FIRST INDUSTRIAL REALTY TRUST INC
Form 10-Q
July 29, 2016

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

Form 10-Q

ý QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2016
or
¨ 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.) 333-21873 (First Industrial, L.P.)

FIRST INDUSTRIAL REALTY TRUST, INC.
FIRST INDUSTRIAL, L.P.
(Exact name of Registrant as specified in its Charter)

Maryland (First Industrial Realty Trust, Inc.) Delaware (First Industrial, L.P.) (State or other jurisdiction of incorporation or organization)	36-3935116 (First Industrial Realty Trust, Inc.) 36-3924586 (First Industrial, L.P.) (I.R.S. Employer Identification No.)
311 S. Wacker Drive, Suite 3900, Chicago, Illinois (Address of principal executive offices)	60606 (Zip Code)

(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 (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
First Industrial Realty Trust, Inc. Yes þ No o
First Industrial, L.P. Yes þ No o
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
First Industrial Realty Trust, Inc. Yes þ No o
First Industrial, L.P. Yes þ No o
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):
First Industrial Realty Trust, Inc.:

Large accelerated filer	þ	Accelerated filer	o
Non-accelerated filer	o (Do not check if a smaller reporting company)	Smaller reporting company	o

First Industrial, L.P.:

Large accelerated filer	o	Accelerated filer	þ
Non-accelerated filer	o (Do not check if a smaller reporting company)	Smaller reporting company	o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

First Industrial Realty Trust, Inc. Yes o No þ

First Industrial, L.P. Yes o No þ

At July 28, 2016, 116,862,408 shares of First Industrial Realty Trust, Inc.'s Common Stock, $0.01 par value, were outstanding.

EXPLANATORY NOTE

This report combines the Quarterly Reports on Form 10-Q for the period ended June 30, 2016 of First Industrial Realty Trust, Inc., a Maryland corporation (the "Company"), and First Industrial, L.P., a Delaware limited partnership (the "Operating Partnership"). Unless stated otherwise 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.

The Company is a real estate investment trust and the general partner of the Operating Partnership. At June 30, 2016, the Company owned an approximate 96.5% common general partnership interest in the Operating Partnership. The remaining approximate 3.5% 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 and can cause it to enter into certain major transactions, including acquisitions, dispositions, and refinancings. The management of the Company consists of the same members as the management of the Operating Partnership.

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 believe it is important to understand the differences between the Company and the Operating Partnership in the context of how the Company and the Operating Partnership operate as an interrelated, consolidated company. The main areas of difference between the consolidated financial statements of the Company and those of the Operating Partnership are:

- Stockholders' Equity, Noncontrolling Interest and Partners' Capital. The 3.5% equity interest in the Operating Partnership held by entities other than the Company are classified within partners' capital in the Operating Partnership's financial statements and as a noncontrolling interest in the Company's financial statements.
- Relationship to Other Real Estate Partnerships. The Company's operations are conducted primarily through the Operating Partnership and its subsidiaries, though operations are also conducted through eight other limited partnerships, which are referred to as the "Other Real Estate Partnerships." The Operating Partnership is a limited partner, holding at least a 99% interest, and the Company is a general partner, holding at least a .01% general partnership interest through eight separate wholly-owned corporations, in each of the Other Real Estate Partnerships. The Other Real Estate Partnerships are variable interest entities that both the Company and the Operating Partnership consolidate. The Company's direct general partnership interest in the Other Real Estate Partnerships is reflected as noncontrolling interest within the Operating Partnership's financial statements.
- Relationship to Service Subsidiary. The Company has a direct wholly-owned subsidiary that does not own any real estate but provides services to various other entities owned by the Company. Since the Operating Partnership does not have an ownership interest in this entity, its operations are reflected in the consolidated results of the Company but not the Operating Partnership. Also, this entity owes certain amounts to the Operating Partnership, for which a receivable is included on the Operating Partnership's balance sheet but is eliminated on the Company's consolidated balance sheet, since both this entity and the Operating Partnership are fully consolidated by the Company.

We believe combining the Company's and Operating Partnership's quarterly reports into this single report results in the following benefits:

- enhances investors' understanding of the Company and the Operating Partnership by enabling them to view the business as a whole and in the same manner as management views and operates the business;
- creates time and cost efficiencies through the preparation of one combined report instead of two separate reports; and
- eliminates duplicative disclosures and provides a more streamlined and readable presentation for our investors to review since a substantial portion of the Company's disclosure applies to both the Company and the Operating Partnership.

To help investors understand the differences between the Company and the Operating Partnership, this 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.

This report also includes separate Part I, Item 4, Controls and Procedures sections and separate Exhibits 31 and 32 certifications for the Company and the Operating Partnership in order to establish that the requisite certifications have been made and that the Company and the Operating Partnership are both compliant with Rule 13a-15 and Rule 15d-15 of the Securities Exchange Act of 1934, as amended, and 18 U.S.C. §1350.

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
FORM 10-Q
FOR THE PERIOD ENDED JUNE 30, 2016
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PART I: FINANCIAL INFORMATION
Item 1. Financial Statements
FIRST INDUSTRIAL REALTY TRUST, INC.
CONSOLIDATED BALANCE SHEETS

	June 30, 2016	December 31, 2015
	(Unaudited)	
	(In thousands except share and per share data)	
ASSETS		
Assets:		
Investment in Real Estate:		
Land	$ 790,435	$ 745,912
Buildings and Improvements	2,506,179	2,511,737
Construction in Progress	31,705	36,319
Less: Accumulated Depreciation	(789,873)	(791,330)
Net Investment in Real Estate	2,538,446	2,502,638
Real Estate and Other Assets Held for Sale, Net of Accumulated Depreciation and Amortization of $0 and $1,171	—	2,510
Cash and Cash Equivalents	4,376	3,987
Restricted Cash	11,892	23,005
Tenant Accounts Receivable, Net	4,028	5,612
Deferred Rent Receivable, Net	65,028	62,335
Deferred Leasing Intangibles, Net	31,810	33,326
Prepaid Expenses and Other Assets, Net	72,618	76,395
Total Assets	$ 2,728,198	$ 2,709,808
LIABILITIES AND EQUITY		
Liabilities:		
Indebtedness:		
Mortgage Loans Payable, Net	$ 502,838	$ 561,241
Senior Unsecured Notes, Net	204,891	364,457
Unsecured Term Loans, Net	456,304	455,970
Unsecured Credit Facility	148,000	52,500
Accounts Payable, Accrued Expenses and Other Liabilities	93,751	93,699
Deferred Leasing Intangibles, Net	11,111	11,841
Rents Received in Advance and Security Deposits	40,032	40,153
Dividends and Distributions Payable	23,284	14,812
Total Liabilities	1,480,211	1,594,673
Commitments and Contingencies	—	—
Equity:		
First Industrial Realty Trust Inc.’s Stockholders’ Equity:		
Common Stock ($0.01 par value, 150,000,000 shares authorized and 116,862,842 and 111,027,225 shares issued and outstanding)	1,169	1,111
Additional Paid-in-Capital	1,881,240	1,756,415
Distributions in Excess of Accumulated Earnings	(652,553)	(674,759)
Accumulated Other Comprehensive Loss	(26,487)	(9,667)
Total First Industrial Realty Trust, Inc.’s Stockholders’ Equity	1,203,369	1,073,100
Noncontrolling Interest	44,618	42,035

Total Equity	1,247,987	1,115,135
Total Liabilities and Equity	$ 2,728,198	$ 2,709,808

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

FIRST INDUSTRIAL REALTY TRUST, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
	(Unaudited)			
	(In thousands except per share data)			
Revenues:				
Rental Income	$72,271	$69,886	$144,023	$138,096
Tenant Recoveries and Other Income	20,744	20,603	42,459	42,359
Total Revenues	93,015	90,489	186,482	180,455
Expenses:				
Property Expenses	26,875	27,827	55,242	57,618
General and Administrative	6,433	6,160	14,107	13,126
Acquisition Costs	155	319	219	319
Depreciation and Other Amortization	28,725	28,044	59,853	56,350
Total Expenses	62,188	62,350	129,421	127,413
Other Income (Expense):				
Gain on Sale of Real Estate	36,775	2,197	44,026	10,127
Interest Expense	(14,589)	(16,363)	(30,848)	(33,005)
Amortization of Deferred Financing Costs	(782)	(764)	(1,655)	(1,510)
Mark-to-Market and Settlement Gain (Loss) on Interest Rate Protection Agreements	—	1,444	—	(11,546)
Total Other Income (Expense)	21,404	(13,486)	11,523	(35,934)
Income from Continuing Operations Before Equity in (Loss) Income of Joint Ventures and Income Tax Provision	52,231	14,653	68,584	17,108
Equity in (Loss) Income of Joint Ventures	—	(4)	—	67
Income Tax Provision	(123)	(81)	(181)	(141)
Net Income	52,108	14,568	68,403	17,034
Less: Net Income Attributable to the Noncontrolling Interest	(1,879)	(556)	(2,486)	(649)
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities	$50,229	$14,012	$65,917	$16,385
Basic and Diluted Earnings Per Share:				
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders	$0.43	$0.13	$0.58	$0.15
Dividends/Distributions Per Share	$0.1900	$0.1275	$0.3800	$0.2550
Weighted Average Shares Outstanding - Basic	116,191	110,348	113,492	110,329
Weighted Average Shares Outstanding - Diluted	116,558	110,683	113,771	110,679

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

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

	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
	(Unaudited)			
	(In thousands)			
Net Income	$52,108	$14,568	$68,403	$17,034
Mark-to-Market (Loss) Gain on Interest Rate Protection Agreements	(5,120)	2,658	(17,616)	(6,788)
Reclassification of Fair Value of Interest Rate Protection Agreements (See Note 10)	—	—	—	12,990
Amortization of Interest Rate Protection Agreements	96	131	198	262
Foreign Currency Translation Adjustment	—	—	—	15
Comprehensive Income	47,084	17,357	50,985	23,513
Comprehensive Income Attributable to Noncontrolling Interest	(1,707)	(662)	(1,852)	(895)
Comprehensive Income Attributable to First Industrial Realty Trust, Inc.	$45,377	$16,695	$49,133	$22,618

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

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

	Common Stock	Additional Paid-in-Capital	Distributions in Excess of Accumulated Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interest	Total
	(Unaudited) (In thousands)					
Balance as of December 31, 2015	$1,111	$1,756,415	$(674,759)	$ (9,667)	$ 42,035	$1,115,135
Issuance of Common Stock, Net of Issuance Costs	56	124,528	—	—	—	124,584
Stock Based Compensation Activity	2	2,624	(213)	—	—	2,413
Conversion of Limited Partner Units to Common Stock	—	107	—	—	(107)	—
Reallocation—Additional Paid in Capital	—	(2,434)	—	—	2,434	—
Common Stock Dividends and Unit Distributions	—	—	(43,498)	—	(1,632)	(45,130)
Net Income	—	—	65,917	—	2,486	68,403
Other Comprehensive Loss	—	—	—	(16,820)	(598)	(17,418)
Balance as of June 30, 2016	$1,169	$1,881,240	$(652,553)	$ (26,487)	$ 44,618	$1,247,987

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

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

	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
	(Unaudited)	
	(In thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	$68,403	$17,034
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	49,084	46,315
Amortization of Deferred Financing Costs	1,655	1,510
Other Amortization	14,892	14,349
Provision for Bad Debt	491	600
Equity in Income of Joint Ventures	—	(67)
Gain on Sale of Real Estate	(44,026)	(10,127)
Mark-to-Market Loss on Interest Rate Protection Agreements	—	11,546
Decrease in Tenant Accounts Receivable, Prepaid Expenses and Other Assets, Net	1,371	1,120
Increase in Deferred Rent Receivable	(3,303)	(3,931)
Decrease in Accounts Payable, Accrued Expenses, Other Liabilities, Rents Received in Advance and Security Deposits	(13,889)	(3,647)
Payments of Discounts Associated with Retirement of Debt	(554)	—
Net Cash Provided by Operating Activities	74,124	74,702
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisitions of Real Estate	(71,223)	(26,474)
Additions to Investment in Real Estate and Non-Acquisition Tenant Improvements and Lease Costs	(67,176)	(55,157)
Net Proceeds from Sales of Investments in Real Estate	96,849	41,211
Contributions to and Investments in Joint Ventures	—	(13)
Distributions from Joint Ventures	—	126
Settlement of Interest Rate Protection Agreements	—	(11,546)
Repayments of Notes Receivable	—	2,720
Decrease in Escrows	12,457	781
Net Cash Used in Investing Activities	(29,093)	(48,352)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Financing and Equity Issuance Costs	(375)	(2,152)
Proceeds from the Issuance of Common Stock, Net of Underwriter’s Discount	124,936	—
Repurchase and Retirement of Restricted Stock	(5,230)	(2,101)
Common Stock Dividends and Unit Distributions Paid	(36,658)	(26,460)
Repayments on Mortgage Loans Payable	(63,690)	(5,996)
Repayments of Senior Unsecured Notes	(159,125)	—
Proceeds from Unsecured Credit Facility	343,000	76,000
Repayments on Unsecured Credit Facility	(247,500)	(70,000)
Net Cash Used in Financing Activities	(44,642)	(30,709)
Net Effect of Exchange Rate Changes on Cash and Cash Equivalents	—	(14)
Net Increase (Decrease) in Cash and Cash Equivalents	389	(4,359)
Cash and Cash Equivalents, Beginning of Year	3,987	9,500

Cash and Cash Equivalents, End of Year	$4,376	$5,127
SUPPLEMENTAL INFORMATION TO STATEMENTS OF CASH FLOWS:		
Interest Expense Capitalized in Connection with Development Activity	$1,319	$1,025
Supplemental Schedule of Non-Cash Investing and Financing Activities:		
Common Stock Dividends and Unit Distributions Payable	$23,284	$14,970
Exchange of Limited Partnership Units for Common Stock:		
Noncontrolling Interest	$(107)	$(100)
Additional Paid-in-Capital	107	100
Total	$—	$—
Assumption of Indebtedness and Other Liabilities in Connection with the Acquisition of Real Estate	$5,127	$295
Accounts Payable Related to Construction in Progress and Additions to Investment in Real Estate	$25,518	$16,863
Write-off of Fully Depreciated Assets	$(25,543)	$(20,146)

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

FIRST INDUSTRIAL, L.P.
CONSOLIDATED BALANCE SHEETS

	June 30, 2016	December 31, 2015
	(Unaudited)	(In thousands except Unit data)
ASSETS		
Assets:		
Investment in Real Estate:		
Land	$ 790,435	$ 745,912
Buildings and Improvements	2,506,179	2,511,737
Construction in Progress	31,705	36,319
Less: Accumulated Depreciation	(789,873)	(791,330)
Net Investment in Real Estate	2,538,446	2,502,638
Real Estate and Other Assets Held for Sale, Net of Accumulated Depreciation and Amortization of $0 and $1,171	—	2,510
Cash and Cash Equivalents	4,376	3,987
Restricted Cash	11,892	23,005
Tenant Accounts Receivable, Net	4,028	5,612
Deferred Rent Receivable, Net	65,028	62,335
Deferred Leasing Intangibles, Net	31,810	33,326
Prepaid Expenses and Other Assets, Net	83,174	87,110
Total Assets	$ 2,738,754	$ 2,720,523
LIABILITIES AND PARTNERS' CAPITAL		
Liabilities:		
Indebtedness:		
Mortgage Loans Payable, Net	$ 502,838	$ 561,241
Senior Unsecured Notes, Net	204,891	364,457
Unsecured Term Loans, Net	456,304	455,970
Unsecured Credit Facility	148,000	52,500
Accounts Payable, Accrued Expenses and Other Liabilities	93,751	93,699
Deferred Leasing Intangibles, Net	11,111	11,841
Rents Received in Advance and Security Deposits	40,032	40,153
Distributions Payable	23,284	14,812
Total Liabilities	1,480,211	1,594,673
Commitments and Contingencies	—	—
Partners' Capital:		
First Industrial, L.P.'s Partners' Capital:		
General Partner Units (116,862,842 and 111,027,225 units outstanding)	1,203,477	1,054,028
Limited Partners Units (4,295,010 and 4,305,707 units outstanding)	81,516	80,769
Accumulated Other Comprehensive Loss	(27,461)	(10,043)
Total First Industrial L.P.'s Partners' Capital	1,257,532	1,124,754
Noncontrolling Interest	1,011	1,096
Total Partners' Capital	1,258,543	1,125,850
Total Liabilities and Partners' Capital	$ 2,738,754	$ 2,720,523

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

FIRST INDUSTRIAL L.P.
CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
	(Unaudited)			
	(In thousands except per Unit data)			
Revenues:				
Rental Income	$72,271	$69,886	144,023	$138,096
Tenant Recoveries and Other Income	20,744	20,603	42,459	42,359
Total Revenues	93,015	90,489	186,482	180,455
Expenses:				
Property Expenses	26,875	27,827	55,242	57,618
General and Administrative	6,433	6,062	14,107	13,011
Acquisition Costs	155	319	219	319
Depreciation and Other Amortization	28,725	28,044	59,853	56,350
Total Expenses	62,188	62,252	129,421	127,298
Other Income (Expense):				
Gain on Sale of Real Estate	36,775	2,197	44,026	10,127
Interest Expense	(14,589)	(16,363)	(30,848)	(33,005)
Amortization of Deferred Financing Costs	(782)	(764)	(1,655)	(1,510)
Mark-to-Market and Settlement Gain (Loss) on Interest Rate Protection Agreements	—	1,444	—	(11,546)
Total Other Income (Expense)	21,404	(13,486)	11,523	(35,934)
Income from Continuing Operations Before Equity in (Loss) Income of Joint Ventures and Income Tax Provision	52,231	14,751	68,584	17,223
Equity in (Loss) Income of Joint Ventures	—	(4)	—	67
Income Tax Provision	(123)	(81)	(181)	(141)
Net Income	52,108	14,666	68,403	17,149
Less: Net Income Attributable to the Noncontrolling Interest	(60)	(22)	(74)	(48)
Net Income Available to Unitholders and Participating Securities	$52,048	$14,644	$68,329	$17,101
Basic and Diluted Earnings Per Unit:				
Net Income Available to Unitholders	$0.43	$0.13	$0.58	$0.15
Distributions Per Unit	$0.1900	$0.1275	$0.3800	$0.2550
Weighted Average Units Outstanding - Basic	120,486	114,712	117,791	114,697
Weighted Average Units Outstanding - Diluted	120,853	115,047	118,070	115,047

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

FIRST INDUSTRIAL L.P.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
	(Unaudited)			
	(In thousands)			
Net Income	$52,108	$14,666	$68,403	$17,149
Mark-to-Market (Loss) Gain on Interest Rate Protection Agreements	(5,120)	2,658	(17,616)	(6,788)
Reclassification of Fair Value of Interest Rate Protection Agreements (See Note 10)	—	—	—	12,990
Amortization of Interest Rate Protection Agreements	96	131	198	262
Foreign Currency Translation Adjustment	—	—	—	(26)
Comprehensive Income	$47,084	$17,455	$50,985	$23,587
Comprehensive Income Attributable to Noncontrolling Interest	(60)	(22)	(74)	(48)
Comprehensive Income Attributable to Unitholders	$47,024	$17,433	$50,911	$23,539

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 Units	Limited Partner Units	Accumulated Other Comprehensive Loss	Noncontrolling Interest	Total
	(Unaudited) (In thousands)				
Balance as of December 31, 2015	$1,054,028	$80,769	$ (10,043)	$ 1,096	$1,125,850
Contribution of General Partner Units, Net of Issuance Costs	124,584	—	—	—	124,584
Stock Based Compensation Activity	2,413	—	—	—	2,413
Conversion of Limited Partner Units to General Partner Units	107	(107)	—	—	—
Unit Distributions	(43,498)	(1,632)	—	—	(45,130)
Contributions from Noncontrolling Interest	—	—	—	15	15
Distributions to Noncontrolling Interest	—	—	—	(174)	(174)
Net Income	65,843	2,486	—	74	68,403
Other Comprehensive Loss	—	—	(17,418)	—	(17,418)
Balance as of June 30, 2016	$1,203,477	$81,516	$ (27,461)	$ 1,011	$1,258,543

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

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

	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
	(Unaudited)	
	(In thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	$68,403	$17,149
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	49,084	46,315
Amortization of Deferred Financing Costs	1,655	1,510
Other Amortization	14,892	14,349
Provision for Bad Debt	491	600
Equity in Income of Joint Ventures	—	(67)
Gain on Sale of Real Estate	(44,026)	(10,127)
Mark-to-Market Loss on Interest Rate Protection Agreements	—	11,546
Decrease in Tenant Accounts Receivable, Prepaid Expenses and Other Assets, Net	1,530	489
Increase in Deferred Rent Receivable	(3,303)	(3,931)
Decrease in Accounts Payable, Accrued Expenses, Other Liabilities, Rents Received in Advance and Security Deposits	(13,889)	(3,633)
Payments of Discounts Associated with Retirement of Debt	(554)	—
Net Cash Provided by Operating Activities	74,283	74,200
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisitions of Real Estate	(71,223)	(26,474)
Additions to Investment in Real Estate and Non-Acquisition Tenant Improvements and Lease Costs	(67,176)	(55,157)
Net Proceeds from Sales of Investments in Real Estate	96,849	41,211
Contributions to and Investments in Joint Ventures	—	(13)
Distributions from Joint Ventures	—	126
Settlement of Interest Rate Protection Agreements	—	(11,546)
Repayments of Notes Receivable	—	2,720
Decrease in Escrows	12,457	1,306
Net Cash Used in Investing Activities	(29,093)	(47,827)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Financing and Equity Issuance Costs	(375)	(2,152)
Contribution of General Partner Units	124,936	—
Repurchase and Retirement of Restricted Units	(5,230)	(2,101)
Unit Distributions Paid	(36,658)	(26,460)
Contributions from Noncontrolling Interests	15	10
Distributions to Noncontrolling Interests	(174)	(36)
Repayments on Mortgage Loans Payable	(63,690)	(5,996)
Repayments of Senior Unsecured Notes	(159,125)	—
Proceeds from Unsecured Credit Facility	343,000	76,000
Repayments on Unsecured Credit Facility	(247,500)	(70,000)
Net Cash Used in Financing Activities	(44,801)	(30,735)
Net Effect of Exchange Rate Changes on Cash and Cash Equivalents	—	(14)

Net Increase (Decrease) in Cash and Cash Equivalents	389	(4,362)
Cash and Cash Equivalents, Beginning of Year	3,987	9,485
Cash and Cash Equivalents, End of Year	$4,376	$5,109

SUPPLEMENTAL INFORMATION TO STATEMENTS OF CASH FLOWS:		
Interest Expense Capitalized in Connection with Development Activity	$1,319	$1,025
Supplemental Schedule of Non-Cash Investing and Financing Activities:		
General and Limited Partner Unit Distributions Payable	$23,284	$14,970
Exchange of Limited Partner Units for General Partner Units:		
Limited Partner Units	$(107)	$(100)
General Partner Units	107	100
Total	$—	$—
Assumption of Indebtedness and Other Liabilities in Connection with the Acquisition of Real Estate	$5,127	$295
Accounts Payable Related to Construction in Progress and Additions to Investment in Real Estate	$25,518	$16,863
Write-off of Fully Depreciated Assets	$(25,543)	$(20,146)

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
(Unaudited)
(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. 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 96.5% ownership interest ("General Partner Units") at June 30, 2016. The Operating Partnership also conducts operations through eight other limited partnerships (the "Other Real Estate Partnerships"), numerous limited liability companies ("LLCs") and certain taxable REIT subsidiaries ("TRSs"), the operating data of which, together with that of the Operating Partnership, is consolidated with that of the Company as presented herein. The Operating Partnership holds at least a 99% limited partnership interest in each of the 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 3.5% ("Limited Partner Units" and together with the General Partner Units, the "Units") at June 30, 2016 represents the aggregate partnership interest held by the limited partners thereof.

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

As of June 30, 2016, we owned 562 industrial properties located in 24 states, containing an aggregate of approximately 62.9 million square feet of gross leasable area ("GLA"). Of the 562 properties owned on a consolidated basis, none of them are directly owned by the Company.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with the accounting policies described in the consolidated financial statements and related notes included in our annual report on Form 10-K for the year ended December 31, 2015 ("2015 Form 10-K") and should be read in conjunction with such consolidated financial statements and related notes. The 2015 year end consolidated balance sheet data included in this Form 10-Q filing was derived from the audited consolidated financial statements in our 2015 Form 10-K, but does not include all disclosures required by accounting principles generally accepted in the United States of America ("GAAP"). The following notes to these interim consolidated financial statements highlight significant changes to the notes included in the December 31, 2015 audited consolidated financial statements included in our 2015 Form 10-K and present interim disclosures as required by the Securities and Exchange Commission ("SEC").

Use of Estimates

In order to conform with GAAP, 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 June 30, 2016 and December 31, 2015, and the reported amounts of revenues and expenses for the three and six months ended June 30, 2016 and 2015. Actual results could differ from those estimates. In our opinion, the accompanying unaudited interim consolidated financial statements reflect all adjustments necessary for a fair statement of our financial position as of June 30, 2016 and December 31, 2015, the results of our operations and comprehensive income for each of the three and six months ended June 30, 2016 and 2015, and our cash flows for

each of the six months ended June 30, 2016 and 2015; all adjustments are of a normal recurring nature.

Reclassifications

Interest income, which was included in other income and expense on the consolidated statement of operations for the three and six months ended June 30, 2015, has been reclassified to be included in tenant recoveries and other income to conform to the 2016 presentation.

Deferred Financing Costs

Effective January 1, 2016, we adopted Accounting Standards Update ("ASU") No. 2015-03, "Simplifying the Presentation of Debt Issuance Costs" ("ASU 2015-03"), which amended the presentation of debt issuance costs on a consolidated balance sheet. 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. The Financial Accounting Standards Board ("FASB") issued ASU No. 2015-15,"Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements" ("ASU 2015-15"), which expanded upon ASU 2015-03. ASU 2015-15 stated that given the absence of authoritative guidance within 2015-03, the SEC staff would not object to 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 adoption of ASU 2015-03 was applied retrospectively. See Note 4 for more information about the reclassification of our debt issuance costs. The debt issuance costs related to our unsecured credit facility (the "Unsecured Credit Facility") remain classified as an asset and are included in prepaid expenses and other assets, net on the consolidated balance sheets.

Recent Accounting Pronouncements

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 good 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. The FASB has subsequently issued several additional ASUs to clarify the implementation guidance on principal versus agent considerations, identifying performance obligations, assessing collectability, presentation of sales taxes and other similar taxes collected from customers, non-cash consideration, contract modifications and completed contracts at transition. These ASUs are 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 these ASUs on our consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, "Leases" ("ASU 2016-02"), which amends the existing accounting standards for lease accounting, including requiring lessees to recognize most leases on their balance sheets and making targeted changes to lessor accounting. ASU 2016-02 is effective for annual periods beginning after December 15, 2018, including interim periods within that reporting period. Early application is permitted. ASU 2016-02 requires the use of a modified retrospective approach for all leases existing at, or entered into after, the beginning of the earliest period presented in the consolidated financial statements, with certain practical expedients available. We are currently evaluating the impact of the adoption of ASU 2016-02 on our consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-09, "Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting" ("ASU 2016-09"). ASU 2016-09 intends to simplify several aspects of the accounting for share-based payment transactions, including the accounting for income taxes, the classification of certain items on the statement of cash flows, statutory tax withholding requirements and the accounting for forfeitures. ASU 2016-09 is effective for annual periods beginning after December 15, 2016, including interim periods within that reporting period. Early application is permitted. The adoption of ASU 2016-09 is not expected to impact our consolidated financial statements.

3. Investment in Real Estate

Acquisitions

During the six months ended June 30, 2016, we acquired two industrial properties comprising approximately 0.3 million square feet of GLA and several land parcels. The purchase price of these acquisitions totaled approximately $74,755, excluding costs incurred in conjunction with the acquisition of the industrial properties and land parcels. The revenue and net income associated with the acquisition of the industrial properties, since their respective acquisition dates, are not significant for the six months ended June 30, 2016.

The following table summarizes the fair value of amounts recognized for each major class of asset and liability for the industrial properties and land parcels acquired during the six months ended June 30, 2016:

	Purchase Price	Weighted Average Life (in Months)
Land	$55,177	N/A
Building and Improvements	17,693	(A)
Other Assets	335	(B)
In-Place Leases	1,882	101
Above Market Leases	197	32
Assumed Mortgage Loan Premium (See Note 4)	(529)	44
Total Purchase Price	$74,755	
Assumed Mortgage Loan (See Note 4)	(4,513)	
Total Net Assets Acquired	$70,242	

(A) See Note 2 to the consolidated financial statements in our 2015 Form 10-K for the disclosure of useful lives of our Investment in Real Estate and our Depreciation policy.

(B) Represents leasing commissions, which are included in prepaid expenses and other assets, net on the consolidated balance sheets and amortized over the remaining term of each lease.

Sales

During the six months ended June 30, 2016, we sold 31 industrial properties comprising approximately 2.0 million square feet of GLA. Gross proceeds from the sales of these industrial properties were approximately $100,485. The gain on sale of real estate was approximately $44,026.

4. Indebtedness

The following table discloses certain information regarding our indebtedness:

	Outstanding Balance at		Interest Rate at June 30, 2016	Effective Interest Rate at Issuance	Maturity Date
	June 30, 2016	December 31, 2015			
Mortgage Loans Payable, Gross	$505,714	$ 564,891	4.03% – 8.26%	3.82% – 8.26%	June 2018 – September 2022
Unamortized Deferred Financing Costs	(3,385)	(3,714)			
Unamortized Premiums	509	64			
Mortgage Loans Payable, Net	$502,838	$ 561,241			
Senior Unsecured Notes, Gross					
2016 Notes	$—	$ 159,679	N/A	N/A	1/15/2016
2017 Notes	54,981	54,981	7.50%	7.52%	12/1/2017
2027 Notes	6,070	6,070	7.15%	7.11%	5/15/2027
2028 Notes	31,901	31,901	7.60%	8.13%	7/15/2028
2032 Notes	10,600	10,600	7.75%	7.87%	4/15/2032
2017 II Notes	101,871	101,871	5.95%	6.37%	5/15/2017
Subtotal	$205,423	$ 365,102			
Unamortized Deferred Financing Costs	(407)	(499)			
Unamortized Discounts	(125)	(146)			
Senior Unsecured Notes, Net	$204,891	$ 364,457			
Unsecured Term Loans, Gross					
2014 Unsecured Term Loan (A)	$200,000	$ 200,000	3.99%	N/A	1/29/2021
2015 Unsecured Term Loan (A)	260,000	260,000	3.39%	N/A	9/12/2022
Subtotal	$460,000	$ 460,000			
Unamortized Deferred Financing Costs	(3,696)	(4,030)			
Unsecured Term Loans, Net	$456,304	$ 455,970			
Unsecured Credit Facility (B)	$148,000	$ 52,500	1.61%	N/A	3/11/2019

(A) The interest rate at June 30, 2016 reflects the interest rate protection agreements we entered into to effectively convert the variable rate to a fixed rate. See Note 10.

(B) The maturity date may be extended an additional year at our election, subject to certain restrictions. Amounts exclude unamortized deferred financing costs of $3,540 and $4,204 as of June 30, 2016 and December 31, 2015, respectively, which are included in prepaid expenses and other assets, net on the consolidated balance sheets.

Mortgage Loans Payable, Net

During the six months ended June 30, 2016, we assumed a mortgage loan in the amount of $4,513 in conjunction with the acquisition of one industrial property, totaling approximately 0.1 million square feet of GLA. The mortgage loan bears interest at a fixed rate of 7.35%, principal payments are amortized over 25 years and the loan matures in September 2019. In conjunction with the assumption of the mortgage loan, we recorded a premium in the amount of $529, which will be amortized as an adjustment to interest expense through maturity.

Additionally, during the six months ended June 30, 2016, we paid off a mortgage loan in the amount of $57,901.

As of June 30, 2016, mortgage loans payable are collateralized, and in some instances cross-collateralized, by industrial properties with a net carrying value of $670,417. We believe the Operating Partnership and the Company were in compliance with all covenants relating to mortgage loans as of June 30, 2016.

Senior Unsecured Notes, Net

During the six months ended June 30, 2016, we paid off and retired our 2016 Notes, at maturity, in the amount of $159,679.

Indebtedness

The following is a schedule of the stated maturities and scheduled principal payments of our indebtedness, exclusive of premiums, discounts and deferred financing costs, for the next five years as of June 30, and thereafter:

	Amount
Remainder of 2016	$5,760
2017	168,849
2018	168,477
2019	228,561
2020	90,857
Thereafter	656,633
Total	$1,319,137

The Unsecured Credit Facility, the Unsecured Term Loans (as defined in Note 10) 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 June 30, 2016. 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.

Fair Value

At June 30, 2016 and December 31, 2015, the fair value of our indebtedness was as follows:

	June 30, 2016		December 31, 2015	
	Carrying Amount (A)	Fair Value	Carrying Amount (A)	Fair Value
Mortgage Loans Payable, Net	$506,223	$536,323	$564,955	$595,964
Senior Unsecured Notes, Net	205,298	230,282	364,956	386,253
Unsecured Term Loans	460,000	458,481	460,000	460,970
Unsecured Credit Facility	148,000	148,000	52,500	52,500
Total	$1,319,521	$1,373,086	$1,442,411	$1,495,687

(A) The carrying amounts include unamortized premiums and discounts and exclude unamortized deferred financing costs.

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. Variable Interest Entities

During the year ended December 31, 2015, the Operating Partnership adopted ASU No. 2015-02, "Consolidation (Topic 810) - Amendments to the Consolidation Analysis," which modified the analysis it must perform to determine whether it should consolidate certain types of legal entities. The guidance does not amend the existing disclosure requirements for variable interest entities ("VIEs") or voting interest model entities. The guidance, however, modified the requirements to qualify under the voting interest model. Under the revised guidance, the Other Real Estate Partnerships are variable interest entities of the Operating Partnership and the Operating Partnership is the primary beneficiary, thus causing the Other Real Estate Partnerships to be consolidated by the Operating Partnership.

In addition, the Operating Partnership is a VIE of the Company under the revised guidance and the Company is the primary beneficiary. Because the Operating Partnership was already consolidated in the balance sheets of the Company, the revised guidance has no impact on the consolidated financial statements of the Company. There were no other legal entities qualifying under the scope of the revised guidance that were consolidated as a result of the adoption. In addition, there were no voting interest entities under prior existing guidance determined to be VIEs under the revised guidance.

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

	June 30, 2016	December 31, 2015
ASSETS		
Assets:		
Net Investment in Real Estate	$295,516	$306,866
Other Assets, Net	21,142	20,104
Total Assets	$316,658	$326,970
LIABILITIES AND PARTNERS' CAPITAL		
Liabilities:		
Mortgage Loans Payable, Net	$71,099	$77,071
Other Liabilities, Net	42,836	43,103
Partners' Capital	202,723	206,796
Total Liabilities and Partners' Capital	$316,658	$326,970

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

Issuance of Shares of Common Stock

During the six months ended June 30, 2016, the Company issued 5,600,000 shares of the Company's common stock in an underwritten public offering. Proceeds to the Company, net of the underwriter's discount, were $124,936. The proceeds were contributed to the Operating Partnership in exchange for General Partner Units and will be reflected in the financial statements as a general partner contribution.

Conversion of Limited Partner Units into Shares of Common Stock

For the six months ended June 30, 2016 and 2015, 10,697 and 10,395 Limited Partner Units, respectively, were converted into an equivalent number of shares of common stock of the Company, resulting in a reclassification of $107 and $100, respectively, of noncontrolling interest to the Company's stockholders' equity.

Noncontrolling Interest of the Company

The following table summarizes the changes in noncontrolling interest for the Company for the six months ended June 30, 2016 and 2015:

	June 30, 2016	June 30, 2015
Balance as of December 31, 2015	$42,035	$41,877
Net Income	2,486	649
Unit Distributions	(1,632)	(1,113)
Other Comprehensive (Loss) Income (Including a Reallocation of $36 and $2)	(598)	248
Conversion of Limited Partner Units to Common Stock	(107)	(100)
Reallocation - Additional Paid-in-Capital	2,434	13
Balance as of June 30, 2016	$44,618	$41,574

Noncontrolling Interest of the Operating Partnership

The following table summarizes the changes in noncontrolling interest for the Operating Partnership for the six months ended June 30, 2016 and 2015:

	June 30, 2016	June 30, 2015
Balance as of December 31, 2015	$1,096	$1,080
Net Income	74	48
Contributions	15	10
Distributions	(174)	(36)
Balance as of June 30, 2016	$1,011	$1,102

Dividends/Distributions

During the six months ended June 30, 2016, we declared $45,130 common stock dividends and Unit distributions.

7. Accumulated Other Comprehensive Loss

The following table summarizes the changes in accumulated other comprehensive loss by component for the Company and the Operating Partnership for the six months ended June 30, 2016:

	Interest Rate Protection Agreements	Accumulated Other Comprehensive Loss of the Operating Partnership	Comprehensive Loss Attributable to Noncontrolling Interest of the Company	Accumulated Other Comprehensive Loss of the Company
Balance as of December 31, 2015	$ (10,043)	$ (10,043)	$ 376	$ (9,667)
Other Comprehensive Loss Before Reclassifications	(21,267)	(21,267)	598	(20,669)
Amounts Reclassified from Accumulated Other Comprehensive Loss	3,849	3,849	—	3,849
Net Current Period Other Comprehensive Loss	(17,418)	(17,418)	598	(16,820)
Balance as of June 30, 2016	$ (27,461)	$ (27,461)	$ 974	$ (26,487)

The following table summarizes the reclassifications out of accumulated other comprehensive loss for both the Company and the Operating Partnership for the three and six months ended June 30, 2016 and 2015:

	Amounts Reclassified from Accumulated Other Comprehensive Loss				
Details about Accumulated Other Comprehensive Loss Components	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015	Affected Line Items in the Consolidated Statements of Operations
Interest Rate Protection Agreements:					
Reclassification of Fair Value of Interest Rate Protection Agreements (See Note 10)	$—	$—	$—	$12,990	Mark-to-Market Loss on Interest Rate Protection Agreements
Amortization of Interest Rate Protection Agreements (Previously Settled)	96	131	198	262	Interest Expense
Settlement Payments to our Counterparties	1,815	1,064	3,651	2,121	Interest Expense
Total	$1,911	$1,195	3,849	15,373	

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 $349 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 10) will also be reclassified to net income. See Note 10 for more information about our derivatives.

8. Earnings Per Share and Earnings Per Unit ("EPS"/"EPU")

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

	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Numerator:				
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities	$50,229	$14,012	$65,917	$16,385
Net Income Allocable to Participating Securities	(180)	(50)	(217)	(91)
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders	$50,049	$13,962	$65,700	$16,294
Denominator (In Thousands):				
Weighted Average Shares - Basic	116,191	110,348	113,492	110,329
Effect of Dilutive Securities:				
LTIP Unit Awards (As Defined in Note 9)	367	335	279	350
Weighted Average Shares - Diluted	116,558	110,683	113,771	110,679
Basic and Diluted EPS:				
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders	$0.43	$0.13	$0.58	$0.15

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

	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Numerator:				
Net Income Available to Unitholders and Participating Securities	$52,048	$14,644	$68,329	$17,101
Net Income Allocable to Participating Securities	(180)	(50)	(217)	(91)
Net Income Available to Unitholders	$51,868	$14,594	$68,112	$17,010
Denominator (In Thousands):				
Weighted Average Units - Basic	120,486	114,712	117,791	114,697
Effect of Dilutive Securities that Result in the Issuance of General Partner Units:				
LTIP Unit Awards (As Defined in Note 9)	367	335	279	350
Weighted Average Units - Diluted	120,853	115,047	118,070	115,047
Basic and Diluted EPU:				
Net Income Available to Unitholders	$0.43	$0.13	$0.58	$0.15

Participating securities include 418,366 and 388,866 of unvested restricted stock or restricted Unit awards outstanding at June 30, 2016 and 2015, 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 or common stock dividends or Unit distributions declared.

9. Benefit Plans

Restricted Stock or Restricted Unit Awards

For the six months ended June 30, 2016, the Company awarded 308,373 shares of restricted stock awards to certain employees, which had a fair value of $6,047 on the date such awards were approved by the Compensation Committee of the Board of Directors. These restricted stock awards were granted based upon the achievement of certain corporate performance goals and generally vest over a period of three years. Additionally, during the six months ended June 30, 2016, the Company awarded 14,460 shares of restricted stock to non-employee members of the Board of Directors, which 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 restricted Unit awards to the Company in the same amount for both restricted stock awards.

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 six months ended June 30, 2016 and 2015, we recognized $1,590 and $1,250, respectively, of compensation expense related to restricted stock or restricted Unit awards granted to our Chief Executive Officer for which future service was not required.

LTIP Unit Awards

For the six months ended June 30, 2016, the Company granted 254,524 Long-Term Incentive Program ("LTIP") performance units ("LTIP Unit Awards") to certain employees, which had a fair value of $2,561 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 is calculated based on the performance period from January 1, 2016 through December 31, 2018. Compensation expense is charged to earnings on a straight-line basis over the performance period. At the end of the performance period 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 issues General Partner Units to the Company in the same amounts for vested LTIP Unit Awards.

Outstanding Restricted Stock or Restricted Unit Awards and LTIP Unit Awards

We recognized $1,507 and $1,506 for the three months ended June 30, 2016 and 2015, and $4,470 and $4,067 for the six months ended June 30, 2016 and 2015, respectively, in amortization related to restricted stock or restricted Unit awards and LTIP Unit Awards. Restricted stock or restricted Unit award and LTIP Unit Award amortization capitalized in connection with development activities was not significant. At June 30, 2016, we had $9,919 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 1.05 years.

10. 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 originations of the seven-year, $200,000 unsecured loan (the "2014 Unsecured Term Loan") and the seven-year, $260,000 unsecured loan (the "2015 Unsecured Term Loan" and together with the 2014 Unsecured Term Loan, the "Unsecured Term Loans") (See Note 4) , we entered into interest rate protection agreements to manage our exposure to changes in the one month LIBOR rate. The four interest rate protection

agreements, which fix the variable rate of the 2014 Unsecured Term Loan, have an aggregate notional value of $200,000, mature on January 29, 2021 and fix the LIBOR rate at a weighted average rate of 2.29% (the "2014 Swaps"). The six interest rate protection agreements, which fix the variable rate of the 2015 Unsecured Term Loan, have an aggregate notional value of $260,000, mature on September 12, 2022 and fix the LIBOR rate at a weighted average rate of 1.79% (the "2015 Swaps"). We designated the 2014 and 2015 Swaps as cash flow hedges.

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. As of June 30, 2016, 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.

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 consolidated balance sheets and are accounted for at fair value on a recurring basis as of June 30, 2016:

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:				
Derivatives designated as a hedging instrument:				
2014 Swaps	$(13,318)	—	$ (13,318)	—
2015 Swaps	$(12,742)	—	$ (12,742)	—

There was no ineffectiveness recorded on the 2014 and 2015 Swaps during the six months ended June 30, 2016. See Note 7 for more information regarding our derivatives.

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.

11. 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.

In conjunction with the development of industrial properties, we have entered into agreements with general contractors for the construction of industrial properties. At June 30, 2016, we had three industrial properties totaling approximately 1.0 million square feet of GLA under construction. The estimated total investment as of June 30, 2016 is approximately $77,200. Of this amount, approximately $51,200 remains to be funded. There can be no assurance that the actual completion cost will not exceed the estimated total investment.

12. Subsequent Events

From July 1, 2016 to July 28, 2016, we acquired one industrial property and one land parcel for a purchase price of approximately $14,905, excluding costs incurred in conjunction with such acquisitions.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the consolidated financial statements and notes thereto appearing elsewhere in this Form 10-Q. Unless stated otherwise or the context otherwise requires, the terms "we," "our" and "us" refer to First Industrial Realty Trust, Inc. (the "Company") and its subsidiaries, including First Industrial, L.P. (the "Operating Partnership") and its consolidated subsidiaries.

Forward-Looking Statements

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
- other risks and uncertainties described in this report, in Item 1A, "Risk Factors" and elsewhere in our annual report on Form 10-K for the year ended December 31, 2015 as well as those risks and uncertainties discussed from time to time in our other Exchange Act reports and in our other public filings with the Securities and Exchange Commission (the “SEC”).

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 report. We assume no obligation to update or supplement forward-looking statements.

General

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").

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 96.5% ownership interest ("General Partner Units") at June 30, 2016. The Operating Partnership also conducts operations through eight other limited partnerships (the "Other Real Estate Partnerships"), numerous limited liability companies ("LLCs") and certain taxable REIT subsidiaries ("TRSs"), the operating data of which, together with that of the Operating Partnership, is consolidated with that of the Company as presented herein. 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 3.5% ("Limited Partner Units" and together with the General Partner Units, the "Units") at June 30, 2016 represents the aggregate partnership interest held by the limited partners thereof.

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

As of June 30, 2016, we owned 562 industrial properties located in 24 states, containing an aggregate of approximately 62.9 million square feet of gross leasable area ("GLA"). Of the 562 properties owned on a consolidated basis, none of them are directly owned by the Company.

Available Information

We maintain a website at www.firstindustrial.com. Information on this website shall not constitute part of this Form 10-Q. Copies of our respective annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to such reports are available without charge on our website as soon as reasonably practicable after such reports are filed with or furnished to the SEC. You may also read and copy any document filed at the public reference facilities of the SEC at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at (800) SEC-0330 for further information about the public reference facilities. These documents also may be accessed through the SEC’s Interactive Data Electronic Application via the SEC's home page on the Internet (www.sec.gov). In addition, the Company's Corporate Governance Guidelines, Code of Business Conduct and Ethics, Audit Committee Charter, Compensation Committee Charter and Nominating/Corporate Governance Committee Charter, along with supplemental financial and operating information prepared by us, are all available without charge on the Company's website or upon request to the Company. Amendments to, or waivers from, our Code of Business Conduct and Ethics that apply to our executive officers or directors will also be posted to our website. We also post or otherwise make available on our website from time to time other information that may be of interest to our investors. Please direct requests as follows:

First Industrial Realty Trust, Inc.
311 S. Wacker Drive, Suite 3900
Chicago, IL 60606
Attention: Investor Relations

Management's Overview

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 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 or 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 (the "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 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 the Six Months Ended June 30, 2016

During the six months ended 2016, we completed the following significant transactions and financing activities:

- We acquired two industrial properties comprising approximately 0.3 million square feet of GLA and several land parcels for an aggregate purchase price of approximately $74.8 million, excluding costs incurred in conjunction with the acquisitions.
- We placed in-service four developments totaling approximately 0.7 million square feet of GLA at a total cost of approximately $54.0 million. These developments are 100% leased at June 30, 2016.
- We sold 31 industrial properties comprising approximately 2.0 million square feet of GLA for total gross sales proceeds of approximately $100.5 million.
- We paid off and retired our 2016 Notes, at maturity, in the amount of $159.7 million.
- We paid off a mortgage loan in the amount of $57.9 million.
- We declared a first and second quarter cash dividend of $0.19 per common share or Unit per quarter, an increase of 49% from the 2015 quarterly rate.
- The Company issued 5,600,000 shares of the Company's common stock in an underwritten public offering. Proceeds to the Company, net of the underwriter's discount, were $124.9 million.

Results of Operations

The tables below summarize our revenues, property expenses and depreciation and other amortization by various categories for the three and six months ended June 30, 2016 and 2015. Same store properties are properties owned prior to January 1, 2015 and held as an in-service property through June 30, 2016 and developments and redevelopments that were placed in service prior to January 1, 2015 or were substantially completed for the 12 months prior to January 1, 2015. 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, 2014 and held as an operating property through June 30, 2016. Sold properties are properties that were sold subsequent to December 31, 2014. (Re)Developments include developments and redevelopments that were not: a) substantially complete 12 months prior to January 1, 2015; or b) stabilized prior to January 1, 2015. Other revenues are derived from the operations of properties not placed in service under one of the categories discussed above, the operations of our maintenance company and other miscellaneous revenues. Other property expenses are derived from the operations of properties not placed in service under one of the categories discussed above, the operations of our maintenance company, vacant land expenses and other miscellaneous regional expenses.

During the period between January 1, 2015 and June 30, 2016, one industrial property, comprising approximately 0.2 million square feet of GLA, was taken out of service with the intention of demolishing the industrial property and developing a new industrial property. As a result of taking the industrial property out of service, the industrial property was reclassified from the same store classification to the other classification. During the first quarter of 2016,

the industrial property was reclassified from the other classification to the (re) developments classification after the industrial property was demolished and we began developing the new industrial property. The newly developed industrial property is expected to be completed in the fourth quarter of 2016 and 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.

Comparison of Six Months Ended June 30, 2016 to Six Months Ended June 30, 2015

The Company's net income was $68.4 million and $17.0 million for the six months ended June 30, 2016 and 2015, respectively. The Operating Partnership's net income was $68.4 million and $17.1 million for the six months ended June 30, 2016 and 2015, respectively.

For the six months ended June 30, 2016 and 2015, the average occupancy rates of our same store properties were 94.8% and 94.1%, respectively.

	Six Months Ended June 30,			
	2016	2015	$ Change	% Change
	($ in 000's)			
REVENUES				
Same Store Properties	$169,560	$165,157	$4,403	2.7 %
Acquired Properties	4,461	40	4,421	11,052.5 %
Sold Properties	3,910	13,373	(9,463)	(70.8)%
(Re) Developments	7,505	963	6,542	679.3 %
Other	1,046	922	124	13.4 %
Total Revenues	$186,482	$180,455	$6,027	3.3 %

Revenues from same store properties increased $4.4 million primarily due to an increase in occupancy as well as an increase in rental rates during the six months ended June 30, 2016 as compared to the six months ended June 30, 2015. Revenues from acquired properties increased $4.4 million due to the 10 industrial properties acquired subsequent to December 31, 2014 totaling approximately 2.3 million square feet of GLA. Revenues from sold properties decreased $9.5 million due to the 97 industrial properties sold subsequent to December 31, 2014 totaling approximately 5.7 million square feet of GLA. Revenues from (re)developments increased $6.5 million due to an increase in occupancy. Other revenues increased $0.1 million primarily due to an increase in occupancy related to a property acquired in 2014 and placed in service during 2015.

	Six Months Ended June 30,			
	2016	2015	$ Change	% Change
	($ in 000's)			
PROPERTY EXPENSES				
Same Store Properties	$45,956	$47,121	$(1,165)	(2.5)%
Acquired Properties	1,337	13	1,324	10,184.6 %
Sold Properties	1,485	5,564	(4,079)	(73.3)%
(Re) Developments	2,427	838	1,589	189.6 %
Other	4,037	4,082	(45)	(1.1)%
Total Property Expenses	$55,242	$57,618	$(2,376)	(4.1)%

Property expenses include real estate taxes, repairs and maintenance, property management, utilities, insurance and other property related expenses. Property expenses from same store properties remained relatively unchanged. Property expenses from acquired properties increased $1.3 million due to properties acquired subsequent to December 31, 2014. Property expenses from sold properties decreased $4.1 million due to properties sold subsequent to December 31, 2014. Property expenses from (re)developments increased $1.6 million primarily due to developments becoming substantially complete. Other property expenses remained relatively unchanged.

General and administrative expense for the Company increased $1.0 million, or 7.5%, and increased for the Operating Partnership by $1.1 million, or 8.4%, in each case primarily due to an increase in incentive compensation, partially offset by a decrease in professional service expense during the six months ended June 30, 2016 as compared to the six months ended June 30, 2015.

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For the six months ended June 30, 2016 and 2015, we recognized $0.2 million and $0.3 million, respectively, of expense related to costs associated with acquiring industrial properties from third parties.

	Six Months Ended June 30,			
	2016	2015	$ Change	% Change
	($ in 000's)			
DEPRECIATION AND OTHER AMORTIZATION				
Same Store Properties	$50,373	$50,847	$ (474)	(0.9)%
Acquired Properties	3,264	64	3,200	5,000.0 %
Sold Properties	1,016	4,145	(3,129)	(75.5)%
(Re) Developments	4,688	821	3,867	471.0 %
Corporate Furniture, Fixtures and Equipment and Other	512	473	39	8.2 %
Total Depreciation and Other Amortization	$59,853	$56,350	$ 3,503	6.2 %

Depreciation and other amortization from same store properties remained relatively unchanged. Depreciation and other amortization from acquired properties increased $3.2 million due to properties acquired subsequent to December 31, 2014. Depreciation and other amortization from sold properties decreased $3.1 million due to properties sold subsequent to December 31, 2014. Depreciation and other amortization from (re) developments increased $3.9 million primarily due to accelerated depreciation on one property in Rancho Dominguez, CA that was razed during the first quarter of 2016. Depreciation from corporate furniture, fixtures and equipment and other remained relatively unchanged.

For the six months ended June 30, 2016, we recognized $44.0 million of gain on sale of real estate related to the sale of 31 industrial properties comprising approximately 2.0 million square feet of GLA. For the six months ended June 30, 2015, we recognized $10.1 million of gain on sale of real estate related to the sale of 12 industrial properties comprising approximately 0.9 million square feet of GLA.

Interest expense decreased $2.2 million, or 6.5%, primarily due to a decrease in the weighted average interest rate for the six months ended June 30, 2016 (4.50%) as compared to the six months ended June 30, 2015 (5.03%) and an increase in capitalized interest of $0.3 million for the six months ended June 30, 2016 as compared to the six months ended June 30, 2015 due to an increase in development activities, offset by an increase in the weighted average debt balance outstanding for the six months ended June 30, 2016 ($1,438.6 million) as compared to the six months ended June 30, 2015 ($1,363.2 million).

Amortization of deferred financing costs increased by $0.1 million, or 9.6%, primarily due to amortization related to financing costs associated with the issuance of a $260 million unsecured term loan that we entered into with a syndicate of financial institutions during September 2015, partially offset by a decrease in amortization related to the retirement of $159.7 million of senior unsecured notes in January 2016.

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 six months ended June 30, 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 six months ended June 30, 2015, we recorded $11.5 million in mark-to-market and settlement loss on the three interest rate protection agreements.

Equity in income of joint ventures and the income tax provision are not significant.

Comparison of Three Months Ended June 30, 2016 to Three Months Ended June 30, 2015

The Company's net income was $52.1 million and $14.6 million for the three months ended June 30, 2016 and 2015, respectively. The Operating Partnership's net income was $52.1 million and $14.7 million for the three months ended June 30, 2016 and 2015, respectively.

For the three months ended June 30, 2016 and 2015, the average occupancy rate of our same store properties were 94.8% for each three month period.

	Three Months Ended June 30,			
	2016	2015	$ Change	% Change
	($ in 000's)			
REVENUES				
Same Store Properties	$84,249	$82,978	$ 1,271	1.5 %
Acquired Properties	2,407	40	2,367	5,917.5 %
Sold Properties	1,399	6,317	(4,918)	(77.9)%
(Re) Developments	4,403	657	3,746	570.2 %
Other	557	497	60	12.1 %
Total Revenues	$93,015	$90,489	$ 2,526	2.8 %

Revenues from same store properties remained relatively unchanged. Revenues from acquired properties increased $2.4 million due to the 10 industrial properties acquired subsequent to December 31, 2014 totaling approximately 2.3 million square feet of GLA. Revenues from sold properties decreased $4.9 million due to the 97 industrial properties sold subsequent to December 31, 2014 totaling approximately 5.7 million square feet of GLA. Revenues from (re) developments increased $3.7 million due to an increase in occupancy. Other revenues increased $0.1 million primarily due to an increase in occupancy related to a property acquired in 2014 and placed in service during 2015.

	Three Months Ended June 30,			
	2016	2015	$ Change	% Change
	($ in 000's)			
PROPERTY EXPENSES				
Same Store Properties	$22,391	$22,875	$ (484)	(2.1)%
Acquired Properties	707	13	694	5,338.5 %
Sold Properties	547	2,582	(2,035)	(78.8)%
(Re) Developments	1,274	455	819	180.0 %
Other	1,956	1,902	54	2.8 %
Total Property Expenses	$26,875	$27,827	$ (952)	(3.4)%

Property expenses include real estate taxes, repairs and maintenance, property management, utilities, insurance and other property related expenses. Property expenses from same store properties remained relatively unchanged. Property expenses from acquired properties increased $0.7 million due to properties acquired subsequent to December 31, 2014. Property expenses from sold properties decreased $2.0 million due to properties sold subsequent to December 31, 2014. Property expenses from (re)developments increased $0.8 million primarily due to developments becoming substantially complete. Other property expenses remained relatively unchanged.

General and administrative expense for the Company increased $0.3 million, or 4.4%, and increased for the Operating Partnership by $0.4 million, or 6.1%, in each case primarily due to an increase in incentive compensation, partially offset by a decrease in professional service expense during the three months ended June 30, 2016 as compared to the three months ended June 30, 2015.

For the three months ended June 30, 2016 and 2015, we recognized $0.2 million and $0.3 million, respectively, of expense related to costs associated with acquiring industrial properties from third parties.

	Three Months Ended June 30,			
	2016	2015	$ Change	% Change
	($ in 000's)			
DEPRECIATION AND OTHER AMORTIZATION				
Same Store Properties	$25,114	$25,374	$ (260)	(1.0)%
Acquired Properties	1,648	64	1,584	2,475.0 %
Sold Properties	316	1,939	(1,623)	(83.7)%
(Re) Developments	1,377	431	946	219.5 %
Corporate Furniture, Fixtures and Equipment and Other	270	236	34	14.4 %
Total Depreciation and Other Amortization	$28,725	$28,044	$ 681	2.4 %

Depreciation and other amortization from same store properties remained relatively unchanged. Depreciation and other amortization from acquired properties increased $1.6 million due to properties acquired subsequent to December 31, 2014. Depreciation and other amortization from sold properties decreased $1.6 million due to properties sold subsequent to December 31, 2014. Depreciation and other amortization from (re) developments increased $1.0 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.

For the three months ended June 30, 2016, we recognized $36.8 million of gain on sale of real estate related to the sale of 26 industrial properties comprising approximately 1.5 million square feet of GLA. For the three months ended June 30, 2015, we recognized $2.2 million of gain on sale of real estate related to the sale of three industrial properties comprising approximately 0.4 million square feet of GLA.

Interest expense decreased $1.8 million, or 10.8%, primarily due to a decrease in the weighted average interest rate for the three months ended June 30, 2016 (4.46%) as compared to the three months ended June 30, 2015 (4.99%) and an increase in capitalized interest of $0.3 million for the three months ended June 30, 2016 as compared to the three months ended June 30, 2015 due to an increase in development activities, offset by an increase in the weighted average debt balance outstanding for the three months ended June 30, 2016 ($1,393.8 million) as compared to the three months ended June 30, 2015 ($1,359.5 million).

Amortization of deferred financing costs remained relatively unchanged.

For the three months ended June 30, 2015, we recorded $1.4 million in mark-to-market gain on the three interest rate protection agreements settled during the quarter.

Equity in income of joint ventures and the income tax provision are not significant.

Leasing Activity

The following table provides a summary of our leasing activity for the three and six months ended June 30, 2016. The table does not include month-to-month leases or leases with terms less than twelve months.

	Number of Leases Commenced	Square Feet Commenced (in 000's)	Net Rent Per Square Foot (1)	GAAP Basis Rent Growth (2)	Weighted Average Lease Term (3)	Lease Costs Per Square Foot (4)	Weighted Average Tenant Retention (5)
New Leases - Second Quarter	47	652	$ 5.35	16.7 %	5.8	$ 5.69	N/A
Renewal Leases - Second Quarter	77	2,755	$ 5.27	12.0 %	3.8	$ 1.27	83.3 %
Development / Not In Service Acquisition Leases - Second Quarter	6	675	$ 4.78	N/A	5.4	N/A	N/A
Second Quarter - Total / Weighted Average	130	4,082	$ 5.20	12.8 %	4.4	$ 2.11	N/A
New Leases - Year to Date	82	1,137	$ 5.42	16.9 %	5.5	$ 5.73	N/A
Renewal Leases - Year to Date	172	5,870	$ 4.94	13.4 %	3.6	$ 1.14	75.9 %
Development / Not In Service Acquisition Leases - Second Quarter	8	882	$ 5.02	N/A	6.3	N/A	N/A
Year to Date - Total / Weighted Average	262	7,889	$ 5.02	14.0 %	4.2	$ 1.88	N/A

(1) Net rent is the average base rent calculated in accordance with GAAP, over the term of the lease.

(2) GAAP basis rent growth is a ratio of the change in net rent (on a GAAP basis, including straight-line rent adjustments as required by GAAP) compared to the net rent (on a GAAP basis) of the comparable lease. New leases where there were no prior comparable leases are excluded.

(3) The lease term is expressed in years. Assumes no exercise of lease renewal options, if any.

(4) Lease costs are comprised of the costs incurred or capitalized for improvements of vacant and renewal spaces, as well as the commissions paid and costs capitalized for leasing transactions. Lease costs per square foot represent the total turnover costs expected to be incurred on the leases signed during the period and do not reflect actual expenditures for the period.

(5) Represents the weighted average square feet of tenants renewing their respective leases.

During the three and six months ended June 30, 2016, 29 and 57 new leases commenced with free rent periods during the lease term with such leases constituting 0.6 million and 1.0 million square feet of GLA, respectively. Total free rent concessions of $0.7 million and $1.2 million, respectively, were associated with these new leases. During the three and six months ended June 30, 2016, six and 17 renewal leases commenced with free rent periods during the lease term with such leases constituting 0.2 million and 0.6 million square feet of GLA, respectively. Total free rent concessions of $0.2 million and $0.5 million, respectively, were associated with these renewal leases. Additionally, during the three and six months ended June 30, 2016, five and seven development / not in service acquisition leases commenced with free rent periods during the lease term with such leases constituting 0.6 million and 0.8 million square feet of GLA, respectively. Total free rent concessions of $0.8 million and $1.5 million, respectively, were associated with these development / not in service acquisition leases.

Liquidity and Capital Resources

At June 30, 2016, our cash and cash equivalents and restricted cash were approximately $4.4 million and $11.9 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 $475.4 million available for additional borrowings under our Unsecured Credit Facility as of June 30, 2016.

We have considered our short-term (through June 30, 2017) liquidity needs and the adequacy of our estimated cash flow from operations and other expected liquidity sources to meet these needs. Our 5.95% 2017 II Notes, in the aggregate principal amount of $101.9 million, are due May 15, 2017. We expect to satisfy this payment obligation prior to June 30, 2017 with borrowings under our Unsecured Credit Facility, the issuance of unsecured indebtedness or the disposition of select assets. With the exception of this payment obligation, 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 June 30, 2017) 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 June 30, 2016, borrowings under our Unsecured Credit Facility bore interest at a weighted average interest rate of 1.61%. As of July 28, 2016, we had approximately $421.4 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 June 30, 2016, and we anticipate that we will be able to operate in compliance with our financial covenants for the remainder of 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.

Six Months Ended June 30, 2016

Net cash provided by operating activities for the Company of approximately $74.1 million (net cash provided by operating activities for the Operating Partnership of approximately $74.3 million) for the six months ended June 30, 2016 was comprised primarily of the non-cash adjustments of approximately $18.8 million and net income of approximately $68.4 million, offset by the net change in the Company's operating assets and liabilities of approximately $12.5 million (net change in the Operating Partnership's operating assets and liabilities of approximately $12.3 million) and the payment of discounts associated with the retirement of debt of approximately $0.6 million. The adjustments for the non-cash items of approximately $18.8 million are primarily comprised of depreciation and amortization of approximately $65.6 million and the provision for bad debt of approximately $0.5 million, offset by the gain on sale of real estate of approximately $44.0 million and the effect of the straight-lining of rental income of approximately $3.3 million.

Net cash used in investing activities of approximately $29.1 million for the six months ended June 30, 2016 was comprised primarily of the acquisition of certain land parcels and two industrial properties comprising approximately 0.3 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, offset by a decrease in escrows and the net proceeds from the sale of real estate.

During the six months ended June 30, 2016, we sold 31 industrial properties comprising approximately 2.0 million square feet of GLA. Proceeds from the sales of these 31 industrial properties, net of closing costs, were approximately

$96.8 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 for the remainder of 2016.

Net cash used in financing activities for the Company of approximately $44.6 million (net cash used in financing activities for the Operating Partnership of approximately $44.8 million) for the six months ended June 30, 2016 was comprised primarily of the repayments on our senior unsecured notes and mortgage loans payable, common stock and Unit distributions, payments of financing and equity issuance costs, the repurchase and retirement of restricted stock and restricted Units and solely with respect to the Operating Partnership, the Operating Partnership's net distributions to noncontrolling interests, offset by the net proceeds from the issuance of common stock or General Partner Units and net proceeds from the Unsecured Credit Facility.

During the six months ended June 30, 2016, we paid off a mortgage loan in the amount of $57.9 million. Additionally, we paid off and retired our 2016 Notes, at maturity, in the amount of $159.7 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.

During the six months ended June 30, 2016, the Company issued 5,600,000 shares of the Company's common stock through a public offering, resulting in proceeds, net of the underwriter's discount, of approximately $124.9 million. The proceeds were contributed to the Operating Partnership in exchange for General Partner Units.

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 June 30, 2016 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 June 30, 2016, $1,171.5 million or 88.8% of our total debt, excluding unamortized deferred financing costs, 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, $148.0 million or 11.2% of our total debt, excluding unamortized deferred financing costs, was variable rate debt. At December 31, 2015, $1,389.9 million or 96.4% of our total debt, excluding unamortized deferred financing costs, 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 or 3.6% of our total debt, excluding unamortized deferred financing costs, 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 June 30, 2016, we had approximately $148.0 million of variable rate debt outstanding indexed to LIBOR rates (excluding the $460.0 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 six months ended June 30, 2016 would have increased by approximately $0.05 million based on our average outstanding floating-rate debt during the six months ended June 30, 2016. 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 $3.1 million during the six months ended June 30, 2016.

As of June 30, 2016, the estimated fair value of our debt was approximately $1,373.1 million based on our estimate of the then-current market interest rates.

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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 June 30, 2016, 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. See Note 10 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 2016 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, FFO, 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 and real estate asset depreciation and amortization, 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.

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 three and six months ended June 30, 2016 and 2015.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
	(In thousands)			
Net Income Available to First Industrial Realty Trust, Inc.’s Common Stockholders and Participating Securities	$50,229	$14,012	$65,917	$16,385
Adjustments:				
Depreciation and Other Amortization of Real Estate	28,530	27,873	59,486	56,009
Equity in Depreciation and Other Amortization of Joint Ventures	—	—	—	17
Non-NAREIT Compliant Gain	(36,775)	(2,197)	(44,026)	(10,127)

Non-NAREIT Compliant Gain from Joint Ventures	—	—	—	(63)
Noncontrolling Interest Share of Adjustments	322	(969)	(567)	(1,740)
Funds from Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities	$42,306	$38,719	$80,810	$60,481

Same Store Net Operating Income

SS NOI is a non-GAAP financial measure that provides a measure of rental operations and, as calculated by us, that does not factor in depreciation and amortization, general and administrative expense, acquisition costs, interest expense, equity in income and loss from joint ventures, income tax benefit and expense, sale of real estate and mark-to-market and settlement gain and 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.

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 three and six months ended June 30, 2016 and 2015.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
	(In thousands)			
Same Store Revenues	$84,249	$82,978	$169,560	$165,157
Same Store Property Expenses	22,391	22,875	45,956	47,121
Same Store Net Operating Income Before Same Store Adjustments	$61,858	$60,103	$123,604	$118,036
Same Store Adjustments:				
Lease Inducement Amortization	230	208	453	401
Straight-line Rent	33	(1,593)	(94)	(3,766)
Above / Below Market Rent Amortization	(234)	(106)	(463)	(211)
Lease Termination Fees	(96)	(467)	(224)	(517)
Same Store Net Operating Income	$61,791	$58,145	$123,276	$113,943

Recent Accounting Pronouncements

Refer to Note 2 to the Consolidated Financial Statements.

Subsequent Events

From July 1, 2016 to July 28, 2016, we acquired one industrial property and one land parcel for a purchase price of approximately $14.9 million, excluding costs incurred in conjunction with such acquisitions.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Response to this item is included in Item 2 “Management’s Discussion and Analysis of Financial Condition and Results of Operations” above.

Item 4. Controls and Procedures

First Industrial Realty Trust, Inc.

The Company's principal executive officer and principal financial officer, in evaluating the effectiveness of the Company's disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this report, based on the evaluation of these controls and procedures required by Exchange Act Rules 13a-15(b) or 15d-15(b), have concluded that as of the end of such period the Company's disclosure controls and procedures were effective.

There has been no change in the Company's internal control over financial reporting that occurred during the fiscal quarter covered by this report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

First Industrial, L.P.

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, in evaluating the effectiveness of the Operating Partnership's disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this report, based on the evaluation of these controls and procedures required by Exchange Act Rules 13a-15(b) or 15d-15(b), have concluded that as of the end of such period the Operating Partnership's disclosure controls and procedures were effective.

There has been no change in the Operating Partnership's internal control over financial reporting that occurred during the fiscal quarter covered by this report that has materially affected, or is reasonably likely to materially affect, the Operating Partnership's internal control over financial reporting.

PART II: OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 1A. Risk Factors

There have been no material changes to the risk factors disclosed in our annual report on Form 10-K for the year ended December 31, 2015, except to the extent factual information disclosed elsewhere in the Form 10-Q relates to such risk factors. For a full description of these risk factors, please refer to "Item 1A. Risk Factors" in our annual report on Form 10-K for the year ended December 31, 2015.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

Item 6. Exhibits

The exhibits required by this item are set forth on the Exhibit Index attached hereto.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FIRST INDUSTRIAL REALTY TRUST, INC.

By: /S/ SCOTT A. MUSIL
Scott A. Musil
Chief Financial Officer
(Principal Financial and Accounting Officer)

FIRST INDUSTRIAL, L.P.

By: FIRST INDUSTRIAL REALTY TRUST, INC.
as general partner

By: /S/ SCOTT A. MUSIL
Scott A. Musil
Chief Financial Officer
(Principal Financial and Accounting Officer)

Date: July 28, 2016

EXHIBIT INDEX

Exhibits	Description
31.1*	Certification of Principal Executive Officer of First Industrial Realty Trust, Inc. pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended
31.2*	Certification of Principal Financial Officer of First Industrial Realty Trust, Inc. pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended
31.3*	Certification of Principal Executive Officer of First Industrial Realty Trust, Inc., in its capacity as the sole general partner of First Industrial, L.P., pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended
31.4*	Certification of Principal Financial Officer of First Industrial Realty Trust, Inc., in its capacity as the sole general partner of First Industrial, L.P., pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended
32.1**	Certification of the Principal Executive Officer and Principal Financial Officer of First Industrial Realty Trust, Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification of the Principal Executive Officer and Principal Financial Officer of First Industrial Realty Trust, Inc., in its capacity as the sole general partner of First Industrial, L.P., pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.1*	The following financial statements from First Industrial Realty Trust, Inc.’s and First Industrial L.P.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2016, formatted in XBRL: (i) Consolidated Balance Sheets (unaudited), (ii) Consolidated Statements of Operations (unaudited), (iii) Consolidated Statements of Comprehensive Income (unaudited), (iv) Consolidated Statement of Changes in Stockholders’ Equity / Consolidated Statement of Changes in Partners' Capital (unaudited), (v) Consolidated Statements of Cash Flows (unaudited) and (vi) Notes to Consolidated Financial Statements (unaudited)

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*Filed herewith.

**Furnished herewith.