

FIRST INDUSTRIAL REALTY TRUST INC

Form 10-Q

May 04, 2007

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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Form 10-Q

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 2007**
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to**

Commission file number 1-13102

First Industrial Realty Trust, Inc.
(Exact Name of Registrant as Specified in its Charter)

Maryland
*(State or Other Jurisdiction of
Incorporation or Organization)*

36-3935116
*(I.R.S. Employer
Identification No.)*

311 S. Wacker Drive, Suite 4000, Chicago, Illinois 60606
(Address of Principal Executive Offices)

(312) 344-4300
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Number of shares of Common Stock, \$.01 par value, outstanding as of April 27, 2007: 45,390,450.

FIRST INDUSTRIAL REALTY TRUST, INC.

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For the Period Ended March 31, 2007

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Table of Contents**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements****FIRST INDUSTRIAL REALTY TRUST, INC.****CONSOLIDATED BALANCE SHEETS**

	March 31, 2007	December 31, 2006
	(Unaudited)	
	(Dollars in thousands, except share and per share data)	
ASSETS		
Assets:		
Investment in Real Estate:		
Land	\$ 607,950	\$ 558,425
Buildings and Improvements	2,631,366	2,626,284
Construction in Progress	57,882	35,019
Less: Accumulated Depreciation	(479,828)	(465,418)
Net Investment in Real Estate	2,817,370	2,754,310
Real Estate Held for Sale, Net of Accumulated Depreciation and Amortization of \$6,646 and \$9,688 at March 31, 2007 and December 31, 2006, respectively	79,329	115,961
Cash and Cash Equivalents	2,308	16,135
Restricted Cash	278	15,970
Tenant Accounts Receivable, Net	9,602	8,014
Investments in Joint Ventures	53,048	55,527
Deferred Rent Receivable, Net	29,667	28,839
Deferred Financing Costs, Net	14,441	15,210
Deferred Leasing Intangibles, Net	94,872	86,265
Prepaid Expenses and Other Assets, Net	136,191	128,168
Total Assets	\$ 3,237,106	\$ 3,224,399
LIABILITIES AND STOCKHOLDERS EQUITY		
Liabilities:		
Mortgage Loans Payable, Net	\$ 94,866	\$ 77,926
Senior Unsecured Debt, Net	1,550,134	1,549,732
Unsecured Line of Credit	199,000	207,000
Accounts Payable, Accrued Expenses and Other Liabilities, Net	123,543	119,027
Deferred Leasing Intangibles, Net	20,049	19,486
Rents Received in Advance and Security Deposits	32,612	30,844

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Leasing Intangibles Held For Sale, Net of Accumulated Amortization of \$152 and \$183 at March 31, 2007 and December 31, 2006, respectively	1,111	2,310
Dividends Payable	44,034	42,548
Total Liabilities	2,065,349	2,048,873
Commitments and Contingencies		
Minority Interest	151,904	152,547
Stockholders' Equity:		
Preferred Stock (\$.01 par value, 10,000,000 shares authorized, 20,000, 500, 250, 600 and 200 shares of Series C, F, G, J and K Cumulative Preferred Stock, respectively, issued and outstanding at March 31, 2007 and December 31, 2006, having a liquidation preference of \$2,500 per share (\$50,000), \$100,000 per share (\$50,000), \$100,000 per share (\$25,000), \$250,000 per share (\$150,000) and \$250,000 per share (\$50,000), respectively).		
Common Stock (\$.01 par value, 100,000,000 shares authorized, 47,902,313 and 47,537,030 shares issued and 45,375,913 and 45,010,630 shares outstanding at March 31, 2007 and December 31, 2006, respectively)	479	475
Additional Paid-in-Capital	1,389,288	1,388,311
Distributions in Excess of Accumulated Earnings	(288,638)	(284,955)
Accumulated Other Comprehensive Loss	(10,688)	(10,264)
Treasury Shares at Cost (2,526,400 shares at March 31, 2007 and December 31, 2006)	(70,588)	(70,588)
Total Stockholders' Equity	1,019,853	1,022,979
Total Liabilities and Stockholders' Equity	\$ 3,237,106	\$ 3,224,399

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

Table of Contents**FIRST INDUSTRIAL REALTY TRUST, INC.****CONSOLIDATED STATEMENTS OF OPERATIONS**

	Three Months Ended March 31, 2007	Three Months Ended March 31, 2006
	(Unaudited)	
	(Dollars in thousands, except share and per share data)	
Revenues:		
Rental Income	\$ 76,735	\$ 62,510
Tenant Recoveries and Other Income	33,934	25,383
Revenues from Build to Suit Development for Sale	3,207	733
Contractor Revenues	5,040	
 Total Revenues	 118,916	 88,626
Expenses:		
Property Expenses	34,873	31,371
General and Administrative	22,791	17,636
Depreciation and Other Amortization	40,026	32,657
Expenses from Build to Suit Development for Sale	3,201	666
Contractor Expenses	4,836	
 Total Expenses	 105,727	 82,330
Other Income/Expense:		
Interest Income	260	639
Interest Expense	(29,901)	(29,488)
Amortization of Deferred Financing Costs	(820)	(620)
Mark-to-Market/Loss on Settlement of Interest Rate Protection Agreement		(170)
Loss From Early Retirement of Debt	(146)	
 Total Other Income/Expense	 (30,607)	 (29,639)
Loss from Continuing Operations Before Equity in Income (Loss) of Joint Ventures, Income Tax Benefit and Income Allocated to Minority Interest	(17,418)	(23,343)
Equity in Income (Loss) of Joint Ventures	5,631	(34)
Income Tax Benefit	1,466	5,929
Minority Interest Allocable to Continuing Operations	2,082	3,025
 Loss from Continuing Operations	 (8,239)	 (14,423)
Income from Discontinued Operations (Including Gain on Sale of Real Estate of \$55,370 and \$54,022 for the Three Months Ended March 31, 2007 and 2006, respectively)	57,691	57,285

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Provision for Income Taxes Allocable to Discontinued Operations (Including \$10,133 and \$14,840 allocable to Gain on Sale of Real Estate for the Three Months Ended March 31, 2007 and 2006, respectively)	(10,777)	(15,224)
Minority Interest Allocable to Discontinued Operations	(5,939)	(5,548)
Income Before Gain on Sale of Real Estate	32,736	22,090
Gain on Sale of Real Estate	3,574	1,075
Provision for Income Taxes Allocable to Gain on Sale of Real Estate	(768)	(92)
Minority Interest Allocable to Gain on Sale of Real Estate	(355)	(130)
Net Income	\$ 35,187	\$ 22,943
Less: Preferred Stock Dividends	(5,935)	(5,019)
Less: Redemption of Preferred Stock		(672)
Net Income Available to Common Stockholders	\$ 29,252	\$ 17,252
Basic Earnings Per Share:		
Loss from Continuing Operations	\$ (0.26)	\$ (0.44)
Income From Discontinued Operations	\$ 0.92	\$ 0.83
Net Income Available to Common Stockholders	\$ 0.66	\$ 0.39
Weighted Average Shares Outstanding	44,410	43,887
Diluted Earnings Per Share:		
Loss from Continuing Operations	\$ (0.26)	\$ (0.44)
Income From Discontinued Operations	\$ 0.92	\$ 0.83
Net Income Available to Common Stockholders	\$ 0.66	\$ 0.39
Weighted Average Shares Outstanding	44,410	43,887
Dividends/Distribution Declared per Common Share Outstanding	\$ 0.7100	\$ 0.7000

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FIRST INDUSTRIAL REALTY TRUST, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended March 31, 2007	Three Months Ended March 31, 2006
	(Unaudited)	
	(Dollars in thousands)	
Net Income	\$ 35,187	\$ 22,943
Settlement of Interest Rate Protection Agreements		(1,729)
Mark to Market of Interest Rate Protection Agreements	(142)	1,415
Amortization of Interest Rate Protection Agreements	(296)	(230)
Other Comprehensive Loss Allocable to Minority Interest	14	73
Comprehensive Income	\$ 34,763	\$ 22,472

Table of Contents**FIRST INDUSTRIAL REALTY TRUST, INC.****CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Three Months Ended March 31, 2007	Three Months Ended March 31, 2006
	(Unaudited)	
	(Dollars in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	\$ 35,187	\$ 22,943
Income Allocated to Minority Interest	4,212	2,653
Net Income Before Minority Interest	39,399	25,596
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	30,045	29,920
Amortization of Deferred Financing Costs	820	620
Other Amortization	13,187	9,332
Provision for Bad Debt	92	352
Mark-to-Market of Interest Rate Protection Agreement		(16)
Equity in (Income) Loss of Joint Ventures	(5,631)	34
Distributions from Joint Ventures	5,808	603
Gain on Sale of Real Estate	(58,944)	(55,097)
Loss on Early Retirement of Debt	146	
(Increase) Decrease in Developments for Sale Costs	(5,132)	16,241
(Increase) Decrease in Tenant Accounts Receivable and Prepaid Expenses and Other Assets, Net	(1,678)	5,587
Increase in Deferred Rent Receivable	(2,662)	(2,484)
Increase (Decrease) in Accounts Payable and Accrued Expenses and Rents Received in Advance and Security Deposits	7,928	(2,803)
Increase in Restricted Cash	(103)	
Net Cash Provided by Operating Activities	23,275	27,885
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of and Additions to Investment in Real Estate	(196,785)	(233,141)
Net Proceeds from Sales of Investments in Real Estate	214,302	275,752
Contributions to and Investments in Joint Ventures	(4,165)	(3,382)
Distributions from Joint Ventures	5,198	2,881
Funding of Notes Receivable	(8,385)	
Repayment of Notes Receivable	8,385	34,137
Decrease in Restricted Cash	15,813	5,402
Net Cash Provided by Investing Activities	34,363	81,649

CASH FLOWS FROM FINANCING ACTIVITIES:

Net Proceeds from the Issuance of Common Stock	174	689
Proceeds from the Issuance of Preferred Stock		144,765
Redemption of Preferred Stock		(182,156)
Repurchase of Restricted Stock	(3,707)	(2,650)