

FIRST INDUSTRIAL REALTY TRUST INC

Form 10-Q

August 09, 2007

Table of Contents

**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 June 30, 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

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 July 27, 2007: 45,423,701

FIRST INDUSTRIAL REALTY TRUST, INC.

Form 10-Q

For the Period Ended June 30, 2007

INDEX

	Page	
<u>PART I: FINANCIAL INFORMATION</u>		
<u>Item 1.</u>	<u>Financial Statements</u>	3
	<u>Consolidated Balance Sheets as of June 30, 2007 and December 31, 2006</u>	3
	<u>Consolidated Statements of Operations for the Three and Six Months Ended June 30, 2007 and June 30, 2006</u>	4
	<u>Consolidated Statements of Comprehensive Income for the Three and Six Months Ended June 30, 2007 and June 30, 2006</u>	5
	<u>Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2007 and June 30, 2006</u>	6
	<u>Notes to Consolidated Financial Statements</u>	7
<u>Item 2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	19
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	31
<u>Item 4.</u>	<u>Controls and Procedures</u>	31
<u>PART II: OTHER INFORMATION</u>		
<u>Item 1.</u>	<u>Legal Proceedings</u>	31
<u>Item 1A.</u>	<u>Risk Factors</u>	31
<u>Item 2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	31
<u>Item 3.</u>	<u>Defaults Upon Senior Securities</u>	31
<u>Item 4.</u>	<u>Submission of Matters to a Vote of Security Holders</u>	31
<u>Item 5.</u>	<u>Other Information</u>	32
<u>Item 6.</u>	<u>Exhibits</u>	32
	<u>SIGNATURE</u>	33
	<u>EXHIBIT INDEX</u>	34
	<u>Amendment No. 2 to the Company's 2001 Stock Incentive Plan</u>	
	<u>Certification of Principal Executive Officer</u>	
	<u>Certification of Principal Financial Officer</u>	
	<u>Section 1350 Certifications</u>	

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

	June 30, 2007	December 31, 2006
	(Unaudited)	
	(Dollars in thousands, except share and per share data)	
ASSETS		
Assets:		
Investment in Real Estate:		
Land	\$ 636,104	\$ 558,425
Buildings and Improvements	2,626,706	2,626,284
Construction in Progress	71,606	35,019
Less: Accumulated Depreciation	(498,460)	(465,418)
Net Investment in Real Estate	2,835,956	2,754,310
Real Estate Held for Sale, Net of Accumulated Depreciation and Amortization of \$3,716 and \$9,688 at June 30, 2007 and December 31, 2006, respectively	65,927	115,961
Cash and Cash Equivalents	4,149	16,135
Restricted Cash	44,766	15,970
Tenant Accounts Receivable, Net	10,974	8,014
Investments in Joint Ventures	63,396	55,527
Deferred Rent Receivable, Net	31,271	28,839
Deferred Financing Costs, Net	15,544	15,210
Deferred Leasing Intangibles, Net	91,338	86,265
Prepaid Expenses and Other Assets, Net	151,343	128,168
Total Assets	\$ 3,314,664	\$ 3,224,399
LIABILITIES AND STOCKHOLDERS EQUITY		
Liabilities:		
Mortgage Loans Payable, Net	\$ 82,590	\$ 77,926
Senior Unsecured Debt, Net	1,550,139	1,549,732
Unsecured Line of Credit	347,000	207,000
Accounts Payable, Accrued Expenses and Other Liabilities, Net	114,204	119,027
Deferred Leasing Intangibles, Net	21,762	19,486
Rents Received in Advance and Security Deposits	31,372	30,844

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Leasing Intangibles Held For Sale, Net of Accumulated Amortization of \$215 and \$183 at June 30, 2007 and December 31, 2006, respectively	1,296	2,310
Dividends Payable	41,710	42,548
Total Liabilities	2,190,073	2,048,873
Commitments and Contingencies		
Minority Interest	150,253	152,547
Stockholders' Equity:		
Preferred Stock (\$.01 par value, 10,000,000 shares authorized, 500, 250, 600 and 200 shares of Series F, G, J and K Cumulative Preferred Stock, respectively, issued and outstanding at June 30, 2007, having a liquidation preference of \$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. At December 31, 2006, 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, 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, 47,938,046 and 47,537,030 shares issued and 45,411,646 and 45,010,630 shares outstanding at June 30, 2007 and December 31, 2006, respectively)	479	475
Additional Paid-in-Capital	1,346,411	1,388,311
Distributions in Excess of Accumulated Earnings	(291,140)	(284,955)
Accumulated Other Comprehensive Loss	(10,824)	(10,264)
Treasury Shares at Cost (2,526,400 shares at June 30, 2007 and December 31, 2006)	(70,588)	(70,588)
Total Stockholders' Equity	974,338	1,022,979
Total Liabilities and Stockholders' Equity	\$ 3,314,664	\$ 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 June 30, 2007	Three Months Ended June 30, 2006	Six Months Ended June 30, 2007	Six Months Ended June 30, 2006
(Unaudited)				
(Dollars in thousands, except share and per share data)				
Revenues:				
Rental Income	\$ 76,214	\$ 62,961	\$ 150,070	\$ 123,589
Tenant Recoveries and Other Income	31,221	27,103	64,410	51,960
Revenues from Build to Suit Development for Sale	3,233		6,440	733
Contractor Revenues	4,368		9,408	
Total Revenues	115,036	90,064	230,328	176,282
Expenses:				
Property Expenses	34,873	29,171	68,451	59,715
General and Administrative	22,380	18,236	45,171	35,872
Depreciation and Other Amortization	40,440	34,813	78,868	66,571
Expenses from Build to Suit Development for Sale	2,930		6,131	666
Contractor Expenses	4,123		8,959	
Total Expenses	104,746	82,220	207,580	162,824
Other Income/Expense:				
Interest Income	225	260	485	899
Interest Expense	(29,667)	(29,744)	(59,568)	(59,232)
Amortization of Deferred Financing Costs	(824)	(603)	(1,644)	(1,223)
Mark-to-Market/Loss on Settlement of Interest Rate Protection Agreement				(170)
Loss From Early Retirement of Debt	(108)		(254)	
Total Other Income/Expense	(30,374)	(30,087)	(60,981)	(59,726)
Loss from Continuing Operations Before Equity in Income of Joint Ventures, Income Tax (Provision) Benefit and Income Allocated to Minority Interest				
Equity in Income of Joint Ventures	11,626	7,307	17,257	7,273
Income Tax (Provision) Benefit	(118)	983	1,607	6,951
Minority Interest Allocable to Continuing Operations	2,039	2,373	4,182	5,489

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Loss from Continuing Operations	(6,537)	(11,580)	(15,187)	(26,555)
Income from Discontinued Operations (Including Gain on Sale of Real Estate of \$59,429 and \$51,999 for the Three Months Ended June 30, 2007 and 2006, respectively and \$114,799 and \$106,021 for the Six Months Ended June 30, 2007 and 2006, respectively)	61,325	57,281	119,747	115,248
Provision for Income Taxes Allocable to Discontinued Operations (Including \$11,070 and \$7,625 for the Three Months Ended June 30, 2007 and 2006, respectively and \$21,203 and \$22,535 for the Six Months Ended June 30, 2007 and 2006, respectively allocable to Gain on Sale of Real Estate)	(11,577)	(8,321)	(22,613)	(23,596)
Minority Interest Allocable to Discontinued Operations	(6,238)	(6,370)	(12,239)	(12,007)
Income Before Gain on Sale of Real Estate	36,973	31,010	69,708	53,090
Gain on Sale of Real Estate	830	2,447	4,404	3,522
Provision for Income Taxes Allocable to Gain on Sale of Real Estate	(327)	(971)	(1,095)	(1,051)
Minority Interest Allocable to Gain on Sale of Sale Estate	(63)	(192)	(417)	(324)
Net Income	37,413	32,294	72,600	55,237
Less: Preferred Stock Dividends	(5,671)	(5,029)	(11,606)	(10,048)
Less: Redemption of Preferred Stock	(2,017)		(2,017)	(672)
Net Income Available to Common Stockholders	\$ 29,725	\$ 27,265	\$ 58,977	\$ 44,517
Basic and Diluted Earnings Per Share:				
Loss from Continuing Operations	\$ (0.31)	\$ (0.35)	\$ (0.58)	\$ (0.80)
Income From Discontinued Operations	\$ 0.98	\$ 0.97	\$ 1.91	\$ 1.81
Net Income Available to Common Stockholders	\$ 0.67	\$ 0.62	\$ 1.33	\$ 1.01
Weighted Average Shares Outstanding	44,471	44,006	44,441	43,947
Dividends/Distribution Declared per Common Share Outstanding	\$ 0.7100	\$ 0.7000	\$ 1.4200	\$ 1.4000

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

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

	Three Months Ended June 30, 2007	Three Months Ended June 30, 2006	Six Months Ended June 30, 2007	Six Months Ended June 30, 2006
			(Unaudited)	
			(Dollars in thousands)	
Net Income	\$ 37,413	\$ 32,294	\$ 72,600	\$ 55,237
Settlement of Interest Rate Protection Agreements	(4,261)		(4,261)	(1,729)
Mark to Market of Interest Rate Protection Agreements	4,357	3,374	4,215	4,789
Amortization of Interest Rate Protection Agreements	(243)	(220)	(539)	(450)
Other Comprehensive Income (Loss) Allocable to Minority Interest	11	(410)	25	(342)
Comprehensive Income	\$ 37,277	\$ 35,038	\$ 72,040	\$ 57,505

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

Table of Contents

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

	Six Months Ended	Six Months Ended
&		