

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

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

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 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.)	36-3935116 (First Industrial Realty Trust, Inc.)
Delaware ( First Industrial, L.P.)	36-3924586 (First Industrial, L.P.)
(State or other jurisdiction of incorporation or organization)	(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  No

First Industrial, L.P. Yes  No

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  No

First Industrial, L.P. Yes  No

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.:

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

First Industrial, L.P.:

Large accelerated filer  Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

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  No

First Industrial, L.P. Yes  No

At April 28, 2016, 116,847,508 shares of First Industrial Realty Trust, Inc.'s Common Stock, \$0.01 par value, were outstanding.

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## EXPLANATORY NOTE

This report combines the Quarterly Reports on Form 10-Q for the period ended March 31, 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 March 31, 2016, the Company owned an approximate 96.3% common general partnership interest in the Operating Partnership. The remaining approximate 3.7% common limited partnership interests in the Operating Partnership are owned by certain limited partners. As the sole general partner of the Operating Partnership, the Company exercises exclusive and complete discretion over the Operating Partnership's day-to-day management and control 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 3.7% 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.

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FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.  
 FORM 10-Q  
 FOR THE PERIOD ENDED MARCH 31, 2016  
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## PART I: FINANCIAL INFORMATION

## Item 1. Financial Statements

FIRST INDUSTRIAL REALTY TRUST, INC.  
CONSOLIDATED BALANCE SHEETS

	March 31, 2016	December 31, 2015
	(Unaudited)	
	(In thousands except share and per share data)	
<b>ASSETS</b>		
Assets:		
Investment in Real Estate:		
Land	\$ 788,401	\$ 745,912
Buildings and Improvements	2,506,453	2,511,737
Construction in Progress	50,543	36,319
Less: Accumulated Depreciation	(802,166	) (791,330
Net Investment in Real Estate	2,543,231	2,502,638
Real Estate and Other Assets Held for Sale, Net of Accumulated Depreciation and Amortization of \$1,194 and \$1,171	2,370	2,510
Cash and Cash Equivalents	3,180	3,987
Restricted Cash	4,272	23,005
Tenant Accounts Receivable, Net	5,720	5,612
Deferred Rent Receivable, Net	64,062	62,335
Deferred Leasing Intangibles, Net	32,392	33,326
Prepaid Expenses and Other Assets, Net	77,192	76,395
Total Assets	\$ 2,732,419	\$ 2,709,808
<b>LIABILITIES AND EQUITY</b>		
Liabilities:		
Indebtedness:		
Mortgage Loans Payable, Net	\$ 505,451	\$ 561,241
Senior Unsecured Notes, Net	204,839	364,457
Unsecured Term Loans, Net	456,137	455,970
Unsecured Credit Facility	313,500	52,500
Accounts Payable, Accrued Expenses and Other Liabilities	79,952	93,699
Deferred Leasing Intangibles, Net	11,462	11,841
Rents Received in Advance and Security Deposits	41,029	40,153
Dividends and Distributions Payable	22,112	14,812
Total Liabilities	1,634,482	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 111,247,508 and 111,027,225 shares issued and outstanding)	1,113	1,111
Additional Paid-in-Capital	1,757,677	1,756,415
Distributions in Excess of Accumulated Earnings	(680,473	) (674,759
Accumulated Other Comprehensive Loss	(21,602	) (9,667
Total First Industrial Realty Trust, Inc.'s Stockholders' Equity	1,056,715	1,073,100
Noncontrolling Interest	41,222	42,035

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Total Equity	1,097,937	1,115,135
Total Liabilities and Equity	\$ 2,732,419	\$ 2,709,808

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

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FIRST INDUSTRIAL REALTY TRUST, INC.  
CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended March 31, 2016 (Unaudited)	Three Months Ended March 31, 2015 (Unaudited)
	(In thousands except per share data)	
Revenues:		
Rental Income	\$ 71,752	\$ 68,210
Tenant Recoveries and Other Income	21,715	21,756
Total Revenues	93,467	89,966
Expenses:		
Property Expenses	28,367	29,791
General and Administrative	7,674	6,966
Acquisition Costs	64	—
Depreciation and Other Amortization	31,128	28,306
Total Expenses	67,233	65,063
Other Income (Expense):		
Gain on Sale of Real Estate	7,251	7,930
Interest Expense	(16,259)	(16,642)
Amortization of Deferred Financing Costs	(873)	(746)
Mark-to-Market Loss on Interest Rate Protection Agreements	—	(12,990)
Total Other Income (Expense)	(9,881)	(22,448)
Income from Continuing Operations Before Equity in Income of Joint Ventures and Income Tax Provision	16,353	2,455
Equity in Income of Joint Ventures	—	71
Income Tax Provision	(58)	(60)
Net Income	16,295	2,466
Less: Net Income Attributable to the Noncontrolling Interest	(607)	(93)
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities	\$ 15,688	\$ 2,373
Basic and Diluted Earnings Per Share:		
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders	\$ 0.14	\$ 0.02
Dividends/Distributions Per Share	\$ 0.1900	\$ 0.1275
Weighted Average Shares Outstanding - Basic	110,793	110,310
Weighted Average Shares Outstanding - Diluted	110,985	110,675
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 March 31, 2016 (Unaudited)	Three Months Ended March 31, 2015
Net Income	\$16,295	\$ 2,466
Mark-to-Market Loss on Interest Rate Protection Agreements	(12,496 )	(9,446 )
Reclassification of Fair Value of Interest Rate Protection Agreements (See Note 10)	—	12,990
Amortization of Interest Rate Protection Agreements	102	131
Foreign Currency Translation Adjustment	—	15
Comprehensive Income	3,901	6,156
Comprehensive Income Attributable to Noncontrolling Interest	(145 )	(233 )
Comprehensive Income Attributable to First Industrial Realty Trust, Inc.	\$3,756	\$ 5,923

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
Stock Based Compensation Activity	2	1,117	(213 )	—	—	906
Conversion of Limited Partner Units to Common Stock	—	98	—	—	(98 )	—
Reallocation—Additional Paid in Capital	—	47	—	—	(47 )	—
Common Stock Dividends and Unit Distributions	—	—	(21,189 )	—	(816 )	(22,005 )
Net Income	—	—	15,688	—	607	16,295
Other Comprehensive Loss	—	—	—	(11,935 )	(459 )	(12,394 )
Balance as of March 31, 2016	\$1,113	\$1,757,677	\$(680,473 )	\$ (21,602 )	\$ 41,222	\$1,097,937

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

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

	Three Months Ended March 31, 2016 (Unaudited) (In thousands)	Three Months Ended March 31, 2015 (Unaudited) (In thousands)
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Income	\$16,295	\$2,466
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	25,829	23,258
Amortization of Deferred Financing Costs	873	746
Other Amortization	8,104	7,741
Provision for Bad Debt	265	498
Equity in Income of Joint Ventures	—	(71 )
Gain on Sale of Real Estate	(7,251 )	(7,930 )
Mark-to-Market Loss on Interest Rate Protection Agreements	—	12,990
Increase in Tenant Accounts Receivable, Prepaid Expenses and Other Assets, Net	(2,453 )	(3,425 )
Increase in Deferred Rent Receivable	(1,839 )	(2,272 )
Decrease in Accounts Payable, Accrued Expenses, Other Liabilities, Rents Received in Advance and Security Deposits	(12,460 )	(6,476 )
Payments of Discounts Associated with Retirement of Debt	(554 )	—
Cash Book Overdraft	—	429
Net Cash Provided by Operating Activities	26,809	27,954
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Acquisitions of Real Estate	(47,406 )	—
Additions to Investment in Real Estate and Non-Acquisition Tenant Improvements and Lease Costs	(35,905 )	(25,556 )
Net Proceeds from Sales of Investments in Real Estate	15,393	25,573
Contributions to and Investments in Joint Ventures	—	(9 )
Distributions from Joint Ventures	—	126
Repayments of Notes Receivable	—	2,720
Decrease (Increase) in Escrows	19,477	(756 )
Net Cash (Used in) Provided by Investing Activities	(48,441 )	2,098
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Financing Costs	(236 )	(2,114 )
Repurchase and Retirement of Restricted Stock	(5,230 )	(2,101 )
Common Stock Dividends and Unit Distributions Paid	(14,705 )	(11,786 )
Repayments on Mortgage Loans Payable	(60,879 )	(2,980 )
Repayments of Senior Unsecured Notes	(159,125 )	—
Proceeds from Unsecured Credit Facility	298,000	32,000
Repayments on Unsecured Credit Facility	(37,000 )	(49,000 )
Net Cash Provided by (Used in) Financing Activities	20,825	(35,981 )
Net Effect of Exchange Rate Changes on Cash and Cash Equivalents	—	(14 )
Net Decrease in Cash and Cash Equivalents	(807 )	(5,929 )
Cash and Cash Equivalents, Beginning of Year	3,987	9,500

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Cash and Cash Equivalents, End of Year	\$3,180	\$3,557
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SUPPLEMENTAL INFORMATION TO STATEMENTS OF CASH FLOWS:

Interest Expense Capitalized in Connection with Development Activity	\$449	\$459
Supplemental Schedule of Non-Cash Investing and Financing Activities:		
Common Stock Dividends and Unit Distributions Payable	\$22,112	\$14,912
Exchange of Limited Partnership Units for Common Stock:		
Noncontrolling Interest	\$(98 )	\$(95 )
Additional Paid-in-Capital	98	95
Total	\$—	\$—
Assumption of Indebtedness and Other Liabilities in Connection with the Acquisition of Real Estate	\$5,082	\$—
Accounts Payable Related to Construction in Progress and Additions to Investment in Real Estate	\$16,151	\$8,881
Write-off of Fully Depreciated Assets	\$(14,457)	\$(9,849 )

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

FIRST INDUSTRIAL, L.P.  
CONSOLIDATED BALANCE SHEETS

	March 31, 2016	December 31, 2015
	(Unaudited)(In thousands except Unit data)	
<b>ASSETS</b>		
Assets:		
Investment in Real Estate:		
Land	\$ 788,401	\$ 745,912
Buildings and Improvements	2,506,453	2,511,737
Construction in Progress	50,543	36,319
Less: Accumulated Depreciation	(802,166	) (791,330
Net Investment in Real Estate	2,543,231	2,502,638
Real Estate and Other Assets Held for Sale, Net of Accumulated Depreciation and Amortization of \$1,194 and \$1,171	2,370	2,510
Cash and Cash Equivalents	3,180	3,987
Restricted Cash	4,272	23,005
Tenant Accounts Receivable, Net	5,720	5,612
Deferred Rent Receivable, Net	64,062	62,335
Deferred Leasing Intangibles, Net	32,392	33,326
Prepaid Expenses and Other Assets, Net	87,877	87,110
Total Assets	\$ 2,743,104	\$ 2,720,523
<b>LIABILITIES AND PARTNERS' CAPITAL</b>		
Liabilities:		
Indebtedness:		
Mortgage Loans Payable, Net	\$ 505,451	\$ 561,241
Senior Unsecured Notes, Net	204,839	364,457
Unsecured Term Loans, Net	456,137	455,970
Unsecured Credit Facility	313,500	52,500
Accounts Payable, Accrued Expenses and Other Liabilities	79,952	93,699
Deferred Leasing Intangibles, Net	11,462	11,841
Rents Received in Advance and Security Deposits	41,029	40,153
Distributions Payable	22,112	14,812
Total Liabilities	1,634,482	1,594,673
Commitments and Contingencies	—	—
Partners' Capital:		
First Industrial, L.P.'s Partners' Capital:		
General Partner Units (111,247,508 and 111,027,225 units outstanding)	1,049,517	1,054,028
Limited Partners Units (4,295,884 and 4,305,707 units outstanding)	80,462	80,769
Accumulated Other Comprehensive Loss	(22,437	) (10,043
Total First Industrial L.P.'s Partners' Capital	1,107,542	1,124,754
Noncontrolling Interest	1,080	1,096
Total Partners' Capital	1,108,622	1,125,850
Total Liabilities and Partners' Capital	\$ 2,743,104	\$ 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 March 31, 2016 (Unaudited) (In thousands except per Unit data)	Three Months Ended March 31, 2015 (Unaudited) (In thousands except per Unit data)
Revenues:		
Rental Income	\$71,752	\$68,210
Tenant Recoveries and Other Income	21,715	21,756
Total Revenues	93,467	89,966
Expenses:		
Property Expenses	28,367	29,791
General and Administrative	7,674	6,949
Acquisition Costs	64	—
Depreciation and Other Amortization	31,128	28,306
Total Expenses	67,233	65,046
Other Income (Expense):		
Gain on Sale of Real Estate	7,251	7,930
Interest Expense	(16,259 )	(16,642 )
Amortization of Deferred Financing Costs	(873 )	(746 )
Mark-to-Market Loss on Interest Rate Protection Agreements	—	(12,990 )
Total Other Income (Expense)	(9,881 )	(22,448 )
Income from Continuing Operations Before Equity in Income of Joint Ventures and Income Tax Provision	16,353	2,472
Equity in Income of Joint Ventures	—	71
Income Tax Provision	(58 )	(60 )
Net Income	16,295	2,483
Less: Net Income Attributable to the Noncontrolling Interest	(14 )	(26 )
Net Income Available to Unitholders and Participating Securities	\$16,281	\$2,457
Basic and Diluted Earnings Per Unit:		
Net Income Available to Unitholders	\$0.14	\$0.02
Distributions Per Unit	\$0.1900	\$0.1275
Weighted Average Units Outstanding - Basic	115,096	114,681
Weighted Average Units Outstanding - Diluted	115,288	115,046
The accompanying notes are an integral part of the consolidated financial statements.		

FIRST INDUSTRIAL L.P.  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015
	(Unaudited)	
	(In thousands)	
Net Income	\$16,295	\$2,483
Mark-to-Market Loss on Interest Rate Protection Agreements	(12,496 )	(9,446 )
Reclassification of Fair Value of Interest Rate Protection Agreements (See Note 10)	—	12,990
Amortization of Interest Rate Protection Agreements	102	131
Foreign Currency Translation Adjustment	—	(26 )
Comprehensive Income	\$3,901	\$6,132
Comprehensive Income Attributable to Noncontrolling Interest	(14 )	(26 )
Comprehensive Income Attributable to Unitholders	\$3,887	\$6,106

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
Stock Based Compensation Activity	906	—	—	—	906
Conversion of Limited Partner Units to General Partner Units	98	(98 )	—	—	—
Unit Distributions	(21,189 )	(816 )	—	—	(22,005 )
Contributions from Noncontrolling Interest	—	—	—	3	3
Distributions to Noncontrolling Interest	—	—	—	(33 )	(33 )
Net Income	15,674	607	—	14	16,295
Other Comprehensive Loss	—	—	(12,394 )	—	(12,394 )
Balance as of March 31, 2016	\$1,049,517	\$80,462	\$ (22,437 )	\$ 1,080	\$1,108,622

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



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

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015
	(Unaudited)	(Unaudited)
	(In thousands)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Income	\$16,295	\$2,483
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	25,829	23,258
Amortization of Deferred Financing Costs	873	746
Other Amortization	8,104	7,741
Provision for Bad Debt	265	498
Equity in Income of Joint Ventures	—	(71 )
Gain on Sale of Real Estate	(7,251 )	(7,930 )
Mark-to-Market Loss on Interest Rate Protection Agreements	—	12,990
Increase in Tenant Accounts Receivable, Prepaid Expenses and Other Assets, Net	(2,423 )	(3,952 )
Increase in Deferred Rent Receivable	(1,839 )	(2,272 )
Decrease in Accounts Payable, Accrued Expenses, Other Liabilities, Rents Received in Advance and Security Deposits	(12,460 )	(6,469 )
Payments of Discounts Associated with Retirement of Debt	(554 )	—
Cash Book Overdraft	—	429
Net Cash Provided by Operating Activities	26,839	27,451
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Acquisitions of Real Estate	(47,406 )	—
Additions to Investment in Real Estate and Non-Acquisition Tenant Improvements and Lease Costs	(35,905 )	(25,556)
Net Proceeds from Sales of Investments in Real Estate	15,393	25,573
Contributions to and Investments in Joint Ventures	—	(9 )
Distributions from Joint Ventures	—	126
Repayments of Notes Receivable	—	2,720
Decrease (Increase) in Escrows	19,477	(256 )
Net Cash (Used in) Provided by Investing Activities	(48,441 )	2,598
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Financing Costs	(236 )	(2,114 )
Repurchase and Retirement of Restricted Units	(5,230 )	(2,101 )
Unit Distributions Paid	(14,705 )	(11,786)
Contributions from Noncontrolling Interests	3	2
Distributions to Noncontrolling Interests	(33 )	—
Repayments on Mortgage Loans Payable	(60,879 )	(2,980 )
Repayments of Senior Unsecured Notes	(159,125)	—
Proceeds from Unsecured Credit Facility	298,000	32,000
Repayments on Unsecured Credit Facility	(37,000 )	(49,000)
Net Cash Provided by (Used in) Financing Activities	20,795	(35,979)
Net Effect of Exchange Rate Changes on Cash and Cash Equivalents	—	(14 )
Net Decrease in Cash and Cash Equivalents	(807 )	(5,930 )

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Cash and Cash Equivalents, Beginning of Year	3,987	9,485
Cash and Cash Equivalents, End of Year	\$3,180	\$3,541

SUPPLEMENTAL INFORMATION TO STATEMENTS OF CASH FLOWS:

Interest Expense Capitalized in Connection with Development Activity	\$449	\$459
Supplemental Schedule of Non-Cash Investing and Financing Activities:		
General and Limited Partner Unit Distributions Payable	\$22,112	\$14,912
Exchange of Limited Partner Units for General Partner Units:		