

FIRST INDUSTRIAL REALTY TRUST INC

Form 8-K

July 28, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

Current Report

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

July 28, 2014 (July 22, 2014)

Date of Report (Date of earliest event reported)

FIRST INDUSTRIAL REALTY TRUST, INC.

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of
incorporation or organization)

1-13102

(Commission File Number)

36-3935116

(I.R.S. Employer
Identification No.)

311 S. Wacker Drive, Suite 3900

Chicago, Illinois 60606

(Address of principal executive offices, zip code)

(312) 344-4300

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.01 Completion of Acquisition or Disposition of Assets.

On July 22, 2014, First Industrial Realty Trust, Inc. (the "Company,") sold six industrial properties located in Baltimore, Maryland, comprising approximately 0.4 million square feet of gross leasable area. Gross proceeds from the sale of the industrial properties were approximately \$28.5 million. The buyer is a private equity real estate investment firm and is not affiliated with the Company.

Item 9.01 Financial Statements and Exhibits.

(b) Pro forma financial information. The following financial information is submitted at the end of this Current Report on Form 8-K and is filed herewith and incorporated herein by reference:

Summary of Unaudited Pro Forma Consolidated Financial Statements

Unaudited Pro Forma Consolidated Balance Sheet as of March 31, 2014

Unaudited Pro Forma Consolidated Statements of Operations for the Three Months Ended March 31, 2014 and the Years Ended December 31, 2013, 2012 and 2011

Notes to Unaudited Pro Forma Consolidated Financial Statements

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has 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 Officer)

Date: July 28, 2014

FIRST INDUSTRIAL REALTY TRUST, INC.

SUMMARY OF UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

On July 22, 2014, First Industrial Realty Trust, Inc. (the "Company,") sold six industrial properties located in Baltimore, Maryland, comprising approximately 0.4 million square feet of gross leasable area. Gross proceeds from the sale of the industrial properties were approximately \$28.5 million. The buyer is a private equity real estate investment firm and is not affiliated with the Company.

The following unaudited pro forma consolidated balance sheet of the Company at March 31, 2014 is presented as if the sale of the industrial properties had occurred on March 31, 2014. The unaudited pro forma consolidated statements of operations for the three months ended March 31, 2014 and for the years ended December 31, 2013, 2012 and 2011, are presented as if the sale of the industrial properties had occurred on January 1, 2011. The unaudited pro forma consolidated financial statements include all necessary adjustments to reflect the effects of the above transaction.

This pro forma consolidated financial information is presented for information purposes only and is not necessarily indicative of what the Company's financial results would have been for the periods presented, nor do they purport to represent the future financial results of the Company. This pro forma consolidated financial information should be read in conjunction with the Company's financial statements as filed with the Securities and Exchange Commission on Form 10-Q for the three months ended March 31, 2014 and on Form 10-K for the year ended December 31, 2013.

FIRST INDUSTRIAL REALTY TRUST, INC.
 UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET
 MARCH 31, 2014

	Historical (A) (In thousands)	Pro Forma Adjustments	Pro Forma
ASSETS			
Assets:			
Investment in Real Estate:			
Land	\$705,495	\$(6,303) (B)	\$699,192
Buildings and Improvements	2,394,732	(19,699) (B)	2,375,033
Construction in Progress	36,950	—	36,950
Less: Accumulated Depreciation	(762,932))	5,876 (B)	(757,056))
Net Investment in Real Estate	2,374,245	(20,126))	2,354,119
Cash and Cash Equivalents	3,908	16,835 (C)	20,743
Restricted Cash	—	10,738 (C)	10,738
Tenant Accounts Receivable, Net	7,510	—	7,510
Investments in Joint Ventures	846	—	846
Deferred Rent Receivable, Net	56,011	(473) (B)	55,538
Deferred Financing Costs, Net	12,589	—	12,589
Deferred Leasing Intangibles, Net	30,362	(20) (B)	30,342
Prepaid Expenses and Other Assets, Net	97,267	(774) (B)	96,493
Total Assets	\$2,582,738	\$6,180	\$2,588,918
LIABILITIES AND EQUITY			
Liabilities:			
Indebtedness:			
Mortgage Loans Payable, Net	\$674,686	\$—	\$674,686
Senior Unsecured Notes, Net	446,326	—	446,326
Unsecured Term Loan	200,000	—	200,000
Unsecured Credit Facility	52,000	—	52,000
Accounts Payable, Accrued Expenses and Other Liabilities	65,493	—	65,493
Deferred Leasing Intangibles, Net	13,434	—	13,434
Rents Received in Advance and Security Deposits	31,380	(892) (B)	30,488
Dividend Payable	11,921	—	11,921
Total Liabilities	1,495,240	(892))	1,494,348
Commitments and Contingencies	—	—	—
Equity:			
First Industrial Realty Trust Inc.'s Stockholders' Equity:			
Preferred Stock	—	—	—
Common Stock	1,145	—	1,145
Additional Paid-in-Capital	1,867,007	—	1,867,007
Distributions in Excess of Accumulated Earnings	(679,129))	6,790 (D)	(672,339))
Accumulated Other Comprehensive Loss	(4,255))	—	(4,255))
Treasury Shares at Cost	(140,018))	—	(140,018))
Total First Industrial Realty Trust, Inc.'s Stockholders' Equity	1,044,750	6,790	1,051,540
Noncontrolling Interest	42,748	282	43,030
Total Equity	1,087,498	7,072	1,094,570
Total Liabilities and Equity	\$2,582,738	\$6,180	\$2,588,918

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

FIRST INDUSTRIAL REALTY TRUST, INC.
 UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
 FOR THE THREE MONTHS ENDED MARCH 31, 2014

	Historical (A)	Pro Forma Adjustments (B)	Pro Forma
	(In thousands except per share data)		
Revenues:			
Rental Income	\$63,953	\$(679)	\$63,274
Tenant Recoveries and Other Income	22,215	(127)	22,088
Total Revenues	86,168	(806)	85,362
Expenses:			
Property Expenses	31,314	(248)	31,066
General and Administrative	5,556	—	5,556
Depreciation and Other Amortization	28,772	(372)	28,400
Total Expenses	65,642	(620)	65,022
Other Income (Expense):			
Interest Income	702	—	702
Interest Expense	(19,046)	—	(19,046)
Amortization of Deferred Financing Costs	(804)	—	(804)
Total Other Income (Expense)	(19,148)	—	(19,148)
Income from Continuing Operations Before Equity in Income of Joint Ventures and Income Tax Provision	1,378	(186)	1,192
Equity in Income of Joint Ventures	2,966	—	2,966
Income Tax Provision	(10)	—	(10)
Income from Continuing Operations	4,334	(186)	4,148
Noncontrolling Interest Allocable to Continuing Operations	(75)	7)	(68)
Income from Continuing Operations Allocable to Participating Securities	(23)	—	(23)
Net Income Attributable to First Industrial Realty Trust, Inc.	4,236	(179)	4,057
Preferred Dividends	(1,019)	—	(1,019)
Redemption of Preferred Stock	(1,462)	—	(1,462)
Income from Continuing Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders	\$1,755	\$(179)	\$1,576
Income from Continuing Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders - Basic and Diluted Earnings Per Share	\$0.02		\$0.01
Weighted Average Shares Outstanding - Basic	109,676		109,676
Weighted Average Shares Outstanding - Diluted	110,215		110,215

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

FIRST INDUSTRIAL REALTY TRUST, INC.
 UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Historical (A)	Pro Forma Adjustments (B)	Pro Forma
	(In thousands except per share data)		
Revenues:			
Rental Income	\$252,822	\$(2,408)	) \$250,414
Tenant Recoveries and Other Income	75,404	(395)	) 75,009
Total Revenues	328,226	(2,803)	) 325,423
Expenses:			
Property Expenses	107,390	(751)	) 106,639
General and Administrative	23,152	—	) 23,152
Impairment of Real Estate	1,047	—	) 1,047
Depreciation and Other Amortization	111,031	(1,367)	) 109,664
Total Expenses	242,620	(2,118)	) 240,502
Other Income (Expense):			
Interest Income	2,354	—	) 2,354
Interest Expense	(73,558)	) —	(73,558)
Amortization of Deferred Financing Costs	(3,225)	) —	(3,225)
Mark-to-Market Gain on Interest Rate Protection Agreements	52	—	) 52
Loss from Retirement of Debt	(6,637)	) —	(6,637)
Total Other Income (Expense)	(81,014)	) —	(81,014)
Income from Continuing Operations Before Equity in Income of Joint Ventures and Income Tax Benefit	4,592	(685)	) 3,907
Equity in Income of Joint Ventures	136	—	) 136
Income Tax Benefit	213	—	) 213
Income from Continuing Operations	4,941	(685)	) 4,256
Gain on Sale of Real Estate	1,100	—	) 1,100
Provision for Income Taxes Allocable to Gain on Sale of Real Estate	(210)	) —	(210)
Noncontrolling Interest Allocable to Continuing Operations	356	28	) 384
Income from Continuing Operations Attributable to First Industrial Realty Trust, Inc.	6,187	(657)	) 5,530
Preferred Dividends	(8,733)	) —	(8,733)
Redemption of Preferred Stock	(5,667)	) —	(5,667)
Loss from Continuing Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders	\$(8,213)	) \$(657)	) \$(8,870)
Loss from Continuing Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders - Basic and Diluted Earnings Per Share	\$(0.08)	)	) \$(0.08)
Weighted Average Shares Outstanding - Basic and Diluted	106,995		) 106,995

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

FIRST INDUSTRIAL REALTY TRUST, INC.
 UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Historical (A)	Pro Forma Adjustments (B)	Pro Forma
	(In thousands except per share data)		
Revenues:			
Rental Income	\$244,798	\$(2,183)	) \$242,615
Tenant Recoveries and Other Income	69,527	(320)	) 69,207
Total Revenues	314,325	(2,503)	) 311,822
Expenses:			
Property Expenses	99,907	(699)	) 99,208
General and Administrative	25,103	—	) 25,103
Impairment of Real Estate	(192)	) —	) (192)
Depreciation and Other Amortization	114,675	(1,232)	) 113,443
Total Expenses	239,493	(1,931)	) 237,562
Other Income (Expense):			
Interest Income	2,874	—	) 2,874
Interest Expense	(83,506)	) —	) (83,506)
Amortization of Deferred Financing Costs	(3,460)	) —	) (3,460)
Mark-to-Market Loss on Interest Rate Protection Agreements	(328)	) —	) (328)
Loss from Retirement of Debt	(9,684)	) —	) (9,684)
Total Other Income (Expense)	(94,104)	) —	) (94,104)
Loss from Continuing Operations Before Equity in Income of Joint Ventures, Gain on Change in Control of Interests and Income Tax Provision	(19,272)	) (572)	) (19,844)
Equity in Income of Joint Ventures	1,559	—	) 1,559
Gain on Change in Control of Interests	776	—	) 776
Income Tax Provision	(5,522)	) —	) (5,522)
Loss from Continuing Operations	(22,459)	) (572)	) (23,031)
Gain on Sale of Real Estate	3,777	—	) 3,777
Noncontrolling Interest Allocable to Continuing Operations	2,038	30	) 2,068
Loss from Continuing Operations Attributable to First Industrial Realty Trust, Inc.	(16,644)	) (542)	) (17,186)
Preferred Dividends	(18,947)	) —	) (18,947)
Redemption of Preferred Stock	(1,804)	) —	) (1,804)
Loss from Continuing Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders	\$(37,395)	) \$(542)	) \$(37,937)
Loss from Continuing Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders - Basic and Diluted Earnings Per Share	\$(0.41)	)	) \$(0.41)
Weighted Average Shares Outstanding - Basic and Diluted	91,468		) 91,468

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

FIRST INDUSTRIAL REALTY TRUST, INC.
 UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
 FOR THE YEAR ENDED DECEMBER 31, 2011

	Historical (A)	Pro Forma Adjustments (B)	Pro Forma
	(In thousands except per share data)		
Revenues:			
Rental Income	\$234,007	\$(2,280)	) \$231,727
Tenant Recoveries and Other Income	68,661	(289)	) 68,372
Total Revenues	302,668	(2,569)	) 300,099
Expenses:			
Property Expenses	101,281	(599)	) 100,682
General and Administrative	20,638	—	) 20,638
Restructuring Costs	1,553	—	) 1,553
Impairment of Real Estate	(8,875)	) —	(8,875)
Depreciation and Other Amortization	115,244	(1,142)	) 114,102
Total Expenses	229,841	(1,741)	) 228,100
Other Income (Expense):			
Interest Income	3,922	—	) 3,922
Interest Expense	(100,127)	) —	(100,127)
Amortization of Deferred Financing Costs	(3,963)	) —	(3,963)
Mark-to-Market Loss on Interest Rate Protection Agreements	(1,718)	) —	(1,718)
Loss from Retirement of Debt	(5,459)	) —	(5,459)
Foreign Currency Exchange Loss	(332)	) —	(332)
Total Other Income (Expense)	(107,677)	) —	(107,677)
Loss from Continuing Operations Before Equity in Income of Joint Ventures, Gain on Change in Control of Interests and Income Tax Provision	(34,850)	) (828)	) (35,678)
Equity in Income of Joint Ventures	980	—	) 980
Gain on Change in Control of Interests	689	—	) 689
Income Tax Provision	(450)	) —	(450)
Loss from Continuing Operations	(33,631)	) (828)	) (34,459)
Gain on Sale of Real Estate	1,370	—	) 1,370
Provision for Income Taxes Allocable to Gain on Sale of Real Estate	(452)	) —	(452)
Noncontrolling Interest Allocable to Continuing Operations	3,185	51	) 3,236
Loss from Continuing Operations Attributable to First Industrial Realty Trust, Inc.	(29,528)	) (777)	) (30,305)
Preferred Dividends	(19,565)	) —	(19,565)
Loss from Continuing Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders	\$(49,093)	) \$(777)	) \$(49,870)
Loss from Continuing Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders - Basic and Diluted Earnings Per Share	\$(0.61)	)	) \$(0.62)
Weighted Average Shares Outstanding - Basic and Diluted	80,616		) 80,616
The accompanying notes are an integral part of the unaudited pro forma consolidated financial statements.			

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

1. Adjustments to Pro Forma Consolidated Balance Sheet

(A) Represents the Company's historical consolidated balance sheet as of March 31, 2014, which was derived from the Company's quarterly report on Form 10-Q for the three months ended March 31, 2014.

(B) Represents the Company's sale of the industrial properties and the necessary adjustments to eliminate the impact of the assets and liabilities associated with the sold industrial properties.

(C) Represents the net proceeds received from the sale of the industrial properties.

(D) Represents the Company's sale of the industrial properties and the related gain on sale of real estate.

2. Adjustments to Pro Forma Consolidated Statements of Operations

(A) Represents the Company's historical consolidated statements of operations for the three months ended March 31, 2014 and the years ended December 31, 2013, 2012 and 2011, which were derived from the Company's quarterly report on Form 10-Q for the three months ended March 31, 2014 and the annual report on Form 10-K for the year ended December 31, 2013, respectively.

(B) Represents the Company's sale of the industrial properties and the necessary adjustments to eliminate the impact of historical rental income, tenant recoveries and other income, property expenses and depreciation and other amortization associated with the sold industrial properties. The adjustments exclude the effect of the gain on sale of real estate that would have been recognized on the sale of the industrial properties, as this represents a non-recurring transaction and is excluded for pro forma income statement purposes.