

FIRST INDUSTRIAL REALTY TRUST INC

Form 10-Q

August 09, 2006

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

Form 10-Q

- ☐ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2006**
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to**

Commission file number 1-13102

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

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

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

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

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

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

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

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

Number of shares of Common Stock, \$.01 par value, outstanding as of July 28, 2006: 44,805,265.

FIRST INDUSTRIAL REALTY TRUST, INC.

Form 10-Q

For the Period Ended June 30, 2006

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

	June 30, 2006	December 31, 2005
	(Unaudited)	
	(Dollars in thousands, except share and per share data)	
ASSETS		
Assets:		
Investment in Real Estate:		
Land	\$ 538,349	\$ 541,406
Buildings and Improvements	2,534,754	2,653,281
Construction in Progress	108,882	66,074
Less: Accumulated Depreciation	(436,264)	(410,566)
Net Investment in Real Estate	2,745,721	2,850,195
Real Estate Held for Sale, Net of Accumulated Depreciation and Amortization of \$7,587 and \$1,622 at June 30, 2006 and December 31, 2005, respectively	73,260	16,840
Cash and Cash Equivalents	86	8,237
Restricted Cash	73,344	29,581
Tenant Accounts Receivable, Net	7,527	8,897
Investments in Joint Ventures	49,280	44,241
Deferred Rent Receivable, Net	26,671	24,910
Deferred Financing Costs, Net	11,605	10,909
Deferred Leasing Intangibles, Net	80,272	78,537
Prepaid Expenses and Other Assets, Net	99,414	153,896
Total Assets	\$ 3,167,180	\$ 3,226,243
LIABILITIES AND STOCKHOLDERS EQUITY		
Liabilities:		
Mortgage Loans Payable, Net	\$ 52,488	\$ 57,309
Senior Unsecured Debt, Net	1,498,952	1,298,893
Unsecured Lines of Credit	268,000	457,500

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Accounts Payable, Accrued Expenses and Other Liabilities, Net	107,608	110,560
Deferred Leasing Intangibles, Net	17,281	24,307
Rents Received in Advance and Security Deposits	29,639	32,283
Leasing Intangibles Held For Sale, Net of Accumulated Amortization of \$90 at June 30, 2006	128	
Dividends Payable	37,270	39,509
Total Liabilities	2,011,366	2,020,361
Commitments and Contingencies		
Minority Interest	159,443	162,320
Stockholders' Equity:		
Preferred Stock (\$.01 par value, 10,000,000 shares authorized, 20,000, 500, 250 and 600 shares of Series C, F, G and J Cumulative Preferred Stock, respectively, issued and outstanding at June 30, 2006, having a liquidation preference of \$2,500 per share (\$50,000), \$100,000 per share (\$50,000), \$100,000 per share (\$25,000) and \$250,000 per share (\$150,000), respectively. At December 31, 2005, 10,000,000 shares authorized, 20,000, 500, 250 and 750 shares of Series C, F, G and I Cumulative Preferred Stock, respectively, issued and outstanding at December 31, 2005, having a liquidation preference of \$2,500 per share (\$50,000), \$100,000 per share (\$50,000), \$100,000 per share (\$25,000) and \$250,000 per share (\$187,500), respectively)		
Common Stock (\$.01 par value, 100,000,000 shares authorized, 47,319,449 and 46,971,110 shares issued and 44,793,049 and 44,444,710 shares outstanding at June 30, 2006 and December 31, 2005, respectively)	465	470
Additional Paid-in-Capital	1,336,851	1,384,712
Distributions in Excess of Accumulated Earnings	(267,099)	(248,686)
Unearned Value of Restricted Stock Grants		(16,825)
Accumulated Other Comprehensive Loss	(3,258)	(5,521)
Treasury Shares at Cost (2,526,400 shares at June 30, 2006 and December 31, 2005)	(70,588)	(70,588)
Total Stockholders' Equity	996,371	1,043,562
Total Liabilities and Stockholders' Equity	\$ 3,167,180	\$ 3,226,243

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

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

	Three Months Ended June 30, 2006	Three Months Ended June 30, 2005	Six Months Ended June 30, 2006	Six Months Ended June 30, 2005
	(Unaudited)			
	(Dollars in thousands, except share and per share data)			
Revenues:				
Rental Income	\$ 71,283	\$ 56,009	\$ 138,536	\$ 110,985
Tenant Recoveries and Other Income	29,214	19,354	55,605	40,682
Revenues from Build to Suit Development for Sale			733	
Total Revenues	100,497	75,363	194,874	151,667
Expenses:				
Property Expenses	32,610	25,942	65,968	52,871
General and Administrative	18,236	11,571	35,872	23,493
Depreciation and Other Amortization	39,093	25,134	74,442	48,893
Expenses from Build to Suit Development for Sale			666	
Total Expenses	89,939	62,647	176,948	125,257
Other Income/Expense:				
Interest Income	260	448	899	837
Interest Expense	(29,744)	(25,890)	(59,232)	(51,693)
Amortization of Deferred Financing Costs	(603)	(510)	(1,223)	(1,019)
Mark-to-Market/Gain on Settlement of Interest Rate Protection Agreement		(1,404)	(170)	(463)
Total Other Income/Expense	(30,087)	(27,356)	(59,726)	(52,338)
Loss from Continuing Operations Before Equity in Income (Loss) of Joint Ventures, Income Tax Benefit and Income Allocated to Minority Interest	(19,529)	(14,640)	(41,800)	(25,928)
Equity in Income (Loss) of Joint Ventures	7,307	(98)	7,273	(220)
Income Tax Benefit	483	2,694	6,476	4,720
Minority Interest Allocable to Continuing Operations	2,085	1,857	4,965	3,380
Loss from Continuing Operations	(9,654)	(10,187)	(23,086)	(18,048)
Income from Discontinued Operations (Including Gain on Sale of Real Estate of \$51,953 and \$33,690 for the Three Months Ended June 30, 2006 and 2005,	54,521	38,116	110,291	55,994

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respectively and \$105,532 and \$47,186 for the Six Months Ended June 30, 2006 and 2005, respectively)					
Provision for Income Taxes Allocable to Discontinued Operations (Including \$7,484 and \$2,584 for the Three Months Ended June 30, 2006 and 2005, respectively and \$21,946 and \$5,383 for the Six Months Ended June 30, 2006 and 2005, respectively allocable to Gain on Sale of Real Estate)	(7,845)	(3,156)	(23,133)	(7,071)	
Minority Interest Allocable to Discontinued Operations	(6,073)	(4,572)	(11,418)	(6,409)	
Income Before Gain on Sale of Real Estate	30,949	20,201	52,654	24,466	
Gain on Sale of Real Estate	2,493	3,232	4,011	24,716	
Provision for Income Taxes Allocable to Gain on Sale of Real Estate	(947)	(1,446)	(1,039)	(8,977)	
Minority Interest Allocable to Gain on Sale of Sale Estate	(201)	(234)	(389)	(2,062)	
Net Income	32,294	21,753	55,237	38,143	
Less: Preferred Stock Dividends	(5,029)	(2,310)	(10,048)	(4,620)	
Less: Redemption of Preferred Stock			(672)		
Net Income Available to Common Stockholders	\$ 27,265	\$ 19,443	\$ 44,517	\$ 33,523	
Basic Earnings Per Share:					
Loss from Continuing Operations	\$ (0.30)	\$ (0.26)	\$ (0.71)	\$ (0.21)	
Income From Discontinued Operations	\$ 0.92	\$ 0.72	\$ 1.72	\$ 1.01	
Net Income Available to Common Stockholders	\$ 0.62	\$ 0.46	\$ 1.01	\$ 0.79	
Weighted Average Shares Outstanding	44,006	42,285	43,947	42,222	
Diluted Earnings Per Share:					
Loss from Continuing Operations	\$ (0.30)	\$ (0.26)	\$ (0.71)	\$ (0.21)	
Income From Discontinued Operations	\$ 0.92	\$ 0.72	\$ 1.72	\$ 1.01	
Net Income Available to Common Stockholders	\$ 0.62	\$ 0.46	\$ 1.01	\$ 0.79	
Weighted Average Shares Outstanding	44,006	42,285	43,947	42,222	
Net Income	\$ 32,294	\$ 21,753	\$ 55,237	\$ 38,143	
Other Comprehensive (Loss) Income:					
Settlement of Interest Rate Protection Agreements			(1,729)		
Mark-to-Market of Interest Rate Protection Agreements	3,374		4,789		
Amortization of Interest Rate Protection Agreements	(220)	(273)	(450)	(547)	
Other Comprehensive Income Allocable to Minority Interest	(410)		(342)		
Comprehensive Income	\$ 35,038	\$ 21,480	\$ 57,505	\$ 37,596	

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

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