization from (re)developments increased \$1.8 million primarily due to an increase in developments that were placed in service. Depreciation from corporate furniture, fixtures and equipment and other remained relatively unchanged.

The \$0.1 million loss and \$1.1 million gain on sale of real estate for the years ended December 31, 2014 and 2013, respectively, resulted from the sale of land parcels that did not meet the criteria for inclusion in discontinued operations.

Interest income decreased \$0.2 million, or 10.4%, primarily due to a decrease in the weighted average note receivable balance outstanding for the year ended December 31, 2014 as compared to the year ended December 31, 2013 partially offset by the receipt of prepayment fees of \$0.7 million related to note receivables that were paid off early during the year ended December 31, 2014.

Interest expense decreased \$1.4 million, or 1.9%, primarily due to a decrease in the weighted average interest rate for the year ended December 31, 2014 (5.33%) as compared to the year ended December 31, 2013 (5.77%), partially offset by an increase in the weighted average debt balance outstanding for the year ended December 31, 2014 (\$1,380.6 million) as compared to the year ended December 31, 2013 (\$1,338.5 million) and a decrease in capitalized interest of \$2.2 million for the year ended December 31, 2014 as compared to the year ended December 31, 2013 due to a decrease in development activities.

Amortization of deferred financing costs remained relatively unchanged.

In October 2008, we entered into an interest rate protection agreement to mitigate our exposure to floating interest rates related to the coupon reset of one of our series of preferred stock. During the year ended December 31, 2013, we recorded \$0.1 million in mark-to-market net gain associated with this interest rate protection agreement, which matured on October 1, 2013.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the year ended December 31, 2014, we recognized a loss from retirement of debt of \$0.7 million due to the early payoff of certain mortgage loans. For the year ended December 31, 2013, we recognized a loss from retirement of debt of \$6.6 million due to the partial repurchase of certain series of our senior unsecured notes, the early payoff of certain mortgage loans and the write-off of certain unamortized loan fees associated with the amendment of our revolving line of credit.

Equity in income of joint ventures increased \$3.4 million during the year ended December 31, 2014 as compared to the year ended December 31, 2013 primarily due to an increase in our pro rata share of gain and earn outs from the sales of industrial properties from the 2003 Net Lease Joint Venture.

The income tax provision is not significant.

The following table summarizes certain information regarding the industrial properties included in discontinued operations for the years ended December 31, 2014 and 2013.

	2014	2013
	(\$ in 000's)	
Total Revenues	\$ 7,007	\$20,727
Property Expenses	(2,784)	(8,126)
Impairment of Real Estate	—	(2,652)
Depreciation and Amortization	(2,388)	(7,727)
Gain on Sale of Real Estate	25,988	34,344
Income from Discontinued Operations	<u>\$27,823</u>	<u>\$36,566</u>

Income from discontinued operations for the year ended December 31, 2014 reflects the results of operations and gain on sale of real estate relating to 29 industrial properties that were sold during the year ended December 31, 2014.

Income from discontinued operations for the year ended December 31, 2013 reflects the results of operations and gain on sale of real estate relating to 67 industrial properties that were sold during the year ended December 31, 2013 and the results of operations of 29 industrial properties that were sold during the year ended December 31, 2014. The impairment loss for the year ended December 31, 2013 of \$2.7 million primarily relates to an impairment charge recorded due to carrying values of certain properties exceeding the estimated fair value based upon third party purchase contracts for properties held for sale during 2013.

Critical Accounting Policies

Our significant accounting policies are described in more detail in Note 2 to the Consolidated Financial Statements. We believe the following critical accounting policies relate to the more significant judgments and estimates used in the preparation of our consolidated financial statements.

- *Accounts Receivable:* We are subject to tenant defaults and bankruptcies that could affect the collection of rent due under our outstanding accounts receivable, including straight-line rent. In order to mitigate these risks, we perform credit reviews and analyses on our major existing tenants and all prospective tenants meeting certain financial thresholds before leases are executed. We maintain an allowance for doubtful accounts which is an estimate that is based on our assessment of various factors including the accounts receivable aging, customer credit-worthiness and historical bad debts.
- *Investment in Real Estate:* We allocate purchase price of acquired properties to tangible (land, building, tenant improvements) and identified intangible assets (leasing commissions, in-place leases, tenant

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

relationships, above and below market leases and below market ground lease obligations). Above-market and below-market lease and below market ground lease obligation values for acquired properties are recorded based on the present value (using a discount rate which reflects the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be paid pursuant to each in-place lease and (ii) our estimate of fair market lease rents for each corresponding in-place lease. Acquired above market leases are amortized as a reduction of rental revenue over the remaining non-cancelable terms of the respective leases and acquired below market leases are amortized as an increase to rental income over the remaining initial terms plus the terms of any below market fixed rate renewal options of the respective leases. Leasing commission, in-place lease and tenant relationship values for acquired properties are recorded based on our evaluation of the specific characteristics of each tenant's lease and our overall relationship with the respective tenant. The value allocated to leasing commission and in-place lease intangible assets is amortized to depreciation and amortization expense over the remaining lease term of the respective lease. The value allocated to tenant relationships is amortized to depreciation and amortization expense over the expected term of the relationship, which includes an estimate of the probability of lease renewal and its estimated term. We also must allocate purchase price on multi-property portfolios to individual properties. The allocation of purchase price is based on our assessment of various characteristics of the markets where the property is located and the expected cash flows of the property.

- *Capitalization of Costs:* We capitalize costs incurred in developing and expanding real estate assets as part of the investment basis. During the construction period, we capitalize interest costs, real estate taxes and certain costs of the personnel performing development up to the time the property is substantially complete. The interest rate used to capitalize interest is based upon our average borrowing rate on existing debt. Costs incurred in making repairs and maintaining real estate assets are expensed as incurred. We also capitalize internal and external costs incurred to successfully originate a lease that result directly from, and are essential to, the acquisition of that lease. Leasing costs that meet the requirements for capitalization are presented as a component of prepaid expenses and other assets. The determination and calculation of certain costs requires estimates by us.
- *Impairment of Real Estate Assets:* We review our real estate assets for possible impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. We utilize the guidelines established under the Financial Accounting Standards Board's (the "FASB") guidance for accounting for the impairment of long lived assets to determine if impairment conditions exist. We review the expected undiscounted cash flows of the property to determine if there are any indications of impairment. If the expected undiscounted cash flows of a particular property are less than the net book basis of the property, we will recognize an impairment charge equal to the amount of carrying value of the property that exceeds the fair value of the property. Fair value is generally determined by discounting the future expected cash flows of the property. The preparation of the undiscounted cash flows and the calculation of fair value involve subjective assumptions such as estimated occupancy, rental rates, ultimate residual value and hold period. The discount rate used to present value the cash flows for determining fair value is also subjective. To the extent applicable marketplace data is available, we generally use the market approach in estimating the fair value of undeveloped land. Real estate assets that are classified as held-for-sale are reported at the lower of their carrying value or their fair value, less estimated costs to sell.
- *Deferred Tax Assets and Liabilities:* In the preparation of our consolidated financial statements, significant management judgment is required to estimate our current and deferred income tax liabilities. Our estimates are based on our interpretation of tax laws. These estimates may have an impact on the income tax expense recognized. Adjustments may be required by a change in assessment of our deferred income tax assets and liabilities, changes due to audit adjustments by federal and state tax authorities, the

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Company's inability to qualify as a REIT and changes in tax laws. Adjustments required in any given period are included within the income tax provision. In assessing the need for a valuation allowance against our deferred tax assets, we estimate future taxable income, considering the feasibility of ongoing tax planning strategies and the realizability of tax loss carryforwards. In the event we were to determine that we would not be able to realize all or a portion of our deferred tax assets in the future, we would reduce such amounts through a charge to income in the period in which that determination is made. Conversely, if we were to determine that we would be able to realize our deferred tax assets in the future in excess of the net carrying amounts, we would decrease the recorded valuation allowance through an increase to income in the period in which that determination is made.

Liquidity and Capital Resources

At December 31, 2015, our cash and cash equivalents and restricted cash were approximately \$4.0 million and \$23.0 million, respectively. Restricted cash is comprised of gross proceeds from the sales of certain industrial properties. These sale proceeds will be disbursed as we exchange industrial properties under Section 1031 of the Code. We also had \$571.6 million available for additional borrowings under our Unsecured Credit Facility.

We have considered our short-term (through December 31, 2016) liquidity needs and the adequacy of our estimated cash flow from operations and other expected liquidity sources to meet these needs. Our 5.75% 2016 Notes, in the aggregate principal amount of \$159.7 million, are due January 15, 2016 (see Subsequent Events). Also, we have \$58.1 million in mortgage loans payable outstanding at December 31, 2015 that mature prior to December 31, 2016. We expect to satisfy these payment obligations prior to December 31, 2016 with borrowings under our Unsecured Credit Facility. With the exception of these payment obligations, we believe that our principal short-term liquidity needs are to fund normal recurring expenses, property acquisitions, developments, renovations, expansions and other nonrecurring capital improvements, debt service requirements, the minimum distributions required to maintain the Company's REIT qualification under the Code and distributions approved by the Company's Board of Directors. We anticipate that these needs will be met with cash flows provided by operating activities as well as the disposition of select assets. These needs may also be met by the issuance of additional equity securities or long-term unsecured indebtedness, subject to market conditions and contractual restrictions or borrowings under our Unsecured Credit Facility.

We expect to meet long-term (after December 31, 2016) liquidity requirements such as property acquisitions, developments, scheduled debt maturities, major renovations, expansions and other nonrecurring capital improvements through the disposition of select assets, long-term unsecured and secured indebtedness and the issuance of additional equity securities, subject to market conditions.

At December 31, 2015, borrowings under our Unsecured Credit Facility bore interest at a weighted average interest rate of 1.57%. As of February 24, 2016, we had approximately \$356.6 million available for additional borrowings under our Unsecured Credit Facility. Our Unsecured Credit Facility contains certain financial covenants including limitations on incurrence of debt and debt service coverage. Our access to borrowings may be limited if we fail to meet any of these covenants. We believe that we were in compliance with our financial covenants as of December 31, 2015, and we anticipate that we will be able to operate in compliance with our financial covenants in 2016.

Our senior unsecured notes have been assigned credit ratings from Standard & Poor's, Moody's and Fitch Ratings of BBB-/Baa3/BBB-, respectively. In the event of a downgrade, we believe we would continue to have access to sufficient capital; however, our cost of borrowing would increase and our ability to access certain financial markets may be limited.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Year Ended December 31, 2015

Net cash provided by operating activities for the Company of approximately \$162.1 million (net cash provided by operating activities for the Operating Partnership of approximately \$162.3 million) for the year ended December 31, 2015 was comprised primarily of the non-cash adjustments of approximately \$82.5 million, the Company's net income of approximately \$76.7 million (the Operating Partnership's net income of approximately \$76.8 million) and the Company and the Operating Partnership's net change in operating assets and liabilities of approximately \$3.0 million, offset by equity in income of Joint Ventures of approximately \$0.1 million. The adjustments for the non-cash items of approximately \$82.5 million are primarily comprised of depreciation and amortization of approximately \$124.5 million, mark-to-market and settlement loss on interest rate protection agreements of approximately \$11.5 million, the impairment of real estate of approximately \$0.6 million and the provision for bad debt of approximately \$1.0 million, offset by the gain on sale of real estate of approximately \$48.9 million and the effect of the straight-lining of rental income of approximately \$6.2 million.

Net cash used in investing activities for both the Company and the Operating Partnership of approximately \$197.1 million for the year ended December 31, 2015 was comprised primarily of the acquisition of certain land parcels and eight industrial properties comprising approximately 1.9 million square feet of GLA, the development of real estate, capital expenditures related to the improvement of existing real estate, payments related to leasing activities, an increase in escrows, net contributions to our Joint Ventures and the settlement of interest rate protection agreements, offset by the net proceeds from the sale of real estate and repayments on our notes receivable.

During the year ended December 31, 2015, we sold 66 industrial properties comprising approximately 3.8 million square feet of GLA and several land parcels. Proceeds from the sales of the 66 industrial properties and several land parcels, net of closing costs, were approximately \$154.0 million. We are in various stages of discussions with third parties for the sale of additional properties and plan to continue to selectively market other properties for sale in 2016.

Net cash provided by financing activities for the Company of approximately \$29.4 million (net cash provided by financing activities for the Operating Partnership of approximately \$29.3 million) for the year ended December 31, 2015 was comprised primarily of net proceeds from the origination of the 2015 Unsecured Term Loan, offset by the repayments on our mortgage loans payable, common stock and Unit distributions, payments of debt issuance costs, net repayments on the Unsecured Credit Facility, the repurchase and retirement of restricted stock and restricted Units and the Operating Partnership's net distributions to noncontrolling interests.

On September 11, 2015, we entered into the 2015 Unsecured Term Loan with a syndicate of financial institutions. The 2015 Unsecured Term Loan requires interest only payments and bears interest at a variable rate based on LIBOR, as defined in the loan agreement, plus a specified spread based on our leverage ratio or credit ratings. We also entered into interest rate protection agreements to effectively convert the variable rate to a fixed rate.

During the year ended December 31, 2015, we paid off and retired prior to maturity a mortgage loan in the amount of \$22.9 million. We may from time to time repay additional amounts of our outstanding debt. Any repayments would depend upon prevailing market conditions, our liquidity requirements, contractual restrictions and other factors we consider important. Future repayments may materially impact our liquidity, taxable income and results of operations.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Contractual Obligations and Commitments

The following table lists our contractual obligations and commitments as of December 31, 2015:

	Total	Payments Due by Period (In thousands)			
		Less Than 1 Year	1-3 Years	3-5 Years	Over 5 Years
Operating and Ground Leases(1)(2)	\$ 32,035	\$ 1,993	\$ 3,109	\$ 1,067	\$ 25,866
Real Estate Development Costs(1)(3)	59,700	59,700	—	—	—
Long Term Debt	1,442,493	229,024	337,064	219,778	656,627
Interest Expense on Long Term Debt(1)(4)	272,877	59,648	94,490	64,800	53,939
Total	<u>\$1,807,105</u>	<u>\$350,365</u>	<u>\$434,663</u>	<u>\$285,645</u>	<u>\$736,432</u>

- (1) Not on balance sheet.
- (2) Operating lease minimum rental payments have not been reduced by minimum sublease rentals of \$3.9 million due in the future under non-cancelable subleases.
- (3) Represents estimated remaining costs on the completion of development projects under construction.
- (4) Includes interest expense on our unsecured term loans, inclusive of the impact of interest rate protection agreements which effectively swap the variable interest rate to a fixed interest rate. Excludes interest expense on our Unsecured Credit Facility.

Off-Balance Sheet Arrangements

At December 31, 2015, we had letters of credit and performance bonds outstanding amounting to \$6.7 million in the aggregate. The letters of credit and performance bonds are not reflected as liabilities on our balance sheet. We have no other off-balance sheet arrangements, as defined in Item 303 of Regulation S-K, other than those disclosed on the Contractual Obligations and Commitments table above that have or are reasonably likely to have a current or future effect on our financial condition, results of operation or liquidity and capital resources.

Environmental

We paid approximately \$1.1 million and \$0.7 million during the years ended December 31, 2015 and 2014, respectively, related to environmental expenditures. We estimate 2016 expenditures of approximately \$0.3 million. We estimate that the aggregate expenditures which need to be expended in 2016 and beyond with regard to currently identified environmental issues will not exceed approximately \$1.2 million.

Inflation

For the last several years, inflation has not had a significant impact on us because of the relatively low inflation rates in our markets of operation. Most of our leases require the tenants to pay their share of operating expenses, including common area maintenance, real estate taxes and insurance, thereby reducing our exposure to increases in costs and operating expenses resulting from inflation. In addition, many of the outstanding leases have lease terms of six years which may enable us to replace existing leases with new leases at higher base rentals if rents of existing leases are below the then-existing market rate.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Market Risk

The following discussion about our risk-management activities includes “forward-looking statements” that involve risk and uncertainties. Actual results could differ materially from those projected in the forward-looking statements. Our business subjects us to market risk from interest rates, as described below.

Interest Rate Risk

The following analysis presents the hypothetical gain or loss in earnings, cash flows or fair value of the financial instruments and derivative instruments which are held by us at December 31, 2015 that are sensitive to changes in interest rates. While this analysis may have some use as a benchmark, it should not be viewed as a forecast.

In the normal course of business, we also face risks that are either non-financial or non-quantifiable. Such risks principally include credit risk and legal risk and are not represented in the following analysis.

At December 31, 2015, \$1,389.9 million of our debt (96.4% of total debt at December 31, 2015) was fixed rate debt. This includes \$460.0 million of variable-rate debt that has been effectively swapped to a fixed rate through the use of interest rate protection agreements. As of the same date, \$52.5 million of our debt (3.6% of total debt at December 31, 2015) was variable rate debt. At December 31, 2014, \$1,164.8 million of our debt (86.3% of total debt at December 31, 2014) was fixed rate debt. This includes \$200.0 million of variable-rate debt that has been effectively swapped to a fixed rate through the use of interest rate protection agreements. As of the same date, \$185.0 million of our debt (13.7% of total debt at December 31, 2014) was variable rate debt.

For fixed rate debt, changes in interest rates generally affect the fair value of the debt, but not our earnings or cash flows. Conversely, for variable rate debt, changes in the base interest rate used to calculate the all-in interest rate generally do not impact the fair value of the debt, but would affect our future earnings and cash flows. The interest rate risk and changes in fair market value of fixed rate debt generally do not have a significant impact on us until we are required to refinance such debt. See Note 4 to the Consolidated Financial Statements for a discussion of the maturity dates of our various fixed rate debt.

Our variable rate debt is subject to risk based upon prevailing market interest rates. As of December 31, 2015 and 2014, we had approximately \$52.5 million and \$185.0 million, respectively, of variable rate debt outstanding indexed to LIBOR rates (excluding the \$460.0 and \$200.0 million of variable-rate debt that has been effectively swapped to a fixed rate through the use of interest rate protection agreements). If the LIBOR rates relevant to our variable rate debt were to have increased 10%, we estimate that our interest expense during the years ended December 31, 2015 and 2014 would have increased by approximately \$0.07 million and \$0.03 million, respectively, based on our average outstanding floating-rate debt during the years ended December 31, 2015 and 2014. Additionally, if weighted average interest rates on our fixed rate debt were to have increased by 10% due to refinancing, interest expense would have increased by approximately \$6.7 million and \$7.2 million during the years ended December 31, 2015 and 2014.

As of December 31, 2015 and 2014, the estimated fair value of our debt was approximately \$1,495.7 million and \$1,422.5 million, respectively, based on our estimate of the then-current market interest rates.

The use of derivative financial instruments allows us to manage risks of increases in interest rates with respect to the effect these fluctuations would have on our earnings and cash flows. As of December 31, 2015, we had interest rate protection agreements with a notional aggregate amount outstanding of \$460.0 million, which mitigate our exposure to our unsecured term loans' variable interest rates, which are based upon LIBOR, as defined in the loan agreements. During the year ended December 31, 2015, we settled certain interest rate

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

protection agreements, which were entered into in August 2014, to maintain our flexibility to pursue an offering of unsecured debt, for a payment of \$11.5 million made to our derivative counterparties. We have recognized such payment as mark-to-market and settlement loss on interest rate protection agreements. See Note 11 to the Consolidated Financial Statements for a more detailed discussion of these interest rate protection agreements. Currently, we do not enter into financial instruments for trading or other speculative purposes.

Supplemental Earnings Measure

Investors in and industry analysts following the real estate industry utilize funds from operations ("FFO") and net operating income ("NOI") as supplemental operating performance measures of an equity REIT. Historical cost accounting for real estate assets in accordance with accounting principles generally accepted in the United States of America ("GAAP") implicitly assumes that the value of real estate assets diminishes predictably over time through depreciation. Since real estate values instead have historically risen or fallen with market conditions, many industry analysts and investors prefer to supplement operating results that use historical cost accounting with measures such as FFO and NOI, among others. We provide information related to FFO and same store NOI ("SS NOI") both because such industry analysts are interested in such information, and because our management believes FFO and SS NOI are important performance measures. FFO and SS NOI are factors used by management in measuring our performance, including for purposes of determining the compensation of our executive officers under our 2015 incentive compensation plan.

Neither FFO nor SS NOI should be considered as a substitute for net income, or any other measures derived in accordance with GAAP. Neither FFO nor SS NOI represents cash generated from operating activities in accordance with GAAP and neither should be considered as an alternative to cash flow from operating activities as a measure of our liquidity, nor is either indicative of funds available for our cash needs, including our ability to make cash distributions.

Funds From Operations

The National Association of Real Estate Investment Trusts ("NAREIT") has recognized and defined for the real estate industry a supplemental measure of REIT operating performance that excludes historical cost depreciation, among other items, from net income determined in accordance with GAAP. FFO is a non-GAAP financial measure. FFO is calculated by us in accordance with the definition adopted by the Board of Governors of NAREIT and therefore may not be comparable to other similarly titled measures of other companies.

Management believes that the use of FFO available to common stockholders and participating securities, combined with net income (which remains the primary measure of performance), improves the understanding of operating results of REITs among the investing public and makes comparisons of REIT operating results more meaningful. Management believes that, by excluding gains or losses related to sales of previously depreciated real estate assets, real estate asset depreciation and amortization and impairment charges recorded on depreciable real estate, investors and analysts are able to identify the operating results of the long-term assets that form the core of a REIT's activity and use these operating results for assistance in comparing these operating results between periods or to those of different companies.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following table shows a reconciliation of net income available to common stockholders and participating securities to the calculation of FFO available to common stockholders and participating securities for the years ended December 31, 2015, 2014, 2013, 2012 and 2011.

	Year Ended December 31,				
	2015	2014	2013	2012	2011
	(In thousands)				
Net Income (Loss) Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities	\$ 73,802	\$ 46,629	\$ 25,907	\$ (22,069)	\$ (27,010)
Adjustments:					
Depreciation and Other Amortization of Real Estate	113,126	111,371	106,333	109,784	110,055
Depreciation and Other Amortization of Real Estate Included in Discontinued Operations	—	2,388	7,727	11,648	12,268
Equity in Depreciation and Other Amortization of Joint Ventures	17	117	273	(20)	551
Impairment of Depreciated Real Estate	626	—	—	(192)	(1,457)
Impairment of Depreciated Real Estate Included in Discontinued Operations	—	—	2,652	1,438	5,916
Non-NAREIT Compliant Gain	(44,022)	(25,988)	(34,344)	(12,665)	(20,419)
Non-NAREIT Compliant Gain from Joint Ventures	(63)	(3,346)	(111)	(902)	(616)
Gain on Change in Control of Interests	—	—	—	(776)	(689)
Noncontrolling Interest Share of Adjustments	(2,645)	(3,281)	(3,426)	(5,606)	(6,448)
Funds from Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities	<u>\$140,841</u>	<u>\$127,890</u>	<u>\$105,011</u>	<u>\$ 80,640</u>	<u>\$ 72,151</u>

Same Store Net Operating Income

SS NOI is a non-GAAP financial measure that provides a measure of rental operations, and does not factor in depreciation and amortization, general and administrative expense, acquisition costs, interest expense, impairment charges, equity in income from joint ventures, income tax benefit and expense, gains and losses on retirement of debt, sale of real estate and mark-to-market and settlement loss on interest rate protection agreements. We define SS NOI as revenues minus property expenses such as real estate taxes, repairs and maintenance, property management, utilities, insurance and other expenses, minus the NOI of properties that are not same store properties and minus the impact of straight-line rent, the amortization of lease inducements, the amortization of above/below market rent and lease termination fees. As so defined, SS NOI may not be comparable to same store net operating income or similar measures reported by other REITs that define same store properties or NOI differently. The major factors influencing SS NOI are occupancy levels, rental rate increases or decreases and tenant recoveries increases or decreases. Our success depends largely upon our ability to lease space and to recover the operating costs associated with those leases from our tenants.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following table shows a reconciliation of the same store revenues and property expenses disclosed in the results of operations (and reconciled to revenues and expenses reflected on the statements of operations) to SS NOI for the years ended December 31, 2015 and 2014.

	Year Ended December 31,	
	2015	2014
	(In thousands)	
Same Store - Revenues	\$324,165	\$318,420
Same Store - Property Expenses	92,244	93,205
Same Store Net Operating Income Before Same Store Adjustments	\$231,921	\$225,215
Same Store Adjustments:		
Lease Inducement Amortization	805	1,042
Straight-line Rent	281	(1,006)
Above / Below Market Rent Amortization	(389)	(870)
Lease Termination Fees	(874)	(1,464)
One-Time Restoration Fee	—	(2,638)
Same Store Net Operating Income	<u>\$231,744</u>	<u>\$220,279</u>

Subsequent Events

From January 1, 2016 to February 24, 2016, we acquired one industrial property and several land parcels for a purchase price of approximately \$46.7 million, excluding costs incurred in conjunction with such acquisitions. We also assumed a \$4.5 million mortgage loan payable in conjunction with the acquisition of the property. During the same period, we sold two industrial properties for approximately \$9.6 million.

Additionally, on January 15, 2016, we paid off and retired our 2016 Notes, at maturity, in the amount of \$159.7 million.

RISK FACTORS

Our operations involve various risks that could adversely affect our financial condition, results of operations, cash flow, make distributions to holders of the Company's common stock and the Operating Partnership's general and limited partnership interests ("Units"), the market price of the Company's common stock and the market value of the Units. These risks, among others contained in our other filings with the SEC, include:

Disruptions in the financial markets could affect our ability to obtain financing and may negatively impact our liquidity, financial condition and operating results.

From time to time, the capital and credit markets in the United States and other countries experience significant price volatility, dislocations and liquidity disruptions, which can cause the market prices of many securities and the spreads on prospective debt financings to fluctuate substantially. These circumstances can materially impact liquidity in the financial markets, making terms for certain financings less attractive, and in some cases result in the unavailability of financing. A significant amount of our existing indebtedness was issued through capital markets transactions. We anticipate that the capital markets could be a source of refinancing of our existing indebtedness in the future. This source of refinancing may not be available if volatility in or disruption of the capital markets occurs. Furthermore, we could potentially lose access to available liquidity under our Unsecured Credit Facility if one or more participating lenders were to default on their commitments. If our ability to issue additional debt or equity securities or to borrow money under our Unsecured Credit Facility were to be impaired by volatility in or disruption of the capital markets, it could have a material adverse effect on our liquidity and financial condition.

In addition, price volatility in the capital and credit markets could make the valuation of our properties more difficult. There may be significant uncertainty in the valuation, or in the stability of the value, of our properties that could result in a substantial decrease in the value of our properties. As a result, we may not be able to recover the carrying amount of our properties, which may require us to recognize an impairment loss in earnings.

Real estate investments fluctuate in value depending on conditions in the general economy and the real estate industry. These conditions may limit our revenues and available cash.

The factors that affect the value of our real estate and the revenues we derive from our properties include, among other things:

- general economic conditions;
- local, regional, national and international economic conditions and other events and occurrences that affect the markets in which we own properties;
- local conditions such as oversupply or a reduction in demand in an area;
- increasing labor and material costs;
- the ability to collect on a timely basis all rents from tenants;
- changes in tenant operations, real estate needs and credit;
- changes in interest rates and in the availability, cost and terms of mortgage funding;
- zoning or other regulatory restrictions;
- competition from other available real estate;
- operating costs, including maintenance, insurance premiums and real estate taxes; and
- other factors that are beyond our control.

RISK FACTORS

Our investments in real estate assets are concentrated in the industrial sector, and the demand for industrial space in the United States is related to the level of economic output. Accordingly, reduced economic output may lead to lower occupancy rates for our properties. In addition, if any of our tenants experiences a downturn in its business that weakens its financial condition, delays lease commencement, fails to make rental payments when due, becomes insolvent or declares bankruptcy, the result could be a termination of the tenant's lease, which could adversely affect our cash flow from operations. These factors may be amplified by a disruption of financial markets.

Many real estate costs are fixed, even if income from properties decreases.

Our financial results depend on leasing space to tenants on terms favorable to us. Our income and funds available for distribution to our stockholders and Unitholders will decrease if a significant number of our tenants cannot pay their rent or we are unable to lease properties on favorable terms. In addition, if a tenant does not pay its rent, we may not be able to enforce our rights as landlord without delays and we may incur substantial legal costs. Costs associated with real property, such as real estate taxes and maintenance costs, generally are not reduced when circumstances cause a reduction in income from the property.

We may be unable to acquire properties on advantageous terms or acquisitions may not perform as we expect.

We have routinely acquired properties from third parties as conditions warrant and, as part of our business, we intend to continue to do so. The acquisition of properties entails various risks, including risks that our investments may not perform as expected and that our cost estimates for bringing an acquired property up to market standards may prove inaccurate. Further, we face significant competition for attractive investment opportunities from other well-capitalized real estate investors, including publicly-traded REITs and private investors. This competition increases as investments in real estate become attractive relative to other forms of investment. As a result of competition, we may be unable to acquire additional properties and purchase prices may increase. In addition, we expect to finance future acquisitions through a combination of borrowings under the Unsecured Credit Facility, proceeds from equity or debt offerings and debt originations and proceeds from property sales, which may not be available and which could adversely affect our cash flow. Any of the above risks could adversely affect our financial condition, results of operations, cash flow and ability to make distributions to our stockholders and Unitholders, the market price of the Company's common stock and the market value of the Units.

We may obtain only limited warranties when we purchase a property and would have only limited recourse in the event our due diligence did not identify any issues that lower the value of our property.

The seller of a property often sells such property in its "as is" condition on a "where is" basis and "with all faults," without any warranties of merchantability or fitness for a particular use or purpose. In addition, purchase agreements may contain only limited warranties, representations and indemnifications that will only survive for a limited period after the closing. The purchase of properties with limited warranties increases the risk that we may lose some or all of our invested capital in the property as well as the loss of rental income from that property.

We may be unable to sell properties when appropriate or at all because real estate investments are not as liquid as certain other types of assets.

Real estate investments generally cannot be sold quickly, which could limit our ability to adjust our property portfolio in response to changes in economic conditions or in the performance of the portfolio. This could adversely affect our financial condition and our ability to service debt and make dividends/distributions to our stockholders and Unitholders. In addition, like other companies qualifying as REITs under the Code, our ability to sell assets may be restricted by tax laws that potentially result in punitive taxation on asset sales that fail to meet certain safe harbor rules or other criteria established under case law.

RISK FACTORS

We may be unable to sell properties on advantageous terms.

We have routinely sold properties to third parties as conditions warrant and, as part of our business, we intend to continue to do so. However, our ability to sell properties on advantageous terms depends on factors beyond our control, including competition from other sellers and the availability of attractive financing for potential buyers. If we are unable to sell properties on favorable terms or to redeploy the proceeds in accordance with our business strategy, then our financial condition, results of operations, cash flow and ability to make distributions to our stockholders and Unitholders, the market price of the Company's common stock and the market value of the Units could be adversely affected. Further, if we sell properties by providing financing to purchasers, defaults by the purchasers would adversely affect our operations and financial condition.

We may be unable to complete development and re-development projects on advantageous terms.

As part of our business, we develop new properties and re-develop existing properties as conditions warrant. This part of our business involves significant risks, including the following:

- we may not be able to obtain financing for these projects on favorable terms;
- we may not complete construction on schedule or within budget;
- we may not be able to obtain, or may experience delays in obtaining, all necessary zoning, land-use, building, occupancy and other governmental permits and authorizations;
- contractor and subcontractor disputes, strikes, labor disputes or supply chain disruptions may occur; and
- properties may perform below anticipated levels, producing cash flow below budgeted amounts, which may result in us paying too much for a property, cause the property to not be profitable and limit our ability to sell such properties to third parties.

To the extent these risks result in increased debt service expense, construction costs and delays in budgeted leasing, they could adversely affect our financial condition, results of operations, cash flow and ability to make distributions to our stockholders and Unitholders, the market price of the Company's common stock and the market value of the Units.

We may be unable to renew leases or find other lessees.

We are subject to the risks that, upon expiration, leases may not be renewed, the space subject to such leases may not be relet or the terms of renewal or reletting, including the cost of required renovations, may be less favorable than the expiring lease terms. If we were unable to promptly renew a significant number of expiring leases or to promptly relet the spaces covered by such leases, or if the rental rates upon renewal or reletting were significantly lower than the current rates, our financial condition, results of operation, cash flow and ability to make distributions to our stockholders and Unitholders, the market price of the Company's common stock and the market value of the Units could be adversely affected.

The Company might fail to qualify as a REIT under existing laws and/or federal income tax laws could change.

The Company intends to operate so as to qualify as a REIT under the Code, and we believe that the Company is organized and will operate in a manner that allows us to continue to do so. However, 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. There are only limited judicial and administrative interpretations of these provisions, and they involve the determination of various factual matters and circumstances not entirely within our control.

RISK FACTORS

If the Company were to fail to qualify as a REIT in any taxable year, the Company would be subject to federal income tax at corporate rates, including any applicable alternative minimum tax. This could result in a discontinuation or substantial reduction in distributions to our stockholders and Unitholders and could reduce the cash available to pay interest and principal on debt securities that we issue. 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 the Company failed to qualify. Additionally, since the Internal Revenue Service (“IRS”), the United States Treasury Department and Congress frequently review federal income tax legislation, we cannot predict whether, when or to what extent new federal laws, regulations, interpretations or rulings will be adopted. Any such legislative action may prospectively or retroactively modify the Company’s tax treatment and therefore, may adversely affect taxation of us and/or our stockholders and Unitholders. For example, the recently enacted Protecting Americans from Tax Hikes Act of 2015 (the “PATH Act”) contains numerous changes to the U.S. federal income tax rules applicable to REITs. Such changes include modifications to various rules that apply to our ownership of, and business relationship with, any taxable REIT subsidiaries (including a reduction in the maximum allowable value of our assets attributable to taxable REIT subsidiaries from 25% to 20%) which could impact our ability to enter into future investments. The provisions enacted by the PATH Act could result in changes in our tax positions or investments, and future legislative changes related to those rules described above could have a materially adverse impact on our results of operations.

Certain property transfers may generate prohibited transaction income, resulting in a penalty tax on the gain attributable to the transaction.

As part of our business, we sell properties to third parties as opportunities arise. Under the Code, a 100% penalty tax could be assessed on the tax gain recognized from sales of properties that are deemed to be prohibited transactions. The question of what constitutes a prohibited transaction is based on the facts and circumstances surrounding each transaction. The IRS could contend that certain sales of properties by us are prohibited transactions. While we have implemented controls to avoid prohibited transactions, if a dispute were to arise that was successfully argued by the IRS, the 100% penalty tax could be assessed against the Company’s profits from these transactions.

The REIT distribution requirements may limit our ability to retain capital and require us to turn to external financing sources.

As a REIT, the Company must distribute to its stockholders at least 90% of its taxable income each year. The Company could, in certain instances, have taxable income without sufficient cash to enable it to meet this requirement. In that situation, we could be required to borrow funds or sell properties on adverse terms in order to do so. The distribution requirement could also limit our ability to accumulate capital to provide capital resources for our ongoing business, and to satisfy our debt repayment obligations and other liquidity needs, we may be more dependent on outside sources of financing, such as debt financing or issuances of additional capital stock, which may or may not be available on favorable terms. Additional debt financings may substantially increase our leverage and additional equity offerings may result in substantial dilution of stockholders’ and Unitholders’ interests.

Failure to hedge effectively against interest rate changes may adversely affect our results of operations.

Subject to maintaining the Company’s qualification as a REIT, we may seek to manage our exposure to interest rate volatility by using interest rate hedging arrangements, such as interest cap agreements and interest rate swap agreements. These agreements may fail to protect or could adversely affect us because, among other things:

- interest rate hedging can be expensive, particularly during periods of rising and volatile interest rates;
- available interest rate hedges may not correspond directly with the interest rate risk for which protection is sought;

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- the duration of the hedge may not match the duration of the related liability;
- the amount of income that a REIT may earn from hedging transactions (other than through taxable REIT subsidiaries) is limited by U.S. federal tax provisions governing REITs;
- the credit quality of the party owing money on the hedge may be downgraded to such an extent that it impairs our ability to sell or assign our side of the hedging transaction;
- the party owing money in the hedging transaction may default on its obligation to pay;
- we could incur significant costs associated with the settlement of the agreements;
- the underlying transactions could fail to qualify as highly-effective cash flow hedges under generally accepted accounting practices; and
- a court could rule that such an agreement is not legally enforceable.

We have adopted a practice relating to the use of derivative financial instruments to hedge interest rate risks related to our borrowings. This practice requires the Company's Board of Directors to authorize our use of derivative financial instruments to manage the interest rates on our variable rate borrowings. Our practice is that we do not use derivatives for speculative or trading purposes and intend only to enter into contracts with major financial institutions based on their credit rating and other factors, but the Company's Board of Directors may choose to change these practices in the future. Hedging may reduce the overall returns on our investments, which could reduce our cash available for distribution to our stockholders and Unitholders. Failure to hedge effectively against interest rate changes may materially adversely affect our financial condition, results of operations and cash flow.

Debt financing, the degree of leverage and rising interest rates could reduce our cash flow.

We use debt to increase the rate of return to our stockholders and Unitholders and to allow us to make more investments than we otherwise could. Our use of leverage presents an additional element of risk in the event that the cash flow from our properties is insufficient to meet both debt payment obligations and the distribution requirements of the REIT provisions of the Code. In addition, rising interest rates would reduce our cash flow by increasing the amount of interest due on our floating rate debt and on our fixed rate debt as it matures and is refinanced. Our organizational documents do not contain any limitation on the amount or percentage of indebtedness we may incur.

Failure to comply with covenants in our debt agreements could adversely affect our financial condition.

The terms of our agreements governing our indebtedness require that we comply with a number of financial and other covenants, such as maintaining debt service coverage and leverage ratios and maintaining insurance coverage. Complying with such covenants may limit our operational flexibility. Our failure to comply with these covenants could cause a default under the applicable debt agreement even if we have satisfied our payment obligations. Consistent with our prior practice, we will continue to interpret and certify our performance under these covenants in a good faith manner that we deem reasonable and appropriate. However, these financial covenants are complex and there can be no assurance that these provisions would not be interpreted by the noteholders or lenders in a manner that could impose and cause us to incur material costs. Our ability to meet our financial covenants may be adversely affected if economic and credit market conditions limit our ability to reduce our debt levels consistent with, or result in net operating income below, our current expectations. Under our Unsecured Credit Facility, an event of default can also occur if the lenders, in their good faith judgment, determine that a material adverse change has occurred that could prevent timely repayment or materially impair our ability to perform our obligations under the loan agreement.

Upon the occurrence of an event of default, we would be subject to higher finance costs and fees, and the lenders under our Unsecured Credit Facility will not be required to lend any additional amounts to us. In

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addition, our indebtedness, together with accrued and unpaid interest and fees, could be accelerated and declared to be immediately due and payable. Furthermore, our Unsecured Credit Facility, our unsecured term loans and the indentures governing our senior unsecured notes contain certain cross-default provisions that may be triggered in the event that our other material indebtedness is in default. These cross-default provisions may require us to repay or restructure our Unsecured Credit Facility, our unsecured term loans or our senior unsecured notes, depending on which is in default, and such restructuring could adversely affect our financial condition, results of operations, cash flow and ability to make distributions to our stockholders and Unitholders, the market price of the Company's common stock and the market value of the Units. If repayment of any of our indebtedness is accelerated, we cannot provide assurance that we would be able to borrow sufficient funds to refinance such indebtedness or that we would be able to sell sufficient assets to repay such indebtedness. Even if we were able to obtain new financing, it may not be on commercially reasonable terms, or terms that are acceptable to us.

Cross-collateralization of mortgage loans could result in foreclosure on a significant portion of our properties if we are unable to service its indebtedness.

Certain of our mortgages were issued on a cross-collateralized basis. Cross-collateralization makes all of the subject properties available to the lender in order to satisfy the debt. To the extent indebtedness is cross-collateralized, lenders may seek to foreclose upon properties that do not comprise the primary collateral for a loan, which may, in turn, result in acceleration of other indebtedness collateralized by such properties. Foreclosure of properties would result in a loss of income and asset value to us, making it difficult for us to meet both debt payment obligations and the distribution requirements of the REIT provisions of the Code.

We may have to make lump-sum payments on our existing indebtedness.

We are required to make lump-sum or "balloon" payments under the terms of some of our indebtedness. Our ability to make required payments of principal on outstanding indebtedness, whether at maturity or otherwise, may depend on our ability to refinance the applicable indebtedness or to sell properties. Currently, we have no commitments to refinance any of our indebtedness.

Our mortgages may impact our ability to sell encumbered properties on advantageous terms or at all.

Certain of our mortgages contain, and some future mortgages may contain, substantial prepayment premiums that we would have to pay upon the sale of a property, thereby reducing the net proceeds to us from the sale of any such property. As a result, our willingness to sell certain properties and the price at which we may desire to sell a property may be impacted. If we are unable to sell properties on favorable terms or redeploy the proceeds of property sales in accordance with our business strategy, then our financial condition, results of operations, cash flow and ability to make distributions to our stockholders and Unitholders, the market price of the Company's common stock and the market value of the Units could be adversely affected.

Adverse market and economic conditions could cause us to recognize impairment charges.

We regularly review our real estate assets for impairment indicators, such as a decline in a property's occupancy rate, decline in general market conditions or a change in the expected hold period of an asset. If we determine that indicators of impairment are present, we review the properties affected by these indicators to determine whether an impairment charge is required. As a result, we may be required to recognize asset impairment, which could materially and adversely affect our business, financial condition and results of operations. We use considerable judgment in making determinations about impairments, from analyzing whether there are indicators of impairment, to the assumptions used in calculating the fair value of the investment. Accordingly, our subjective estimates and evaluations may not be accurate, and such estimates and evaluations are subject to change or revision.

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Earnings and cash dividends, asset value and market interest rates affect the price of the Company's common stock.

The market value of the Company's common stock is based in large part upon the market's perception of the growth potential of the Company's earnings and cash dividends. The market value of the Company's common stock is also based upon the value of the Company's underlying real estate assets. For this reason, shares of the Company's common stock may trade at prices that are higher or lower than the Company's net asset value per share. To the extent that the Company retains operating cash flow for investment purposes, working capital reserves, or other purposes, these retained funds, while increasing the value of the Company's underlying assets, may not correspondingly increase the market price of the Company's common stock. The Company's failure to meet the market's expectations with regard to future earnings and cash dividends/distributions likely would adversely affect the market price of the Company's common stock. Further, the distribution yield on the common stock (as a percentage of the price of the common stock) relative to market interest rates may also influence the market price of the Company's common stock. An increase in market interest rates might lead prospective purchasers of the Company's common stock to expect a higher distribution yield, which would adversely affect the market price of the Company's common stock. Any reduction in the market price of the Company's common stock would, in turn, reduce the market value of the Units.

We may become subject to litigation, which could have a material and adverse effect on our financial condition, results of operations and cash flow.

We may become subject to litigation, including claims relating to our operations, offerings, and otherwise in the ordinary course of business. Some of these claims may result in significant defense costs and potentially significant judgments against us, some of which are not, or cannot be, insured against. Resolution of these types of matters could adversely impact our financial condition, results of operations and cash flow. Certain litigation or the resolution of certain litigation may affect the availability or cost of some of our insurance coverage, which could adversely impact our results of operations and cash flows, expose us to increased risks that would be uninsured, and/or adversely impact our ability to attract officers and directors.

We may incur unanticipated costs and liabilities due to environmental problems.

Under various federal, state and local laws, ordinances and regulations, we, as an owner or operator of real estate may be liable for the costs of clean-up of certain conditions relating to the presence of hazardous or toxic materials on, in or emanating from a property and any related damages to natural resources. Environmental laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the presence of hazardous or toxic materials. The presence of such materials, or the failure to address those conditions properly, may adversely affect our ability to rent or sell a property or to borrow using a property as collateral. The disposal or treatment of or arrangement for the disposal or treatment of hazardous or toxic materials may cause us to also be liable for the costs of clean-up of such materials or for related natural resource damages occurring at or emanating from an off-site disposal or treatment facility, whether or not the facility is owned or operated by us. No assurance can be given that existing environmental assessments with respect to any of our properties reveal all environmental liabilities, that any prior owner or operator of any of our properties did not create any material environmental condition not known to us or that a material environmental condition does not otherwise exist as to any of our properties. In addition, changes to existing environmental regulations to address, among other things, climate change, could increase the scope of our potential liabilities.

Our insurance coverage does not include all potential losses.

Real property is subject to casualty risk including damage, destruction, or loss resulting from events that are unusual, sudden and unexpected. Some of our properties are located in areas where casualty risk is higher due to earthquake, wind and/or flood risk. We carry comprehensive insurance coverage to mitigate our casualty risk, in

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amounts and of a kind that we believe are appropriate for the markets where each of our properties and their business operations are located. Among other coverage, we carry property, boiler & machinery, liability, fire, flood, terrorism, earthquake, extended coverage and rental insurance. Our coverage includes policy specifications and limits customarily carried for similar properties and business activities. We evaluate our level of insurance coverage and deductibles using analysis and modeling, as is customary in our industry. However, we do not insure against all types of casualty, and we may not fully insure against those casualty types where we do have insurance, either because coverage is not available or because we do not deem it to be economically feasible or prudent to do so. As a result, we could experience a significant loss of capital or revenues, and be exposed to obligations under recourse debt associated with a property. This could occur if an uninsured loss occurs, a loss in excess of insured limits occurs, or a loss is not paid due to insurer insolvency.

We could be subject to risks and liabilities in connection with joint venture arrangements.

Our organizational documents do not limit the amount of available funds that we may invest in joint ventures and we may selectively develop and acquire properties through joint ventures with other persons or entities when we deem such transactions are warranted by the circumstances. Joint venture investments, in general, involve certain risks, including:

- joint venturers may share certain approval rights over major decisions;
- joint venturers might fail to fund their share of any required capital commitments;
- joint venturers might have economic or other business interests or goals that are inconsistent with our business interests or goals that would affect our ability to operate the property;
- joint venturers may have the power to act contrary to our instructions, requests, policies or objectives, including our current policy with respect to maintaining the Company's qualification as a REIT;
- the joint venture agreements often restrict the transfer of a member's or joint venturer's interest or "buy-sell" or may otherwise restrict our ability to sell the interest when we desire or on advantageous terms;
- disputes between us and our joint venturers may result in litigation or arbitration that would increase our expenses and prevent our officers and directors from focusing their time and effort on our business and subject the properties owned by the applicable joint venture to additional risk; and
- we may in certain circumstances be liable for the actions of our joint venturers.

The occurrence of one or more of the events described above could adversely affect our financial condition, results of operations, cash flow and ability to make distributions to our stockholders and Unitholders, the market price of the Company's common stock and the market value of the Units.

We may incur significant costs complying with various federal, state and local laws, regulations and covenants that are applicable to our properties and, in particular, costs associated with complying with regulations such as the Americans with Disabilities Act of 1990 (the "ADA") may result in unanticipated expenses.

The properties in our portfolio are subject to various covenants and U.S. federal, state and local laws and regulatory requirements, including permitting and licensing requirements. Local regulations, including municipal or local ordinances, zoning restrictions and restrictive covenants imposed by community developers may restrict our use of our properties and may require us to obtain approval from local officials or restrict our use of our properties and may require us to obtain approval from local officials of community standards organizations at any time with respect to our properties, including prior to acquiring a property or when undertaking renovations

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of any of our existing properties. Among other things, these restrictions may relate to fire and safety, seismic or hazardous material abatement requirements. There can be no assurance that existing laws and regulatory policies will not adversely affect us or the timing or cost of any future acquisitions or renovations, or that additional regulation will not be adopted that increase such delays or result in additional costs. Our growth strategy may be affected by our ability to obtain permits, licenses and zoning relief. Our failure to obtain such permits, licenses and zoning relief or to comply with applicable laws could have an adverse effect on our financial condition, results of operations and cash flow.

In addition, under the ADA, all places of public accommodation are required to meet certain U.S. federal requirements related to access and use by disabled persons. Noncompliance with the ADA could result in an order to correct any non-complying feature, which could result in substantial capital expenditures. We do not conduct audits or investigations of all of these properties to determine their compliance and we cannot predict the ultimate cost of compliance with the ADA, or other legislation. If one or more of our properties in which we invest is not in compliance with the ADA, or other legislation, then we would be required to incur additional costs to bring the property into compliance. If we incur substantial costs to comply with the ADA or other legislation, our financial condition, results of operations, cash flow, our ability to satisfy debt service obligations and to make distributions to our stockholders and Unitholders, the market price of the Company's common stock and the market value of the Units could be adversely affected.

Terrorist attacks and other acts of violence or war may affect the market for the Company's common stock, the industry in which we conduct our operations and our profitability.

Terrorist attacks may harm our results of operations and financial condition. We cannot assure you that there will not be terrorist attacks in the localities in which we conduct business. More generally, any of these events could cause consumer confidence and spending to decrease or result in increased volatility in the worldwide financial markets and economy. These attacks or armed conflicts may adversely impact our operations or financial condition. In addition, losses resulting from these types of events may be uninsurable.

We face risks relating to cybersecurity attacks that could cause loss of confidential information and other business disruptions.

We rely extensively on computer systems to manage our business, and our business is at risk from and may be impacted by cybersecurity attacks. These could include attempts to gain unauthorized access to our data and computer systems. Attacks can be both individual and/or highly organized attempts organized by very sophisticated hacking organizations. We employ a number of measures to prevent, detect and mitigate these threats, which include password protection, frequent password change events, firewall detection systems, frequent backups, a redundant data system for core applications and annual penetration testing; however, there is no guarantee such efforts will be successful in preventing a cybersecurity attack. A cybersecurity attack could compromise the confidential information of our employees, tenants and vendors. A successful attack could have a materially adverse effect on our business, financial condition and results of operations.

Adverse changes in our credit ratings could negatively affect our liquidity and business operations.

The credit ratings of our senior unsecured notes are based on our operating performance, liquidity and leverage ratios, overall financial position and other factors employed by the credit rating agencies in their rating analyses. Our credit ratings can affect the availability, terms and pricing of any indebtedness and preferred stock that we may incur going forward. There can be no assurance that we will be able to maintain any credit rating and, in the event any credit rating is downgraded, we could incur higher borrowing costs or may be unable to access certain or any capital markets.

RISK FACTORS

Our business could be adversely impacted if we have deficiencies in our disclosure controls and procedures or internal control over financial reporting.

The design and effectiveness of our disclosure controls and procedures and internal control over financial reporting may not prevent all errors, misstatements or misrepresentations. While management will continue to review the effectiveness of our disclosure controls and procedures and internal control over financial reporting, there can be no guarantee that our internal control over financial reporting will be effective in accomplishing all control objectives all of the time. Deficiencies, including any material weakness, in our internal control over financial reporting which may occur could result in misstatements of our results of operations, restatements of our financial statements, a decline in the price/value of our securities, or otherwise materially adversely affect our business, reputation, results of operations, financial condition or liquidity.

The Company is authorized to issue preferred stock. The issuance of preferred stock could adversely affect the holders of the Company's common stock issued pursuant to its public offerings.

Our declaration of trust authorizes the Company to issue 150,000,000 shares, of which 10,000,000 shares are designated as preferred stock. Subject to approval by the Company's Board of Directors, the Company may issue preferred stock with rights, preferences and privileges that are more beneficial than the rights, preferences and privileges of its common stock. Holders of the Company's common stock do not have preemptive rights to acquire any shares issued by the Company in the future. If the Company ever creates and issues preferred stock with a distribution preference over common stock, payment of any distribution preferences on outstanding preferred stock would reduce the amount of funds available for the payment of distributions to our common stockholders and Unitholders. In addition, holders of preferred stock are normally entitled to receive a preference payment in the event of liquidation, dissolution or winding up before any payment is made to our common stockholders, which would reduce the amount our common stockholders and Unitholders, might otherwise receive upon such an occurrence. Also, under certain circumstances, the issuance of preferred stock may have the effect of delaying or preventing a change in control of the Company.

The Company's Board of Directors may change its strategies, policies or procedures without stockholder approval, which may subject us to different and more significant risks in the future.

Our investment, financing, leverage and distribution policies and our policies with respect to all other activities, including growth, debt, capitalization and operations, are determined by the Company's Board of Directors. These policies may be amended or revised at any time and from time to time at the discretion of the Company's Board of Directors without notice to or a vote of its stockholders. This could result in us conducting operational matters, making investments or pursuing different business or growth strategies. Under these circumstances, we may expose ourselves to different and more significant risks in the future, which could have a material adverse effect on our business and growth. In addition, the Company's Board of Directors may change its governance policies provided that such changes are consistent with applicable legal requirements. A change in these policies could have an adverse effect on our financial condition, results of operations, cash flow, ability to satisfy our principal and interest obligations, ability to make distributions to our stockholders and Unitholders, the market price of the Company's common stock and the market value of the Units.

We may be unable to retain and attract key management personnel.

We may be unable to retain and attract talented executives. In the event of the loss of key management personnel or upon unexpected death, disability or retirement, we may not be able to find replacements with comparable skill, ability and industry expertise. Until suitable replacements are identified and retained, if at all, our operating results and financial condition could be materially and adversely affected.

CONTROLS AND PROCEDURES

First Industrial Realty Trust, Inc.

Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in its periodic reports pursuant to the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including the Company's principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required financial disclosure.

The Company carried out an evaluation, under the supervision and with the participation of management, including the Company's principal executive officer and principal financial officer, of the effectiveness of the design and operation of its disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(b) as of the end of the period covered by this report. Based upon this evaluation, the Company's principal executive officer and principal financial officer concluded that its disclosure controls and procedures were effective as of the end of the period covered by this report.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Management has assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2015. In making its assessment of internal control over financial reporting, management used the *Internal Control-Integrated Framework (2013)* set forth by the Committee of Sponsoring Organizations of the Treadway Commission.

Management has concluded that, as of December 31, 2015, the Company's internal control over financial reporting was effective.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2015 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein on page A-34. See Report of Independent Registered Public Accounting Firm.

Changes in Internal Control Over Financial Reporting

There has been no change in the Company's internal control over financial reporting that occurred during the fourth quarter of 2015 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

CONTROLS AND PROCEDURES

First Industrial, L.P.

Evaluation of Disclosure Controls and Procedures

The Operating Partnership maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in its periodic reports pursuant to the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including the Company's principal executive officer and principal financial officer, on behalf of the Company in its capacity as the general partner of the Operating Partnership, as appropriate, to allow timely decisions regarding required financial disclosure.

The Operating Partnership carried out an evaluation, under the supervision and with the participation of management, including the Company's principal executive officer and principal financial officer, on behalf of the Company in its capacity as the general partner of the Operating Partnership, of the effectiveness of the design and operation of the Operating Partnership's disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(b) as of the end of the period covered by this report. Based upon this evaluation, the Company's principal executive officer and principal financial officer, on behalf of the Company in its capacity as the general partner of the Operating Partnership, concluded that the Operating Partnership's disclosure controls and procedures were effective as of the end of the period covered by this report.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. The Operating Partnership's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Management has assessed the effectiveness of the Operating Partnership's internal control over financial reporting as of December 31, 2015. In making its assessment of internal control over financial reporting, management used the *Internal Control-Integrated Framework (2013)* set forth by the Committee of Sponsoring Organizations of the Treadway Commission.

Management has concluded that, as of December 31, 2015, the Operating Partnership's internal control over financial reporting was effective.

The effectiveness of the Operating Partnership's internal control over financial reporting as of December 31, 2015 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein on page A-35.

Changes in Internal Control Over Financial Reporting

There has been no change in the Operating Partnership's internal control over financial reporting that occurred during the fourth quarter of 2015 that has materially affected, or is reasonably likely to materially affect, the Operating Partnership's internal control over financial reporting.

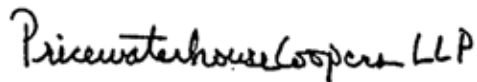
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, of comprehensive income, of changes in stockholders' equity and of cash flows present fairly, in all material respects, the financial position of First Industrial Realty Trust, Inc. and its subsidiaries (the "Company") at December 31, 2015 and 2014, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2015 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 15(a)(2) of the Company's Form 10-K for the year ended December 31, 2015 presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting appearing on page A-32. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Chicago, Illinois
February 24, 2016

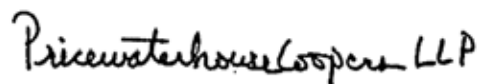
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Partners of
First Industrial, L.P.:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, of comprehensive income, of changes in partners' capital and of cash flows present fairly, in all material respects, the financial position of First Industrial, L.P. and its subsidiaries (the "Operating Partnership") at December 31, 2015 and 2014, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2015 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 15(a)(2) of the Operating Partnership's Form 10-K for the year ended December 31, 2015 presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Operating Partnership maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Operating Partnership's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting appearing on page A-33. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Operating Partnership's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Chicago, Illinois
February 24, 2016

FIRST INDUSTRIAL REALTY TRUST, INC.
CONSOLIDATED BALANCE SHEETS

	December 31, 2015	December 31, 2014
	(In thousands except share and per share data)	
ASSETS		
Assets:		
Investment in Real Estate:		
Land	\$ 745,912	\$ 718,188
Buildings and Improvements	2,511,737	2,439,887
Construction in Progress	36,319	25,294
Less: Accumulated Depreciation	(791,330)	(786,978)
Net Investment in Real Estate	2,502,638	2,396,391
Real Estate Held for Sale, Net of Accumulated Depreciation of \$1,171 and \$0	2,510	—
Cash and Cash Equivalents	3,987	9,500
Restricted Cash	23,005	1,829
Tenant Accounts Receivable, Net	5,612	7,356
Investment in Joint Venture	—	71
Deferred Rent Receivable, Net	62,335	58,130
Deferred Financing Costs, Net	12,447	10,448
Deferred Leasing Intangibles, Net	33,326	33,526
Prepaid Expenses and Other Assets, Net	72,191	64,744
Total Assets	\$2,718,051	\$2,581,995
LIABILITIES AND EQUITY		
Liabilities:		
Indebtedness:		
Mortgage Loans Payable, Net	\$ 564,955	\$ 599,985
Senior Unsecured Notes, Net	364,956	364,861
Unsecured Term Loans	460,000	200,000
Unsecured Credit Facility	52,500	185,000
Accounts Payable, Accrued Expenses and Other Liabilities	93,699	79,733
Deferred Leasing Intangibles, Net	11,841	12,726
Rents Received in Advance and Security Deposits	40,153	36,914
Dividends and Distributions Payable	14,812	11,949
Total Liabilities	1,602,916	1,491,168
Commitments and Contingencies	—	—
Equity:		
First Industrial Realty Trust Inc.'s Stockholders' Equity:		
Common Stock (\$0.01 par value, 150,000,000 shares authorized and 111,027,225 and 110,600,866 shares issued and outstanding)	1,111	1,106
Additional Paid-in-Capital	1,756,415	1,751,059
Distributions in Excess of Accumulated Earnings	(674,759)	(689,348)
Accumulated Other Comprehensive Loss	(9,667)	(13,867)
Total First Industrial Realty Trust, Inc.'s Stockholders' Equity	1,073,100	1,048,950
Noncontrolling Interest	42,035	41,877
Total Equity	1,115,135	1,090,827
Total Liabilities and Equity	\$2,718,051	\$2,581,995

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

FIRST INDUSTRIAL REALTY TRUST, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended December 31, 2015	Year Ended December 31, 2014	Year Ended December 31, 2013
	(In thousands except per share data)		
Revenues:			
Rental Income	\$281,186	\$259,609	\$245,064
Tenant Recoveries and Other Income	84,576	84,990	73,390
Total Revenues	<u>365,762</u>	<u>344,599</u>	<u>318,454</u>
Expenses:			
Property Expenses	114,628	114,499	103,714
General and Administrative	25,362	23,418	22,821
Acquisition Costs	1,403	960	331
Impairment of Real Estate	626	—	—
Depreciation and Other Amortization	113,814	111,897	106,951
Total Expenses	<u>255,833</u>	<u>250,774</u>	<u>233,817</u>
Other Income (Expense):			
Gain (Loss) on Sale of Real Estate	48,906	(83)	1,100
Interest Income	61	2,110	2,354
Interest Expense	(67,424)	(72,178)	(73,558)
Amortization of Deferred Financing Costs	(3,159)	(3,098)	(3,225)
Settlement Loss and Mark-to-Market Gain on Interest Rate Protection Agreements	(11,546)	—	52
Loss from Retirement of Debt	—	(655)	(6,637)
Total Other Income (Expense)	<u>(33,162)</u>	<u>(73,904)</u>	<u>(79,914)</u>
Income from Continuing Operations Before Equity in Income of Joint Ventures and Income Tax (Provision) Benefit	76,767	19,921	4,723
Equity in Income of Joint Ventures	55	3,499	136
Income Tax (Provision) Benefit	(117)	(238)	3
Income from Continuing Operations	<u>76,705</u>	<u>23,182</u>	<u>4,862</u>
Discontinued Operations:			
Income Attributable to Discontinued Operations	—	1,835	2,222
Gain on Sale of Real Estate	—	25,988	34,344
Income from Discontinued Operations	<u>—</u>	<u>27,823</u>	<u>36,566</u>
Net Income	76,705	51,005	41,428
Less: Net Income Attributable to the Noncontrolling Interest	(2,903)	(1,895)	(1,121)
Net Income Attributable to First Industrial Realty Trust, Inc.	73,802	49,110	40,307
Less: Preferred Dividends	—	(1,019)	(8,733)
Less: Redemption of Preferred Stock	—	(1,462)	(5,667)
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities	<u>\$ 73,802</u>	<u>\$ 46,629</u>	<u>\$ 25,907</u>
Basic Earnings Per Share:			
Income (Loss) from Continuing Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ 0.67</u>	<u>\$ 0.18</u>	<u>\$ (0.09)</u>
Income from Discontinued Operations Attributable to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ —</u>	<u>\$ 0.24</u>	<u>\$ 0.33</u>
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ 0.67</u>	<u>\$ 0.42</u>	<u>\$ 0.24</u>
Diluted Earnings Per Share:			
Income (Loss) from Continuing Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ 0.66</u>	<u>\$ 0.18</u>	<u>\$ (0.09)</u>
Income from Discontinued Operations Attributable to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ —</u>	<u>\$ 0.24</u>	<u>\$ 0.33</u>
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ 0.66</u>	<u>\$ 0.42</u>	<u>\$ 0.24</u>
Dividends/Distributions Per Share	<u>\$ 0.51</u>	<u>\$ 0.41</u>	<u>\$ 0.34</u>
Weighted Average Shares Outstanding - Basic	<u>110,352</u>	<u>109,922</u>	<u>106,995</u>
Weighted Average Shares Outstanding - Diluted	<u>110,781</u>	<u>110,325</u>	<u>106,995</u>

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

FIRST INDUSTRIAL REALTY TRUST, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year Ended December 31, 2015	Year Ended December 31, 2014	Year Ended December 31, 2013
		(In thousands)	
Net Income	\$76,705	\$ 51,005	\$41,428
Mark-to-Market Loss on Interest Rate Protection Agreements	(9,155)	(12,279)	—
Reclassification of Fair Value of Interest Rate Protection Agreements (See Note 11)	12,990	—	—
Amortization of Interest Rate Protection Agreements	524	1,358	2,411
Write-off of Unamortized Settlement Amounts of Interest Rate Protection Agreements	—	—	1,116
Foreign Currency Translation Adjustment	15	(93)	(60)
Comprehensive Income	81,079	39,991	44,895
Comprehensive Income Attributable to Noncontrolling Interest	(3,069)	(1,467)	(1,265)
Comprehensive Income Attributable to First Industrial Realty Trust, Inc.	<u>\$78,010</u>	<u>\$ 38,524</u>	<u>\$43,630</u>

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

FIRST INDUSTRIAL REALTY TRUST, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

	Preferred Stock	Common Stock	Additional Paid-in- Capital	Distributions in Excess of Accumulated Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interest	Total
	(In thousands)						
Balance as of December 31, 2012	\$—	\$ 988	\$1,785,213	\$(676,265)	\$ (6,557)	\$42,274	\$1,145,653
Issuance of Common Stock, Net of Issuance Costs	—	107	173,678	—	—	—	173,785
Redemption of Preferred Stock	—	—	(144,384)	(5,667)	—	—	(150,051)
Stock Based Compensation Activity . .	—	4	5,476	(948)	—	—	4,532
Conversion of Units to Common Stock	—	1	995	—	—	(996)	—
Reallocation—Additional Paid in Capital	—	—	(3,369)	—	—	3,369	—
Common Stock Dividends and Unit Distributions	—	—	—	(37,288)	—	(1,574)	(38,862)
Preferred Dividends	—	—	—	(8,733)	—	—	(8,733)
Net Income	—	—	—	40,307	—	1,121	41,428
Reallocation—Other Comprehensive Income	—	—	—	—	(31)	31	—
Other Comprehensive Income	—	—	—	—	3,323	144	3,467
Balance as of December 31, 2013	\$—	\$1,100	\$1,817,609	\$(688,594)	\$ (3,265)	\$44,369	\$1,171,219
Redemption of Preferred Stock	—	—	(73,587)	(1,462)	—	—	(75,049)
Stock Based Compensation Activity . .	—	4	4,880	(1,936)	—	—	2,948
Conversion of Units to Common Stock	—	2	2,153	—	—	(2,155)	—
Reallocation—Additional Paid in Capital	—	—	4	—	—	(4)	—
Common Stock Dividends and Unit Distributions	—	—	—	(45,447)	—	(1,816)	(47,263)
Preferred Dividends	—	—	—	(1,019)	—	—	(1,019)
Net Income	—	—	—	49,110	—	1,895	51,005
Reallocation—Other Comprehensive Income	—	—	—	—	(16)	16	—
Other Comprehensive Loss	—	—	—	—	(10,586)	(428)	(11,014)
Balance as of December 31, 2014	\$—	\$1,106	\$1,751,059	\$(689,348)	\$(13,867)	\$41,877	\$1,090,827
Stock Based Compensation Activity . .	—	4	4,656	(2,417)	—	—	2,243
Conversion of Units to Common Stock	—	1	672	—	—	(673)	—
Reallocation—Additional Paid in Capital	—	—	28	—	—	(28)	—
Common Stock Dividends and Unit Distributions	—	—	—	(56,796)	—	(2,218)	(59,014)
Net Income	—	—	—	73,802	—	2,903	76,705
Reallocation—Other Comprehensive Income	—	—	—	—	(8)	8	—
Other Comprehensive Income	—	—	—	—	4,208	166	4,374
Balance as of December 31, 2015	<u>\$—</u>	<u>\$1,111</u>	<u>\$1,756,415</u>	<u>\$(674,759)</u>	<u>\$ (9,667)</u>	<u>\$42,035</u>	<u>\$1,115,135</u>

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

FIRST INDUSTRIAL REALTY TRUST, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2015	Year Ended December 31, 2014	Year Ended December 31, 2013
	(In thousands)		
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income	\$ 76,705	\$ 51,005	\$ 41,428
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation	92,955	93,457	94,271
Amortization of Deferred Financing Costs	3,159	3,098	3,225
Other Amortization	28,359	30,218	30,632
Impairment of Real Estate	626	—	2,652
Provision for Bad Debt	954	1,425	726
Equity in Income of Joint Ventures	(55)	(3,499)	(136)
Distributions from Joint Ventures	—	1,881	177
Gain on Sale of Real Estate	(48,906)	(25,905)	(35,444)
Loss from Retirement of Debt	—	655	6,637
Settlement Loss and Mark-to-Market Gain on Interest Rate Protection Agreements	11,546	—	(52)
Increase in Tenant Accounts Receivable, Prepaid Expenses and Other Assets, Net	(2,686)	(2,582)	(3,192)
Increase in Deferred Rent Receivable	(6,181)	(2,715)	(4,516)
Increase (Decrease) in Accounts Payable, Accrued Expenses, Other Liabilities, Rents Received in Advance and Security Deposits	5,673	452	(5,679)
Payments of Premiums, Discounts and Prepayment Penalties Associated with Retirement of Debt	—	(10,650)	(4,978)
Cash Book Overdraft	—	336	—
Net Cash Provided by Operating Activities	<u>162,149</u>	<u>137,176</u>	<u>125,751</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisitions of Real Estate	(168,122)	(96,045)	(73,642)
Additions to Investment in Real Estate and Non-Acquisition Tenant Improvements and Lease Costs	(150,079)	(123,037)	(114,806)
Net Proceeds from Sales of Investments in Real Estate	154,024	98,472	126,250
Contributions to and Investments in Joint Ventures	(200)	(31)	(38)
Distributions from Joint Ventures	126	2,475	104
Settlement of Interest Rate Protection Agreements	(11,546)	—	—
Repayments of Notes Receivable	2,760	49,761	615
(Increase) Decrease in Escrows	(24,037)	(664)	204
Net Cash Used in Investing Activities	<u>(197,074)</u>	<u>(69,069)</u>	<u>(61,313)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Debt and Equity Issuance and Preferred Stock Redemption Costs	(5,158)	(2,419)	(3,575)
Proceeds from the Issuance of Common Stock, Net of Underwriter's Discount	—	—	174,081
Repurchase and Retirement of Restricted Stock	(2,101)	(4,667)	(2,968)
Common Stock Dividends and Unit Distributions Paid	(55,811)	(45,151)	(29,025)
Preferred Dividends Paid	—	(1,471)	(8,733)
Redemption of Preferred Stock	—	(75,000)	(150,000)
Payments on Interest Rate Protection Agreements	—	—	(1,079)
Repayments on Mortgage Loans Payable	(35,004)	(77,880)	(85,680)
Repayments of Senior Unsecured Notes	—	(71,578)	(29,769)
Proceeds from Unsecured Term Loans	260,000	200,000	—
Proceeds from Unsecured Credit Facility	321,500	356,000	373,000
Repayments on Unsecured Credit Facility	(454,000)	(344,000)	(298,000)
Net Cash Provided by (Used in) Financing Activities	<u>29,426</u>	<u>(66,166)</u>	<u>(61,748)</u>
Net Effect of Exchange Rate Changes on Cash and Cash Equivalents	(14)	(18)	(51)
Net (Decrease) Increase in Cash and Cash Equivalents	(5,499)	1,941	2,690
Cash and Cash Equivalents, Beginning of Year	9,500	7,577	4,938
Cash and Cash Equivalents, End of Year	<u>\$ 3,987</u>	<u>\$ 9,500</u>	<u>\$ 7,577</u>

FIRST INDUSTRIAL REALTY TRUST, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2015	Year Ended December 31, 2014	Year Ended December 31, 2013
	(In thousands)		
SUPPLEMENTAL INFORMATION TO STATEMENTS OF CASH FLOWS:			
Interest Paid, Net of Interest Expense Capitalized in Connection with Development Activity	\$ 66,452	\$ 70,194	\$ 70,726
Interest Expense Capitalized in Connection with Development Activity	\$ 2,453	\$ 1,411	\$ 3,611
Income Taxes Paid (Refunded)	\$ 23	\$ (105)	\$ 5,433
Supplemental Schedule of Non-Cash Investing and Financing Activities:			
Dividends/Distributions Payable on Common Stock/Operating Partnership Units	\$ 14,812	\$ 11,949	\$ 9,837
Dividends Payable on Preferred Stock	\$ —	\$ —	\$ 452
Exchange of Operating Partnership Units for Common Stock:			
Noncontrolling Interest	\$ (673)	\$ (2,155)	\$ (996)
Common Stock	1	2	1
Additional Paid-in-Capital	672	2,153	995
Total	\$ —	\$ —	\$ —
Assumption of Liabilities in Connection with the Acquisition of Real Estate	\$ 2,090	\$ 364	\$ 483
Notes Receivable Issued in Conjunction with Certain Property Sales	\$ —	\$ —	\$ 12,520
Accounts Payable Related to Construction in Progress and Additions to Investment in Real Estate	\$ 25,747	\$ 14,901	\$ 15,249
Write-off of Fully Depreciated Assets	\$(45,457)	\$(44,769)	\$(62,281)

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

FIRST INDUSTRIAL, L.P.
CONSOLIDATED BALANCE SHEETS

	December 31, 2015	December 31, 2014
	(In thousands except Unit data)	
ASSETS		
Assets:		
Investment in Real Estate:		
Land	\$ 745,912	\$ 718,188
Buildings and Improvements	2,511,737	2,439,887
Construction in Progress	36,319	25,294
Less: Accumulated Depreciation	(791,330)	(786,978)
Net Investment in Real Estate	2,502,638	2,396,391
Real Estate Held for Sale, Net of Accumulated Depreciation of \$1,171 and \$0	2,510	—
Cash and Cash Equivalents	3,987	9,485
Restricted Cash	23,005	1,829
Tenant Accounts Receivable, Net	5,612	7,356
Investment in Joint Venture	—	71
Deferred Rent Receivable, Net	62,335	58,130
Deferred Financing Costs, Net	12,447	10,448
Deferred Leasing Intangibles, Net	33,326	33,526
Prepaid Expenses and Other Assets, Net	82,906	75,472
Total Assets	<u>\$2,728,766</u>	<u>\$2,592,708</u>
LIABILITIES AND PARTNERS' CAPITAL		
Liabilities:		
Indebtedness:		
Mortgage Loans Payable, Net	\$ 564,955	\$ 599,985
Senior Unsecured Notes, Net	364,956	364,861
Unsecured Term Loans	460,000	200,000
Unsecured Credit Facility	52,500	185,000
Accounts Payable, Accrued Expenses and Other Liabilities	93,699	79,683
Deferred Leasing Intangibles, Net	11,841	12,726
Rents Received in Advance and Security Deposits	40,153	36,914
Distributions Payable	14,812	11,949
Total Liabilities	<u>1,602,916</u>	<u>1,491,118</u>
Commitments and Contingencies	—	—
Partners' Capital:		
First Industrial L.P.'s Partners' Capital:		
General Partner Units (111,027,225 and 110,600,866 units outstanding)	1,054,028	1,034,129
Limited Partners Units (4,305,707 and 4,374,637 units outstanding)	80,769	80,757
Accumulated Other Comprehensive Loss	(10,043)	(14,376)
Total First Industrial L.P.'s Partners' Capital	1,124,754	1,100,510
Noncontrolling Interest	1,096	1,080
Total Partners' Capital	<u>1,125,850</u>	<u>1,101,590</u>
Total Liabilities and Partners' Capital	<u>\$2,728,766</u>	<u>\$2,592,708</u>

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

FIRST INDUSTRIAL L.P.
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended December 31, 2015	Year Ended December 31, 2014	Year Ended December 31, 2013
	(In thousands except per Unit data)		
Revenues:			
Rental Income	\$281,186	\$259,609	\$245,064
Tenant Recoveries and Other Income	84,576	84,990	73,390
Total Revenues	<u>365,762</u>	<u>344,599</u>	<u>318,454</u>
Expenses:			
Property Expenses	114,628	114,499	103,714
General and Administrative	25,247	23,166	22,775
Acquisition Costs	1,403	960	331
Impairment of Real Estate	626	—	—
Depreciation and Other Amortization	113,814	111,897	106,951
Total Expenses	<u>255,718</u>	<u>250,522</u>	<u>233,771</u>
Other Income (Expense):			
Gain (Loss) on Sale of Real Estate	48,906	(83)	1,100
Interest Income	61	2,110	2,354
Interest Expense	(67,424)	(72,178)	(73,558)
Amortization of Deferred Financing Costs	(3,159)	(3,098)	(3,225)
Settlement Loss and Mark-to-Market Gain on Interest Rate Protection Agreements	(11,546)	—	52
Loss from Retirement of Debt	—	(655)	(6,637)
Total Other Income (Expense)	<u>(33,162)</u>	<u>(73,904)</u>	<u>(79,914)</u>
Income from Continuing Operations Before Equity in Income of Joint Ventures and Income Tax (Provision) Benefit	76,882	20,173	4,769
Equity in Income of Joint Ventures	55	3,499	136
Income Tax (Provision) Benefit	(117)	(238)	3
Income from Continuing Operations	<u>76,820</u>	<u>23,434</u>	<u>4,908</u>
Discontinued Operations:			
Income Attributable to Discontinued Operations	—	1,835	2,222
Gain on Sale of Real Estate	—	25,988	34,344
Income from Discontinued Operations	<u>—</u>	<u>27,823</u>	<u>36,566</u>
Net Income	76,820	51,257	41,474
Less: Net Income Attributable to the Noncontrolling Interest	(138)	(72)	(41)
Net Income Attributable to Unitholders	76,682	51,185	41,433
Less: Preferred Unit Distributions	—	(1,019)	(8,733)
Less: Redemption of Preferred Units	—	(1,462)	(5,667)
Net Income Available to Unitholders and Participating Securities	<u>\$ 76,682</u>	<u>\$ 48,704</u>	<u>\$ 27,033</u>
Basic Earnings Per Unit:			
Income (Loss) from Continuing Operations Available to Unitholders	<u>\$ 0.67</u>	<u>\$ 0.18</u>	<u>\$ (0.09)</u>
Income from Discontinued Operations Attributable to Unitholders	<u>\$ —</u>	<u>\$ 0.24</u>	<u>\$ 0.33</u>
Net Income Available to Unitholders	<u>\$ 0.67</u>	<u>\$ 0.42</u>	<u>\$ 0.24</u>
Diluted Earnings Per Unit:			
Income (Loss) from Continuing Operations Available to Unitholders	<u>\$ 0.66</u>	<u>\$ 0.18</u>	<u>\$ (0.09)</u>
Income from Discontinued Operations Attributable to Unitholders	<u>\$ —</u>	<u>\$ 0.24</u>	<u>\$ 0.33</u>
Net Income Available to Unitholders	<u>\$ 0.66</u>	<u>\$ 0.42</u>	<u>\$ 0.24</u>
Distributions Per Unit	<u>\$ 0.51</u>	<u>\$ 0.41</u>	<u>\$ 0.34</u>
Weighted Average Units Outstanding - Basic	<u>114,709</u>	<u>114,388</u>	<u>111,646</u>
Weighted Average Units Outstanding - Diluted	<u>115,138</u>	<u>114,791</u>	<u>111,646</u>

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

FIRST INDUSTRIAL L.P.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year Ended December 31, 2015	Year Ended December 31, 2014	Year Ended December 31, 2013
		(In thousands)	
Net Income Attributable to Unitholders	\$76,682	\$ 51,185	\$41,433
Mark-to-Market Loss on Interest Rate Protection Agreements	(9,155)	(12,279)	—
Reclassification of Fair Value of Interest Rate Protection Agreements (See Note 11)	12,990	—	—
Amortization of Interest Rate Protection Agreements	524	1,358	2,411
Write-off of Unamortized Settlement Amounts of Interest Rate Protection Agreements	—	—	1,116
Foreign Currency Translation Adjustment	(26)	(93)	(60)
Comprehensive Income Attributable to Unitholders	<u>\$81,015</u>	<u>\$ 40,171</u>	<u>\$44,900</u>

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

FIRST INDUSTRIAL, L.P.

CONSOLIDATED STATEMENTS OF CHANGES IN PARTNERS' CAPITAL

	General Partner Preferred Units	General Partner Units	Limited Partner Units	Accumulated Other Comprehensive Loss	Noncontrolling Interest	Total
	(In thousands)					
Balance as of December 31, 2012	\$ 217,971	\$ 859,727	\$84,282	\$ (6,829)	\$1,106	\$1,156,257
Issuance of General Partner Units, Net of Issuance Costs	—	173,785	—	—	—	173,785
Redemption of Preferred Units	(144,384)	—	—	—	—	(144,384)
Stock Based Compensation Activity	—	4,532	—	—	—	4,532
Conversion of Limited Partner Units to General Partner Units	—	996	(996)	—	—	—
Common Unit Distributions	—	(37,288)	(1,574)	—	—	(38,862)
Preferred Unit Distributions	(14,400)	—	—	—	—	(14,400)
Contributions from Noncontrolling Interest	—	—	—	—	177	177
Distributions to Noncontrolling Interest	—	—	—	—	(229)	(229)
Net Income	14,400	25,912	1,121	—	41	41,474
Other Comprehensive Income	—	—	—	3,467	—	3,467
Balance as of December 31, 2013	\$ 73,587	\$1,027,664	\$82,833	\$ (3,362)	\$1,095	\$1,181,817
Redemption of Preferred Units	(73,587)	—	—	—	—	(73,587)
Stock Based Compensation Activity	—	2,948	—	—	—	2,948
Conversion of Limited Partner Units to General Partner Units	—	2,155	(2,155)	—	—	—
Common Unit Distributions	—	(45,447)	(1,816)	—	—	(47,263)
Preferred Unit Distributions	(2,481)	—	—	—	—	(2,481)
Contributions from Noncontrolling Interest	—	—	—	—	335	335
Distributions to Noncontrolling Interest	—	—	—	—	(422)	(422)
Net Income	2,481	46,809	1,895	—	72	51,257
Other Comprehensive Loss	—	—	—	(11,014)	—	(11,014)
Balance as of December 31, 2014	\$ —	\$1,034,129	\$80,757	\$(14,376)	\$1,080	\$1,101,590
Stock Based Compensation Activity	—	2,243	—	—	—	2,243
Conversion of Limited Partner Units to General Partner Units	—	673	(673)	—	—	—
Common Unit Distributions	—	(56,796)	(2,218)	—	—	(59,014)
Contributions from Noncontrolling Interest	—	—	—	—	67	67
Distributions to Noncontrolling Interest	—	—	—	—	(189)	(189)
Net Income	—	73,779	2,903	—	138	76,820
Other Comprehensive Income	—	—	—	4,333	—	4,333
Balance as of December 31, 2015	\$ —	\$1,054,028	\$80,769	\$(10,043)	\$1,096	\$1,125,850

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

FIRST INDUSTRIAL, L.P.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2015	Year Ended December 31, 2014	Year Ended December 31, 2013
		(In thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income	\$ 76,820	\$ 51,257	\$ 41,474
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation	92,955	93,457	94,271
Amortization of Deferred Financing Costs	3,159	3,098	3,225
Other Amortization	28,359	30,218	30,632
Impairment of Real Estate	626	—	2,652
Provision for Bad Debt	954	1,425	726
Equity in Income of Joint Ventures	(55)	(3,499)	(136)
Distributions from Joint Ventures	—	1,881	177
Gain on Sale of Real Estate	(48,906)	(25,905)	(35,444)
Loss from Retirement of Debt	—	655	6,637
Settlement Loss and Mark-to-Market Gain on Interest Rate Protection Agreements	11,546	—	(52)
Increase in Tenant Accounts Receivable, Prepaid Expenses and Other Assets, Net	(2,673)	(2,039)	(2,582)
Increase in Deferred Rent Receivable	(6,181)	(2,715)	(4,516)
Increase (Decrease) in Accounts Payable, Accrued Expenses, Other Liabilities, Rents Received in Advance and Security Deposits	5,682	399	(5,676)
Payments of Premiums, Discounts and Prepayment Penalties Associated with Retirement of Debt	—	(10,650)	(4,978)
Cash Book Overdraft	—	336	—
Net Cash Provided by Operating Activities	<u>162,286</u>	<u>137,918</u>	<u>126,410</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisitions of Real Estate	(168,122)	(96,045)	(73,642)
Additions to Investment in Real Estate and Non-Acquisition Tenant Improvements and Lease Costs	(150,079)	(123,037)	(114,806)
Net Proceeds from Sales of Investments in Real Estate	154,024	98,472	126,250
Contributions to and Investments in Joint Ventures	(200)	(31)	(38)
Distributions from Joint Ventures	126	2,475	104
Settlement of Interest Rate Protection Agreements	(11,546)	—	—
Repayments of Notes Receivable	2,760	49,761	615
Increase in Escrows	(24,037)	(1,319)	(409)
Net Cash Used in Investing Activities	<u>(197,074)</u>	<u>(69,724)</u>	<u>(61,926)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Debt and Equity Issuance and Preferred Unit Redemption Costs	(5,158)	(2,419)	(3,575)
Unit Contributions	—	—	174,081
Repurchase and Retirement of Restricted Units	(2,101)	(4,667)	(2,968)
Common Unit Distributions Paid	(55,811)	(45,151)	(29,025)
Preferred Unit Distributions Paid	—	(1,471)	(8,733)
Redemption of Preferred Units	—	(75,000)	(150,000)
Payments on Interest Rate Protection Agreements	—	—	(1,079)
Contributions from Noncontrolling Interests	67	335	177
Distributions to Noncontrolling Interests	(189)	(422)	(229)
Repayments on Mortgage Loans Payable	(35,004)	(77,880)	(85,680)
Repayments of Senior Unsecured Notes	—	(71,578)	(29,769)
Proceeds from Unsecured Term Loans	260,000	200,000	—
Proceeds from Unsecured Credit Facility	321,500	356,000	373,000
Repayments on Unsecured Credit Facility	(454,000)	(344,000)	(298,000)
Net Cash Provided by (Used in) Financing Activities	<u>29,304</u>	<u>(66,253)</u>	<u>(61,800)</u>
Net Effect of Exchange Rate Changes on Cash and Cash Equivalents	(14)	(18)	(51)
Net (Decrease) Increase in Cash and Cash Equivalents	(5,484)	1,941	2,684
Cash and Cash Equivalents, Beginning of Year	9,485	7,562	4,929
Cash and Cash Equivalents, End of Year	<u>\$ 3,987</u>	<u>\$ 9,485</u>	<u>\$ 7,562</u>

FIRST INDUSTRIAL, L.P.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2015	Year Ended December 31, 2014	Year Ended December 31, 2013
		(In thousands)	
SUPPLEMENTAL INFORMATION TO STATEMENTS OF CASH FLOWS:			
Interest Paid, Net of Interest Expense Capitalized in Connection with Development Activity	\$ 66,452	\$ 70,194	\$ 70,726
Interest Expense Capitalized in Connection with Development Activity	\$ 2,453	\$ 1,411	\$ 3,611
Income Taxes Paid (Refunded)	\$ 23	\$ (105)	\$ 5,433
Supplemental Schedule of Non-Cash Investing and Financing Activities:			
Distributions Payable on General and Limited Partner Units	\$ 14,812	\$ 11,949	\$ 9,837
Distributions Payable on Preferred Units	\$ —	\$ —	\$ 452
Exchange of Limited Partnership Units for General Partnership Units:			
Limited Partnership Units	\$ (673)	\$ (2,155)	\$ (996)
General Partnership Units	673	2,155	996
Total	\$ —	\$ —	\$ —
Assumption of Liabilities in Connection with the Acquisition of Real Estate	\$ 2,090	\$ 364	\$ 483
Notes Receivable Issued in Conjunction with Certain Property Sales	\$ —	\$ —	\$ 12,520
Accounts Payable Related to Construction in Progress and Additions to Investment in Real Estate	\$ 25,747	\$ 14,901	\$ 15,249
Write-off of Fully Depreciated Assets	\$(45,457)	\$(44,769)	\$(62,281)

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

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands except per share/Unit data)

1. Organization

First Industrial Realty Trust, Inc. (the “Company”) is a self-administered and fully integrated real estate company which owns, manages, acquires, sells, develops and redevelops industrial real estate. The Company is a Maryland corporation organized on August 10, 1993 and a real estate investment trust (“REIT”) as defined in the Internal Revenue Code of 1986 (the “Code”). Unless stated otherwise or the context otherwise requires, the terms “we,” “our” and “us” refer to the Company and its subsidiaries, including its operating partnership, First Industrial, L.P. (the “Operating Partnership”), and its consolidated subsidiaries.

We began operations on July 1, 1994. The Company’s operations are conducted primarily through the Operating Partnership, of which the Company is the sole general partner (the “General Partner”), with an approximate 96.3% and 96.2% ownership interest (“General Partner Units”) at December 31, 2015 and 2014, respectively. The Operating Partnership also conducts operations itself and through eight other limited partnerships (the “Other Real Estate Partnerships”), numerous limited liability companies (“LLCs”) and certain taxable REIT subsidiaries, the operating data of which, together with that of the Operating Partnership, is consolidated with that of the Company as presented herein. See Note 2 to the Consolidated Financial Statements. The Operating Partnership holds at least a 99% limited partnership interest in each of Other Real Estate Partnerships. The general partners of the Other Real Estate Partnerships are separate corporations, wholly-owned by the Company, each with at least a .01% general partnership interest in the Other Real Estate Partnerships. The Company does not have any significant assets or liabilities other than its investment in the Operating Partnership and its 100% ownership interest in the general partners of the Other Real Estate Partnerships. Noncontrolling interest in the Operating Partnership of approximately 3.7% and 3.8% (“Limited Partner Units”; together with the General Partner Units, the “Units”) at December 31, 2015 and 2014, respectively, represents the aggregate partnership interest held by the limited partners thereof.

Profits, losses and distributions of the Operating Partnership, the LLCs and the Other Real Estate Partnerships are allocated to the general partner and the limited partners or the members, as applicable, of such entities in accordance with the provisions contained within their respective organizational documents.

We also provide various services to two joint ventures (the “2003 Net Lease Joint Venture” and the “2007 Europe Joint Venture,” collectively the “Joint Ventures”). Our noncontrolling equity ownership interests in the 2003 Net Lease Joint Venture and the 2007 Europe Joint Venture are 15% and 10%, respectively. During the year ended December 31, 2015, the 2003 Net Lease Joint Venture sold its last remaining industrial property comprising approximately 0.8 million square feet of gross leasable area (“GLA”). At December 31, 2015, the 2007 Europe Joint Venture did not own any properties. The Joint Ventures are accounted for under the equity method of accounting.

As of December 31, 2015, we owned 589 industrial properties located in 25 states, containing an aggregate of approximately 63.6 million square feet of GLA. Of the 589 properties owned on a consolidated basis, none of them are directly owned by the Company.

Any references to the number of industrial properties and square footage in the financial statement footnotes are unaudited.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements at December 31, 2015 and 2014 and for each of the years ended December 31, 2015, 2014 and 2013 include the accounts and operating results of the Company and the Operating Partnership. Such financial statements present our noncontrolling equity interests in our Joint Ventures under the equity method of accounting. All intercompany transactions have been eliminated in consolidation.

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Use of Estimates

In order to conform with generally accepted accounting principles, in preparation of our consolidated financial statements we are required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of December 31, 2015 and 2014, and the reported amounts of revenues and expenses for each of the years ended December 31, 2015, 2014 and 2013. Actual results could differ from those estimates.

Reclassifications and Revisions

Gain on sale of real estate included in continuing operations for the years ended December 31, 2014 and 2013 have been reclassified within the statement of operations to be included in the income from continuing operations subtotal to conform to the 2015 presentation.

From 2000 through 2007, we repurchased 4,324,114 common shares pursuant to a stock repurchase plan authorized by the Company's Board of Directors. These repurchased common shares are subject to state corporate laws that establish the legal status of redeemed shares and prevent them from being reported as treasury shares within the consolidated financial statements. We previously misclassified the repurchased common shares as treasury shares. The common share repurchases should have been classified as reductions of common stock, additional paid-in-capital and distributions in excess of accumulated earnings. We evaluated the impact of this correction on previously issued financial statements and concluded they were not materially misstated. In order to conform previous financial statements to the current period, we elected to revise previously issued financial statements. The balances for common stock, additional-paid-in-capital and distributions in excess of accumulated earnings on the accompanying consolidated statements of changes in stockholders' equity of the Company as of December 31, 2012, 2013 and 2014 and on the accompanying consolidated balance sheet of the Company as of December 31, 2014 have been revised to correct the misclassification. The correction results in reductions in common stock, additional paid-in-capital and distributions in excess of accumulated earnings of \$43, \$121,277 and \$18,698, respectively to the previously reported amounts of \$1,031, \$1,906,490 and (\$657,567), respectively, as of December 31, 2012, \$1,143, \$1,938,886 and (\$669,896), respectively, as of December 31, 2013 and \$1,149, \$1,872,336 and (\$670,650), respectively, as of December 31, 2014. The misclassification has no impact on the previously reported consolidated statements of operations, comprehensive income or cash flows. In addition, the misclassification has no impact on the previously reported consolidated financial statements of the Operating Partnership.

Cash and Cash Equivalents

Cash and cash equivalents include all cash and liquid investments with an initial maturity of three months or less. The carrying amount approximates fair value due to the short term maturity of these investments.

Restricted Cash

Restricted cash includes cash held in escrow in connection with gross proceeds from the sales of certain industrial properties. These sales proceeds will be disbursed as we exchange into properties under Section 1031 of the Code. The carrying amount approximates fair value due to the short term maturity of these investments.

Investment in Real Estate and Depreciation

Investment in real estate is carried at cost, less accumulated depreciation and amortization. We review our properties on a quarterly basis for impairment and provide a provision if impairments exist. To determine if an impairment may exist, we review our properties and identify those that have had either an event of change or event of circumstances warranting further assessment of recoverability (such as a decrease in occupancy, a

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

decline in general market conditions or a change in the expected hold period of an asset). If further assessment of recoverability is needed, we estimate the future net cash flows expected to result from the use of the property and its eventual disposition on an individual property basis. If the sum of the expected future net cash flows (undiscounted and without interest charges) is less than the carrying amount of the property on an individual property basis, we will recognize an impairment loss based upon the estimated fair value of such property. For properties we consider held for sale, we cease depreciating the properties and value the properties at the lower of depreciated cost or fair value, less costs to dispose. If circumstances arise that were previously considered unlikely, and, as a result, we decide not to sell a property previously classified as held for sale, we will reclassify such property as held and used. Such property is measured at the lower of its carrying amount (adjusted for any depreciation and amortization expense that would have been recognized had the property been continuously classified as held and used) or fair value at the date of the subsequent decision not to sell. We classify properties as held for sale when all criteria within the Financial Accounting Standards Board's (the "FASB") guidance on the impairment or disposal of long-lived assets are met.

Interest costs, real estate taxes, compensation costs of development personnel and other directly related costs incurred during construction periods are capitalized and depreciated commencing with the date the property is substantially completed. Upon substantial completion, we reclassify construction in progress to building, tenant improvements and leasing commissions. Such costs begin to be capitalized to the development projects from the point we are undergoing necessary activities to get the development ready for its intended use and cease when the development projects are substantially completed and held available for occupancy.

Depreciation expense is computed using the straight-line method based on the following useful lives:

	<u>Years</u>
Buildings and Improvements	7 to 50
Land Improvements	5 to 20
Furniture, Fixtures and Equipment	4 to 10
Tenant Improvements	Lease Term

Construction expenditures for tenant improvements, leasehold improvements and leasing commissions (inclusive of compensation costs of personnel attributable to leasing) are capitalized and amortized over the terms of each specific lease. Capitalized compensation costs of personnel attributable to leasing relate to time directly attributable to originating leases with tenants that result directly from and are essential to originating those leases and would not have been incurred had these leasing transactions not occurred. Repairs and maintenance are charged to expense when incurred. Expenditures for improvements are capitalized.

Upon acquisition of an occupied property, we allocate the purchase price of the property based upon the fair value of the assets acquired and liabilities assumed, which generally consists of land, buildings, tenant improvements, leasing commissions and intangible assets including in-place leases, above market and below market leases, below market ground lease obligations and tenant relationships. We allocate the purchase price to the fair value of the tangible assets of an acquired property by valuing the property as if it were vacant. Acquired above and below market leases and below market ground lease obligations are valued based on the present value of the difference between prevailing market rates and the in-place rates measured over a period equal to the remaining term of the lease for above market leases and below market ground lease obligations, and the initial term plus the term of any below market fixed rate renewal options for below market leases. The above market lease values are amortized as a reduction of rental revenue over the remaining term of the respective leases, and the below market lease values are amortized as an increase to base rental revenue over the remaining initial terms plus the terms of any below market fixed rate renewal options of the respective leases.

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The purchase price is further allocated to in-place lease values and tenant relationships based on our evaluation of the specific characteristics of each tenant's lease and our overall relationship with the respective tenant. The value of in-place lease intangibles and tenant relationships, which are included as components of deferred leasing intangibles, net are amortized over the remaining lease term (and expected renewal periods of the respective lease for tenant relationships) as adjustments to depreciation and other amortization expense. If a tenant terminates its lease early, the unamortized portion of the tenant improvements, leasing commissions, above and below market leases, the in-place lease value and tenant relationships is immediately written off.

Acquisition related costs associated with business combinations are expensed as incurred. As defined by GAAP, a business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members or participants. We do not consider acquisitions of land or unoccupied buildings to be business combinations. Rather, these transactions are treated as asset acquisitions and the acquisition related costs are capitalized to the basis of the assets acquired.

Deferred leasing intangibles, net of accumulated amortization, included in our total assets and total liabilities consist of the following:

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
In-Place Leases	\$19,438	\$16,850
Above Market Leases	2,520	3,425
Below Market Ground Lease Obligation	1,778	1,823
Tenant Relationships	<u>9,590</u>	<u>11,428</u>
Total Included in Total Assets, Net of \$26,432 and \$28,808 of Accumulated Amortization	<u>\$33,326</u>	<u>\$33,526</u>
Below Market Leases	<u>\$11,841</u>	<u>\$12,726</u>
Total Included in Total Liabilities, Net of \$8,911 and \$8,735 of Accumulated Amortization	<u>\$11,841</u>	<u>\$12,726</u>

Amortization expense related to in-place leases and tenant relationships, exclusive of amortization expense related to in-place leases and tenant relationships included in discontinued operations, was \$6,326, \$6,239 and \$5,598 for the years ended December 31, 2015, 2014 and 2013, respectively. Rental revenues increased by \$462, \$925 and \$572 related to net amortization of above/(below) market leases, exclusive of net amortization related to above/(below) market leases included in discontinued operations, for the years ended December 31, 2015, 2014 and 2013, respectively. We will recognize net amortization expense related to deferred leasing intangibles over the next five years, for properties owned as of December 31, 2015 as follows:

	<u>Estimated Amortization of In-Place Leases and Tenant Relationships</u>	<u>Estimated Net Increase to Rental Revenues Related to Above and Below Market Leases</u>
2016	\$5,922	\$1,106
2017	\$5,263	\$1,049
2018	\$3,652	\$ 877
2019	\$2,951	\$ 836
2020	\$2,465	\$ 757

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Foreign Currency Transactions and Translation

The assets and liabilities of our operations in Canada were translated to U.S. dollars from the Canadian dollar based on the current exchange rate prevailing at each balance sheet date. The income statement accounts were translated using the average exchange rate for the period. The resulting translation adjustments are included in accumulated other comprehensive income. We sold our sole remaining real estate asset located in Canada during the year ended December 31, 2014.

Deferred Financing Costs

Deferred financing costs include fees and costs incurred to obtain long-term financing. These fees and costs are being amortized over the terms of the respective loans. Accumulated amortization of deferred financing costs was \$20,332 and \$17,173 at December 31, 2015 and 2014, respectively. Unamortized deferred financing costs are written-off when debt is retired before the maturity date.

Investments in Joint Ventures

Investments in joint ventures represent our noncontrolling equity/limited partnership interests in our Joint Ventures. We account for our investments in joint ventures under the equity method of accounting, as we do not have a majority voting interest, operational control or financial control. Control is determined using accounting standards related to the consolidation of joint ventures and variable interest entities. In order to assess whether consolidation of a variable interest entity is required, an enterprise is required to qualitatively assess the determination of the primary beneficiary of a variable interest entity (“VIE”) based on whether the entity (1) has the power to direct matters that most significantly impact the activities of the VIE and (2) has the obligation to absorb losses or the right to receive benefits of the VIE that could potentially be significant to the VIE. Additionally, they require an ongoing reconsideration of the primary beneficiary and provide a framework for the events that trigger a reassessment of whether an entity is a VIE.

Under the equity method of accounting, our share of earnings or losses of our Joint Ventures is reflected in income as earned and contributions or distributions increase or decrease our investments in joint ventures as paid or received, respectively. Differences between our carrying value of our investments in joint ventures and our underlying equity of such Joint Ventures are amortized over the respective lives of the underlying assets.

Limited Partners Units

Limited Partner Units are reported within Partners’ Capital in the Operating Partnership’s balance sheet as of December 31, 2015 and 2014 because they are not redeemable for cash or other assets (a) at a fixed or determinable date, (b) at the option of the Unitholder or (c) upon the occurrence of an event that is not solely within the control of the Operating Partnership. Redemption can be effectuated, as determined by the General Partner, either by exchanging the Units for shares of common stock of the Company on a one-for-one basis, subject to adjustment, or by paying cash equal to the fair market value of such shares.

The Operating Partnership is the only significant asset of the Company and economic, fiduciary and contractual means align the interests of the Company and the Operating Partnership. The Company’s Board of Directors and officers of the Company direct the Company to act when acting in its capacity as sole general partner of the Operating Partnership. Because of this, the Operating Partnership is deemed to have effective control of the form of redemption consideration. As of December 31, 2015, all criteria were met for the Operating Partnership to control the actions or events necessary to issue the maximum number of the Company’s common shares required to be delivered upon redemption of all remaining Limited Partner Units.

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Stock Based Compensation

We measure compensation cost for all stock-based awards at fair value on the date of grant and recognize compensation expense over the service period for awards expected to vest.

Net income, net of preferred stock dividends or preferred Unit distributions and redemption of preferred stock or preferred Units, is allocated to common stockholders or Unitholders and participating securities based upon their proportionate share of weighted average shares or Units plus weighted average participating securities. Participating securities are unvested share-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents. Restricted stock or restricted Unit awards granted to employees and directors are considered participating securities as they receive non-forfeitable dividend or dividend equivalents at the same rate as common stock or Units. See Note 7 for further disclosure about participating securities.

Revenue Recognition

Rental income is recognized on a straight-line method under which contractual rent increases are recognized evenly over the lease term. Tenant recovery income includes payments from tenants for real estate taxes, insurance and other property operating expenses and is recognized as revenue in the same period the related expenses are incurred by us.

If the lease provides for tenant improvements, we determine whether the tenant improvements are owned by the tenant or us. When we are the owner of the tenant improvements, the tenant is not considered to have taken physical possession or have control of the leased asset until the tenant improvements are substantially complete. Also, when we are the owner of the tenant improvements, any tenant improvements funded by the tenant are treated as lease payments which are deferred and amortized into income over the lease term. When the tenant is the owner of the tenant improvements, we record any tenant improvement allowance funded as a lease inducement and amortize it as a reduction of revenue over the lease term.

Revenue is generally recognized on payments received from tenants for early lease terminations upon the effective termination of a tenant's lease and when we have no further obligations under the lease.

We provide an allowance for doubtful accounts against the portion of tenant accounts receivable including deferred rent receivable, which is estimated to be uncollectible. Accounts receivable in the consolidated balance sheets are shown net of an allowance for doubtful accounts of \$1,515 and \$1,695 as of December 31, 2015 and 2014, respectively. Deferred rent receivable in the consolidated balance sheets is shown net of an allowance for doubtful accounts of \$2,669 and \$1,888 as of December 31, 2015 and 2014, respectively. For accounts receivable we deem uncollectible, we use the direct write-off method.

Gain on Sale of Real Estate

Gain on sale of real estate is recognized using the full accrual method, when appropriate. Gains relating to transactions which do not meet the full accrual method of accounting are deferred and recognized when the full accrual method of accounting criteria are met or by using the installment or deposit methods of profit recognition, as appropriate in the circumstances. As the assets are sold, their costs and related accumulated depreciation are written off with resulting gains or losses reflected in net income or loss. Estimated future costs to be incurred by us after completion of each sale are accrued and included in the determination of the gain on sales.

Income Taxes

The Company has elected to be taxed as a REIT under the Code. To qualify as a REIT, the Company must meet a number of organizational and operational requirements, including a requirement to distribute at least 90% of its adjusted taxable income to its stockholders. Management intends to continue to adhere to these

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
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requirements and to maintain the Company's REIT status. As a REIT, the Company is entitled to a tax deduction for some or all of the dividends it pays to shareholders. Accordingly, the Company generally will not be subject to federal income taxes as long as it currently distributes to shareholders an amount equal to or in excess of the Company's taxable income. If the Company fails to qualify as a REIT in any taxable year, it will be subject to federal income taxes and may not be able to qualify as a REIT for four subsequent taxable years.

REIT qualification reduces, but does not eliminate, the amount of state and local taxes we pay. In addition, our financial statements include the operations of taxable corporate subsidiaries that are not entitled to a dividends paid deduction and are subject to corporate federal, state and local income taxes.

In accordance with partnership taxation, each of the partners of the Operating Partnership is responsible for reporting their share of taxable income or loss.

We may also be subject to certain federal excise and franchise taxes if we engage in certain types of transactions. A benefit/provision has been made for federal, state and local income taxes in the accompanying consolidated financial statements. In accordance with FASB's guidance, the total benefit/provision has been separately allocated to income (loss) from continuing operations and income (loss) from discontinued operations, if applicable. The provision for excise and franchise taxes has been reflected in general and administrative expense in the consolidated statements of operations and has not been separately stated due to its insignificance.

Earnings Per Share and Earnings Per Unit ("EPS" and "EPU")

Basic net income (loss) per common share or Unit is computed by dividing net income (loss) available to common shareholders or Unitholders by the weighted average number of common shares or Units outstanding for the period.

Diluted net income (loss) per common share or Unit is computed by dividing net income (loss) available to common shareholders or Unitholders by the sum of the weighted average number of common shares or Units outstanding and any dilutive non-participating securities for the period. See Note 7 for further disclosure about EPS and EPU.

Derivative Financial Instruments

Historically, we have used interest rate protection agreements ("Agreements") to fix the interest rate on anticipated offerings of senior unsecured notes. Receipts or payments that result from the settlement of Agreements used to fix the interest rate on anticipated offerings of senior unsecured notes are amortized over the life of the derivative or the life of the debt and included in interest expense. Receipts or payments resulting from Agreements used to convert floating rate debt to fixed rate debt are recognized as a component of interest expense. Agreements which qualify for hedge accounting are marked-to-market and any gain or loss that is effective is recognized in other comprehensive income (loss) whereas mark-to-market gains and losses on Agreements which do not qualify for hedge accounting are recognized in net income (loss) immediately. Amounts accumulated in other comprehensive income (loss) during the hedge period are reclassified to earnings in the same period during which the forecasted transaction or hedged item affects net income (loss). The credit risks associated with Agreements are controlled through the evaluation and monitoring of the creditworthiness of the counterparty. In the event that the counterparty fails to meet the terms of Agreements, our exposure is limited to the fair value of Agreements, not the notional amounts. See Note 11 for more information on the Agreements.

Fair Value of Financial Instruments

Financial instruments other than our derivatives include tenant accounts receivable, accounts payable, other accrued expenses, mortgage loans payable, unsecured credit facility, unsecured term loans and senior unsecured

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
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notes. The fair values of tenant accounts receivable, accounts payable and other accrued expenses approximate their carrying or contract values. See Note 4 for the fair values of the mortgage loans payable, unsecured credit facility, unsecured term loans and senior unsecured notes.

Discontinued Operations

Effective January 1, 2015, we adopted Accounting Standards Update (“ASU”) No. 2014-08, “Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity” (“ASU 2014-08”) for all properties not previously sold. ASU 2014-08 revised the reporting requirements to only allow a component of an entity, or group of components of an entity, to be reported in discontinued operations if the disposal represents a strategic shift that has (or will have) a major effect on an entity’s operations and financial results. Going forward, we expect the majority of our property dispositions will not qualify as discontinued operations and the results of the dispositions, including the gain on sale of real estate, will be presented in Income from Continuing Operations.

Prior to the adoption of ASU 2014-08, the FASB’s guidance on financial reporting for the disposal of long lived assets required that the results of operations and gains or losses on the sale of property or property held for sale be presented in discontinued operations if both of the following criteria were met: (a) the operations and cash flows of the property have been (or will be) eliminated from the ongoing operations of the Company and the Operating Partnership as a result of the disposal transaction and (b) we will not have any significant continuing involvement in the operations of the property after the disposal transaction. The guidance also required prior period results of operations for these properties to be reclassified and presented in discontinued operations in prior consolidated statements of operations.

Segment Reporting

Management views the Company, inclusive of the Operating Partnership, as a single segment based on its method of internal reporting.

Recent Accounting Pronouncements

In February 2015, the FASB issued ASU No. 2015-02, “Consolidation (Topic 810)—Amendments to the Consolidation Analysis” (“ASU 2015-02”). ASU 2015-02 updates consolidation guidance for legal entities such as limited partnerships, limited liability companies and securitization structures in an attempt to simplify consolidation accounting. ASU 2015-02 eliminates the presumption that a general partner should consolidate a limited partnership, modifies the evaluation of whether limited partnerships are variable interest entities (“VIE”) or voting interest entities (“VOE”) and adds requirements that limited partnerships must meet to qualify as VOEs. ASU 2015-02 is effective for fiscal years beginning after December 15, 2015, with early adoption permitted.

Since formation of each Other Real Estate Partnership, the Company, which wholly-owns the corporations that act as a general partner of each Other Real Estate Partnership, is also the general partner of the Operating Partnership which holds at least a 99% limited partnership interest in each of the Other Real Estate Partnership, has fully consolidated the financial information of the Other Real Estate Partnerships within its financial statements. The Operating Partnership has in the past accounted for each of the Other Real Estate Partnerships under the equity method of accounting based on the VOE classification and the presumption that the corporations owned by the Company that act as the general partners of the Other Real Estate Partnerships controlled the partnerships. However, under ASU 2015-02, the Operating Partnership determined that each Other Real Estate Partnership meets the criteria of a VIE and that it is the primary beneficiary for each Other Real Estate Partnership. As a result, the Operating Partnership has concluded that it should cease accounting for the Other Real Estate Partnerships under the equity method of accounting and consolidate the financial information of the Other Real Estate Partnerships within its financial statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

During the year ended ended December 31, 2015, the Operating Partnership elected early adoption of ASU 2015-02. The election is a full retrospective adoption approach which requires previously reported periods to be restated. The impact of this adoption on the Operating Partnership's previously reported period is as follows:

	<u>Balance Sheet as Previously Filed as of December 31, 2014</u>	<u>Impact of the Adoption of ASU 2015-02</u>	<u>Balance Sheet as Adjusted as of December 31, 2014</u>
Total Assets	\$2,514,246	\$78,462	\$2,592,708
Total Liabilities	\$1,413,736	\$77,382	\$1,491,118
Total Noncontrolling Interest	\$ —	\$ 1,080	\$ 1,080

The following table summarizes the assets and liabilities of the Other Real Estate Partnerships included in our consolidated balance sheets:

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
ASSETS		
Assets:		
Net Investment in Real Estate	\$306,866	\$278,720
Other Assets, Net	<u>20,478</u>	<u>21,078</u>
Total Assets	<u>\$327,344</u>	<u>\$299,798</u>
LIABILITIES AND PARTNERS' CAPITAL		
Liabilities:		
Mortgage Loans Payable	\$ 77,445	\$ 81,231
Other Liabilities, Net	43,103	10,656
Partners' Capital	<u>206,796</u>	<u>207,911</u>
Total Liabilities and Partners' Capital	<u>\$327,344</u>	<u>\$299,798</u>

In April 2015, the FASB issued ASU No. 2015-03, "Simplifying the Presentation of Debt Issuance Costs" ("ASU 2015-03"), which amends the current presentation of debt issuance costs in the financial statements. ASU 2015-03 requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts, instead of as an asset. The recognition and measurement guidance for debt issuance costs are not affected by this update. Debt issuance costs related to revolving credit agreements are not within the scope of this new guidance. In August 2015, the FASB issued ASU No. 2015-15, "Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements" ("ASU 2015-15"), which expands upon ASU 2015-03. ASU 2015-15 states that given the absence of authoritative guidance within 2015-03, the SEC staff would not object to an entity deferring and presenting debt issuance costs as an asset for revolving credit agreements and subsequently amortizing the deferred issuance costs ratably over the term of the arrangement, regardless of whether there are any outstanding borrowings on the revolving credit agreement. The amendments are to be applied retrospectively and are effective for interim and annual periods beginning after December 15, 2015. The adoption of ASU 2015-03 and ASU 2015-15 are not expected to have a material impact on our results of operations, however, they will impact the Consolidated Balance Sheet presentation related to our debt issuance costs.

In August 2014, the FASB issued ASU No. 2014-15, "Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern" ("ASU 2014-15"), which requires management to evaluate whether there are conditions or events that raise substantial doubt about the entity's ability to continue as a going concern, and to

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

provide certain disclosures when it is probable that the entity will be unable to meet its obligations as they become due within one year after the date that the financial statements are issued. ASU 2014-15 is effective for the annual period ended December 31, 2016 and for annual periods and interim periods thereafter with early adoption permitted. The adoption of ASU 2014-15 is not expected to materially impact our consolidated financial statements.

In May 2014, the FASB issued ASU No. 2014-09, “Revenue from Contracts with Customers” (“ASU 2014-09”). ASU 2014-09 requires entities to recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. For the real estate industry, leasing transactions are not within the scope of the new standard. A majority of our tenant-related revenue is recognized pursuant to lease agreements. In July 2015, the FASB deferred the effective date of ASU 2014-09 by one year. As a result, ASU 2014-09 is effective for annual periods beginning after December 15, 2017, including interim periods within that reporting period. Early application is permitted for annual periods beginning after December 15, 2016. We are currently evaluating the impact of the adoption of ASU 2014-09 on our consolidated financial statements.

3. Investment in Real Estate

Acquisitions

In 2013, we acquired two industrial properties, one of which we acquired through the acquisition of 100% of the equity interest in the limited liability company that owned the industrial property, comprising approximately 1.1 million square feet of GLA and several land parcels. The purchase price of these acquisitions totaled approximately \$72,812, excluding costs incurred in conjunction with the acquisition of the industrial properties and land parcels.

In 2014, we acquired eight industrial properties comprising approximately 1.1 million square feet of GLA and several land parcels. The purchase price of these acquisitions totaled approximately \$95,692, excluding costs incurred in conjunction with the acquisition of the industrial properties and land parcels.

In 2015, we acquired eight industrial properties comprising approximately 1.9 million square feet of GLA and several land parcels. The purchase price of these acquisitions totaled approximately \$169,218, excluding costs incurred in conjunction with the acquisition of the industrial properties and land parcels.

The purchase price of the industrial properties and land parcels acquired for the years ended December 31, 2015 and 2014, was allocated as follows:

	Year Ended December 31, 2015		Year Ended December 31, 2014	
	Purchase Price	Weighted Average Life (in Months)	Purchase Price	Weighted Average Life (in Months)
Land	\$ 52,954	N/A	\$39,739	N/A
Building and Improvements	107,106	(A)	44,070	(A)
Other Assets	2,562	(B)	1,863	(B)
In-Place Leases	7,124	84	5,350	74
Tenant Relationships	—	N/A	3,440	131
Above Market Leases	—	N/A	316	66
Below Market Ground Lease Obligation	—	N/A	1,854	480
Below Market Leases	(528)	62	(940)	79
Total Purchase Price (C)	<u>\$169,218</u>		<u>\$95,692</u>	

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

- (A) See Note 2 for the disclosure of useful lives of our Investment in Real Estate and our Depreciation policy.
- (B) Represents leasing commissions, which are included in Other Assets and amortized over the remaining terms of each lease.
- (C) Included in the purchase price for the year ended December 31, 2015, is \$122,913 relating to six industrial properties that we acquired and transferred to special purpose entities to facilitate a potential Section 1031 exchange under the Code. To realize the tax deferral available under the Section 1031 exchange, we must complete the Section 1031 exchange and take title to the to-be-exchanged industrial properties within 180 days of the acquisition date. We determined that these special purposes entities are VIEs, and we are the primary beneficiary. Therefore, we consolidate these entities. As of December 31, 2015, these VIEs have no significant liabilities or significant cash flows.

Real Estate Held for Sale

As December 31, 2015, we had one industrial property comprising approximately 0.2 million square feet of GLA held for sale. See Subsequent Events.

Sales and Discontinued Operations

In 2013, we sold 67 industrial properties comprising approximately 3.0 million square feet of GLA and several land parcels. Gross proceeds from the sales of the industrial properties and land parcels were approximately \$144,628. The gain on sale of real estate was approximately \$35,444, of which \$34,344 is shown in discontinued operations. The 67 sold industrial properties meet the criteria to be included in discontinued operations. Therefore the results of operations and gain on sale of real estate for the 67 industrial properties sold are included in discontinued operations. The results of operations and gain on sale of real estate for the several land parcels, which do not meet the criteria to be included in discontinued operations, are included in continuing operations.

In 2014, we sold 29 industrial properties comprising approximately 2.0 million square feet of GLA and several land parcels. Gross proceeds from the sales of the industrial properties and land parcels were approximately \$102,596. The gain on sale of real estate was approximately \$25,905, of which \$25,988 is shown in discontinued operations. The 29 sold industrial properties meet the criteria to be included in discontinued operations. Therefore the results of operations and gain on sale of real estate for the 29 industrial properties sold are included in discontinued operations. The results of operations and loss on sale of real estate for the several land parcels, which do not meet the criteria to be included in discontinued operations, are included in continuing operations.

In 2015, we sold 66 industrial properties comprising approximately 3.8 million square feet of GLA and several land parcels. Gross proceeds from the sales of the industrial properties and land parcels were approximately \$158,429. The gain on sale of real estate was approximately \$48,906. As discussed in Note 2, we adopted the new accounting standard relating to discontinued operations on January 1, 2015. There were no sales of industrial properties during the year ended ended December 31, 2015 that met the criteria to be classified as discontinued operations.

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following table discloses certain information regarding the industrial properties included in our discontinued operations for the years ended December 31, 2014 and 2013:

	<u>Year Ended December 31,</u>	
	<u>2014</u>	<u>2013</u>
Total Revenues	\$ 7,007	\$20,727
Property Expenses	(2,784)	(8,126)
Impairment of Real Estate	—	(2,652)
Depreciation and Amortization	(2,388)	(7,727)
Gain on Sale of Real Estate	25,988	34,344
Income from Discontinued Operations	<u>\$27,823</u>	<u>\$36,566</u>

Impairment Charges

The impairment charges of \$626 and \$2,652 recorded during the years ended December 31, 2015 and 2013, respectively, were due to marketing certain industrial properties for sale and our assessment of the likelihood and timing of a potential sale transaction. The impairment charge recorded during the year ended December 31, 2013 of \$2,652 is included in discontinued operations.

The accounting guidance for the fair value measurement provisions for the impairment of long lived assets establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets for identical assets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. The real estate assets measured at fair value on a non-recurring basis during the years ended December 31, 2015 and 2013 were sold.

The fair market values were determined using third party offers. Valuations based on third party offers include bona fide contract prices and letter of intent amounts that we believe are indicative of fair value.

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

4. Indebtedness

The following table discloses certain information regarding our indebtedness:

	Outstanding Balance at		Interest Rate at	Effective Interest Rate at	Maturity Date
	December 31, 2015	December 31, 2014	December 31, 2015	Issuance	
Mortgage Loans					June 2016 –
Payable, Net	\$564,955	\$599,985	4.03% – 8.26%	4.03% – 8.26%	September 2022
<i>Unamortized Premiums</i>	(64)	(90)			
Mortgage Loans Payable, Gross ...	<u>\$564,891</u>	<u>\$599,895</u>			
Senior Unsecured Notes, Net					
2016 Notes	\$159,677	\$159,621	5.75%	5.91%	1/15/2016
2017 Notes	54,971	54,966	7.50%	7.52%	12/1/2017
2027 Notes	6,067	6,066	7.15%	7.11%	5/15/2027
2028 Notes	31,885	31,884	7.60%	8.13%	7/15/2028
2032 Notes	10,523	10,518	7.75%	7.87%	4/15/2032
2017 II Notes	<u>101,833</u>	<u>101,806</u>	5.95%	6.37%	5/15/2017
Subtotal	\$364,956	\$364,861			
<i>Unamortized Discounts</i>	<u>146</u>	<u>241</u>			
Senior Unsecured Notes, Gross	<u>\$365,102</u>	<u>\$365,102</u>			
2014 Unsecured Term Loan	\$200,000	\$200,000	1.94%	N/A	1/29/2021
2015 Unsecured Term Loan	<u>260,000</u>	<u>—</u>	1.84%	N/A	9/12/2022
Unsecured Term Loans, Total (A) ..	<u>\$460,000</u>	<u>\$200,000</u>			
Unsecured Credit Facility (B)	<u>\$ 52,500</u>	<u>\$185,000</u>	1.57%	N/A	3/11/2019

(A) We entered into interest rate protection agreements, with an aggregate notional value of \$460,000, to effectively convert the variable rate to a fixed rate. See Note 11.

(B) The maturity date may be extended an additional year at our election, subject to certain restrictions.

Mortgage Loans Payable, Net

During the years ended December 31, 2015 and 2014, we paid off and retired prior to maturity mortgage loans in the amount of \$22,910 and \$65,558, respectively. In connection with these prepayments, we recognized \$0 and \$655 as loss from retirement of debt for the years ended December 31, 2015 and 2014, respectively.

As of December 31, 2015, mortgage loans payable are collateralized, and in some instances cross-collateralized, by industrial properties with a net carrying value of \$727,022. We believe the Operating Partnership and the Company were in compliance with all covenants relating to mortgage loans as of December 31, 2015.

Senior Unsecured Notes, Net

During the year ended December 31, 2014, we paid off and retired our 2014 Notes, at maturity, in the amount of \$81,794.

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Unsecured Term Loans

On January 29, 2014, we entered into a seven-year, \$200,000 unsecured loan (the “2014 Unsecured Term Loan”) with a syndicate of financial institutions. At December 31, 2015, the 2014 Unsecured Term Loan requires interest only payments and bears interest at a variable rate based on LIBOR plus 170 basis points. The interest rate on the 2014 Unsecured Term Loan varies based on the Company’s leverage ratio or, at our election, the Company’s credit ratings.

On September 11, 2015, we entered into a seven-year, \$260,000 unsecured loan (the “2015 Unsecured Term Loan”; together with the 2014 Unsecured Term Loan, the “Unsecured Term Loans”) with a syndicate of financial institutions. At December 31, 2015, the 2015 Unsecured Term Loan requires interest only payments and bears interest at a variable rate based on LIBOR plus 160 basis points. The interest rate on the 2015 Unsecured Term Loan varies based on the Company’s leverage ratio or, at our election, the Company’s credit ratings.

Unsecured Credit Facility

On March 10, 2015, we amended and restated our \$625,000 revolving credit agreement (the “Old Credit Facility”) with a new \$625,000 revolving credit agreement (as amended and restated, the “Unsecured Credit Facility”). We may request that the borrowing capacity under the Unsecured Credit Facility be increased to \$900,000, subject to certain restrictions. The amendment extended the maturity date from September 29, 2017 to March 11, 2019 with an option to extend an additional one year at our election, subject to certain restrictions. At December 31, 2015, the Unsecured Credit Facility provides for interest only payments at LIBOR plus 115 basis points. The interest rate on the Unsecured Credit Facility varies based on the Company’s leverage ratio or, at our election, the Company’s credit ratings.

Indebtedness

The following is a schedule of the stated maturities and scheduled principal payments of our indebtedness, exclusive of premiums and discounts, for the next five years as of December 31, and thereafter:

	<u>Amount</u>
2016	\$ 229,024
2017	168,723
2018	168,341
2019	128,923
2020	90,855
Thereafter	<u>656,627</u>
Total	<u>\$1,442,493</u>

The Unsecured Credit Facility, the Unsecured Term Loans and the indentures governing our senior unsecured notes contain certain financial covenants, including limitations on incurrence of debt and debt service coverage. Under the Unsecured Credit Facility and the Unsecured Term Loans, an event of default can occur if the lenders, in their good faith judgment, determine that a material adverse change has occurred which could prevent timely repayment or materially impair our ability to perform our obligations under the loan agreements. We believe that the Operating Partnership and the Company were in compliance with all covenants relating to the Unsecured Credit Facility, the Unsecured Term Loans and indentures governing our senior unsecured notes as of December 31, 2015. However, these financial covenants are complex and there can be no assurance that these provisions would not be interpreted by our lenders and noteholders in a manner that could impose and cause us to incur material costs.

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Fair Value

At December 31, 2015 and 2014, the fair value of our indebtedness was as follows:

	December 31, 2015		December 31, 2014	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Mortgage Loans Payable, Net	\$ 564,955	\$ 595,964	\$ 599,985	\$ 640,818
Senior Unsecured Notes, Net	364,956	386,253	364,861	395,320
Unsecured Term Loans	460,000	460,970	200,000	200,575
Unsecured Credit Facility	52,500	52,500	185,000	185,747
Total	<u>\$1,442,411</u>	<u>\$1,495,687</u>	<u>\$1,349,846</u>	<u>\$1,422,460</u>

The fair values of our mortgage loans payable were determined by discounting the future cash flows using the current rates at which similar loans would be made based upon similar remaining maturities. The current market rates we utilized were internally estimated. The fair value of the senior unsecured notes were determined by using rates, as advised by our bankers, that are based upon recent trades within the same series of the senior unsecured notes, recent trades for senior unsecured notes with comparable maturities, recent trades for fixed rate unsecured notes from companies with profiles similar to ours, as well as overall economic conditions. The fair value of the Unsecured Credit Facility and the Unsecured Term Loans was determined by discounting the future cash flows using current rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining term, assuming no repayment until maturity. We have concluded that our determination of fair value for each of our mortgage loans payable, senior unsecured notes, the Unsecured Term Loans and the Unsecured Credit Facility was primarily based upon Level 3 inputs.

5. Stockholders' Equity of the Company and Partners' Capital of the Operating Partnership

Operating Partnership Units

The Operating Partnership has issued General Partner Units, Limited Partner Units and preferred general partnership Units. The General Partner Units resulted from capital contributions from the Company. The Limited Partner Units are issued in conjunction with the acquisition of certain properties (see discussion below). Subject to certain lock-up periods, holders of Limited Partner Units can redeem their Units by providing written notification to the General Partner of the Operating Partnership. Unless the General Partner provides notice of a redemption restriction to the holder, redemption must be made within seven business days after receipt of the holder's notice. The redemption can be effectuated, as determined by the General Partner, either by exchanging the Limited Partner Units for shares of common stock of the Company on a one-for-one basis, subject to adjustment, or by paying cash equal to the fair market value of such shares. Prior requests for redemption have generally been fulfilled with shares of common stock of the Company, and the Operating Partnership intends to continue this practice. If each Limited Partner Unit of the Operating Partnership were redeemed as of December 31, 2015, the Operating Partnership could satisfy its redemption obligations by making an aggregate cash payment of approximately \$95,285 or by issuing 4,305,707 shares of the Company's common stock. The preferred general partnership Units result from preferred capital contributions from the Company. The Operating Partnership is required to make all required distributions on the preferred general partnership Units prior to any distribution of cash or assets to the holders of the Units. The consent of the holder of the Limited Partner Units is required to alter such holder's rights as to allocations and distributions, to alter or modify such holder's rights with respect to redemption, to cause the early termination of the Operating Partnership or to amend the provisions of the partnership agreement which requires such consent.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Preferred Stock or General Partner Preferred Units

On May 27, 2004, the Company issued 50,000 Depositary Shares, each representing 1/100th of a share of the Company's 6.236%, Series F Flexible Cumulative Redeemable Preferred Stock, \$0.01 par value (the "Series F Preferred Stock"), at an initial offering price of \$1,000.00 per Depositary Share. The net proceeds from the issuance of the Series F Preferred Stock were contributed to the Operating Partnership in exchange for 6.236% Series F Cumulative Preferred Units (the "Series F Preferred Units") and are reflected in the Operating Partnerships' financial statements as a general partner preferred unit contribution. The Series F Preferred Stock was redeemable for cash at the Company's option, in whole or in part, at a redemption price of \$1,000.00 per Depositary Share, or \$50,000 in the aggregate, plus dividends accrued and unpaid to the redemption date. On March 6, 2014, the Company fully redeemed the Series F Preferred Stock, at a redemption price of \$1,000.00 per Depositary Share, and paid a pro-rated first quarter dividend of \$11.3299 per Depositary Share, totaling \$566. An equivalent number of Series F Preferred Units were redeemed on March 6, 2014 as well. The initial offering costs associated with the issuance of the Series F Preferred Stock or Series F Preferred Units, as well as costs associated with the redemption, totaled \$949 and are reflected as a deduction from net income in determining earnings per share or earnings per Unit for the year ended December 31, 2014.

On May 27, 2004, the Company issued 25,000 Depositary Shares, each representing 1/100th of a share of the Company's 7.236%, Series G Flexible Cumulative Redeemable Preferred Stock, \$0.01 par value (the "Series G Preferred Stock"), at an initial offering price of \$1,000.00 per Depositary Share. The net proceeds from the issuance of the Series G Preferred Stock were contributed to the Operating Partnership in exchange for 7.236% Series G Cumulative Preferred Units (the "Series G Preferred Units") and are reflected in the Operating Partnerships' financial statements as a general partner preferred unit contribution. The Series G Preferred Stock was redeemable for cash at the Company's option, in whole or in part, at a redemption price of \$1,000.00 per Depositary Share, or \$25,000 in the aggregate, plus dividends accrued and unpaid to the redemption date. On March 31, 2014, the Company fully redeemed the Series G Preferred Stock, at a redemption price of \$1,000.00 per Depositary Share, and paid a semi-annual dividend of \$36.18 per Depositary Share, totaling \$905. An equivalent number of Series G Preferred Units were redeemed on March 31, 2014 as well. The initial offering costs associated with the issuance of the Series G Preferred Stock or Series G Preferred Units, as well as costs associated with the redemption, totaled \$513 and are reflected as a deduction from net income in determining earnings per share or earnings per Unit for the year ended December 31, 2014.

On January 13, 2006, the Company issued 6,000,000 Depositary Shares, each representing 1/10,000th of a share of the Company's 7.25%, Series J Cumulative Redeemable Preferred Stock, \$0.01 par value (the "Series J Preferred Stock"), at an initial offering price of \$25.00 per Depositary Share. The net proceeds from the issuance of the Series J Preferred Stock were contributed to the Operating Partnership in exchange for 7.25% Series J Cumulative Preferred Units (the "Series J Preferred Units") and are reflected in the Operating Partnerships' financial statements as a general partner preferred unit contribution. The Series J Preferred Stock was redeemable for cash at the Company's option, in whole or in part, at a redemption price equivalent to \$25.00 per Depositary Share, or \$150,000 in the aggregate, plus dividends accrued and unpaid to the redemption date. On December 21, 2012, the Company redeemed 2,000,000 Depositary Shares and an equivalent number of Series J Preferred Units were redeemed as well. The remaining 4,000,000 Depositary Shares of the Series J Preferred Stock were redeemed on April 11, 2013, at a redemption price of \$25.00 per Depositary Share, and the Company paid a pro-rated second quarter dividend of \$0.055382 per Depositary Share, totaling \$221. An equivalent number of Series J Preferred Units were redeemed on April 11, 2013 as well. The remaining initial offering costs associated with the issuance of the Series J Preferred Stock/Units, as well as costs associated with the redemption, totaled \$3,546 and are reflected as a deduction from net income in determining earnings per share or earnings per Unit for the year ended December 31, 2013.

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

On August 21, 2006, the Company issued 2,000,000 Depositary Shares, each representing 1/10,000th of a share of the Company's 7.25%, Series K Flexible Cumulative Redeemable Preferred Stock, \$0.01 par value (the "Series K Preferred Stock"), at an initial offering price of \$25.00 per Depositary Share. The net proceeds from the issuance of the Series K Preferred Stock were contributed to the Operating Partnership in exchange for 7.25% Series K Cumulative Preferred Units (the "Series K Preferred Units") and are reflected in the Operating Partnerships' financial statements as a general partner preferred unit contribution. The Series K Preferred Stock was redeemable for cash at the Company's option, in whole or in part, at a redemption price equivalent to \$25.00 per Depositary Share, or \$50,000 in the aggregate, plus dividends accrued and unpaid to the redemption date. On July 18, 2013, the Company fully redeemed the Series K Preferred Stock at a redemption price of \$25.00 per Depositary Share, and paid a pro-rated third quarter dividend of \$0.090625 per Depositary Share, totaling \$181. An equivalent number of Series K Preferred Units were redeemed on July 18, 2013 as well. The initial offering costs associated with the issuance of the Series K Preferred Stock or Series K Preferred Units, as well as costs associated with the redemption, totaled \$2,121 and are reflected as a deduction from net income in determining earnings per share or earnings per Unit for the year ended December 31, 2013.

The Company has 10,000,000 shares of preferred stock authorized. As of December 31, 2015 and 2014, there were no preferred shares or general partner preferred Units outstanding.

Shares of Common Stock/Unit Contributions

For the years ended December 31, 2015, 2014 and 2013, 68,930, 222,676, and 105,028 Limited Partner Units, respectively, were converted into an equivalent number of shares of common stock of the Company, resulting in a reclassification of \$673, \$2,155 and \$996, respectively, of noncontrolling interest to the Company's stockholders' equity.

During the year ended December 31, 2013, the Company issued 8,400,000 shares of the Company's common stock in an underwritten public offering. Net proceeds to the Company for the year ended December 31, 2013, were \$132,050. The proceeds were contributed to the Operating Partnership in exchange for an equivalent number of Units and are reflected in the Operating Partnership's financial statements as a general partner contribution.

On March 1, 2012, we entered into distribution agreements with sales agents to sell up to 12,500,000 shares of the Company's common stock, for up to \$125,000 aggregate gross sale proceeds, from time to time in "at-the-market" offerings (the "2012 ATM"). During the year ended December 31, 2013, the Company issued 2,315,704 shares of the Company's common stock under the 2012 ATM resulting in net proceeds to the Company of \$41,735. The proceeds were contributed to the Operating Partnership in exchange for an equivalent number of Units and are reflected in the Operating Partnership's financial statements as a general partner contribution. On March 12, 2014, the 2012 ATM was terminated in preparation for the commencement of the 2014 ATM (defined hereafter).

On March 13, 2014, we entered into distribution agreements with sales agents to sell up to 13,300,000 shares of the Company's common stock, for up to \$200,000 aggregate gross sales proceeds, from time to time in "at-the-market" offerings (the "2014 ATM"). During the years ended December 31, 2015 and 2014, the Company issued no shares of common stock under the 2014 ATM. Under the terms of the 2014 ATM, sales are to be made primarily in transactions that are deemed to be "at-the-market" offerings, including sales made directly on the New York Stock Exchange or sales made through a market maker other than on an exchange or by privately negotiated transactions.

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following table is a roll-forward of the Company's shares of common stock outstanding and the Operating Partnership's Units outstanding, including unvested restricted shares/Units (see Note 10), for the three years ended December 31, 2015:

	<u>Shares of Common Stock Outstanding</u>	<u>General Partner and Limited Partner Units Outstanding</u>
Balance at December 31, 2012	98,767,913	103,470,254
Issuance of Common Stock/Units, Including Vesting of Restricted Stock Units	10,853,693	10,853,693
Issuance of Restricted Stock Shares/Units	284,461	284,461
Repurchase and Retirement of Restricted Stock Shares/Units ...	(30,245)	(30,245)
Conversion of Operating Partnership Units	105,028	—
Balance at December 31, 2013	<u>109,980,850</u>	<u>114,578,163</u>
Vesting of Restricted Stock Units	219,695	219,695
Issuance of Restricted Stock Shares/Units	319,055	319,055
Repurchase and Retirement of Restricted Stock Shares/Units ...	(141,410)	(141,410)
Conversion of Operating Partnership Units	222,676	—
Balance at December 31, 2014	<u>110,600,866</u>	<u>114,975,503</u>
Vesting of Restricted Stock Units	224,990	224,990
Issuance of Restricted Stock Shares/Units	234,360	234,360
Repurchase and Retirement of Restricted Stock Shares/Units ...	(101,921)	(101,921)
Conversion of Operating Partnership Units	68,930	—
Balance at December 31, 2015	<u><u>111,027,225</u></u>	<u><u>115,332,932</u></u>

Dividends/Distributions

The coupon rate of our Series F Preferred Stock/Units reset every quarter at 2.375% plus the greater of (i) the 30 year Treasury constant maturity treasury ("CMT") Rate, (ii) the 10 year Treasury CMT Rate or (iii) 3-month LIBOR. For the period January 1, 2014 through March 6, 2014 (the redemption date), the coupon rate was 6.275%.

The following table summarizes dividends/distributions accrued during the past three years:

	<u>2015 Total Dividend/ Distribution</u>	<u>2014 Total Dividend/ Distribution</u>	<u>2013 Total Dividend/ Distribution</u>
Common Stock/Operating Partnership Units	\$59,014	\$47,263	\$38,862
Series F Preferred Stock/Units (A)	N/A	\$ 566	\$ 2,896
Series G Preferred Stock/Units (A)	N/A	\$ 453	\$ 1,809
Series J Preferred Stock/Units (A)	N/A	N/A	\$ 2,034
Series K Preferred Stock/Units (A)	N/A	N/A	\$ 1,994

(A) See the "Preferred Stock/Contributions" section for the redemptions and discussion of pro-rated dividends/distributions for all series of preferred stock/Units occurring during the years ended December 31, 2014 and 2013.

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

6. Accumulated Other Comprehensive Loss

The following table summarizes the changes in accumulated other comprehensive loss by component for the Company for the years ended December 31, 2015 and 2014:

	<u>Interest Rate Protection Agreements</u>	<u>Foreign Currency Translation Adjustment</u>	<u>Comprehensive Income (Loss) Attributable to Noncontrolling Interest</u>	<u>Total</u>
Balance as of December 31, 2013	\$ (3,481)	\$ 78	\$ 138	\$ (3,265)
Other Comprehensive (Loss) Income Before Reclassifications	(16,270)	(93)	412	(15,951)
Amounts Reclassified from Accumulated Other Comprehensive Loss	5,349	—	—	5,349
Net Current Period Other Comprehensive (Loss) Income	(10,921)	(93)	412	(10,602)
Balance as of December 31, 2014	<u>\$(14,402)</u>	<u>\$(15)</u>	<u>\$ 550</u>	<u>\$(13,867)</u>
Other Comprehensive (Loss) Income Before Reclassifications	(14,684)	15	(174)	(14,843)
Amounts Reclassified from Accumulated Other Comprehensive Loss	19,043	—	—	19,043
Net Current Period Other Comprehensive Income (Loss)	4,359	15	(174)	4,200
Balance as of December 31, 2015	<u><u>\$(10,043)</u></u>	<u><u>\$ —</u></u>	<u><u>\$ 376</u></u>	<u><u>\$ (9,667)</u></u>

The following table summarizes the changes in accumulated other comprehensive loss by component for the Operating Partnership for the years ended December 31, 2015 and 2014:

	<u>Interest Rate Protection Agreements</u>	<u>Foreign Currency Translation Adjustment</u>	<u>Total</u>
Balance as of December 31, 2013	\$ (3,481)	\$119	\$ (3,362)
Other Comprehensive Loss Before Reclassifications	(16,270)	(93)	(16,363)
Amounts Reclassified from Accumulated Other Comprehensive Loss	5,349	—	5,349
Net Current Period Other Comprehensive Loss	(10,921)	(93)	(11,014)
Balance as of December 31, 2014	<u>\$(14,402)</u>	<u>\$ 26</u>	<u>\$(14,376)</u>
Other Comprehensive Loss Before Reclassifications	(14,684)	(26)	(14,710)
Amounts Reclassified from Accumulated Other Comprehensive Loss	19,043	—	19,043
Net Current Period Other Comprehensive Income (Loss)	4,359	(26)	4,333
Balance as of December 31, 2015	<u><u>\$(10,043)</u></u>	<u><u>\$ —</u></u>	<u><u>\$(10,043)</u></u>

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following table summarizes the reclassifications out of accumulated other comprehensive loss for both the Company and the Operating Partnership for the years ended December 31, 2015, 2014 and 2013:

Details about Accumulated Other Comprehensive Loss Components	Amount Reclassified from Accumulated Other Comprehensive Loss			Affected Line Item in the Consolidated Statements of Operations
	Year Ended December 31, 2015	Year Ended December 31, 2014	Year Ended December 31, 2013	
Interest Rate Protection Agreements:				
Reclassification of Fair Value of Interest Rate Protection Agreement (See Note 11)	\$12,990	\$ —	\$ —	Settlement Loss and Mark-to-Market Gain on Interest Rate Protection Agreements
Amortization of Interest Rate Protection Agreements (Previously Settled)	524	1,358	2,411	Interest Expense
Settlement Payments to our Counterparties	5,529	3,991	—	Interest Expense
Write-off of Unamortized Settlement Amounts of Interest Rate Protection Agreements	—	—	1,116	Loss from Retirement of Debt
	\$19,043	\$5,349	3,527	Total

The effective portion of changes in the fair value of derivatives designated and that qualify as cash flow hedges is recorded in other comprehensive income (loss) and is subsequently reclassified to earnings through interest expense over the life of the derivative or over the life of the debt. In the next 12 months, we expect to amortize approximately \$391 into net income by increasing interest expense for interest rate protection agreements we settled in previous periods. Additionally, recurring settlement amounts on the 2014 and 2015 Swaps, as defined in Note 11, will also be reclassified to net income. See Note 11 for more information about our derivatives.

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

7. Earnings Per Share and Earnings Per Unit (EPS/EPU)

The computation of basic and diluted EPS of the Company is presented below:

	Year Ended December 31, 2015	Year Ended December 31, 2014	Year Ended December 31, 2013
Numerator:			
Income from Continuing Operations	\$ 76,705	\$ 23,182	\$ 4,862
Noncontrolling Interest Allocable to Continuing Operations	(2,903)	(813)	396
Income from Continuing Operations Allocable to Participating Securities	(248)	(75)	—
Income from Continuing Operations Attributable to First Industrial Realty Trust, Inc.	73,554	22,294	5,258
Preferred Dividends	—	(1,019)	(8,733)
Redemption of Preferred Stock	—	(1,462)	(5,667)
Income (Loss) from Continuing Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ 73,554</u>	<u>\$ 19,813</u>	<u>\$ (9,142)</u>
Income from Discontinued Operations	\$ —	\$ 27,823	\$ 36,566
Noncontrolling Interest Allocable to Discontinued Operations	—	(1,082)	(1,517)
Income from Discontinued Operations Allocable to Participating Securities	—	(100)	(162)
Income from Discontinued Operations Attributable to First Industrial Realty Trust, Inc.	<u>\$ —</u>	<u>\$ 26,641</u>	<u>\$ 34,887</u>
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities	\$ 73,802	\$ 46,629	\$ 25,907
Net Income Allocable to Participating Securities	(248)	(175)	(162)
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ 73,554</u>	<u>\$ 46,454</u>	<u>\$ 25,745</u>
Denominator (In Thousands):			
Weighted Average Shares - Basic	110,352	109,922	106,995
Effect of Dilutive Securities:			
LTIP Unit Awards	429	403	—
Weighted Average Shares - Diluted	<u>110,781</u>	<u>110,325</u>	<u>106,995</u>
Basic EPS:			
Income (Loss) from Continuing Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ 0.67</u>	<u>\$ 0.18</u>	<u>\$ (0.09)</u>
Income from Discontinued Operations Attributable to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ —</u>	<u>\$ 0.24</u>	<u>\$ 0.33</u>
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ 0.67</u>	<u>\$ 0.42</u>	<u>\$ 0.24</u>
Diluted EPS:			
Income (Loss) from Continuing Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ 0.66</u>	<u>\$ 0.18</u>	<u>\$ (0.09)</u>
Income from Discontinued Operations Attributable to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ —</u>	<u>\$ 0.24</u>	<u>\$ 0.33</u>
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ 0.66</u>	<u>\$ 0.42</u>	<u>\$ 0.24</u>

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The computation of basic and diluted EPU of the Operating Partnership is presented below:

	<u>Year Ended December 31, 2015</u>	<u>Year Ended December 31, 2014</u>	<u>Year Ended December 31, 2013</u>
Numerator:			
Income from Continuing Operations	\$ 76,820	\$ 23,434	\$ 4,908
Noncontrolling Interest Allocable to Continuing Operations	(138)	(62)	(36)
Income from Continuing Operations Allocable to Participating Securities	(248)	(75)	—
Income from Continuing Operations Attributable to Unitholders	76,434	23,297	4,872
Preferred Unit Distributions	—	(1,019)	(8,733)
Redemption of Preferred Units	—	(1,462)	(5,667)
Income (Loss) from Continuing Operations Available to Unitholders	<u>\$ 76,434</u>	<u>\$ 20,816</u>	<u>\$ (9,528)</u>
Income from Discontinued Operations	\$ —	\$ 27,823	\$ 36,566
Noncontrolling Interest Allocable to Discontinued Operations	—	(10)	(5)
Income from Discontinued Operations Allocable to Participating Securities	—	(100)	(162)
Income from Discontinued Operations Attributable to Unitholders	<u>\$ —</u>	<u>\$ 27,713</u>	<u>\$ 36,399</u>
Net Income Available to Unitholders and Participating Securities	\$ 76,682	\$ 48,704	\$ 27,033
Net Income Allocable to Participating Securities	(248)	(175)	(162)
Net Income Available to Unitholders	<u>\$ 76,434</u>	<u>\$ 48,529</u>	<u>\$ 26,871</u>
Denominator (In Thousands):			
Weighted Average Units - Basic	114,709	114,388	111,646
Effect of Dilutive Securities that Result in the Issuance of General Partner Units:			
LTIP Unit Awards	429	403	—
Weighted Average Units - Diluted	<u>115,138</u>	<u>114,791</u>	<u>111,646</u>
Basic EPU:			
Income (Loss) from Continuing Operations Available to Unitholders	<u>\$ 0.67</u>	<u>\$ 0.18</u>	<u>\$ (0.09)</u>
Income from Discontinued Operations Attributable to Unitholders	<u>\$ —</u>	<u>\$ 0.24</u>	<u>\$ 0.33</u>
Net Income Available to Unitholders	<u>\$ 0.67</u>	<u>\$ 0.42</u>	<u>\$ 0.24</u>
Diluted EPU:			
Income (Loss) from Continuing Operations Available to Unitholders	<u>\$ 0.66</u>	<u>\$ 0.18</u>	<u>\$ (0.09)</u>
Income from Discontinued Operations Attributable to Unitholders	<u>\$ —</u>	<u>\$ 0.24</u>	<u>\$ 0.33</u>
Net Income Available to Unitholders	<u>\$ 0.66</u>	<u>\$ 0.42</u>	<u>\$ 0.24</u>

Participating securities include 387,947, 463,774 and 488,861 of unvested restricted stock or restricted Unit awards outstanding at December 31, 2015, 2014 and 2013, respectively, which participate in non-forfeitable distributions. Under the two class method, participating security holders are allocated income, in proportion to total weighted average shares or Units outstanding, based upon the greater of net income (after reduction for preferred dividends or general partner preferred Unit distributions and redemption of preferred stock or general partner preferred Units) or common distributions declared.

The number of weighted average shares or weighted average Units—diluted is the same as the number of weighted average shares or weighted average Units—basic for the year ended December 31, 2013, as the effect of

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

restricted unit awards and LTIP Unit Awards (as defined in Note 10), which do not participate in non-forfeitable distributions of the Company or Operating Partnership, was excluded as its inclusion would have been antidilutive to the loss from continuing operations available to common stockholders or Unitholders. The following table discloses the number of non-participating securities outstanding for the year ended December 31, 2013 that were excluded from the computation of diluted EPS and EPU:

	Number of Awards Outstanding at December 31, 2013
Non-Participating Securities:	
Restricted Unit Awards	73,400
LTIP Unit Awards	718,960

8. Income Taxes

The components of income tax (provision) benefit for the years ended December 31, 2015, 2014 and 2013 are comprised of the following:

	Year Ended December 31,		
	2015	2014	2013
Current:			
Federal	\$ 68	\$ (51)	\$ 231
State	(297)	(196)	(264)
Deferred:			
State	112	9	36
	<u>\$(117)</u>	<u>\$(238)</u>	<u>\$ 3</u>

Deferred income taxes represent the tax effect of the temporary differences between the book and tax basis of assets and liabilities. Deferred tax assets (liabilities) include the following as of December 31, 2015 and 2014:

	Year Ended December 31,	
	2015	2014
Impairment of Real Estate	\$ 2,484	\$ 2,466
Foreign Net Operating Loss Carryforward	—	585
Valuation Allowance	(3,437)	(4,224)
Other	1,021	1,251
Total Deferred Tax Assets, Net of Allowance	<u>\$ 68</u>	<u>\$ 78</u>
Straight-line Rent	\$ (79)	\$ (90)
Other	(1)	(112)
Total Deferred Tax Liabilities	<u>\$ (80)</u>	<u>\$ (202)</u>
Total Net Deferred Tax Liabilities	<u>\$ (12)</u>	<u>\$ (124)</u>

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

A valuation allowance is recorded if we believe it is more likely than not that all or some portion of our deferred tax assets will not be realized. We do not have projections of future taxable income or other sources of taxable income in the taxable REIT subsidiaries significant enough to allow us to believe it is more likely than not that we will realize our deferred tax assets. Therefore, we have recorded a valuation allowance against our deferred tax assets. An increase or decrease in the valuation allowance that results from a change in circumstances, and which causes a change in our judgment about the realizability of the related deferred tax assets, is included in the current tax provision.

The income tax (provision) benefit pertaining to income from continuing operations of the taxable REIT subsidiaries differs from the amounts computed by applying the applicable federal statutory rate as follows for the years ended December 31, 2015, 2014 and 2013:

	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Tax Benefit (Provision) at Federal Rate Related to Continuing Operations	\$ 64	\$ (532)	\$ 286
State Tax Provision, Net of Federal Benefit	(212)	(214)	(236)
Non-deductible Permanent Items, Net	10	1	21
IRS Audit Adjustment and Accrued Interest	—	—	58
Change in Valuation Allowance	787	1,133	(388)
Other	<u>(766)</u>	<u>(626)</u>	<u>262</u>
Net Income Tax (Provision) Benefit	<u><u>\$(117)</u></u>	<u><u>\$ (238)</u></u>	<u><u>\$ 3</u></u>

We evaluate tax positions taken in the financial statements on a quarterly basis under the interpretation for accounting for uncertainty in income taxes. As a result of this evaluation, we may recognize a tax benefit from an uncertain tax position only if it is “more-likely-than-not” that the tax position will be sustained on examination by taxing authorities. As of December 31, 2015, we do not have any unrecognized tax benefits.

We file income tax returns in the U.S., and various states and foreign jurisdictions. In general, the statutes of limitations for income tax returns remain open for the years 2012 through 2015.

Federal Income Tax Treatment of Share Distributions

For income tax purposes, distributions paid to the Company’s common shareholders are classified as ordinary income, capital gain, return of capital or qualified dividends. For the years ended December 31, 2015, 2014 and 2013, the distributions per common share were classified as follows:

<u>Common Stock</u>	<u>2015</u>	<u>As a Percentage of Distributions</u>	<u>2014</u>	<u>As a Percentage of Distributions</u>	<u>2013</u>	<u>As a Percentage of Distributions</u>
Ordinary Income	\$0.2629	67.93%	\$0.4412	100.00%	\$0.3088	100.00%
Unrecaptured Section 1250 Gain	<u>0.1241</u>	<u>32.07%</u>	<u>—</u>	<u>0.00%</u>	<u>—</u>	<u>0.00%</u>
	<u><u>\$0.3870</u></u>	<u><u>100.00%</u></u>	<u><u>\$0.4412</u></u>	<u><u>100.00%</u></u>	<u><u>\$0.3088</u></u>	<u><u>100.00%</u></u>

For income tax purposes, distributions paid to the Company’s preferred shareholders are classified as ordinary income, capital gain, return of capital or qualified dividends. For the year ended December 31, 2013, the

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

preferred distributions per depositary share for the Series J and Series K Preferred Stock were classified as ordinary income of \$0.5085 and \$0.9969, respectively.

9. Future Rental Revenues

Our properties are leased to tenants under net and semi-net operating leases. Future minimum rental receipts, excluding tenant reimbursements of expenses, under non-cancelable operating leases executed as of December 31, 2015 are approximately as follows:

2016	\$ 271,032
2017	242,844
2018	201,970
2019	160,133
2020	125,735
Thereafter	<u>369,030</u>
Total	<u>\$1,370,744</u>

10. Benefit Plans

Stock Based Compensation

The Company maintains a stock incentive plan (the “Stock Incentive Plan”), which is administered by the Compensation Committee of the Board of Directors. Officers, certain employees and the Company’s independent directors generally are eligible to participate in the Stock Incentive Plan. Awards made under the Stock Incentive Plan can be in the form of restricted stock awards, restricted stock unit awards, performance share awards, dividend equivalent rights, non-statutory stock options and stock appreciation rights. Special provisions apply to awards granted under the Stock Incentive Plan in the event of a change in control in the Company. As of December 31, 2015, awards covering 3.0 million shares of common stock were available to be granted under the Stock Incentive Plan.

Restricted Stock/Units

For the years ended December 31, 2015, 2014 and 2013, the Company awarded 216,975, 299,805 and 284,461 shares, respectively, of restricted stock awards to certain employees, which had a fair value of \$4,708, \$5,413 and \$4,719 on the date of approval by either the Compensation Committee of the Board of Directors or the Company’s stockholders of the Stock Incentive Plan, as the case may be. These restricted stock awards were issued based upon the achievement of certain corporate performance goals and generally vest over a period of three years. Additionally, during the years ended December 31, 2015 and 2014, the Company awarded 17,385 and 19,250 shares, respectively, of restricted stock to non-employee members of the Board of Directors, which each had a fair value of \$350 on the date of approval. These restricted stock awards vest over a one-year period. The Operating Partnership issued Units to the Company in the same amounts for these award issuances.

Compensation expense is charged to earnings over the vesting periods for the restricted stock or restricted Unit awards expected to vest except if the recipient is not required to provide future service in exchange for vesting of such restricted stock or restricted Unit awards. If vesting of a recipient’s restricted stock or restricted Unit awards is not contingent upon future service, the expense is recognized immediately at the date of grant. During the years ended December 31, 2015, 2014 and 2013, we recognized \$1,352, \$1,451 and \$1,008, respectively, of compensation expense related to restricted stock or restricted Unit awards granted to our Chief Executive Officer and one other employee for which future service was not required.

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

LTIP Unit Awards

For the years ended December 31, 2015 and 2013, the Company granted 264,432 and 718,960 Long-Term Incentive Program (“LTIP”) performance units (“LTIP Unit Awards”) to certain employees, which had a fair value of \$2,531 and \$5,411 on the grant date as determined by a lattice-binomial option-pricing model based on a Monte Carlo simulation. The LTIP Unit Awards vest based upon the relative total shareholder return (“TSR”) of the Company’s common stock compared to the TSRs of the MSCI US REIT Index and the NAREIT Industrial Index. The TSR for the LTIP Unit Awards granted during the year ended December 31, 2015 is calculated based on the performance period from January 1, 2015 through December 31, 2017. The TSR for half of the granted units during the year ended December 31, 2013 was calculated based upon the performance period from July 1, 2013 through June 30, 2014 and the TSR for the other half was calculated based upon the performance from July 1, 2013 through December 31, 2015. Compensation expense is charged to earnings on a straight-line basis over the respective performance periods. At the end of the respective performance periods each participant will be issued shares of the Company’s common stock equal to the maximum shares issuable to the participant for the performance period multiplied by a percentage, ranging from 0% to 100%, based on the Company’s TSR as compared to the TSRs of the MSCI US REIT Index and the NAREIT Industrial Index. The participant is also entitled to dividend equivalents for shares issued pursuant to vested LTIP Unit Awards. The dividend equivalents represent any common dividends that would have been paid with respect to such issued shares after the grant of the LTIP Unit Awards and prior to the date of settlement. The Operating Partnership issued Units to the Company in the same amounts for vested LTIP Unit Awards.

As mentioned above, the fair values of the LTIP Unit Awards at issuance were determined by a lattice-binomial option-pricing model based on Monte Carlo simulations using the following assumptions:

	<u>Year Ended December 31, 2015</u>	<u>Year Ended December 31, 2013</u>
Expected dividend yield	1.99%	2.22%
Expected volatility - range used	20.43% - 21.99%	24.28% - 34.66%
Expected volatility - weighted average	21.34%	30.61%
Risk-free interest rate	0.10% - 1.16%	0.03% - 0.71%
Expected term	3 years	1 - 2.5 years

Outstanding Restricted Stock or Restricted Unit Awards and LTIP Unit Awards

For the years ended December 31, 2015, 2014 and 2013, we recognized \$7,177, \$7,605 and \$6,202, respectively, in amortization related to restricted stock or restricted Unit awards and LTIP Unit Awards, of which \$42, \$41 and \$43 was capitalized in connection with development activities. At December 31, 2015, we had \$5,432 in unrecognized compensation related to unvested restricted stock or restricted Unit awards and LTIP Unit Awards. The weighted average period that the unrecognized compensation is expected to be recognized is 0.91 years.

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Restricted stock or restricted Unit award and LTIP Unit Award transactions for the year ended December 31, 2015 are summarized as follows:

	<u>Awards</u>	<u>Weighted Average Grant Date Fair Value</u>
Outstanding at December 31, 2014	816,718	\$12.68
Issued	498,792	\$15.21
Forfeited	(4,313)	\$13.68
Vested	<u>(661,222)</u>	\$11.87
Outstanding at December 31, 2015	<u>649,975</u>	\$15.43

401(k)/Profit Sharing Plan

In September 1994, the Company's Board of Directors approved and the Company adopted a 401(k)/Profit Sharing Plan. Under the Company's 401(k)/Profit Sharing Plan, all eligible employees may participate by making voluntary contributions. The Company may make, but is not required to make, matching contributions, which are funded by the Operating Partnership. For the years ended December 31, 2015, 2014 and 2013, total expense recognized for the 401(k)/Profit Sharing Plan related to matching contributions was \$471, \$387 and \$300, respectively.

11. Derivatives

Our objectives in using derivatives are to add stability to interest expense and to manage our cash flow volatility and exposure to interest rate movements. To accomplish this objective, we primarily use interest rate protection agreements as part of our interest rate risk management strategy. Interest rate protection agreements designated as cash flow hedges involve the receipt of variable-rate amounts from a counterparty in exchange for fixed-rate payments over the life of the agreements without exchange of the underlying notional amount.

In connection with the origination of the 2014 Unsecured Term Loan (see Note 4), during January 2014, we entered into four interest rate protection agreements, with an aggregate notional value of \$200,000, to manage our exposure to changes in the one month LIBOR rate (the "2014 Swaps"). The 2014 Swaps fix the LIBOR rate at a weighted average rate of 2.29% and mature on January 29, 2021. We designated the 2014 Swaps as cash flow hedges.

In connection with the origination of the 2015 Unsecured Term Loan (see Note 4), during September 2015, we entered into six interest rate protection agreements, with an aggregate notional value of \$260,000, to manage our exposure to changes in the one month LIBOR rate (the "2015 Swaps"). The 2015 Swaps fix the LIBOR rate at a weighted average rate of 1.79% and mature on September 12, 2022. We designated the 2015 Swaps as cash flow hedges.

In order to maintain our flexibility to pursue an offering of unsecured debt, during August 2014, we entered into three interest rate protection agreements, with an aggregate notional value of \$220,000, to manage our exposure to changes in the three month LIBOR rate (the "Settled Swaps"). At origination, we designated the Settled Swaps as cash flow hedges but, during the three months ended March 31, 2015, the Settled Swaps were de-designated and the fair market value loss was reclassified to earnings from other comprehensive income since we determined the forecasted offering of unsecured debt was no longer probable to occur within the time period stated in the respective designation memos. During the year ended December 31, 2015, we made a settlement payment of \$11,546 to our derivative counterparties, which is recognized as mark-to-market and settlement loss on interest rate protection agreements.

Our agreements with our derivative counterparties contain provisions where if we default on any of our indebtedness, then we could also be declared in default on our derivative obligations subject to certain thresholds.

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

As of December 31, 2015, we had not posted any collateral related to these agreements and were not in breach of any of the agreement provisions. If we had breached these provisions, we could have been required to settle our obligations under the agreements at their termination value.

Our Series F Preferred Stock, which was redeemed during the year ended December 31, 2014, included a quarterly rate reset. In 2008, we had entered into an interest rate swap agreement to mitigate our exposure to floating interest rates related to the forecasted reset rate of the coupon rate of our Series F Preferred Stock (the “Series F Agreement”). Accounting guidance for derivatives does not permit hedge accounting treatment related to equity instruments and therefore the mark-to-market gains or losses related to the Series F agreement were recorded in the statement of operations. The Series F Agreement matured on October 1, 2013 and for the year ended December 31, 2013, gains of \$52 were recognized as mark-to-market gain on interest rate protection agreements.

The following table sets forth our financial liabilities related to the 2014 and 2015 Swaps, which are included in Accounts Payable, Accrued Expenses and Other Liabilities on the accompanying consolidated balance sheets and are accounted for at fair value on a recurring basis as of December 31, 2015:

Description	Fair Value	Fair Value Measurements at Reporting Date Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Liabilities:				
<i>Derivatives designated as a hedging instrument:</i>				
2014 Swaps	\$(7,380)	—	\$(7,380)	—
2015 Swaps	\$(1,064)	—	\$(1,064)	—

There was no ineffectiveness recorded on the 2014 and 2015 Swaps during the year ended December 31, 2015. See Note 6 for more information.

The estimated fair value of the 2014 and 2015 Swaps was determined using the market standard methodology of netting the discounted fixed cash payments and the discounted expected variable cash receipts. The variable cash receipts are based on an expectation of interest rates (forward curves) derived from observable market interest rate curves. In addition, credit valuation adjustments are incorporated in the fair value to account for potential non-performance risk, including our own non-performance risk and the respective counterparty’s non-performance risk. We determined that the significant inputs used to value the 2014 and 2015 Swaps fell within Level 2 of the fair value hierarchy.

12. Related Party Transactions

At December 31, 2015 and 2014, the Operating Partnership had receivable balances of \$10,714 and \$10,767, respectively, from a direct wholly-owned subsidiary of the Company.

13. Commitments and Contingencies

In the normal course of business, we are involved in legal actions arising from the ownership of our industrial properties. In our opinion, the liabilities, if any, that may ultimately result from such legal actions are not expected to have a materially adverse effect on our consolidated financial position, operations or liquidity.

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

At December 31, 2015, we had outstanding letters of credit and performance bonds in the aggregate amount of \$6,698.

In conjunction with the development of industrial properties, we have entered into agreements with general contractors for the construction of industrial properties. At December 31, 2015, we had four industrial properties totaling approximately 1.4 million square feet of GLA under construction. The estimated total investment as of December 31, 2015 is approximately \$78,700 (unaudited). Of this amount, approximately \$59,700 (unaudited) remains to be funded. There can be no assurance that the actual completion cost will not exceed the estimated total investment.

Ground and Operating Lease Agreements

For the years ended December 31, 2015, 2014 and 2013, we recognized \$1,281, \$1,300 and \$1,440, respectively, in operating and ground lease expense.

Future minimum rental payments under the terms of all non-cancelable ground and operating leases under which we are the lessee as of December 31, 2015 are as follows:

2016	\$ 1,993
2017	1,929
2018	1,180
2019	534
2020	533
Thereafter	<u>25,866</u>
Total(A)	<u>\$32,035</u>

(A) Minimum rental payments have not been reduced by minimum sublease rentals of \$3,861 due in the future under non-cancelable subleases.

14. Subsequent Events

From January 1, 2016 to February 24, 2016, we acquired one industrial property and several land parcels for a purchase price of approximately \$46,664, excluding costs incurred in conjunction with such acquisitions. We also assumed a \$4,513 mortgage loan payable in conjunction with the acquisition of the property. During the same period, we sold two industrial properties for approximately \$9,614.

Additionally, on January 15, 2016, we paid off and retired our 2016 Notes, at maturity, in the amount of \$159,679.

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

15. Quarterly Financial Information (unaudited)

The following tables summarize the Company's unaudited quarterly financial information for each of the years ended December 31, 2015 and 2014.

	Year Ended December 31, 2015			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Total Revenues	\$ 89,942	\$ 90,456	\$ 92,157	\$ 93,207
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities	\$ 2,373	\$ 14,012	\$ 13,917	\$ 43,500
Net Income Allocable to Participating Securities	(41)	(50)	(50)	(153)
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders	\$ 2,332	\$ 13,962	\$ 13,867	\$ 43,347
Basic EPS:				
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders	\$ 0.02	\$ 0.13	\$ 0.13	\$ 0.39
Diluted EPS:				
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders	\$ 0.02	\$ 0.13	\$ 0.13	\$ 0.39
Weighted Average Shares Basic/Diluted (In Thousands):				
Weighted Average Shares - Basic	110,310	110,348	110,356	110,392
Weighted Average Shares - Diluted	110,675	110,683	110,848	110,916

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

	Year Ended December 31, 2014			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Total Revenues	\$ 83,861	\$ 84,044	\$ 86,361	\$ 90,333
Income from Continuing Operations, Net of Noncontrolling Interest	\$ 3,868	\$ 3,028	\$ 7,938	\$ 7,535
Income from Discontinued Operations, Net of Noncontrolling Interest	1,095	1,011	13,389	11,246
Net Income Attributable to First Industrial Realty Trust, Inc.	4,963	4,039	21,327	18,781
Preferred Dividends	(1,019)	—	—	—
Redemption of Preferred Stock	(1,462)	—	—	—
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities	2,482	4,039	21,327	18,781
Income from Continuing Operations Allocable to Participating Securities	(18)	(32)	(33)	(32)
Income from Discontinued Operations Allocable to Participating Securities	(14)	(11)	(57)	(47)
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders	\$ 2,450	\$ 3,996	\$ 21,237	\$ 18,702
Basic EPS:				
Income from Continuing Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders ...	\$ 0.01	\$ 0.03	\$ 0.07	\$ 0.07
Income from Discontinued Operations Attributable to First Industrial Realty Trust, Inc.'s Common Stockholders ...	\$ 0.01	\$ 0.01	\$ 0.12	\$ 0.10
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders	\$ 0.02	\$ 0.04	\$ 0.19	\$ 0.17
Diluted EPS:				
Income from Continuing Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders ...	\$ 0.01	\$ 0.03	\$ 0.07	\$ 0.07
Income from Discontinued Operations Attributable to First Industrial Realty Trust, Inc.'s Common Stockholders ...	\$ 0.01	\$ 0.01	\$ 0.12	\$ 0.10
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders	\$ 0.02	\$ 0.04	\$ 0.19	\$ 0.17
Weighted Average Shares Basic/Diluted (In Thousands):				
Weighted Average Shares - Basic	109,676	109,815	110,072	110,118
Weighted Average Shares - Diluted	110,215	110,404	110,271	110,405

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following tables summarize the Operating Partnership's unaudited quarterly financial information for each of the years ended December 31, 2015 and 2014.

	Year Ended December 31, 2015			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Total Revenues	\$ 89,942	\$ 90,456	\$ 92,157	\$ 93,207
Net Income Available to Unitholders and Participating Securities	\$ 2,457	\$ 14,644	\$ 14,438	\$ 45,143
Net Income Allocable to Participating Securities	(41)	(50)	(50)	(153)
Net Income Available to Unitholders	\$ 2,416	\$ 14,594	\$ 14,388	\$ 44,990
Basic EPU:				
Net Income Available to Unitholders	\$ 0.02	\$ 0.13	\$ 0.13	\$ 0.39
Diluted EPU:				
Net Income Available to Unitholders	\$ 0.02	\$ 0.13	\$ 0.12	\$ 0.39
Weighted Average Units Basic/Diluted (In Thousands):				
Weighted Average Units - Basic	114,681	114,712	114,720	114,722
Weighted Average Units - Diluted	115,046	115,047	115,212	115,246

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

	Year Ended December 31, 2014			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Total Revenues	\$ 83,861	\$ 84,044	\$ 86,361	\$ 90,333
Income from Continuing Operations, Net of Noncontrolling Interest	\$ 3,938	\$ 3,176	\$ 8,294	\$ 7,964
Income from Discontinued Operations, Net of Noncontrolling Interest	1,140	1,051	13,924	11,698
Net Income Attributable to Unitholders	5,078	4,227	22,218	19,662
Preferred Unit Distributions	(1,019)	—	—	—
Redemption of Preferred Units	(1,462)	—	—	—
Net Income Available to Unitholders and Participating Securities	2,597	4,227	22,218	19,662
Income from Continuing Operations Allocable to Participating Securities	(17)	(32)	(33)	(32)
Income from Discontinued Operations Allocable to Participating Securities	(14)	(11)	(57)	(47)
Net Income Available to Unitholders	\$ 2,566	\$ 4,184	\$ 22,128	\$ 19,583
Basic EPU:				
Income from Continuing Operations Available to Unitholders	\$ 0.01	\$ 0.03	\$ 0.07	\$ 0.07
Income from Discontinued Operations Attributable to Unitholders	\$ 0.01	\$ 0.01	\$ 0.12	\$ 0.10
Net Income Available to Unitholders	\$ 0.02	\$ 0.04	\$ 0.19	\$ 0.17
Diluted EPU:				
Income from Continuing Operations Available to Unitholders	\$ 0.01	\$ 0.03	\$ 0.07	\$ 0.07
Income from Discontinued Operations Attributable to Unitholders	\$ 0.01	\$ 0.01	\$ 0.12	\$ 0.10
Net Income Available to Unitholders	\$ 0.02	\$ 0.04	\$ 0.19	\$ 0.17
Weighted Average Units Basic/Diluted (In Thousands):				
Weighted Average Units - Basic	114,245	114,278	114,512	114,512
Weighted Average Units - Diluted	114,784	114,867	114,711	114,799

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
SCHEDULE III:
REAL ESTATE AND ACCUMULATED DEPRECIATION
As of December 31, 2015

Building Address	Location (City/State)	(a) Encumbrances	(b) Initial Cost		(c) Costs Capitalized Subsequent to Acquisition or Completion		Gross Amount Carried At Close of Period 12/31/15		Accumulated Depreciation 12/31/2015	Year Acquired/ Constructed	Depreciable Lives (Years)		
			Land	Buildings and Improvements	Buildings and Improvements	Provision	and Valuation	Land				Buildings and Improvements	Total
(In thousands)													
Atlanta													
1650 Highway 155	McDonough, GA	—	788	4,544	(425)	365	4,542	4,907	2,790	1994	(i)		
1665 Dogwood	Conyers, GA	—	635	3,662	978	635	4,640	5,275	2,392	1994	(i)		
1715 Dogwood	Conyers, GA	—	288	1,675	824	228	2,559	2,787	1,098	1994	(i)		
111235 Harland Drive	Covington, GA	—	125	739	218	125	957	1,082	472	1994	(i)		
4051 Southmeadow Parkway	Atlanta, GA	—	726	4,130	1,472	726	5,602	6,328	2,511	1994	(i)		
4071 Southmeadow Parkway	Atlanta, GA	—	750	4,460	1,752	828	6,134	6,962	3,110	1994	(i)		
4081 Southmeadow Parkway	Atlanta, GA	—	1,012	5,918	1,873	1,157	7,646	8,803	3,623	1994	(i)		
5570 Tulane Drive (d)	Atlanta, GA	2,240	527	2,984	1,345	546	4,310	4,856	1,840	1996	(i)		
955 Cobb Place	Kennesaw, GA	2,828	780	4,420	930	804	5,326	6,130	2,272	1997	(i)		
1005 Sigan Road	Conyers, GA	1,909	566	3,134	439	574	3,565	4,139	1,414	1999	(i)		
2050 East Park Drive	Conyers, GA	—	452	2,504	472	459	2,969	3,428	1,095	1999	(i)		
3060 South Park Blvd	Ellenwood, GA	—	1,600	12,464	3,010	1,604	15,470	17,074	4,444	2003	(i)		
Greenwood Industrial Park	McDonough, GA	4,235	1,550	—	7,632	1,550	7,632	9,182	2,163	2004	(i)		
46 Kent Drive	Cartersville GA	—	794	2,252	85	798	2,333	3,131	855	2005	(i)		
605 Stonehill Drive	Atlanta, GA	—	485	1,979	(16)	490	1,958	2,448	1,817	2005	(i)		
5095 Phillip Lee Drive	Atlanta, GA	3,821	735	3,627	493	740	4,115	4,855	2,632	2005	(i)		
6514 Warren Drive	Norcross, GA	—	510	1,250	103	513	1,350	1,863	445	2005	(i)		
6544 Warren Drive	Norcross, GA	—	711	2,310	243	715	2,549	3,264	965	2005	(i)		
5356 E. Ponce De Leon	Stone Mountain, GA	—	604	3,888	128	610	4,010	4,620	2,058	2005	(i)		
5390 E. Ponce De Leon	Stone Mountain, GA	—	397	1,791	199	402	1,985	2,387	823	2005	(i)		
195 & 197 Collins Boulevard	Athens, GA	—	1,410	5,344	539	989	6,304	7,293	3,583	2005	(i)		
1755 Enterprise Drive	Buford, GA	1,201	712	2,118	(227)	716	1,887	2,603	668	2006	(i)		
4555 Atwater Court	Buford, GA	2,150	881	3,550	231	885	3,777	4,662	1,198	2006	(i)		
80 Liberty Industrial Parkway	McDonough, GA	—	756	3,695	(1,244)	467	2,740	3,207	1,027	2007	(i)		
596 Bonnie Valentine	Pendergrass, GA	—	2,580	21,730	3,711	2,594	25,427	28,021	6,990	2007	(i)		
111415 Old Roswell Road	Alpharetta, GA	3,135	2,403	1,912	610	2,428	2,497	4,925	995	2008	(i)		
Baltimore													
9700 Martin Luther King Hwy	Lanham, MD	—	700	1,920	472	700	2,392	3,092	885	2003	(i)		
9730 Martin Luther King Hwy	Lanham, MD	—	500	955	422	500	1,377	1,877	544	2003	(i)		
4621 Boston Way	Lanham, MD	—	1,100	3,070	860	1,100	3,930	5,030	1,491	2003	(i)		
4720 Boston Way	Lanham, MD	—	1,200	2,174	771	1,200	2,945	4,145	1,159	2003	(i)		
22520 Randolph Drive	Dulles, VA	—	3,200	8,187	(172)	3,208	8,007	11,215	1,854	2004	(i)		
22630 Dulles Summit Court	Dulles, VA	—	2,200	9,346	(820)	2,206	8,520	10,726	2,194	2004	(i)		
4201 Forbes Boulevard	Lanham, MD	—	356	1,823	15	375	1,819	2,194	479	2005	(i)		
4370-4383 Lottsford Vista Road	Lanham, MD	—	279	1,358	95	296	1,436	1,732	385	2005	(i)		
4400 Lottsford Vista Road	Lanham, MD	—	351	1,955	241	372	2,175	2,547	684	2005	(i)		
4420 Lottsford Vista Road	Lanham, MD	—	539	2,196	26	568	2,193	2,761	653	2005	(i)		
11204 McCormick Road	Hunt Valley, MD	—	1,017	3,132	170	1,038	3,281	4,319	1,331	2005	(i)		

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
SCHEDULE III:
REAL ESTATE AND ACCUMULATED DEPRECIATION
As of December 31, 2015

Building Address	Location (City/State)	(a)		(b)		(c)		Gross Amount Carried At Close of Period 12/31/15		Accumulated Depreciation 12/31/2015	Year Acquired/ Constructed	Depreciable Lives (Years)
		Encumbrances	Land	Buildings and Improvements		Buildings and Improvements	Provision	Land Improvements	Total			
				Initial Cost	Completion							
							(In thousands)					
111110 Pepper Road	Hunt Valley, MD	—	918	2,529	281	938	2,790	3,728	1,152	2005	(i)	
111100-11120 Gilroy Road	Hunt Valley, MD	—	901	1,455	166	919	1,603	2,522	657	2005	(i)	
10709 Gilroy Road	Hunt Valley, MD	1,982	913	2,705	(143)	913	2,562	3,475	1,314	2005	(i)	
10707 Gilroy Road	Hunt Valley, MD	—	1,111	3,819	502	1,136	4,296	5,432	1,715	2005	(i)	
38 Loveton Circle	Sparks, MD	—	1,648	2,151	(241)	1,690	1,868	3,558	803	2005	(i)	
1225 Bengies Road	Baltimore, MD	—	2,640	270	14,057	2,823	14,144	16,967	3,866	2008	(i)	
400 Old Post Road	Aberdeen, MD	—	3,411	17,144	9	3,411	17,153	20,564	171	2015	(i)	
500 Old Post Road	Aberdeen, MD	—	5,959	30,533	—	5,959	30,533	36,492	302	2015	(i)	
Central Pennsylvania												
1214-B Freedom Road	Cranberry Township, PA	1,061	31	994	613	200	1,438	1,638	1,239	1994	(i)	
401 Russell Drive	Middletown, PA	—	262	857	1,705	287	2,537	2,824	1,990	1994	(i)	
27700 Commerce Drive	Middletown, PA	—	196	997	935	206	1,922	2,128	1,507	1994	(i)	
27701 Commerce Drive	Middletown, PA	1,505	141	859	1,321	164	2,157	2,321	1,473	1994	(i)	
2780 Commerce Drive	Middletown, PA	1,287	113	743	1,130	209	1,777	1,986	1,409	1994	(i)	
3350 Old Silver Spring Road	Mechanicsburg, PA	—	510	2,890	7,043	541	9,902	10,443	4,362	1997	(i)	
16522 Hunters Green Parkway	Hagerstown, MD	12,441	1,390	13,104	4,237	1,863	16,868	18,731	4,549	2003	(i)	
18212 Shawley Drive	Hagerstown, MD	5,282	1,000	5,847	1,301	1,016	7,132	8,148	1,886	2004	(i)	
37 Valley View Drive	Jessup, PA	2,318	542	—	3,033	532	3,043	3,575	829	2004	(i)	
301 Railroad Avenue	Shiremanstown, PA	—	1,181	4,447	3,262	1,328	7,562	8,890	3,579	2005	(i)	
431 Railroad Avenue	Shiremanstown, PA	6,631	1,293	7,164	1,960	1,341	9,076	10,417	3,952	2005	(i)	
6951 Allentown Blvd	Harrisburg, PA	—	585	3,176	336	601	3,496	4,097	1,355	2005	(i)	
320 Reliance Road	Washington, PA	—	201	1,819	(348)	178	1,494	1,672	741	2005	(i)	
1351 Eisenhower Blvd., Bldg. 1	Harrisburg, PA	—	382	2,343	(64)	387	2,274	2,661	817	2006	(i)	
1351 Eisenhower Blvd., Bldg. 2	Harrisburg, PA	—	436	1,587	64	443	1,644	2,087	689	2006	(i)	
1490 Dennison Circle	Carlisle, PA	—	1,500	—	14,185	2,341	13,344	15,685	3,398	2008	(i)	
298 First Avenue	Covington Twp, PA	—	7,022	—	57,272	7,019	57,275	64,294	10,584	2008	(i)	
2225 Cross Farm Lane	York, PA	18,075	4,718	—	23,163	4,715	23,166	27,881	4,783	2008	(i)	
105 Steamboat Blvd	Manchester, PA	—	4,085	14,464	1	4,070	14,480	18,550	2,284	2012	(i)	
20 Leo Lane	York County, PA	—	6,884	—	26,647	6,889	26,642	33,531	1,366	2013	(i)	
Chicago												
720-730 Landwehr Drive	Northbrook, IL	—	521	2,982	799	521	3,781	4,302	1,851	1994	(i)	
1385 101st Street	Lemont, IL	3,813	967	5,554	1,745	968	7,298	8,266	3,604	1994	(i)	
585 Slawin Court	Mount Prospect, IL	—	611	3,505	(50)	525	3,541	4,066	1,713	1994	(i)	
2300 Windsor Court	Addison, IL	3,689	688	3,943	1,060	696	4,995	5,691	2,698	1994	(i)	
305-311 Era Drive	Northbrook, IL	—	200	1,154	1,315	205	2,464	2,669	936	1994	(i)	
365 North Avenue	Carol Stream, IL	5,620	1,042	6,882	1,244	1,073	8,095	9,168	4,081	1994	(i)	
800 Business Drive	Mount Prospect, IL	—	631	3,493	328	666	3,786	4,452	1,426	2000	(i)	
580 Slawin Court	Mount Prospect, IL	774	233	1,292	(37)	162	1,326	1,488	597	2000	(i)	

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Building Address	Location (City/State)	(c) Costs					Accumulated Depreciation 12/31/2015	Year Acquired/ Constructed	Depreciable Lives (Years)	
		(a)		(b)		Gross Amount Carried At Close of Period 12/31/15				
		Encumbrances	Land	Buildings and Improvements	Capitalized Subsequent to Acquisition or Completion					
										Initial Cost
(In thousands)										
1005 101st Street	Lemont, IL	5,358	1,200	6,643	1,550	8,173	9,393	2,953	2001	(i)
175 Wall Street	Glendale Heights, IL	1,363	427	2,363	165	433	2,955	940	2002	(i)
800-820 Thorndale Avenue	Bensenville, IL	—	751	4,159	785	761	5,695	1,522	2002	(i)
2251 Airport Road	North Aurora, IL	4,816	983	—	6,873	983	7,856	2,431	2002	(i)
1661 Feehanville Drive	Mount Prospect, IL	—	985	5,455	3,346	1,044	9,786	3,389	2004	(i)
400 Crossroads Pkwy	Bolingbrook, IL	5,356	1,178	9,453	928	1,044	11,559	3,419	2005	(i)
7609 W. Industrial Drive	Forest Park, IL	—	1,207	2,343	131	1,213	2,468	3,681	2005	(i)
7801 W. Industrial Drive	Forest Park, IL	—	1,215	3,020	896	1,220	3,911	5,131	2005	(i)
825 E. 26th Street	LaGrange, IL	—	1,547	2,078	2,378	1,617	4,386	6,003	2005	(i)
725 Kimberly Drive	Carol Stream, IL	—	793	1,395	223	801	1,610	2,411	2005	(i)
17001 S. Vincennes	Thornton, IL	—	497	504	3	491	1,004	380	2005	(i)
2900 W. 166th Street	Markham, IL	—	1,132	4,293	(881)	1,134	4,544	924	2007	(i)
555 W. Algonquin Road	Arlington Heights, IL	2,005	574	741	1,936	579	2,672	3,251	2007	(i)
1501 Oakton Street	Elk Grove Village, IL	6,240	3,369	6,121	434	3,482	9,924	1,802	2008	(i)
16500 W. 103rd Street	Woodridge, IL	2,493	744	2,458	379	762	2,819	3,581	2008	(i)
8505 50th Street	Kenosha, WI	—	3,212	—	32,956	3,212	32,956	36,168	2008	(i)
4100 Rock Creek Blvd	Joliet, IL	—	4,476	16,061	818	4,476	16,879	21,355	2013	(i)
10100 58th Place	Kenosha, WI	—	4,201	17,604	1,446	4,201	19,050	23,251	2013	(i)
401 Airport Road	North Aurora, IL	—	534	1,957	—	534	1,957	2,491	2014	(i)
Cincinnati										
9900-9970 Princeton	Cincinnati, OH	—	545	3,088	1,874	566	4,941	5,507	1996	(i)
4700-4750 Creek Road	Blue Ash, OH	—	1,080	6,118	1,373	1,109	7,462	8,571	1996	(i)
4436 Muhlhauer Road	Hamilton, OH	3,843	630	—	5,299	630	5,299	5,929	2002	(i)
4438 Muhlhauer Road	Hamilton, OH	4,635	779	—	6,503	779	6,503	7,282	2002	(i)
420 Wards Corner Road	Loveland, OH	—	600	1,083	777	606	1,854	2,460	2003	(i)
422 Wards Corner Road	Loveland, OH	—	600	1,811	187	592	2,006	2,598	2003	(i)
4663 Dues Drive	Westchester, OH	—	858	2,273	626	875	2,882	3,757	2005	(i)
9345 Princeton-Glendale Road	Westchester, OH	1,371	818	1,648	380	840	2,006	2,846	2006	(i)
9525 Glades Drive	Westchester, OH	—	347	1,323	(27)	355	1,288	1,643	2007	(i)
9774-9792 Windisch Road	Westchester, OH	—	392	1,744	119	394	1,861	2,255	2007	(i)
9808-9830 Windisch Road	Westchester, OH	—	395	2,541	137	397	2,676	3,073	2007	(i)
9842-9862 Windisch Road	Westchester, OH	—	506	3,148	130	508	3,276	3,784	2007	(i)
9872-9898 Windisch Road	Westchester, OH	—	546	3,039	126	548	3,163	3,711	2007	(i)
9902-9922 Windisch Road	Westchester, OH	—	623	4,003	788	627	4,787	5,414	2007	(i)
Cleveland										
30311 Emerald Valley Parkway	Glenwillow, OH	8,229	681	11,838	905	691	12,733	4,336	2006	(i)
30333 Emerald Valley Parkway	Glenwillow, OH	3,984	466	5,447	54	475	5,492	5,967	2006	(i)
7800 Cochran Road	Glenwillow, OH	3,804	972	7,033	243	991	7,257	8,248	2006	(i)

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Building Address	Location (City/State)	(a)		(b)		(c) Costs Capitalized Subsequent to Acquisition or Completion		Gross Amount Carried At Close of Period 12/31/15		Accumulated Depreciation 12/31/2015	Year Acquired/ Constructed	Depreciable Lives (Years)
		Encumbrances	Land	Buildings and Improvements	Land Improvements	Provision	Buildings and Improvements		Total			
								(In thousands)				
7900 Cochran Road	Glenwillow, OH	4,544	775	6,244	284	792	172	1,585	7,303	2,164	2006	(i)
7905 Cochran Road	Glenwillow, OH	4,468	920	6,174	738	922	142	1,261	7,832	2,535	2006	(i)
30600 Carter Street	Solon, OH	—	989	3,042	930	1,022	469	3,939	4,961	2,846	2006	(i)
8181 Darrow Road	Twinsburg, OH	7,332	2,478	6,791	2,040	2,496	185	8,813	11,309	3,899	2008	(i)
Dallas												
2406-2416 Walnut Ridge	Dallas, TX	—	178	1,006	573	172	172	1,585	1,757	601	1997	(i)
2401-2419 Walnut Ridge	Dallas, TX	—	148	839	416	142	142	1,261	1,403	485	1997	(i)
900-906 Great Southwest Pkwy	Arlington, TX	—	237	1,342	625	270	270	1,934	2,204	895	1997	(i)
3000 West Commerce	Dallas, TX	—	456	2,584	1,303	469	469	3,874	4,343	1,556	1997	(i)
3030 Hansboro	Dallas, TX	—	266	1,510	(664)	87	87	1,025	1,112	657	1997	(i)
405-407 113th	Arlington, TX	—	181	1,026	528	185	185	1,550	1,735	681	1997	(i)
816 111th Street	Arlington, TX	800	251	1,421	131	258	258	1,545	1,803	674	1997	(i)
7427 Dogwood Park	Richland Hills, TX	—	96	532	316	102	102	842	944	324	1998	(i)
7348-54 Tower Street	Richland Hills, TX	—	88	489	213	94	94	696	790	290	1998	(i)
7339-41 Tower Street	Richland Hills, TX	—	98	541	180	104	104	715	819	287	1998	(i)
7437-45 Tower Street	Richland Hills, TX	—	102	563	291	108	108	848	956	331	1998	(i)
7331-59 Airport Freeway	Richland Hills, TX	1,871	354	1,958	573	372	372	2,513	2,885	988	1998	(i)
7338-60 Dogwood Park	Richland Hills, TX	—	106	587	240	112	112	821	933	310	1998	(i)
7450-70 Dogwood Park	Richland Hills, TX	—	106	584	156	112	112	734	846	289	1998	(i)
7423-49 Airport Freeway	Richland Hills, TX	1,547	293	1,621	472	308	308	2,078	2,386	812	1998	(i)
7400 Whitehall Street	Richland Hills, TX	—	109	603	95	115	115	692	807	284	1998	(i)
1602-1654 Terre Colony	Dallas, TX	1,733	458	2,596	849	468	468	3,435	3,903	1,253	2000	(i)
2351-2355 Merritt Drive	Garland, TX	—	101	574	105	93	93	687	780	268	2000	(i)
2220 Merritt Drive	Garland, TX	—	352	1,993	266	316	316	2,295	2,611	721	2000	(i)
2010 Merritt Drive	Garland, TX	—	350	1,981	54	318	318	2,067	2,385	720	2000	(i)
2363 Merritt Drive	Garland, TX	—	73	412	(7)	48	48	430	478	175	2000	(i)
2447 Merritt Drive	Garland, TX	—	70	395	(164)	25	25	276	301	168	2000	(i)
2465-2475 Merritt Drive	Garland, TX	—	91	514	16	73	73	548	621	221	2000	(i)
2485-2505 Merritt Drive	Garland, TX	—	431	2,440	684	440	440	3,115	3,555	1,209	2000	(i)
2110 Hutton Drive	Carrollton, TX	—	374	2,117	120	255	255	2,356	2,611	969	2001	(i)
2025 McKenzie Drive	Carrollton, TX	1,495	437	2,478	452	442	442	2,925	3,367	968	2001	(i)
2019 McKenzie Drive	Carrollton, TX	1,654	502	2,843	380	507	507	3,218	3,725	1,216	2001	(i)
2029-2035 McKenzie Drive	Carrollton, TX	1,535	306	1,870	236	306	306	2,106	2,412	807	2001	(i)
2015 McKenzie Drive	Carrollton, TX	2,360	510	2,891	450	516	516	3,335	3,851	1,194	2001	(i)
2009 McKenzie Drive	Carrollton, TX	2,284	476	2,699	551	481	481	3,245	3,726	1,240	2001	(i)
900-1100 Avenue S	Grand Prairie, TX	2,277	623	3,528	978	629	629	4,500	5,129	1,389	2002	(i)
Plano Crossing (f)	Plano, TX	8,665	1,961	11,112	1,062	1,981	1,981	12,154	14,135	4,060	2002	(i)
7413A-C Dogwood Park	Richland Hills, TX	—	110	623	245	111	111	867	978	303	2002	(i)
7450 Tower Street	Richland Hills, TX	—	36	204	112	36	36	316	352	123	2002	(i)

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Building Address	Location (City/State)	(a)		(b)		(c) Costs		Gross Amount Carried		Accumulated Depreciation 12/31/2015	Year Acquired/ Constructed	Depreciable Lives (Years)
		Encumbrances	Land	Buildings and Improvements	Initial Cost	Buildings and Improvements	Land	Total	Total			
(In thousands)												
9500 West 49th Street—D	Wheatridge, CO	1,349	246	1,537	417	1,953	247	1,953	2,200	939	1997	(i)
451-591 East 124th Avenue	Thornton, CO	—	383	2,145	498	2,643	383	2,643	3,026	1,194	1997	(i)
15000 West 6th Avenue	Golden, CO	—	913	5,174	848	6,017	918	6,017	6,935	2,765	1997	(i)
14998 West 6th Avenue Bldg E	Golden, CO	—	565	3,199	429	3,623	570	3,623	4,193	1,610	1997	(i)
14998 West 6th Avenue Bldg F	Golden, CO	—	269	1,525	101	1,622	273	1,622	1,895	746	1997	(i)
6547 South Racine Circle	Centennial, CO	2,717	739	4,241	241	4,482	739	4,482	5,221	1,998	1997	(i)
111701 East 53rd Avenue	Denver, CO	—	416	2,355	434	2,783	422	2,783	3,205	1,252	1997	(i)
5401 Oswego	Denver, CO	—	273	1,547	343	1,885	278	1,885	2,163	878	1997	(i)
14818 West 6th Avenue Bldg A	Golden, CO	—	468	2,799	287	3,086	468	3,086	3,554	1,372	1997	(i)
14828 West 6th Avenue Bldg B	Golden, CO	—	503	2,942	378	3,320	503	3,320	3,823	1,464	1997	(i)
4445 Bryant Street	Denver, CO	6,684	1,829	10,219	3,007	13,226	1,829	13,226	15,055	5,803	1998	(i)
3811 Joliet	Denver, CO	—	735	4,166	558	4,707	752	4,707	5,459	2,049	1998	(i)
12055 E 49th Ave/4955 Peoria	Denver, CO	—	298	1,688	535	2,216	305	2,216	2,521	981	1998	(i)
4940-4950 Paris	Denver, CO	—	152	861	285	1,142	156	1,142	1,298	511	1998	(i)
4970 Paris	Denver, CO	—	95	537	101	636	97	636	733	272	1998	(i)
7367 South Revere Parkway	Centennial, CO	3,062	926	5,124	846	5,962	934	5,962	6,896	2,574	1998	(i)
8200 East Park Meadows Drive (d)	Lone Tree, CO	5,590	1,297	7,348	1,155	8,496	1,304	8,496	9,800	3,282	2000	(i)
3250 Quentin Street (d)	Aurora, CO	5,104	1,220	6,911	817	7,718	1,230	7,718	8,948	2,933	2000	(i)
Highpoint Bus Ctr B	Littleton, CO	—	739	—	3,310	3,268	781	3,268	4,049	1,087	2000	(i)
11130 W. 124th Avenue	Westminster, CO	—	441	—	3,225	3,225	441	3,225	3,666	1,164	2000	(i)
1070 W. 124th Avenue	Westminster, CO	—	374	—	2,711	2,711	374	2,711	3,085	975	2000	(i)
1020 W. 124th Avenue	Westminster, CO	—	374	—	2,799	2,799	374	2,799	3,173	1,049	2000	(i)
8810 W. 116th Circle	Broomfield, CO	—	312	—	1,645	1,587	370	1,587	1,957	507	2001	(i)
960 W. 124th Avenue	Westminster, CO	—	441	—	3,508	3,507	442	3,507	3,949	1,336	2001	(i)
8820 W. 116th Circle	Broomfield, CO	—	338	1,918	386	2,270	372	2,270	2,642	732	2003	(i)
8835 W. 116th Circle	Broomfield, CO	—	1,151	6,523	1,182	7,552	1,304	7,552	8,856	2,487	2003	(i)
18150 E. 32nd Place	Aurora, CO	1,744	563	3,188	177	3,356	572	3,356	3,928	1,162	2004	(i)
3400 Fraser Street	Aurora, CO	2,117	616	3,593	(142)	3,447	620	3,447	4,067	1,120	2005	(i)
7005 E. 46th Avenue Drive	Denver, CO	1,337	512	2,025	32	2,052	517	2,052	2,569	757	2005	(i)
4001 Salazar Way	Frederick, CO	—	1,271	6,508	(773)	5,730	1,276	5,730	7,006	1,511	2006	(i)
5909-5915 N. Broadway	Denver, CO	854	495	1,268	107	1,370	500	1,370	1,870	639	2006	(i)
Detroit												
47461 Clipper	Plymouth Township, MI	—	122	723	54	777	122	777	899	431	1994	(i)
449 Executive Drive	Troy, MI	—	125	425	1,066	1,398	218	1,398	1,616	1,293	1994	(i)
501 Executive Drive	Troy, MI	—	71	236	678	856	129	856	985	692	1994	(i)
451 Robbins Drive	Troy, MI	—	96	448	934	1,286	192	1,286	1,478	1,103	1994	(i)
1416 Meijer Drive	Troy, MI	—	94	394	399	766	121	766	887	708	1994	(i)
1624 Meijer Drive	Troy, MI	—	236	1,406	1,093	2,362	373	2,362	2,735	2,123	1994	(i)
1972 Meijer Drive	Troy, MI	—	315	1,301	787	2,031	372	2,031	2,403	1,623	1994	(i)

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Building Address	Location (City/State)	(a)		(b)		(c) Costs Capitalized to Subsequent to Acquisition or Completion		Gross Amount Carried At Close of Period 12/31/15		Accumulated Depreciation 12/31/2015	Year Acquired/Constructed	Depreciable Lives (Years)
		Encumbrances	Land	Buildings and Improvements	Buildings and Improvements	Provision	Land	Buildings and Improvements	Total			
(In thousands)												
1707 Northwood Drive	Troy, MI	—	95	262	1,724	239	1,842	2,081	1,532	1994	(i)	
1788 Northwood Drive	Troy, MI	—	50	196	483	103	626	729	569	1994	(i)	
1826 Northwood Drive	Troy, MI	—	55	208	472	103	632	735	559	1994	(i)	
1864 Northwood Drive	Troy, MI	—	57	190	489	107	629	736	575	1994	(i)	
2451 Elliott Avenue	Troy, MI	—	78	319	733	164	966	1,130	798	1994	(i)	
272730 Research Drive	Rochester Hills, MI	—	903	4,215	829	903	5,044	5,947	4,246	1994	(i)	
2791 Research Drive	Rochester Hills, MI	—	557	2,731	1,018	560	3,746	4,306	2,722	1994	(i)	
2871 Research Drive	Rochester Hills, MI	—	324	1,487	403	327	1,887	2,214	1,449	1994	(i)	
3011 Research Drive	Rochester Hills, MI	—	457	2,104	492	457	2,596	3,053	2,178	1994	(i)	
2870 Technology Drive	Rochester Hills, MI	—	275	1,262	356	279	1,614	1,893	1,331	1994	(i)	
2900 Technology Drive	Rochester Hills, MI	—	214	977	513	219	1,485	1,704	1,011	1994	(i)	
2930 Technology Drive	Rochester Hills, MI	—	131	594	435	138	1,022	1,160	731	1994	(i)	
2950 Technology Drive	Rochester Hills, MI	—	178	819	368	185	1,180	1,365	848	1994	(i)	
23014 Commerce Drive	Farmington Hills, MI	—	39	203	189	56	375	431	337	1994	(i)	
23028 Commerce Drive	Farmington Hills, MI	—	98	507	278	125	758	883	709	1994	(i)	
23035 Commerce Drive	Farmington Hills, MI	—	71	355	237	93	570	663	531	1994	(i)	
23042 Commerce Drive	Farmington Hills, MI	—	67	277	273	89	528	617	501	1994	(i)	
23065 Commerce Drive	Farmington Hills, MI	—	71	408	338	93	724	817	620	1994	(i)	
23079 Commerce Drive	Farmington Hills, MI	—	68	301	330	79	620	699	537	1994	(i)	
23093 Commerce Drive	Farmington Hills, MI	—	211	1,024	1,337	295	2,277	2,572	1,808	1994	(i)	
23135 Commerce Drive	Farmington Hills, MI	—	146	701	310	158	999	1,157	861	1994	(i)	
23163 Commerce Drive	Farmington Hills, MI	—	111	513	396	138	882	1,020	734	1994	(i)	
23177 Commerce Drive	Farmington Hills, MI	—	175	1,007	677	254	1,605	1,859	1,344	1994	(i)	
23206 Commerce Drive	Farmington Hills, MI	—	125	531	367	137	886	1,023	763	1994	(i)	
23370 Commerce Drive	Farmington Hills, MI	—	59	233	209	66	435	501	375	1994	(i)	
1451 East Lincoln Avenue	Madison Heights, MI	—	299	1,703	(179)	148	1,675	1,823	907	1995	(i)	
4400 Purks Drive	Auburn Hills, MI	—	602	3,410	3,305	612	6,705	7,317	3,225	1995	(i)	
32450 N Axis Drive	Madison Heights, MI	—	281	1,590	342	286	1,927	2,213	914	1996	(i)	
12707 Eckles Road	Plymouth Township, MI	—	255	1,445	220	267	1,653	1,920	770	1996	(i)	
32975 Capitol Avenue	Livonia, MI	—	135	748	(166)	77	640	717	334	1998	(i)	
32920 Capitol Avenue	Livonia, MI	—	76	422	(62)	27	409	436	237	1998	(i)	
111923 Brookfield Avenue	Livonia, MI	—	120	665	(321)	32	432	464	280	1998	(i)	
450 Robbins Drive	Troy, MI	—	166	920	219	178	1,127	1,305	486	1998	(i)	
12886 Westmore Avenue	Livonia, MI	—	190	1,050	(351)	86	803	889	460	1998	(i)	
47711 Clipper Street	Plymouth Township, MI	—	539	2,983	460	575	3,407	3,982	1,425	1998	(i)	
32975 Industrial Road	Livonia, MI	—	160	887	(175)	92	780	872	401	1998	(i)	
32995 Industrial Road	Livonia, MI	—	160	887	(414)	53	580	633	364	1998	(i)	
12874 Westmore Avenue	Livonia, MI	—	137	761	(302)	58	538	596	311	1998	(i)	
1775 Bellingham	Troy, MI	—	344	1,902	329	367	2,208	2,575	951	1998	(i)	
1785 East Maple	Troy, MI	—	92	507	200	98	701	799	278	1998	(i)	

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Building Address	Location (City/State)	(a)		(b)		(c) Costs Capitalized Subsequent to Acquisition or Completion		Gross Amount Carried At Close of Period 12/31/15		Accumulated Depreciation 12/31/2015	Year Acquired/ Constructed	Depreciable Lives (Years)
		Encumbrances	Land	Buildings and Land Improvements	Initial Cost	Provision	Buildings and Land Improvements	Total				
(In thousands)												
980 Chicago	Troy, MI	—	206	1,141	333	220	1,460	1,680	579	1998	(j)	
1885 Enterprise Drive	Rochester Hills, MI	—	209	1,158	589	223	1,733	1,956	656	1998	(j)	
1935-55 Enterprise Drive	Rochester Hills, MI	—	1,285	7,144	1,258	1,371	8,316	9,687	3,451	1998	(j)	
5500 Enterprise Court	Warren, MI	—	675	3,737	750	721	4,441	5,162	1,867	1998	(j)	
750 Chicago Road	Troy, MI	—	323	1,790	392	345	2,160	2,505	936	1998	(j)	
800 Chicago Road	Troy, MI	—	283	1,567	380	302	1,928	2,230	812	1998	(j)	
850 Chicago Road	Troy, MI	—	183	1,016	218	196	1,221	1,417	524	1998	(j)	
11100 East Mandoline Road	Madison Heights, MI	—	888	4,915	(1,243)	332	4,228	4,560	2,545	1998	(j)	
1080, 1120, 1180 John Papalas Drive (e)	Lincoln Park, MI	—	366	3,241	627	297	3,937	4,234	2,080	1998	(j)	
4872 S. Lapeer Road	Lake Orion Twp, MI	—	1,342	5,441	1,214	1,412	6,585	7,997	2,869	1999	(j)	
1400 Allen Drive	Troy, MI	—	209	1,154	380	212	1,531	1,743	500	2000	(j)	
1408 Allen Drive	Troy, MI	—	151	834	121	153	953	1,106	347	2000	(j)	
32505 Industrial Drive	Madison Heights, MI	—	345	1,910	107	351	2,011	2,362	745	2000	(j)	
1799-1855 Northfield Drive (d)	Rochester Hills, MI	—	481	2,665	364	490	3,020	3,510	1,153	2000	(j)	
28435 Automation Blvd	Wixom, MI	—	621	—	3,664	628	3,657	4,285	1,011	2004	(j)	
32200 North Avis Drive	Madison Heights, MI	—	503	3,367	(1,591)	195	2,084	2,279	753	2005	(j)	
100 Kay Industrial Drive	Orion Township, MI	—	677	2,018	177	685	2,187	2,872	987	2005	(j)	
11800 Sears Drive	Livonia, MI	—	693	1,507	1,212	476	2,936	3,412	1,591	2005	(j)	
1099 Chicago Road	Troy, MI	—	1,277	1,332	(1,134)	303	1,172	1,475	506	2005	(j)	
42555 Merrill Road	Sterling Heights, MI	—	1,080	2,300	3,487	1,090	5,777	6,867	2,223	2006	(j)	
200 Northpointe Drive	Orion Township, MI	—	723	2,063	36	734	2,088	2,822	989	2006	(j)	
Houston												
3351 Rauch Street	Houston, TX	—	272	1,541	560	278	2,095	2,373	819	1997	(j)	
3801-3851 Yale Street	Houston, TX	2,360	413	2,343	952	425	3,283	3,708	1,236	1997	(j)	
3337-3347 Rauch Street	Houston, TX	—	227	1,287	440	233	1,721	1,954	696	1997	(j)	
8505 North Loop East	Houston, TX	1,555	439	2,489	574	449	3,053	3,502	1,303	1997	(j)	
4749-4799 Eastpark Drive	Houston, TX	2,342	594	3,368	1,313	611	4,664	5,275	2,034	1997	(j)	
4851 Homestead Road	Houston, TX	2,958	491	2,782	1,552	504	4,321	4,825	1,852	1997	(j)	
3365-3385 Rauch Street	Houston, TX	1,493	284	1,611	451	290	2,056	2,346	823	1997	(j)	
5050 Campbell Road	Houston, TX	1,812	461	2,610	1,009	470	3,610	4,080	1,433	1997	(j)	
4300 Pine Timbers	Houston, TX	2,291	489	2,769	758	499	3,517	4,016	1,594	1997	(j)	
2500-2530 Fairway Park Drive	Houston, TX	3,161	766	4,342	2,011	792	6,327	7,119	2,565	1997	(j)	
6550 Longpointe	Houston, TX	1,508	362	2,050	985	370	3,027	3,397	1,193	1997	(j)	
1815 Turning Basin Drive	Houston, TX	2,056	487	2,761	1,384	531	4,101	4,632	1,598	1997	(j)	
1819 Turning Basin Drive	Houston, TX	—	231	1,308	872	251	2,160	2,411	827	1997	(j)	
1805 Turning Basin Drive	Houston, TX	2,774	564	3,197	2,488	616	5,633	6,249	1,961	1997	(j)	
9835A Genard Road	Houston, TX	—	1,505	8,333	3,308	1,581	11,565	13,146	4,301	1999	(j)	
9835B Genard Road	Houston, TX	—	245	1,357	644	256	1,990	2,246	739	1999	(j)	
11505 State Highway 225	La Porte, TX	—	940	4,675	606	940	5,281	6,221	2,036	2005	(j)	

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		Encumbrances	Land	Buildings and Improvements	Initial Cost	Capitalized Subsequent to Acquisition or Completion	Buildings and Improvements	Total	Accumulated Depreciation 12/31/2015		
(In thousands)											
1500 East Main Street	La Porte, TX	—	201	1,328	(91)	204	1,234	1,438	886	2005	(1)
7230-7238 Wynnwood	Houston, TX	—	254	764	176	259	935	1,194	407	2007	(1)
7240-7248 Wynnwood	Houston, TX	—	271	726	31	276	752	1,028	377	2007	(1)
7250-7260 Wynnwood	Houston, TX	—	200	481	166	203	644	847	265	2007	(1)
6400 Long Point	Houston, TX	—	188	898	174	188	1,072	1,260	340	2007	(1)
7967 Blankenship	Houston, TX	—	307	1,166	337	307	1,503	1,810	449	2010	(1)
8800 City Park Loop East	Houston, TX	—	3,717	19,237	(784)	3,717	18,453	22,170	3,311	2011	(1)
4800 West Greens Road	Houston, TX	—	3,350	—	14,822	3,264	14,908	18,172	439	2014	(1)
611 East Sam Houston Parkway S	Pasadena, TX	—	1,970	7,755	1	1,970	7,756	9,726	—	2015	(1)
619 East Sam Houston Parkway S	Pasadena, TX	—	2,879	11,972	1	2,880	11,972	14,852	—	2015	(1)
Indianapolis											
2900 North Shadeland Avenue	Indianapolis, IN	—	2,057	13,565	5,392	2,057	18,957	21,014	8,140	1996	(1)
1445 Brookville Way	Indianapolis, IN	—	459	2,603	1,076	476	3,662	4,138	1,612	1996	(1)
1440 Brookville Way	Indianapolis, IN	3,074	665	3,770	954	685	4,704	5,389	2,161	1996	(1)
1240 Brookville Way	Indianapolis, IN	—	247	1,402	373	258	1,764	2,022	833	1996	(1)
1345 Brookville Way	Indianapolis, IN	—	586	3,321	1,517	601	4,823	5,424	2,058	1996	(1)
1350 Brookville Way	Indianapolis, IN	—	205	1,161	253	212	1,407	1,619	680	1996	(1)
1341 Sadlier Circle South	Indianapolis, IN	—	131	743	207	136	945	1,081	443	1996	(1)
1322-1438 Sadlier Circle East	Indianapolis, IN	—	145	822	291	152	1,106	1,258	521	1996	(1)
1327-1441 Sadlier Circle West	Indianapolis, IN	—	218	1,234	621	225	1,848	2,073	806	1996	(1)
1402-1430 Sadlier Circle West	Indianapolis, IN	—	165	934	390	171	1,318	1,489	621	1996	(1)
1504 Sadlier Circle South	Indianapolis, IN	—	219	1,238	(104)	115	1,238	1,353	793	1996	(1)
1365-1367 Sadlier Way Circle East	Indianapolis, IN	—	121	688	194	91	912	1,003	436	1996	(1)
1352-1354 Sadlier Circle West	Indianapolis, IN	—	178	1,008	241	166	1,261	1,427	575	1996	(1)
1335 Sadlier Circle East	Indianapolis, IN	—	81	460	207	85	663	748	314	1996	(1)
1425 Sadlier Circle West	Indianapolis, IN	—	21	117	41	23	156	179	72	1996	(1)
6951 East 30th Street	Indianapolis, IN	—	256	1,449	229	265	1,669	1,934	800	1996	(1)
6701 East 30th Street	Indianapolis, IN	—	78	443	98	82	537	619	264	1996	(1)
6737 East 30th Street	Indianapolis, IN	—	385	2,181	283	398	2,451	2,849	1,154	1996	(1)
6555 East 30th Street	Indianapolis, IN	1,848	484	4,760	2,416	484	7,176	7,660	3,062	1996	(1)
7901 West 21st Street	Indianapolis, IN	—	1,048	6,027	328	1,048	6,355	7,403	2,808	1997	(1)
1225 Brookville Way	Indianapolis, IN	—	60	—	417	68	409	477	183	1997	(1)
6751 East 30th Street	Indianapolis, IN	2,544	728	2,837	359	741	3,183	3,924	1,393	1997	(1)
6575 East 30th Street	Indianapolis, IN	1,369	118	—	1,994	128	1,984	2,112	820	1998	(1)
6585 East 30th Street	Indianapolis, IN	2,214	196	—	3,219	196	3,219	3,415	1,365	1998	(1)
5705-97 Park Plaza Court	Indianapolis, IN	—	600	2,194	847	609	3,032	3,641	1,137	2003	(1)
9319-9341 Castlegate Drive	Indianapolis, IN	—	530	1,235	717	544	1,938	2,482	729	2003	(1)
1133 Northwest L Street	Richmond, IN	—	201	1,358	(143)	208	1,208	1,416	711	2006	(1)
14425 Bergen Blvd	Noblesville, IN	—	647	—	3,693	743	3,597	4,340	759	2007	(1)

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		(a)		(b)		Gross Amount Carried At Close of Period 12/31/15							
		Encumbrances	Land	Buildings and Improvements	Initial Cost	Buildings and Improvements	Land	Buildings and Improvements	Total	Accumulated Depreciation 12/31/2015			
											Provision		
(In thousands)													
Miami													
4700 NW 15th Avenue	Ft. Lauderdale, FL	—	908	1,883	132	912	2,011	2,923	714	2007	(i)		
4710 NW 15th Avenue	Ft. Lauderdale, FL	—	830	2,722	62	834	2,780	3,614	683	2007	(i)		
4720 NW 15th Avenue	Ft. Lauderdale, FL	—	937	2,455	335	942	2,485	3,727	820	2007	(i)		
4740 NW 15th Avenue	Ft. Lauderdale, FL	—	1,107	3,111	17	1,112	3,123	4,235	779	2007	(i)		
4750 NW 15th Avenue	Ft. Lauderdale, FL	—	947	3,079	412	951	3,487	4,438	897	2007	(i)		
4800 NW 15th Avenue	Ft. Lauderdale, FL	—	1,092	3,308	179	1,097	3,482	4,579	880	2007	(i)		
6891 NW 74th Street	Medley, FL	—	857	3,428	4,158	864	7,579	8,443	2,052	2007	(i)		
12601 & 12605 NW 115th Avenue	Medley, FL	—	2,316	—	449	762	2,003	2,765	333	2008	(i)		
Milwaukee													
N25 W23255 Paul Road	Pewaukee, WI	—	569	3,270	1,836	450	5,225	5,675	2,148	1994	(i)		
5355 South Westridge Drive	New Berlin, WI	4,467	1,630	7,058	(105)	1,646	6,937	8,583	1,804	2004	(i)		
320-334 West Vogel Avenue	Milwaukee, WI	—	506	3,199	(110)	508	3,087	3,595	1,625	2005	(i)		
4950 South 6th Avenue	Milwaukee, WI	—	299	1,565	273	301	1,836	2,137	1,173	2005	(i)		
17005 West Ryerson Road	New Berlin, WI	2,454	403	3,647	251	405	3,896	4,301	1,753	2005	(i)		
W140 N9059 Lilly Road	Menomonee Falls, WI	—	343	1,153	106	366	1,236	1,602	455	2005	(i)		
200 W. Vogel Avenue-Bldg B	Milwaukee, WI	—	301	2,150	62	302	2,211	2,513	1,135	2005	(i)		
4921 S. 2nd Street	Milwaukee, WI	—	101	713	(276)	58	480	538	262	2005	(i)		
1500 Peebles Drive	Richland Center, WI	—	1,577	1,018	(441)	1,528	626	2,154	561	2005	(i)		
16600 West Glendale Avenue	New Berlin, WI	2,181	704	1,923	932	715	2,844	3,559	1,701	2006	(i)		
2485 Commerce Drive	New Berlin, WI	1,306	483	1,516	131	491	1,639	2,130	852	2007	(i)		
N58W15380 Shawn Circle	Menomonee Falls, WI	—	1,188	—	16,931	1,204	16,915	18,119	3,556	2008	(i)		
Minneapolis/St. Paul													
6201 West 111th Street	Bloomington, MN	2,931	1,358	8,622	13,466	1,519	21,927	23,446	11,841	1994	(i)		
7101 Winnetka Avenue South	Brooklyn Park, MN	5,538	2,195	6,084	4,195	2,228	10,246	12,474	7,394	1994	(i)		
9901 West 74th Street	Eden Prairie, MN	3,333	621	3,289	3,598	639	6,869	7,508	5,630	1994	(i)		
1030 Lone Oak Road	Eagan, MN	2,407	456	2,703	767	456	3,470	3,926	1,722	1994	(i)		
1060 Lone Oak Road	Eagan, MN	3,046	624	3,700	645	624	4,345	4,969	2,255	1994	(i)		
5400 Nathan Lane	Plymouth, MN	2,684	749	4,461	835	757	5,288	6,045	2,640	1994	(i)		
6655 Wedgewood Road	Maple Grove, MN	—	1,466	8,342	5,591	1,466	13,933	15,399	5,897	1994	(i)		
10120 West 76th Street	Eden Prairie, MN	—	315	1,804	1,962	315	3,766	4,081	2,251	1995	(i)		
12155 Nicollet Avenue	Burnsville, MN	—	286	—	1,957	288	1,955	2,243	868	1995	(i)		
4100 Peavey Road	Chaska, MN	—	277	2,261	779	277	3,040	3,317	1,414	1996	(i)		
7100-7198 Shady Oak Road	Eden Prairie, MN	4,324	715	4,054	2,284	736	6,317	7,053	2,698	1996	(i)		
5240-5300 Valley Industrial Blvd	Shakopee, MN	2,087	362	2,049	1,248	371	3,288	3,659	1,328	1996	(i)		
5775 12th Avenue	Shakopee, MN	2,995	590	—	4,661	590	4,661	5,251	1,549	1998	(i)		
1157 Valley Park Drive	Shakopee, MN	4,161	760	—	7,234	888	7,106	7,994	2,617	1999	(i)		
9600 West 76th Street	Eden Prairie, MN	2,025	1,000	2,450	60	1,034	2,476	3,510	666	2004	(i)		

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		(a) Encumbrances	(b) Initial Cost		Gross Amount Carried At Close of Period 12/31/15					
			Buildings and Improvements	Land	Buildings and Improvements	Total				
(In thousands)										
9700 West 76th Street	Eden Prairie, MN	2,914	2,709	1,000	727	3,398	4,436	1,136	2004	(1)
7600 69th Avenue	Greenfield, MN	—	8,328	1,500	(539)	1,510	9,289	1,809	2004	(1)
5017 Boone Avenue North	New Hope, MN	—	1,599	1,000	153	1,743	2,752	913	2005	(1)
2300 West Highway 13	Burnsville, MN	—	6,069	2,517	(1,651)	1,296	6,935	3,812	2005	(1)
1087 Park Place	Shakopee, MN	3,654	4,891	1,195	(246)	1,198	5,840	1,225	2005	(1)
5391 12th Avenue SE	Shakopee, MN	4,138	8,149	1,392	(469)	1,395	9,072	2,059	2005	(1)
4701 Valley Industrial Blvd S	Shakopee, MN	4,606	7,157	1,296	(378)	1,299	8,075	2,748	2005	(1)
6455 City West Parkway	Eden Prairie, MN	—	3,189	659	955	665	4,803	1,249	2006	(1)
7035 Winnetka Avenue North	Brooklyn Park, MN	4,432	—	1,275	7,239	1,343	8,514	1,472	2007	(1)
139 Eva Street	St. Paul, MN	—	3,105	2,132	(286)	2,175	4,951	649	2008	(1)
21900 Dodd Boulevard	Lakeville, MN	9,482	7,952	2,289	—	7,952	10,241	2,034	2010	(1)
375 Rivertown Drive	Woodbury, MN	7,000	8,157	2,635	48	8,205	10,840	815	2014	(1)
935 Aldrin Drive	Eagan, MN	5,524	7,884	2,096	(43)	2,096	7,841	9,937	2014	(1)
7050 Winnetka Avenue North	Brooklyn Park, MN	—	—	1,623	7,228	1,634	7,217	8,851	2014	(1)
7051 West Broadway	Brooklyn Park, MN	—	—	1,275	5,828	1,279	7,103	155	2014	(1)
Nashville										
1931 Air Lane Drive	Nashville, TN	2,179	2,785	489	280	493	3,554	1,362	1997	(1)
4640 Cummings Park	Nashville, TN	—	2,040	360	579	365	2,614	975	1999	(1)
1740 River Hills Drive	Nashville, TN	2,750	4,383	848	731	888	5,962	2,223	2005	(1)
211 Ellery Court	Nashville, TN	2,587	3,192	606	379	616	4,177	1,312	2007	(1)
130 Maddox Road	Mount Juliet, TN	16,422	—	1,778	23,554	1,778	25,332	4,080	2008	(1)
Northern New Jersey										
14 World's Fair Drive	Franklin, NJ	—	2,735	483	773	503	3,991	1,533	1997	(1)
12 World's Fair Drive	Franklin, NJ	—	3,240	572	1,064	593	4,876	2,052	1997	(1)
22 World's Fair Drive	Franklin, NJ	—	2,064	364	491	375	2,919	1,055	1997	(1)
26 World's Fair Drive	Franklin, NJ	—	2,048	361	656	377	3,065	1,147	1997	(1)
24 World's Fair Drive	Franklin, NJ	—	1,968	347	573	362	2,888	1,121	1997	(1)
20 World's Fair Drive Lot 13	Sumerset, NJ	—	—	9	2,568	691	2,577	702	1999	(1)
45 Route 46	Pine Brook, NJ	—	5,491	969	928	978	7,388	2,443	2000	(1)
43 Route 46	Pine Brook, NJ	—	2,686	474	540	479	3,700	1,295	2000	(1)
39 Route 46	Pine Brook, NJ	—	1,471	260	292	262	2,023	632	2000	(1)
26 Chapin Road	Pine Brook, NJ	—	5,415	956	664	965	7,035	2,355	2000	(1)
30 Chapin Road	Pine Brook, NJ	—	5,440	960	524	969	6,924	2,256	2000	(1)
20 Hook Mountain Road	Pine Brook, NJ	—	8,542	1,507	2,997	1,534	13,046	5,062	2000	(1)
30 Hook Mountain Road	Pine Brook, NJ	—	2,206	389	526	396	3,121	1,058	2000	(1)
16 Chapin Road	Pine Brook, NJ	—	5,015	885	612	901	6,512	2,089	2000	(1)
20 Chapin Road	Pine Brook, NJ	—	6,426	1,134	602	1,154	8,162	2,580	2000	(1)
2500 Main Street	Sayreville, NJ	—	—	944	4,576	944	5,520	1,458	2002	(1)
2400 Main Street	Sayreville, NJ	—	—	996	5,494	996	6,490	1,611	2003	(1)

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		Encumbrances	Land	Buildings and Improvements	Initial Cost	Completion Provision	Land	Buildings and Improvements	Total			
(In thousands)												
309-313 Pierce Street	Somerset, NJ	3,205	1,300	4,628	1,020	1,309	5,639	6,948	2,194	2004	(j)	
Philadelphia												
230-240 Welsh Pool Road	Exton, PA	—	154	851	355	170	1,190	1,360	468	1998	(j)	
254 Welsh Pool Road	Exton, PA	—	75	418	206	91	608	699	270	1998	(j)	
151-161 Philips Road	Exton, PA	—	191	1,059	378	229	1,399	1,628	597	1998	(j)	
216 Philips Road	Exton, PA	—	199	1,100	331	220	1,410	1,630	592	1998	(j)	
14 McFadden Road	Palmer, PA	—	600	1,349	(274)	625	1,050	1,675	299	2004	(j)	
2801 Red Lion Road	Philadelphia, PA	—	950	5,916	(51)	964	5,851	6,815	2,450	2005	(j)	
3240 South 78th Street	Philadelphia, PA	—	515	1,245	(514)	423	823	1,246	252	2005	(j)	
200 Cascade Drive, Bldg. 1	Allentown, PA	13,382	2,133	17,562	592	2,769	17,518	20,287	5,770	2007	(j)	
200 Cascade Drive, Bldg. 2	Allentown, PA	1,826	310	2,268	178	316	2,440	2,756	789	2007	(j)	
6300 Bristol Pike	Levittown, PA	—	1,074	2,642	(194)	964	2,558	3,522	1,790	2008	(j)	
2455 Boulevard of Generals	Norristown, PA	2,926	1,200	4,800	344	1,226	5,118	6,344	1,602	2008	(j)	
3857 Nazareth Highway—Bldg. 1	Easton, PA	—	4,855	—	16,738	4,388	17,205	21,593	69	2015	(j)	
3857 Nazareth Highway—Bldg. 2	Easton, PA	—	3,459	—	12,177	3,128	12,508	15,636	51	2015	(j)	
Phoenix												
1045 South Edward Drive	Tempe, AZ	—	390	2,160	360	396	2,514	2,910	969	1999	(j)	
50 South 56th Street	Chandler, AZ	3,547	1,206	3,218	1,362	1,252	4,534	5,786	1,445	2004	(j)	
4701 West Jefferson	Phoenix, AZ	2,453	926	2,195	243	929	2,435	3,364	1,364	2005	(j)	
7102 West Roosevelt	Phoenix, AZ	4,806	1,613	6,451	360	1,620	6,804	8,424	2,486	2006	(j)	
4137 West Adams Street	Phoenix, AZ	—	990	2,661	239	1,038	2,852	3,890	961	2006	(j)	
245 West Lodge	Tempe, AZ	—	898	3,066	(2,009)	362	1,593	1,955	667	2007	(j)	
1590 East Riverview Dr.	Phoenix, AZ	4,965	1,293	5,950	417	1,292	6,368	7,660	1,620	2008	(j)	
14131 N. Rio Vista Blvd	Peoria, AZ	—	2,563	9,388	404	2,563	9,792	12,355	2,394	2008	(j)	
8716 W. Ludlow Drive	Peoria, AZ	—	2,709	10,970	811	2,709	11,781	14,490	2,658	2008	(j)	
3815 W. Washington Street	Phoenix, AZ	3,446	1,675	4,514	149	1,719	4,619	6,338	1,105	2008	(j)	
9180 W. Buckeye Road	Tolleson, AZ	7,239	1,904	6,805	2,665	1,923	9,451	11,374	1,989	2008	(j)	
8644 West Ludlow Drive	Peoria, AZ	—	1,726	7,216	—	1,726	7,216	8,942	300	2014	(j)	
8606 West Ludlow Drive	Peoria, AZ	—	956	2,668	75	956	2,743	3,699	116	2014	(j)	
8679 West Ludlow Drive	Peoria, AZ	—	672	2,791	—	672	2,791	3,463	119	2014	(j)	
94th Avenue & Buckeye Road	Tolleson, AZ	—	4,315	—	14,711	4,315	14,711	19,026	—	2015	(j)	
Salt Lake City												
1270 West 2320 South	West Valley, UT	—	138	784	161	143	940	1,083	391	1998	(j)	
1275 West 2240 South	West Valley, UT	—	395	2,241	352	408	2,580	2,988	1,102	1998	(j)	
1288 West 2240 South	West Valley, UT	—	119	672	139	123	807	930	346	1998	(j)	
2235 South 1300 West	West Valley, UT	—	198	1,120	168	204	1,282	1,486	546	1998	(j)	
1293 West 2200 South	West Valley, UT	—	158	896	304	163	1,195	1,358	533	1998	(j)	
1279 West 2200 South	West Valley, UT	—	198	1,120	172	204	1,286	1,490	561	1998	(j)	

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
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REAL ESTATE AND ACCUMULATED DEPRECIATION
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Building Address	Location (City/State)	(a)		(b)		(c)		Gross Amount Carried At Close of Period 12/31/15	Accumulated Depreciation 12/31/2015	Year Acquired/ Constructed	Depreciable Lives (Years)	
		Encumbrances	Land	Buildings and Improvements	Initial Cost	Buildings and Improvements	Provision					Completion
(In thousands)												
1272 West 2240 South	West Valley, UT	—	336	1,905	410	347	2,304	2,651	1,042	1998	(i)	
11149 West 2240 South	West Valley, UT	—	217	1,232	341	225	1,565	1,790	696	1998	(i)	
11142 West 2320 South	West Valley, UT	—	217	1,232	300	225	1,524	1,749	626	1998	(i)	
232323 South 900 W	Salt Lake City, UT	—	886	2,995	(3)	898	2,980	3,878	1,578	2006	(i)	
1815-1957 South 4650 West	Salt Lake City, UT	6,667	1,707	10,873	44	1,713	10,911	12,624	2,907	2006	(i)	
21100 Alexander Street	West Valley, UT	—	376	1,670	387	376	2,057	2,433	622	2007	(i)	
2064 Alexander Street	West Valley, UT	—	864	2,771	89	869	2,855	3,724	949	2007	(i)	
Seattle												
1901 Raymond Ave SW	Renton, WA	821	4,458	2,659	433	4,594	2,956	7,550	740	2008	(i)	
19014 64th Avenue South	Kent, WA	2,992	1,990	3,979	518	2,042	4,445	6,487	1,328	2008	(i)	
18640 68th Avenue South	Kent, WA	328	1,218	1,950	306	1,258	2,216	3,474	661	2008	(i)	
Southern California												
1944 Vista Bella Way	Rancho Dominguez, CA	3,057	1,746	3,148	465	1,822	3,537	5,359	1,439	2005	(i)	
2000 Vista Bella Way	Rancho Dominguez, CA	1,283	817	1,673	292	853	1,929	2,782	821	2005	(i)	
2835 East Ana Street	Rancho Dominguez, CA	2,968	1,682	2,750	409	1,772	3,069	4,841	1,139	2005	(i)	
16275 Technology Drive	San Diego, CA	—	2,848	8,641	546	2,859	9,176	12,035	2,721	2005	(i)	
665 N. Baldwin Park Blvd.	City of Industry, CA	4,132	2,124	5,219	1,614	2,143	6,814	8,957	2,810	2006	(i)	
27801 Avenue Scott	Santa Clarita, CA	6,103	2,890	7,020	788	2,902	7,796	10,698	2,670	2006	(i)	
2610 & 2660 Columbia Street	Torrance, CA	4,335	3,008	5,826	565	3,031	6,368	9,399	1,895	2006	(i)	
4333 Alaska Avenue	Torrance, CA	—	681	168	(5)	684	160	844	97	2006	(i)	
4020 S. Compton Avenue	Los Angeles, CA	—	3,800	7,330	(473)	3,825	6,832	10,657	1,664	2006	(i)	
6305 El Camino Real	Carlsbad, CA	—	1,590	6,360	7,730	1,590	14,090	15,680	3,874	2006	(i)	
2325 Camino Vida Roble	Carlsbad, CA	1,918	1,441	1,239	646	1,446	1,880	3,326	536	2006	(i)	
2335 Camino Vida Roble	Carlsbad, CA	980	817	762	121	821	879	1,700	311	2006	(i)	
2345 Camino Vida Roble	Carlsbad, CA	574	562	456	(23)	565	430	995	174	2006	(i)	
2355 Camino Vida Roble	Carlsbad, CA	625	481	365	237	483	600	1,083	226	2006	(i)	
2365 Camino Vida Roble	Carlsbad, CA	1,189	1,098	630	334	1,102	960	2,062	362	2006	(i)	
2375 Camino Vida Roble	Carlsbad, CA	1,304	1,210	874	113	1,214	983	2,197	348	2006	(i)	
6451 El Camino Real	Carlsbad, CA	—	2,885	1,931	642	2,895	2,563	5,458	929	2006	(i)	
8572 Spectrum Lane	San Diego, CA	1,995	806	3,225	293	807	3,517	4,324	769	2007	(i)	
13100 Gregg Street	Poway, CA	—	1,040	4,160	744	1,073	4,871	5,944	1,589	2007	(i)	
21730-21748 Marilla Street	Chatsworth, CA	2,743	2,585	3,210	151	2,608	3,338	5,946	1,065	2007	(i)	
8015 Paramount	Pico Rivera, CA	—	3,616	3,902	61	3,657	3,922	7,579	1,575	2007	(i)	
3365 E. Slauson	Vernon, CA	—	2,367	3,243	40	2,396	3,254	5,650	1,377	2007	(i)	
3015 East Ana	Rancho Dominguez, CA	—	19,678	9,321	6,305	20,144	15,160	35,304	3,987	2007	(i)	
19067 Reyes Ave	Rancho Dominguez, CA	—	9,281	3,920	303	9,381	4,123	13,504	1,765	2007	(i)	
24870 Nandina Avenue	Moreno Valley, CA	—	13,543	—	21,149	6,482	28,210	34,692	2,410	2012	(i)	
1250 Rancho Conejo Blvd.	Thousand Oaks, CA	—	1,435	779	(56)	1,441	717	2,158	281	2007	(i)	
1260 Rancho Conejo Blvd.	Thousand Oaks, CA	—	1,353	722	(920)	675	480	1,155	175	2007	(i)	

SCHEDULE III:

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FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
SCHEDULE III:
REAL ESTATE AND ACCUMULATED DEPRECIATION
As of December 31, 2015

Building Address	Location (City/State)	(a)		(b)		(c)		Gross Amount Carried At Close of Period 12/31/15		Accumulated Depreciation 12/31/2015	Year Acquired/ Constructed	Depreciable Lives (Years)
		Encumbrances	Land	Buildings and Improvements	Initial Cost	Capitalized Subsequent to Acquisition or Completion	Land	Buildings and Improvements	Total			
(In thousands)												
6821-6857 Hazelwood Avenue	Berkeley, MO	4,678	985	6,205	1,011	985	1,011	7,216	8,201	2,321	2003	(i)
13701 Rider Trail North	Earth City, MO	—	800	2,099	707	804	707	2,802	3,606	1,162	2003	(j)
1908-2000 Innerbelt (d)	Overland, MO	7,182	1,590	9,026	1,336	1,591	1,336	10,361	11,952	4,216	2004	(i)
9060 Latty Avenue	Berkeley, MO	—	687	1,947	(82)	694	(82)	1,858	2,552	1,645	2006	(j)
21-25 Gateway Commerce Center	Edwardsville, IL	—	1,874	31,958	(262)	1,902	(262)	31,668	33,570	8,155	2006	(j)
6647 Romiss Court	St. Louis, MO	—	230	681	(8)	241	(8)	662	903	280	2008	(i)
Tampa												
5313 Johns Road	Tampa, FL	—	204	1,159	568	257	568	1,674	1,931	727	1997	(i)
5525 Johns Road	Tampa, FL	—	192	1,086	280	200	280	1,358	1,558	582	1997	(j)
5709 Johns Road	Tampa, FL	—	192	1,086	182	200	1,086	1,260	1,460	557	1997	(j)
5711 Johns Road	Tampa, FL	—	243	1,376	159	255	159	1,523	1,778	681	1997	(j)
5455 W Waters Avenue	Tampa, FL	—	307	1,742	755	326	755	2,478	2,804	1,161	1997	(j)
5553 W Waters Avenue	Tampa, FL	—	307	1,742	424	326	424	2,147	2,473	973	1997	(j)
5501 W Waters Avenue	Tampa, FL	—	215	871	251	242	251	1,095	1,337	476	1997	(j)
5503 W Waters Avenue	Tampa, FL	—	98	402	140	110	140	530	640	227	1997	(j)
5555 W Waters Avenue	Tampa, FL	—	213	1,206	214	221	214	1,412	1,633	603	1997	(j)
5557 W Waters Avenue	Tampa, FL	—	59	335	59	62	59	391	453	172	1997	(j)
5463 W Waters Avenue	Tampa, FL	—	497	2,751	637	560	637	3,325	3,885	1,447	1998	(j)
5461 W Waters Avenue	Tampa, FL	—	261	—	1,305	265	1,305	1,301	1,566	540	1998	(j)
5481 W Waters Avenue	Tampa, FL	—	558	—	2,276	561	2,276	2,273	2,834	891	1999	(j)
4515-4519 George Road	Tampa, FL	—	633	3,587	895	640	895	4,475	5,115	1,586	2001	(j)
6089 Johns Road	Tampa, FL	—	180	987	66	186	66	1,047	1,233	361	2004	(j)
6091 Johns Road	Tampa, FL	—	140	730	(4)	144	(4)	722	866	242	2004	(j)
6103 Johns Road	Tampa, FL	—	220	1,160	82	226	82	1,236	1,462	447	2004	(j)
6201 Johns Road	Tampa, FL	—	200	1,107	(10)	205	(10)	1,092	1,297	446	2004	(j)
6203 Johns Road	Tampa, FL	—	300	1,460	(306)	311	(306)	1,143	1,454	395	2004	(j)
6205 Johns Road	Tampa, FL	—	270	1,363	154	278	154	1,509	1,787	500	2004	(j)
6101 Johns Road	Tampa, FL	—	210	833	95	216	95	922	1,138	347	2004	(j)
4908 Tampa West Blvd	Tampa, FL	—	2,622	8,643	(820)	2,635	(820)	7,810	10,445	3,022	2005	(j)
7201-7281 Bryan Dairy Road (d)	Largo, FL	—	1,895	5,408	(1,374)	1,365	(1,374)	4,564	5,929	1,287	2006	(j)
4900-4914 Creekside Drive (h)	Clearwater, FL	—	3,702	7,338	(3,566)	2,245	(3,566)	5,229	7,474	1,592	2006	(j)
12345 Starkey Road	Largo, FL	—	898	2,078	(592)	599	(592)	1,785	2,384	729	2006	(j)
Other												
2250 Delaware Avenue	Des Moines, IA	—	277	1,609	(132)	173	(132)	1,581	1,754	788	1998	(j)
6266 Hurt Road	Horn Lake, MS	—	427	—	3,721	387	3,721	3,761	4,148	930	2004	(j)
6301 Hazeltine National Drive	Orlando, FL	—	909	4,613	67	920	67	4,669	5,589	1,891	2005	(j)
12626 Silicon Drive	San Antonio, TX	—	768	3,448	(394)	779	(394)	3,043	3,822	1,041	2005	(j)
3100 Pinson Valley Parkway	Birmingham, AL	—	303	742	(304)	225	(304)	516	741	210	2005	(j)

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.

SCHEDULE III:

REAL ESTATE AND ACCUMULATED DEPRECIATION

As of December 31, 2015

Building Address	Location (City/State)	(a) Encumbrances	(b) Initial Cost		(c) Costs Capitalized Subsequent to Acquisition or Completion	Gross Amount Carried At Close of Period 12/31/15		Accumulated Depreciation 12/31/2015	Year Acquired/ Constructed	Depreciable Lives (Years)	
			Buildings and Improvements	Land		Buildings and Improvements	Land				
											Total
3730 Wheeler Avenue	Fort Smith, AR	—	720	2,800	(589)	583	2,348	2,931	917	2006	(j)
3200 Pond Station	Jefferson County, KY	—	2,074	—	9,681	2,120	9,635	11,755	2,099	2007	(j)
581 Welltown Road/Tyson Blvd	Winchester, VA	—	2,320	—	10,994	2,401	10,913	13,314	2,345	2007	(j)
7501 NW 106th Terrace	Kansas City, MO	11,555	4,152	—	13,673	4,228	13,597	17,825	2,450	2008	(j)
600 Greene Drive	Greenville, KY	—	294	8,570	(727)	296	7,841	8,137	4,679	2008	(j)
Developments in Process											
First San Michele Logistics Center	Moreno Valley, CA	—	1,274	—	3,179	1,274	3,179	4,453	—	2012	(j)
First Arlington Commerce Center II	Arlington, TX	—	1,603	—	2,859	1,603	2,859	4,462	—	2015	(j)
First Park 94—Building I	Somers, WI	—	1,920	—	16,177	1,920	16,177	18,097	—	2015	(j)
First Park McDonough	McDonough, GA	—	2,501	—	94	2,501	94	2,595	—	2015	(j)
Land Parcels											
Land Parcels (i)		—	149,456	—	24,324	144,510	29,270	173,780	2,854		
Total		\$564,955	\$764,387	\$1,639,778	\$893,484	\$747,125	\$2,550,524	\$3,297,649	\$792,501		

NOTES:

- (a) See description of encumbrances in Note 4 of the Notes to Consolidated Financial Statements. For purposes of this schedule the total principal balance of a mortgage loan payable that is collateralized by a pool of properties is allocated among the properties in the pool based on each property's carrying balance.
- (b) Initial cost for each respective property is tangible purchase price allocated in accordance with FASB's guidance on business combinations.
- (c) Improvements are net of the write-off of fully depreciated assets and impairment of real estate and include construction in progress.
- (d) Comprised of two properties.
- (e) Comprised of three properties.
- (f) Comprised of four properties.
- (g) Comprised of five properties.

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
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As of December 31, 2015

- (h) Comprised of eight properties.
- (i) These properties represent developable land and land parcels for which we receive ground lease income.
- (j) Depreciation is computed based upon the following estimated lives:

Buildings and Improvements	7 to 50 years
Land Improvements	5 to 20 years
Tenant Improvements	Lease Term

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
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REAL ESTATE AND ACCUMULATED DEPRECIATION
As of December 31, 2015

At December 31, 2015, the aggregate cost of land and buildings and equipment for federal income tax purpose was approximately \$3.2 billion (excluding construction in progress).

The changes in investment in real estate for the three years ended December 31, are as follows:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
		(In thousands)	
Balance, Beginning of Year	\$3,183,369	\$3,119,547	\$3,130,942
Acquisition of Real Estate Assets	161,074	84,526	69,481
Construction Costs and Improvements	142,535	104,782	100,207
Disposition of Real Estate Assets	(162,636)	(98,378)	(142,369)
Impairment of Real Estate	(626)	—	(2,652)
Write-off of Fully Depreciated Assets	(26,067)	(27,108)	(36,062)
Balance, End of Year Including Real Estate Held for Sale	\$3,297,649	\$3,183,369	\$3,119,547
Real Estate Held for Sale	(3,681)	—	—
Balance, End of Year Excluding Real Estate Held for Sale	<u>\$3,293,968</u>	<u>\$3,183,369</u>	<u>\$3,119,547</u>

The changes in accumulated depreciation for the three years ended December 31, are as follows:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
		(In thousands)	
Balance, Beginning of Year	\$786,978	\$748,044	\$735,593
Depreciation for Year	92,955	93,457	94,271
Disposition of Real Estate Assets	(61,365)	(27,415)	(45,758)
Write-off of Fully Depreciated Assets	(26,067)	(27,108)	(36,062)
Balance, End of Year Including Real Estate Held for Sale	\$792,501	\$786,978	\$748,044
Real Estate Held for Sale	(1,171)	—	—
Balance, End of Year Excluding Real Estate Held for Sale	<u>\$791,330</u>	<u>\$786,978</u>	<u>\$748,044</u>

MARKET INFORMATION

The following table sets forth, for the periods indicated, the high and low closing prices per share of the Company's common stock, which trades on the New York Stock Exchange under the trading symbol "FR" and the dividends declared per share for the Company's common stock and the distributions declared per Unit for the Operating Partnership's Units. There is no established public trading market for the Units.

<u>Quarter Ended</u>	<u>High</u>	<u>Low</u>	<u>Dividend/ Distribution Declared</u>
December 31, 2015	\$23.08	\$21.08	\$0.1275
September 30, 2015	\$21.43	\$18.69	\$0.1275
June 30, 2015	\$21.53	\$18.73	\$0.1275
March 31, 2015	\$22.45	\$20.02	\$0.1275
December 31, 2014	\$21.16	\$16.96	\$0.1025
September 30, 2014	\$19.30	\$16.91	\$0.1025
June 30, 2014	\$19.37	\$17.86	\$0.1025
March 31, 2014	\$19.50	\$16.42	\$0.1025

As of February 22, 2016, the Company had 449 common stockholders of record and the Operating Partnership had 137 holders of record of general partner and limited partner Units registered with our transfer agent.

In order to comply with the REIT requirements of the Code, the Company is generally required to make common share distributions and preferred share distributions (other than capital gain distributions) to its shareholders in amounts that together at least equal i) the sum of a) 90% of the Company's "REIT taxable income" computed without regard to the dividends paid deduction and net capital gains and b) 90% of net income (after tax), if any, from foreclosure property, minus ii) certain excess non-cash income.

Our dividend/distribution policy is determined by the Company's board of directors and is dependent on multiple factors, including cash flow and capital expenditure requirements, as well as ensuring that the Company meets the minimum distribution requirements set forth in the Code. The Company met the minimum distribution requirements with respect to 2015.

Holders of Units are entitled to receive distributions when, as and if declared by the Company's Board of Directors, after the priority distributions required under the Operating Partnership's partnership agreement have been made with respect to preferred partnership interests in the Operating Partnership out of any funds legally available for that purpose.

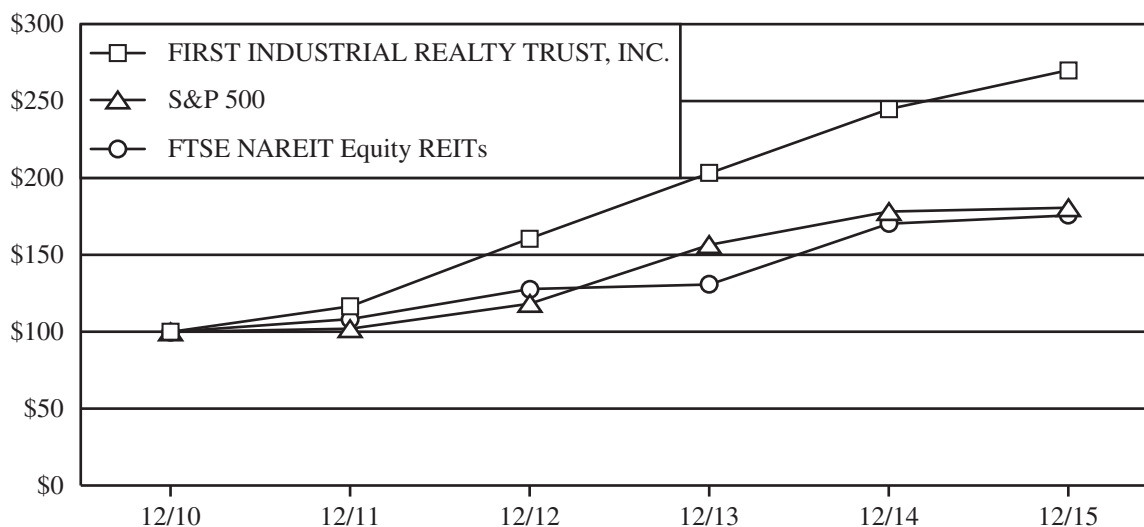
During the year ended December 31, 2015, the Operating Partnership did not issue any limited partner Units.

Subject to lock-up periods and certain adjustments, holders of limited partner Units of the Operating Partnership can redeem their Units by providing written notification to the Company. Unless the Company provides notice of a redemption restriction to the holder, redemption must be made within seven business days after receipt of the holder's notice. The redemption can be effectuated, as determined by the Company, either by exchanging the Units for shares of common stock of the Company on a one-for-one basis, subject to adjustment, or by paying cash in an amount equal to the fair market value of such shares. Prior requests for redemption have generally been fulfilled with shares of common stock of the Company, and we intend to continue this practice. If each Unit of the Operating Partnership were redeemed as of December 31, 2015, we could satisfy the redemption obligations by making an aggregate cash payment of approximately \$95.3 million or by issuing 4,305,707 shares of the Company's common stock.

Performance Graph

The following graph provides a comparison of the cumulative total stockholder return among the Company, the FTSE NAREIT Equity REIT Total Return Index (the “NAREIT Index”) and the Standard & Poor’s 500 Index (“S&P 500”). The historical information set forth below is not necessarily indicative of future performance.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN* Among First Industrial Realty Trust, Inc., the S&P 500 Index, and the FTSE NAREIT Equity REITs Index



* \$100 invested on 12/31/10 in stock or index, including reinvestment of dividends. Fiscal year ending December 31.

	12/10	12/11	12/12	12/13	12/14	12/15
FIRST INDUSTRIAL REALTY TRUST, INC.	\$100.00	\$116.78	\$160.73	\$203.37	\$244.85	\$270.09
S&P 500	\$100.00	\$102.11	\$118.45	\$156.82	\$178.29	\$180.75
FTSE NAREIT Equity REITs	\$100.00	\$108.29	\$127.85	\$131.01	\$170.49	\$175.94

* The information provided in this performance graph shall not be deemed to be “soliciting material,” to be “filed” or to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934 unless specifically treated as such.

CORPORATE MANAGEMENT AND DIRECTORS

CORPORATE MANAGEMENT

Bruce W. Duncan

Chairman, President and Chief Executive Officer

Scott A. Musil

Chief Financial Officer,

Treasurer and Assistant Secretary

Johannson L. Yap

Chief Investment Officer and

Executive Vice President — West Region

David G. Harker

Executive Vice President — Central Region

Peter O. Schultz

Executive Vice President — East Region

Christopher M. Schneider

Chief Information Officer and Senior Vice President —

Operations

Donald R. Stoffle

Executive Director — Dispositions

Robert J. Walter

Senior Vice President — Capital Markets

Daniel J. Hemmer

General Counsel and Secretary

Arthur J. Harmon

Vice President — Investor Relations and Marketing

DIRECTORS

Bruce W. Duncan‡

Chairman, President and Chief Executive Officer

First Industrial Realty Trust, Inc.

Chairman

Starwood Hotels & Resorts Worldwide, Inc.

Director

T. Rowe Price Funds

Matthew S. Dominski‡§

Director

CBL & Associates Properties, Inc.

H. Patrick Hackett, Jr.*‡§

Principal

HHS Co.

Director

Wintrust Financial Corporation

Wintrust Bank

John Rau*§

Lead Independent Director

First Industrial Realty Trust, Inc.

President, Chief Executive Officer and Director

Miami Corporation

Director

AGL Resources Inc.

BMO Financial Corp.

BMO/Harris Bank

L. Peter Sharpe*†

Former President and Chief Executive Officer

Cadillac Fairview Corporation

Director

Postmedia Network Canada Corp.

Morguard Corporation

Allied Properties Real Estate Investment Trust

Multiplan Empreendimentos Imobiliarios S.A.

W. Ed Tyler†

Chief Executive Officer

Ideapoint Ventures

Director

Nanophase Technologies Corporation

Committee Membership Legend

* Audit Committee

† Compensation Committee

‡ Investment Committee

§ Nominating/Corporate

Governance Committee

CORPORATE AND STOCKHOLDER INFORMATION

Executive Office

First Industrial Realty Trust, Inc.
311 South Wacker Drive, Suite 3900
Chicago, IL 60606
Phone: 312.344.4300
Fax: 312.922.6320
www.firstindustrial.com
info@firstindustrial.com

Stock Exchange Listing

New York Stock Exchange
Symbol: FR

Registrar and Transfer Agent

Computershare Trust Company, N.A.
P.O. Box 43078
Providence, RI 02940-3078
Phone: 800.446.2617

Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP
Chicago, Illinois

Corporate Counsel

Barack Ferrazzano Kirschbaum &
Nagelberg LLP
Chicago, Illinois

10-K Report

A copy of the Company's Form 10-K as filed with the Securities and Exchange Commission is available on the Company's website and may also be obtained free of charge by contacting our Vice President — Investor Relations and Marketing c/o First Industrial Realty Trust, Inc., 311 South Wacker Drive, Suite 3900, Chicago, IL 60606. Included in such report were the certifications required by Section 302 of the Sarbanes-Oxley Act.

Annual Meeting

The Annual Meeting of Stockholders of First Industrial Realty Trust, Inc., will be held on Wednesday, May 11, 2016, at 9:00 A.M. CDT at the 2nd Floor Conference Center, 311 South Wacker Drive, Chicago, Illinois.

To contact First Industrial's Audit Committee:

Chairman of the Audit Committee
c/o First Industrial Realty Trust, Inc.
311 South Wacker Drive, Suite 3900
Chicago, IL 60606

To contact First Industrial's Nominating/Corporate Governance Committee:

Chairman of the Nominating/Corporate Governance Committee
c/o First Industrial Realty Trust, Inc.
311 South Wacker Drive, Suite 3900
Chicago, IL 60606

To contact First Industrial's Lead Independent Director:

Lead Independent Director
c/o First Industrial Realty Trust, Inc.
311 South Wacker Drive, Suite 3900
Chicago, IL 60606



LETTER TO STOCKHOLDERS
FROM THE CHAIRMAN, PRESIDENT AND CEO
NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
PROXY STATEMENT
2015 ANNUAL REPORT