

FIRST INDUSTRIAL REALTY TRUST INC
Form 8-K
January 06, 2015

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

January 6, 2015 (December 30, 2014)
Date of Report (Date of earliest event reported)

FIRST INDUSTRIAL REALTY TRUST, INC.
(Exact name of registrant as specified in its charter)

| | | |
|---|--------------------------|---|
| Maryland | 1-13102 | 36-3935116 |
| (State or other jurisdiction of incorporation or organization) | (Commission File Number) | (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 December 30, 2014, First Industrial Realty Trust, Inc. (the "Company,") sold one industrial property located in Cincinnati, Ohio, comprising approximately 0.5 million square feet of gross leasable area. Gross proceeds from the sale of the industrial property was approximately \$7.3 million. The buyer is a real estate investor 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 September 30, 2014

Unaudited Pro Forma Consolidated Statements of Operations for the Nine Months Ended September 30, 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: January 6, 2015

FIRST INDUSTRIAL REALTY TRUST, INC.

SUMMARY OF UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

On December 30, 2014, First Industrial Realty Trust, Inc. (the "Company,") sold one industrial property located in Cincinnati, Ohio, comprising approximately 0.5 million square feet of gross leasable area. Gross proceeds from the sale of the industrial property was approximately \$7.3 million. The buyer is a real estate investor and is not affiliated with the Company.

The following unaudited pro forma consolidated balance sheet of the Company at September 30, 2014 is presented as if the sale of the industrial property had occurred on September 30, 2014. The unaudited pro forma consolidated statements of operations for the nine months ended September 30, 2014 and for the years ended December 31, 2013, 2012 and 2011, are presented as if the sale of the industrial property 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 nine months ended September 30, 2014 and on Form 10-K for the year ended December 31, 2013.

FIRST INDUSTRIAL REALTY TRUST, INC.
 UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET
 SEPTEMBER 30, 2014

| | Historical (A) (In thousands) | Pro Forma Adjustments | Pro Forma |
|---|-------------------------------------|--------------------------|-------------|
| ASSETS | | | |
| Assets: | | | |
| Investment in Real Estate: | | | |
| Land | \$711,978 | \$(952) (B) | \$711,026 |
| Buildings and Improvements | 2,403,411 | (10,587) (B) | 2,392,824 |
| Construction in Progress | 40,547 | — | 40,547 |
| Less: Accumulated Depreciation | (783,897)) | 5,486 (B) | (778,411)) |
| Net Investment in Real Estate | 2,372,039 | (6,053)) | 2,365,986 |
| Real Estate and Other Assets Held for Sale, Net of Accumulated Depreciation and Amortization | 15,413 | — | 15,413 |
| Cash and Cash Equivalents | 14,259 | 6,641 (C) | 20,900 |
| Tenant Accounts Receivable, Net | 5,852 | — | 5,852 |
| Investments in Joint Venture | 84 | — | 84 |
| Deferred Rent Receivable, Net | 56,929 | (67) (B) | 56,862 |
| Deferred Financing Costs, Net | 11,178 | — | 11,178 |
| Deferred Leasing Intangibles, Net | 30,741 | — | 30,741 |
| Prepaid Expenses and Other Assets, Net | 70,016 | (219) (B) | 69,797 |
| Total Assets | \$2,576,511 | \$302 | \$2,576,813 |
| LIABILITIES AND EQUITY | | | |
| Liabilities: | | | |
| Indebtedness: | | | |
| Mortgage Loans Payable, Net | \$602,927 | \$— | \$602,927 |
| Senior Unsecured Notes, Net | 364,837 | — | 364,837 |
| Unsecured Term Loan | 200,000 | — | 200,000 |
| Unsecured Credit Facility | 176,000 | — | 176,000 |
| Accounts Payable, Accrued Expenses and Other Liabilities | 81,933 | (167) (B) | 81,766 |
| Deferred Leasing Intangibles, Net | 12,924 | — | 12,924 |
| Rents Received in Advance and Security Deposits | 32,969 | (199) (B) | 32,770 |
| Dividend Payable | 11,886 | — | 11,886 |
| Total Liabilities | 1,483,476 | (366)) | 1,483,110 |
| Commitments and Contingencies | — | — | — |
| Equity: | | | |
| First Industrial Realty Trust Inc.'s Stockholders' Equity: | | | |
| Preferred Stock | — | — | — |
| Common Stock | 1,149 | — | 1,149 |
| Additional Paid-in-Capital | 1,870,562 | — | 1,870,562 |
| Distributions in Excess of Accumulated Earnings | (678,032)) | 642 (D) | (677,390)) |
| Accumulated Other Comprehensive Loss | (3,035)) | — | (3,035)) |
| Treasury Shares at Cost | (140,018)) | — | (140,018)) |
| Total First Industrial Realty Trust, Inc.'s Stockholders' Equity | 1,050,626 | 642 | 1,051,268 |
| Noncontrolling Interest | 42,409 | 26 | 42,435 |
| Total Equity | 1,093,035 | 668 | 1,093,703 |
| Total Liabilities and Equity | \$2,576,511 | \$302 | \$2,576,813 |

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

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FIRST INDUSTRIAL REALTY TRUST, INC.
 UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014

| | Historical (A) | Pro Forma Adjustments (B) | Pro Forma |
|---|-------------------|---------------------------------|--------------------------------------|
| | | | (In thousands except per share data) |
| Revenues: | | | |
| Rental Income | \$193,434 | \$(757 |) \$192,677 |
| Tenant Recoveries and Other Income | 62,913 | (294 |) 62,619 |
| Total Revenues | 256,347 | (1,051 |) 255,296 |
| Expenses: | | | |
| Property Expenses | 85,396 | (399 |) 84,997 |
| General and Administrative | 18,053 | — | 18,053 |
| Depreciation and Other Amortization | 84,080 | (376 |) 83,704 |
| Total Expenses | 187,529 | (775 |) 186,754 |
| Other Income (Expense): | | | |
| Interest Income | 2,054 | — | 2,054 |
| Interest Expense | (55,292 |) — | (55,292) |
| Amortization of Deferred Financing Costs | (2,360 |) — | (2,360) |
| Loss from Retirement of Debt | (655 |) — | (655) |
| Total Other Income (Expense) | (56,253 |) — | (56,253) |
| Income from Continuing Operations Before Equity in Income of Joint Ventures and Income Tax Provision | 12,565 | (276 |) 12,289 |
| Equity in Income of Joint Ventures | 3,508 | — | 3,508 |
| Income Tax Provision | (192 |) — | (192) |
| Income from Continuing Operations | 15,881 | (276 |) 15,605 |
| Noncontrolling Interest Allocable to Continuing Operations | (528 |) 11 | (517) |
| Income from Continuing Operations Allocable to Participating Securities | (57 |) — | (57) |
| Income from Continuing Operations Attributable to First Industrial Realty Trust, Inc. | 15,296 | (265 |) 15,031 |
| 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 | \$12,815 | \$(265 |) \$12,550 |
| Income from Continuing Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders - Basic and Diluted Earnings Per Share | \$0.12 | | \$0.11 |
| Weighted Average Shares Outstanding - Basic | 109,856 | | 109,856 |
| Weighted Average Shares Outstanding - Diluted | 110,298 | | 110,298 |

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 |
|---|-------------------|---------------------------------|--------------------------------------|
| | | | Pro Forma |
| | | | (In thousands except per share data) |
| Revenues: | | | |
| Rental Income | \$252,822 | \$(828 |) \$251,994 |
| Tenant Recoveries and Other Income | 75,404 | (376 |) 75,028 |
| Total Revenues | 328,226 | (1,204 |) 327,022 |
| Expenses: | | | |
| Property Expenses | 107,390 | (508 |) 106,882 |
| General and Administrative | 23,152 | — | 23,152 |
| Impairment of Real Estate | 1,047 | (1,047 |) — |
| Depreciation and Other Amortization | 111,031 | (478 |) 110,553 |
| Total Expenses | 242,620 | (2,033 |) 240,587 |
| 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 | 829 | 5,421 |
| Equity in Income of Joint Ventures | 136 | — | 136 |
| Income Tax Benefit | 213 | — | 213 |
| Income from Continuing Operations | 4,941 | 829 | 5,770 |
| 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 | (34 |) 322 |
| Income from Continuing Operations Attributable to First Industrial Realty Trust, Inc. | 6,187 | 795 | 6,982 |
| 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 |) \$795 | \$(7,418) |
| Loss from Continuing Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders - Basic and Diluted Earnings Per Share | \$(0.08 |)) | \$(0.07) |
| 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 | \$(586) |) \$244,212 |
| Tenant Recoveries and Other Income | 69,527 | (184) |) 69,343 |
| Total Revenues | 314,325 | (770) |) 313,555 |
| Expenses: | | | |
| Property Expenses | 99,907 | (400) |) 99,507 |
| General and Administrative | 25,103 | — |) 25,103 |
| Impairment of Real Estate | (192) |) — |) (192) |
| Depreciation and Other Amortization | 114,675 | (341) |) 114,334 |
| Total Expenses | 239,493 | (741) |) 238,752 |
| 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) |) (29) |) (19,301) |
| 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) |) (29) |) (22,488) |
| Gain on Sale of Real Estate | 3,777 | — |) 3,777 |
| Noncontrolling Interest Allocable to Continuing Operations | 2,038 | 1 |) 2,039 |
| Loss from Continuing Operations Attributable to First Industrial Realty Trust, Inc. | (16,644) |) (28) |) (16,672) |
| 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) |) \$(28) |) \$(37,423) |
| 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 | \$(599) | \$233,408 |
| Tenant Recoveries and Other Income | 68,661 | (192) | 68,469 |
| Total Revenues | 302,668 | (791) | 301,877 |
| Expenses: | | | |
| Property Expenses | 101,281 | (372) | 100,909 |
| General and Administrative | 20,638 | — | 20,638 |
| Restructuring Costs | 1,553 | — | 1,553 |
| Impairment of Real Estate | (8,875) | 98) | (8,777) |
| Depreciation and Other Amortization | 115,244 | (279) | 114,965 |
| Total Expenses | 229,841 | (553) | 229,288 |
| 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) | (238) | (35,088) |
| 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) | (238) | (33,869) |
| 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 | 15 | 3,200 |
| Loss from Continuing Operations Attributable to First Industrial Realty Trust, Inc. | (29,528) | (223) | (29,751) |
| Preferred Dividends | (19,565) | — | (19,565) |
| Loss from Continuing Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders | \$(49,093) | \$(223) | \$(49,316) |
| Loss from Continuing Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders - Basic and Diluted Earnings Per Share | \$(0.61) | | \$(0.61) |
| 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 September 30, 2014, which was derived from the Company's quarterly report on Form 10-Q for the nine months ended September 30, 2014.

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

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

(D) Represents the Company's sale of the industrial property 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 nine months ended September 30, 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 nine months ended September 30, 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 property and the necessary adjustments to eliminate the impact of historical rental income, tenant recoveries and other income, property expenses, impairment of real estate and depreciation and other amortization associated with the sold industrial property. The adjustments exclude the effect of the gain on sale of real estate that would have been recognized on the sale of the industrial property, as this represents a non-recurring transaction and is excluded for pro forma income statement purposes.