



Supplemental Information

**December 31, 2003**

**First Industrial Realty Trust, Inc. (NYSE: FR)  
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December 31, 2003

<b>FINANCIAL STATEMENTS (see Note below)</b>	<b>PAGE</b>
<b>By Quarter</b>	
Balance Sheet	3
Statement of Operations	4
Supplemental Statement of Operations	6
Supplemental Statement of Operations as a Percentage of Total Revenues	7
Supplemental Statement of Operations Per Share	8
<b>Year to Date</b>	
Statement of Operations	9
Supplemental Statement of Operations	11
Supplemental Statement of Operations as a Percentage of Total Revenues	12
Supplemental Statement of Operations Per Share	13
<b>SELECTED FINANCIAL INFORMATION</b>	
<b>By Quarter</b>	
Equity Analysis	14
Debt Analysis	16
Dividend Analysis	17
Valuation Analysis	18
<b>By Year</b>	
Debt Analysis	19
Dividend Analysis	20
<b>SELECTED PROPERTY INFORMATION</b>	
Property Information	21
Property Acquisition Summary	29
Property Development Summary	31
Property Sales Summary	33
Developable and Expandable Site Inventory	37
<b>FOOTNOTES</b>	38

(1) The statement of operations and supplemental statement of operations provided in this supplemental information package presents funds from operations, net operating income, EBITDA and funds available for distribution which are REIT industry financial measures that are not calculated in accordance with generally accepted accounting principles. Please see footnote (an) for a definition of these supplemental performance measures. Please see footnote (aa) for a reconciliation of certain captions in the supplemental statement of operations reported in this supplemental information package to the statement of operations as reported in the Company's filings with the Securities and Exchange Commission on Form 10-K.



## BALANCE SHEETS

(UNAUDITED)  
(IN 000's)

	Quarter Ended				
	December 31, 2003	September 30, 2003	June 30, 2003	March 31, 2003	December 31, 2002
<b>ASSETS</b>					
Real Estate					
Land	\$ 443,942	\$ 426,898	\$ 428,851	\$ 415,507	\$ 415,598
Buildings and Improvements	2,180,038	2,184,357	2,233,354	2,154,932	2,158,082
Construction in Progress (al)	115,935	113,894	107,714	121,244	122,331
Furniture, Fixtures and Equipment	885	1,202	1,202	1,258	1,258
	<u>2,740,800</u>	<u>2,726,351</u>	<u>2,771,121</u>	<u>2,692,941</u>	<u>2,697,269</u>
Less: Accumulated Depreciation	(349,252)	(337,342)	(328,327)	(319,618)	(308,488)
Net Real Estate Investment	2,391,548	2,389,009	2,442,794	2,373,323	2,388,781
Real Estate Held for Sale, Net (y)	-	7,157	11,244	5,339	7,040
Cash and Cash Equivalents	821	7,130	5,002	3,189	-
Restricted Cash (b)	82,006	66,640	18,689	63,870	31,118
Tenant Accounts Receivable, Net	8,994	10,934	11,190	12,130	10,578
Deferred Rent Receivable	13,912	13,276	13,777	14,407	14,277
Other Assets and Deferred Financing Costs, Net (d)	150,742	147,069	131,118	126,317	178,179
	<u>\$ 2,648,023</u>	<u>\$ 2,641,215</u>	<u>\$ 2,633,814</u>	<u>\$ 2,598,575</u>	<u>\$ 2,629,973</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>					
<i>Liabilities</i>					
Mortgage Loans Payable (e)	\$ 45,746	\$ 46,175	\$ 39,024	\$ 22,268	\$ 59,989
Unsecured Line of Credit (g)	195,900	188,600	202,600	173,600	170,300
Senior Unsecured Debt, net (f) (ad)	1,212,152	1,212,079	1,212,006	1,211,933	1,211,860
Dividends/Distributions Payable	31,889	31,661	31,607	31,543	31,106
Other Liabilities	106,045	114,036	101,824	106,456	102,331
	<u>1,591,732</u>	<u>1,592,551</u>	<u>1,587,061</u>	<u>1,545,800</u>	<u>1,575,586</u>
Minority Interest (h)	167,118	168,943	169,431	171,838	172,061
<i>Stockholders' Equity</i>					
Preferred Stock (f)(i)	1	1	1	1	1
Common Stock (j)	424	420	419	418	411
Accumulated Other Comprehensive Loss (c)	(10,110)	(10,056)	(10,152)	(10,358)	(10,559)
Treasury Stock, at cost (j)	(70,588)	(70,588)	(70,588)	(70,588)	(69,591)
Unearned Value of Restricted Stock	(19,035)	(20,563)	(21,935)	(23,411)	(4,307)
Paid in Capital	1,161,451	1,150,190	1,147,879	1,144,560	1,124,622
Distributions in Excess of Net Income	(172,970)	(169,683)	(168,302)	(159,685)	(158,251)
	<u>889,173</u>	<u>879,721</u>	<u>877,322</u>	<u>880,937</u>	<u>882,326</u>
Total Liabilities and Stockholders' Equity	<u>\$ 2,648,023</u>	<u>\$ 2,641,215</u>	<u>\$ 2,633,814</u>	<u>\$ 2,598,575</u>	<u>\$ 2,629,973</u>



## STATEMENT OF OPERATIONS

By Quarter

(UNAUDITED)

(IN 000'S)

	Quarter Ended	
	December 31, 2003	December 31, 2002
<b>REVENUES</b>		
Rental Income	\$ 66,127	\$ 64,492
Tenant Recoveries and Other Income (ag)	20,696	18,690
Total Revenues	<u>86,823</u>	<u>83,182</u>
<b>EXPENSES</b>		
Real Estate Taxes	12,567	10,631
Repairs and Maintenance	6,300	5,727
Property Management	2,877	2,993
Utilities	2,819	2,324
Insurance	430	827
Other	2,098	3,072
General and Administrative	6,441	5,828
Amortization of Deferred Financing Costs	445	461
Depreciation of Corporate FF&E	281	294
Depreciation and Other Amortization of Real Estate	25,492	18,643
Total Expenses	<u>59,750</u>	<u>50,800</u>
<b>OTHER INCOME/EXPENSE</b>		
Interest Income	640	701
Interest Expense (ae)	(23,739)	(23,873)
Loss from Early Retirement of Debt (af)	-	-
Total Other Income/Expense	<u>(23,099)</u>	<u>(23,172)</u>
<b>INCOME FROM CONTINUING OPERATIONS BEFORE EQUITY IN NET LOSS OF JOINT VENTURES AND INCOME ALLOCATED TO MINORITY INTEREST</b>	3,974	9,210
Equity in Net Loss of Joint Ventures	(166)	(672)
Minority Interest Allocable to Continuing Operations	<u>186</u>	<u>(526)</u>
<b>INCOME FROM CONTINUING OPERATIONS</b>	3,994	8,012
Income from Discontinued Operations (Including Gain on Sale of Real Estate of \$22,366 and \$22,451 for the Three Months Ended December 31, 2003 and 2002, respectively)	23,132	27,728
Minority Interest Allocable to Discontinued Operations	<u>(3,479)</u>	<u>(4,181)</u>
<b>INCOME BEFORE GAIN (LOSS) ON SALE OF REAL ESTATE</b>	23,647	31,559
Gain (Loss) on Sales of Properties, Net of Minority Interest of \$957 and \$(284) for the Three Months Ended December 31, 2003 and 2002, respectively	<u>5,409</u>	<u>(1,600)</u>
<b>NET INCOME</b>	29,056	29,959
Preferred Dividends	<u>(5,044)</u>	<u>(5,044)</u>
<b>NET INCOME FOR COMMON STOCKHOLDERS</b>	<u>\$ 24,012</u>	<u>\$ 24,915</u>



## STATEMENT OF OPERATIONS

**By Quarter**

(UNAUDITED)

(IN 000'S)

	Quarter Ended	
	December 31, 2003	December 31, 2002
<b>NET INCOME FOR COMMON STOCKHOLDERS</b>	\$ 24,012	\$ 24,915
Add: Depreciation and Other Amortization of Real Estate	25,492	18,643
Add: Minority Interest Allocable to Discontinued Operations	3,479	4,181
Add: Minority Interest Allocable to Continuing Operations	(186)	526
Add: Minority Interest Allocable to Gain (Loss) on Sale of Real Estate	957	(284)
Add: Depreciation and Other Amortization of Real Estate Included in Discontinued Operations	326	2,398
Add: Depreciation and Other Amortization of Real Estate- Joint Ventures	374	1,239
Less: Accumulated Depreciation/Amortization on Real Estate Sold	(11,919)	-
Less: Accumulated Depreciation/Amortization on Real Estate Sold and Non-IIS Gains(Losses)	-	(10,328)
Less: Accumulated Depreciation/Amortization on Real Estate Sold- Joint Ventures	(198)	(206)
<b>FUNDS FROM OPERATIONS ("FFO") (an)</b>	<b>\$ 42,337</b>	<b>\$ 41,084</b>
Add: Restricted Stock Amortization	1,574	1,314
Add: Amortization of Deferred Financing Costs	445	461
Add: Depreciation of Corporate FF&E	281	294
Less: Non-Incremental Capital Expenditures (n)	(8,019)	(12,128)
Less: Straight-line Rental Income Adjustment	(1,601)	(589)
<b>FUNDS AVAILABLE FOR DISTRIBUTION ("FAD") (an)</b>	<b>\$ 35,017</b>	<b>\$ 30,436</b>
<b>NET INCOME FOR COMMON STOCKHOLDERS</b>	<b>\$ 24,012</b>	<b>\$ 24,915</b>
Add: Interest Expense (ae)	23,739	23,873
Add: Depreciation and Other Amortization of Real Estate	25,492	18,643
Add: Preferred Dividends	5,044	5,044
Add: Minority Interest Allocable to Discontinued Operations	3,479	4,181
Add: Minority Interest Allocable to Continuing Operations	(186)	526
Add: Minority Interest Allocable to Continuing Operations	957	(284)
Add: Amortization of Deferred Financing Costs	445	461
Add: Depreciation of Corporate FF&E	281	294
Add: Depreciation and Other Amortization of Real Estate Included in Discontinued Operations	326	2,398
Add: Depreciation and Other Amortization of Real Estate- Joint Ventures	374	1,239
Less: Accumulated Depreciation/Amortization on Real Estate Sold	(11,919)	-
Less: Accumulated Depreciation/Amortization on Real Estate Sold and Non-IIS Gains(Losses)	-	(10,328)
Less: Accumulated Depreciation/Amortization on Real Estate Sold- Joint Ventures	(198)	(206)
<b>EBITDA (an)</b>	<b>\$ 71,846</b>	<b>\$ 70,756</b>
Add: General and Administrative	6,441	5,828
Less: Net Economic Gains (Losses)	(16,813)	(10,239)
Less: Equity in FFO of Joint Ventures	(10)	(361)
<b>NET OPERATING INCOME (an)</b>	<b>\$ 61,464</b>	<b>\$ 65,984</b>



**SUPPLEMENTAL  
STATEMENT OF OPERATIONS (aa)**

**By Quarter**  
(UNAUDITED)  
(IN 000'S)

	Quarter Ended	
	December 31, 2003	December 31, 2002
<b>REVENUES</b>		
Rental Income	\$ 67,828	\$ 73,046
Tenant Recoveries and Other Income (ag)	21,630	21,505
Total Revenues	<u>89,458</u>	<u>94,551</u>
<b>EXPENSES</b>		
Real Estate Taxes	13,110	12,089
Repairs and Maintenance	6,398	6,157
Property Management	2,963	3,400
Utilities	2,882	2,678
Insurance	439	941
Other	2,202	3,302
Total Property Expenses	<u>27,994</u>	<u>28,567</u>
<b>NET OPERATING INCOME</b>	61,464	65,984
Equity in FFO of Joint Ventures (ak)	10	361
Net Economic Gains (Losses) (l)	16,813	10,239
General and Administrative	<u>(6,441)</u>	<u>(5,828)</u>
<b>EBITDA</b>	71,846	70,756
Interest Expense (ae)	(23,739)	(23,873)
Preferred Dividends	(5,044)	(5,044)
Amortization of Deferred Financing Costs	(445)	(461)
Depreciation of Corporate FF&E	<u>(281)</u>	<u>(294)</u>
<b>FUNDS FROM OPERATIONS - FFO (aa)</b>	42,337	41,084
Depreciation and Other Amortization	(25,818)	(21,041)
Equity in Dep/Other Amortization of Joint Ventures (ak)	(176)	(1,033)
Add Preferred Dividends	5,044	5,044
Gain on Sales of Properties	11,919	10,328
Minority Interest (h)	<u>(4,250)</u>	<u>(4,423)</u>
<b>NET INCOME</b>	\$ 29,056	\$ 29,959
Preferred Dividends	<u>(5,044)</u>	<u>(5,044)</u>
<b>NET INCOME FOR COMMON STOCKHOLDERS</b>	24,012	24,915
Gain on Sale of Property from Discontinued Operations (a)	(22,366)	(22,451)
Net Operating Income from Discontinued Operations (a)	(1,092)	(7,675)
Depreciation and Amortization from Discontinued Operations (a)	326	2,398
Minority Interest from Discontinued Operations (a)	<u>3,479</u>	<u>4,181</u>
<b>NET INCOME FOR COMMON STOCKHOLDERS BEFORE DISCONTINUED OPERATIONS</b>	<u>\$ 4,359</u>	<u>\$ 1,368</u>
<b>EBITDA</b>	\$ 71,846	\$ 70,756
Interest Expense	(23,739)	(23,873)
Preferred Dividends	(5,044)	(5,044)
Straight-line Rental Income Adjustment	(1,601)	(589)
Restricted Stock Amortization	1,574	1,314
Non-Incremental Capital Expenditures (n)	<u>(8,019)</u>	<u>(12,128)</u>
<b>FUNDS AVAILABLE FOR DISTRIBUTION - FAD</b>	<u>\$ 35,017</u>	<u>\$ 30,436</u>
<b>COMMON DIVIDENDS/DISTRIBUTIONS</b>	<u>\$ 31,889</u>	<u>\$ 31,106</u>



**SUPPLEMENTAL  
STATEMENT OF OPERATIONS (aa)**

**By Quarter**  
(UNAUDITED)  
(AS A % OF TOTAL REVENUES)

	Quarter Ended	
	December 31, 2003	December 31, 2002
<b>REVENUES</b>		
Rental Income	75.8%	77.3%
Tenant Recoveries and Other Income (ag)	24.2%	22.7%
Total Revenues	<u>100.0%</u>	<u>100.0%</u>
<b>EXPENSES</b>		
Real Estate Taxes	14.7%	12.8%
Repairs and Maintenance	7.2%	6.5%
Property Management	3.3%	3.6%
Utilities	3.2%	2.8%
Insurance	0.5%	1.0%
Other	2.5%	3.5%
Total Property Expenses	<u>31.3%</u>	<u>30.2%</u>
<b>NET OPERATING INCOME</b>	68.7%	69.8%
Equity in FFO of Joint Ventures (ak)	0.0%	0.4%
Net Economic Gains (Losses) (l)	18.8%	10.8%
General and Administrative	<u>(7.2%)</u>	<u>(6.2%)</u>
<b>EBITDA</b>	80.3%	74.8%
Interest Expense (ae)	(26.5%)	(25.2%)
Preferred Dividends	(5.6%)	(5.3%)
Amortization of Deferred Financing Costs	(0.5%)	(0.5%)
Depreciation of Corporate FF&E	<u>(0.3%)</u>	<u>(0.3%)</u>
<b>FUNDS FROM OPERATIONS - FFO (aa)</b>	47.3%	43.5%
Depreciation and Other Amortization	(28.9%)	(22.3%)
Equity in Dep/Other Amortization of Joint Ventures (ak)	(0.2%)	(1.1%)
Add Preferred Dividends	5.6%	5.3%
Gain on Sales of Properties	13.3%	10.9%
Minority Interest (h)	<u>(4.8%)</u>	<u>(4.7%)</u>
<b>NET INCOME</b>	32.5%	31.7%
Preferred Dividends	<u>(5.6%)</u>	<u>(5.3%)</u>
<b>NET INCOME FOR COMMON STOCKHOLDERS</b>	26.8%	26.4%
Gain on Sale of Property from Discontinued Operations (a)	(25.0%)	(23.7%)
Net Operating Income from Discontinued Operations (a)	(1.2%)	(8.1%)
Depreciation and Amortization from Discontinued Operations (a)	0.4%	2.5%
Minority Interest from Discontinued Operations (a)	<u>3.9%</u>	<u>4.4%</u>
<b>NET INCOME FOR COMMON STOCKHOLDERS BEFORE DISCONTINUED OPERATIONS</b>	<u>4.9%</u>	<u>1.4%</u>
<b>EBITDA</b>	80.3%	74.8%
Interest Expense	(26.5%)	(25.2%)
Preferred Dividends	(5.6%)	(5.3%)
Straight-line Rental Income Adjustment	(1.8%)	(0.6%)
Restricted Stock Amortization	1.8%	1.4%
Non-Incremental Capital Expenditures (n)	<u>(9.0%)</u>	<u>(12.8%)</u>
<b>FUNDS AVAILABLE FOR DISTRIBUTION - FAD</b>	<u>39.1%</u>	<u>32.2%</u>
<b>COMMON DIVIDENDS/DISTRIBUTIONS</b>	<u>35.6%</u>	<u>32.9%</u>



**SUPPLEMENTAL  
STATEMENT OF OPERATIONS (aa)(ac)**

**By Quarter**  
(UNAUDITED)  
(PER SHARE)(ai)

	Quarter Ended	
	December 31, 2003	December 31, 2002
<b>REVENUES</b>		
Rental Income	\$ 1.48	\$ 1.60
Tenant Recoveries and Other Income (ag)	0.47	0.47
Total Revenues	1.95	2.07
<b>EXPENSES</b>		
Real Estate Taxes	0.29	0.27
Repairs and Maintenance	0.14	0.14
Property Management	0.06	0.07
Utilities	0.06	0.06
Insurance	0.01	0.02
Other	0.05	0.07
Total Property Expenses	0.61	0.63
<b>NET OPERATING INCOME</b>	1.34	1.45
Equity in FFO of Joint Ventures (ak)	0.00	0.01
Net Economic Gains (Losses) (l)	0.37	0.22
General and Administrative	(0.14)	(0.13)
<b>EBITDA</b>	1.57	1.55
Interest Expense (ae)	(0.52)	(0.52)
Preferred Dividends	(0.11)	(0.11)
Amortization of Deferred Financing Costs	(0.01)	(0.01)
Depreciation of Corporate FF&E	(0.01)	(0.01)
<b>FUNDS FROM OPERATIONS - FFO (aa)</b>	0.92	0.90
Depreciation and Other Amortization	(0.56)	(0.46)
Equity in Dep/Other Amortization of Joint Ventures (ak)	(0.00)	(0.02)
Add Preferred Dividends	0.11	0.11
Gain on Sales of Properties	0.26	0.23
<b>NET INCOME</b>	\$ 0.73	\$ 0.75
Preferred Dividends	(0.11)	(0.11)
<b>NET INCOME FOR COMMON STOCKHOLDERS</b>	\$ 0.61	\$ 0.64
Gain on Sale of Property from Discontinued Operations (a)	(0.49)	(0.49)
Net Operating Income from Discontinued Operations (a)	(0.02)	(0.17)
Depreciation and Amortization from Discontinued Operations (a)	0.01	0.05
<b>NET INCOME FOR COMMON STOCKHOLDERS BEFORE DISCONTINUED OPERATIONS</b>	\$ 0.11	\$ 0.04
<hr style="border-top: 1px dashed black;"/>		
<b>EBITDA</b>	\$ 1.57	\$ 1.55
Interest Expense	(0.52)	(0.52)
Preferred Dividends	(0.11)	(0.11)
Straight-line Rental Income Adjustment	(0.03)	(0.01)
Restricted Stock Amortization	0.03	0.03
Non-Incremental Capital Expenditures (n)	(0.17)	(0.27)
<b>FUNDS AVAILABLE FOR DISTRIBUTION - FAD</b>	0.76	0.67
<b>COMMON DIVIDENDS/DISTRIBUTIONS</b>	\$ 0.6850	\$ 0.6850



## STATEMENT OF OPERATIONS

**Year to Date**

(UNAUDITED)

(IN 000'S)

	Year Ended	
	December 31, 2003	December 31, 2002
<b>REVENUES</b>		
Rental Income	\$ 260,049	\$ 239,484
Tenant Recoveries and Other Income (ag)	81,332	74,473
Total Revenues	341,381	313,957
<b>EXPENSES</b>		
Real Estate Taxes	50,476	46,391
Repairs and Maintenance	25,045	20,318
Property Management	12,187	11,436
Utilities	10,430	8,346
Insurance	3,341	2,547
Other	8,094	9,107
General and Administrative	26,953	19,610
Amortization of Deferred Financing Costs	1,764	1,925
Depreciation of Corporate FF&E	1,236	1,384
Depreciation and Other Amortization of Real Estate	81,260	66,698
Total Expenses	220,786	187,762
<b>OTHER INCOME/EXPENSE</b>		
Interest Income	2,416	2,378
Interest Expense (ae)	(95,456)	(90,387)
Loss from Early Retirement of Debt (af)	(1,466)	(888)
Total Other Income/Expense	(94,506)	(88,897)
<b>INCOME FROM CONTINUING OPERATIONS BEFORE EQUITY IN INCOME OF JOINT VENTURES AND INCOME ALLOCATED TO MINORITY INTEREST</b>		
	26,089	37,298
Equity in Net Income of Joint Ventures	539	463
Minority Interest Allocable to Continuing Operations	(958)	(1,585)
<b>INCOME FROM CONTINUING OPERATIONS</b>	25,670	36,176
Income from Discontinued Operations (Including Gain on Sale of Real Estate of \$79,072 and \$54,657 for the Twelve Months Ended December 31, 2003 and 2002, respectively)	87,875	82,338
Minority Interest Allocable to Discontinued Operations	(13,058)	(12,318)
<b>INCOME BEFORE GAIN ON SALE OF REAL ESTATE</b>	100,487	106,196
Gain on Sales of Real Estate, Net of Minority Interest of \$2,319 and \$2,464 for the Twelve Months Ended December 31, 2003 and 2002, respectively	13,286	14,012
<b>NET INCOME</b>	113,773	120,208
Preferred Dividends	(20,176)	(23,432)
Redemption of Preferred Stock (m)	-	(3,707)
<b>NET INCOME FOR COMMON STOCKHOLDERS</b>	\$ 93,597	\$ 93,069



## STATEMENT OF OPERATIONS

**Year to Date**

(UNAUDITED)

(IN 000'S)

	Year Ended	
	December 31, 2003	December 31, 2002
<b>NET INCOME FOR COMMON STOCKHOLDERS</b>	\$ 93,597	\$ 93,069
Add: Depreciation and Other Amortization of Real Estate	81,260	66,698
Add: Minority Interest Allocable to Discontinued Operations	13,058	12,318
Add: Minority Interest Allocable to Continuing Operations	958	1,585
Add: Minority Interest Allocable to Gain on Sale of Real Estate	2,319	2,464
Add: Depreciation and Other Amortization of Real Estate Included in Discontinued Operations	4,085	10,695
Add: Depreciation and Other Amortization of Real Estate- Joint Ventures	1,397	2,220
Less: Accumulated Depreciation/Amortization on Real Estate Sold	(38,488)	-
Less: Accumulated Depreciation/Amortization on Real Estate Sold and Non-IIS Gains(Losses)	-	(24,856)
Less: Accumulated Depreciation/Amortization on Real Estate Sold- Joint Ventures	(452)	(1,182)
<b>FUNDS FROM OPERATIONS ("FFO") (an)</b>	<b>\$ 157,734</b>	<b>\$ 163,011</b>
Add: Loss from Early Retirement of Debt (af)	1,466	888
Add: Restricted Stock Amortization	5,913	5,159
Add: Amortization of Deferred Financing Costs	1,764	1,925
Add: Depreciation of Corporate FF&E	1,236	1,384
Add: Redemption of Preferred Stock (m)	-	3,707
Less: Non-Incremental Capital Expenditures (n)	(37,584)	(34,586)
Less: Straight-line Rental Income Adjustment	(2,815)	(2,132)
<b>FUNDS AVAILABLE FOR DISTRIBUTION ("FAD") (an)</b>	<b>\$ 127,714</b>	<b>\$ 139,356</b>
<b>NET INCOME FOR COMMON STOCKHOLDERS</b>	<b>\$ 93,597</b>	<b>\$ 93,069</b>
Add: Interest Expense (ae)	95,456	90,387
Add: Depreciation and Other Amortization of Real Estate	81,260	66,698
Add: Preferred Dividends	20,176	23,432
Add: Redemption of Preferred Stock (m)	-	3,707
Add: Minority Interest Allocable to Discontinued Operations	13,058	12,318
Add: Minority Interest Allocable to Continuing Operations	958	1,585
Add: Minority Interest Allocable to Gain on Sale of Real Estate	2,319	2,464
Add: Loss from Early Retirement of Debt (af)	1,466	888
Add: Amortization of Deferred Financing Costs	1,764	1,925
Add: Depreciation of Corporate FF&E	1,236	1,384
Add: Depreciation and Other Amortization of Real Estate Included in Discontinued Operations	4,085	10,695
Add: Depreciation and Other Amortization of Real Estate- Joint Ventures	1,397	2,220
Less: Accumulated Depreciation/Amortization on Real Estate Sold	(38,488)	-
Less: Accumulated Depreciation/Amortization on Real Estate Sold and Non-IIS Gains(Losses)	-	(24,856)
Less: Accumulated Depreciation/Amortization on Real Estate Sold- Joint Ventures	(452)	(1,182)
<b>EBITDA (an)</b>	<b>\$ 277,832</b>	<b>\$ 284,734</b>
Add: General and Administrative	26,953	19,610
Less: Net Economic Gains (Losses)	(56,189)	(46,277)
Less: Equity in FFO of Joint Ventures	(1,484)	(1,501)
<b>NET OPERATING INCOME (an)</b>	<b>\$ 247,112</b>	<b>\$ 256,566</b>



**SUPPLEMENTAL  
STATEMENT OF OPERATIONS (aa)**

**Year to Date**  
(UNAUDITED)  
(IN 000'S)

	Year Ended	
	December 31, 2003	December 31, 2002
<b>REVENUES</b>		
Rental Income	\$ 276,247	\$ 282,948
Tenant Recoveries and Other Income (ag)	87,728	88,653
Total Revenues	363,975	371,601
<b>EXPENSES</b>		
Real Estate Taxes	54,107	55,307
Repairs and Maintenance	26,198	23,013
Property Management	12,963	13,430
Utilities	11,048	9,971
Insurance	3,599	2,979
Other	8,948	10,335
Total Property Expenses	116,863	115,035
<b>NET OPERATING INCOME</b>	247,112	256,566
Equity in FFO of Joint Ventures (ak)	1,484	1,501
Net Economic Gains (Losses) (l)	56,189	46,277
General and Administrative	(26,953)	(19,610)
<b>EBITDA</b>	277,832	284,734
Interest Expense (ae)	(95,456)	(90,387)
Loss from Early Retirement of Debt (af)	(1,466)	(888)
Preferred Dividends	(20,176)	(23,432)
Redemption of Preferred Stock (m)	-	(3,707)
Amortization of Deferred Financing Costs	(1,764)	(1,925)
Depreciation of Corporate FF&E	(1,236)	(1,384)
<b>FUNDS FROM OPERATIONS - FFO (aa)</b>	157,734	163,011
Depreciation and Other Amortization	(85,345)	(77,393)
Equity in Dep/Other Amortization of Joint Ventures (ak)	(945)	(1,038)
Add Preferred Dividends	20,176	23,432
Add Redemption of Preferred Stock (m)	-	3,707
Gain/(Loss) on Sales of Properties	38,488	24,856
Minority Interest (h)	(16,335)	(16,367)
<b>NET INCOME</b>	\$ 113,773	\$ 120,208
Preferred Dividends	(20,176)	(23,432)
Redemption of Preferred Stock (m)	-	(3,707)
<b>NET INCOME FOR COMMON STOCKHOLDERS</b>	\$ 93,597	\$ 93,069
Gain on Sale of Property from Discontinued Operations (a)	(79,072)	(54,657)
Net Operating Income from Discontinued Operations (a)	(12,888)	(38,376)
Depreciation and Amortization from Discontinued Operations (a)	4,085	10,695
Minority Interest from Discontinued Operations (a)	13,058	12,318
<b>NET INCOME FOR COMMON STOCKHOLDERS BEFORE DISCONTINUED OPERATIONS</b>	\$ 18,780	\$ 23,049
<b>EBITDA</b>	\$ 277,832	\$ 284,734
Interest Expense	(95,456)	(90,387)
Preferred Dividends	(20,176)	(23,432)
Straight-line Rental Income Adjustment	(2,815)	(2,132)
Restricted Stock Amortization	5,913	5,159
Non-Incremental Capital Expenditures (n)	(37,584)	(34,586)
<b>FUNDS AVAILABLE FOR DISTRIBUTION - FAD</b>	\$ 127,714	\$ 139,356
<b>COMMON DIVIDENDS/DISTRIBUTIONS</b>	\$ 126,700	\$ 125,785



**SUPPLEMENTAL  
STATEMENT OF OPERATIONS (aa)**

**Year to Date**

(UNAUDITED)

(AS A % OF TOTAL REVENUES)

	Year Ended	
	December 31, 2003	December 31, 2002
<b>REVENUES</b>		
Rental Income	75.9%	76.1%
Tenant Recoveries and Other Income (ag)	24.1%	23.9%
Total Revenues	<u>100.0%</u>	<u>100.0%</u>
<b>EXPENSES</b>		
Real Estate Taxes	14.9%	14.9%
Repairs and Maintenance	7.2%	6.2%
Property Management	3.6%	3.6%
Utilities	3.0%	2.7%
Insurance	1.0%	0.8%
Other	2.5%	2.8%
Total Property Expenses	<u>32.1%</u>	<u>31.0%</u>
<b>NET OPERATING INCOME</b>	67.9%	69.0%
Equity in FFO of Joint Ventures (ak)	0.4%	0.4%
Net Economic Gains (Losses) (l)	15.4%	12.5%
General and Administrative	<u>(7.4%)</u>	<u>(5.3%)</u>
<b>EBITDA</b>	76.3%	76.6%
Interest Expense (ae)	(26.2%)	(24.3%)
Loss from Retirement of Debt (af)	(0.4%)	(0.2%)
Preferred Dividends	(5.5%)	(6.3%)
Redemption of Preferred Stock (m)	-	(1.0%)
Amortization of Deferred Financing Costs	(0.5%)	(0.5%)
Depreciation of Corporate FF&E	<u>(0.3%)</u>	<u>(0.4%)</u>
<b>FUNDS FROM OPERATIONS - FFO (aa)</b>	43.3%	43.9%
Depreciation and Other Amortization	(23.4%)	(20.8%)
Equity in Dep/Other Amortization of Joint Ventures (ak)	(0.3%)	(0.3%)
Add Preferred Dividends	5.5%	6.3%
Redemption of Preferred Stock (m)	-	1.0%
Gain/(Loss) on Sales of Properties	10.6%	6.7%
Minority Interest (h)	<u>(4.5%)</u>	<u>(4.4%)</u>
<b>NET INCOME</b>	31.3%	32.3%
Preferred Dividends	(5.5%)	(6.3%)
Redemption of Preferred Stock (m)	<u>-</u>	<u>(1.0%)</u>
<b>NET INCOME FOR COMMON STOCKHOLDERS</b>	25.7%	25.0%
Gain on Sale of Property from Discontinued Operations (a)	(21.7%)	(14.7%)
Net Operating Income from Discontinued Operations (a)	(3.5%)	(10.3%)
Depreciation and Amortization from Discontinued Operations (a)	1.1%	2.9%
Minority Interest from Discontinued Operations (a)	<u>3.6%</u>	<u>3.3%</u>
<b>NET INCOME FOR COMMON STOCKHOLDERS BEFORE DISCONTINUED OPERATIONS</b>	<u>5.2%</u>	<u>6.2%</u>
<b>EBITDA</b>	76.3%	76.6%
Interest Expense	(26.2%)	(24.3%)
Preferred Dividends	(5.5%)	(6.3%)
Straight-line Rental Income Adjustment	(0.8%)	(0.6%)
Restricted Stock Amortization	1.6%	1.4%
Non-Incremental Capital Expenditures (n)	<u>(10.3%)</u>	<u>(9.3%)</u>
<b>FUNDS AVAILABLE FOR DISTRIBUTION - FAD</b>	<u>35.1%</u>	<u>37.5%</u>
<b>COMMON DIVIDENDS/DISTRIBUTIONS</b>	<u>34.8%</u>	<u>33.8%</u>



**SUPPLEMENTAL  
STATEMENT OF OPERATIONS (aa)(ac)**

**Year to Date**  
(UNAUDITED)  
(PER SHARE)(ai)

	Year Ended	
	December 31, 2003	December 31, 2002
<b>REVENUES</b>		
Rental Income	\$ 6.08	\$ 6.14
Tenant Recoveries and Other Income (ag)	1.93	1.92
Total Revenues	8.01	8.06
<b>EXPENSES</b>		
Real Estate Taxes	1.19	1.20
Repairs and Maintenance	0.58	0.50
Property Management	0.29	0.29
Utilities	0.24	0.22
Insurance	0.08	0.06
Other	0.20	0.22
Total Property Expenses	2.57	2.50
<b>NET OPERATING INCOME</b>		
Equity in FFO of Joint Ventures (ak)	5.44	5.57
Net Economic Gains (Losses) (l)	0.03	0.03
General and Administrative	1.24	1.00
	(0.59)	(0.43)
<b>EBITDA</b>		
Interest Expense (ae)	6.11	6.18
Loss from Retirement of Debt (af)	(2.10)	(1.96)
Preferred Dividends	(0.03)	(0.02)
Redemption of Preferred Stock (m)	(0.44)	(0.51)
Amortization of Deferred Financing Costs	-	(0.08)
Depreciation of Corporate FF&E	(0.04)	(0.04)
	(0.03)	(0.03)
<b>FUNDS FROM OPERATIONS - FFO (aa)</b>		
Depreciation and Other Amortization	3.47	3.54
Equity in Dep/Other Amortization of Joint Ventures (ak)	(1.88)	(1.68)
Add Preferred Dividends	(0.02)	(0.02)
Redemption of Preferred Stock (m)	0.44	0.51
Gain/(Loss) on Sales of Properties	-	0.08
	0.85	0.54
<b>NET INCOME</b>		
Preferred Dividends	2.86	2.96
Redemption of Preferred Stock (m)	(0.44)	(0.51)
	-	(0.08)
<b>NET INCOME FOR COMMON STOCKHOLDERS</b>		
Gain on Sale of Property from Discontinued Operations (a)	2.42	2.38
Net Operating Income from Discontinued Operations (a)	(1.74)	(1.19)
Depreciation and Amortization from Discontinued Operations (a)	(0.28)	(0.83)
	0.09	0.23
<b>NET INCOME FOR COMMON STOCKHOLDERS BEFORE DISCONTINUED OPERATIONS</b>		
	0.49	0.59
.....		
<b>EBITDA</b>		
Interest Expense	6.11	6.18
Preferred Dividends	(2.10)	(1.96)
Straight-line Rental Income Adjustment	(0.44)	(0.51)
Restricted Stock Amortization	(0.06)	(0.05)
Non-Incremental Capital Expenditures (n)	0.13	0.11
	(0.83)	(0.75)
<b>FUNDS AVAILABLE FOR DISTRIBUTION - FAD</b>		
	\$2.81	\$3.02
<b>COMMON DIVIDENDS/DISTRIBUTIONS</b>		
	\$ 2.74	\$ 2.73



## EQUITY ANALYSIS

(UNAUDITED)  
(IN 000'S EXCEPT PER SHARE DATA)

	December 31, 2003	December 31, 2002
<b>COMMON STOCK</b>		
Common Shares and Partnership Units Outstanding		
Common Shares	39,850	38,598
Partnership Units (o)	6,704	6,812
Total	46,554	45,410
Basic		
Weighted Avg. Shares/Units Outstanding (ac)	45,513	45,524
Weighted Avg. Shares Outstanding (ac)	38,767	38,671
Diluted		
Weighted Avg. Shares/Units Outstanding (ac)	45,842	45,600
Weighted Avg. Shares Outstanding (ac)	39,096	38,748
Common Shares Trading Volume		
Average Daily Volume (Shares)	176	178
Average Daily Volume (Dollars) (p)	\$ 5,836	\$ 4,897
As a % of Common Shares	0.44%	0.46%
Common Share Price Range		
Quarterly High	\$ 34.760	\$ 30.690
Quarterly Low	32.200	25.980
Quarterly Average (q)	33.160	27.510
End of Quarter	33.750	28.000
Common Stock Options Outstanding (Shares) (r)	2,504.0	3,143.0
Weighted Average Option Exercise Price	\$ 30.45	\$ 30.06
<b>PREFERRED STOCK (i)</b>		
Series C Preferred Shares Outstanding	2,000	2,000
Series C Preferred Shares Book Value	\$ 25.00	\$ 25.00
Series D Preferred Shares Outstanding	5,000	5,000
Series D Preferred Shares Book Value	\$ 25.00	\$ 25.00
Series E Preferred Shares Outstanding	3,000	3,000
Series E Preferred Shares Book Value	\$ 25.00	\$ 25.00
<b>CAPITALIZATION</b>		
Book Value of Preferred Stock	250,000	250,000
Market Value of Common Equity	1,571,198	1,271,480
Market Capitalization	\$ 1,821,198	\$ 1,521,480
Total Debt	1,453,798	1,442,149
Total Market Capitalization	\$ 3,274,996	\$ 2,963,629
(Market Capitalization + Total Debt)		



## EQUITY ANALYSIS

(UNAUDITED)  
(IN 000'S EXCEPT PER SHARE DATA)

### RESEARCH

#### Current Analysts Coverage

BB&T Capital  
Banc of America  
Credit Suisse First Boston  
Davenport & Company  
Deutsche Banc AB  
Prudential Securities  
RBC Capital Markets  
Raymond James & Associates  
Smith Barney

#### Contact

Stephanie Krewson  
Lee Schalop  
Jay Habermann  
Robert Norfleet  
Louis Taylor  
James Sullivan  
Jay Leupp  
Paul Puryear  
Jonathan Litt

### INSTITUTIONAL OWNERSHIP

	Shares Owned	% of Common Shares
Top Ten Institutional Holders 13F, UK UT, CAN MF and Offsh Fd	12,399,459	26.9%
Top Twenty Institutional Holders 13F, UK UT, CAN MF and Offsh Fd	15,497,100	33.7%
Total Shares Held by Institutions 13F, UK UT, CAN MF and Offsh Fd	21,658,649	47.0%
Total Number of Institutional Shareholders 13F, UK UT, CAN MF, and Offsh Fd	174	

Source: Based on information compiled by Thomson Financial and using total outstanding shares and units of 46,554,382. This information may reflect filing and/or reporting lags.



## DEBT ANALYSIS

By Quarter

(UNAUDITED)

(IN 000'S)

	Quarter Ended	
	December 31, 2003	December 31, 2002
<b>DEBT OUTSTANDING</b>		
Outstanding Balance		
Mortgage Loans Payable (e)	\$ 45,746	\$ 59,989
Unsecured Line of Credit (g)	195,900	170,300
Senior Unsecured Debt, net (f)(ad)	1,212,152	1,211,860
	<u>\$ 1,453,798</u>	<u>\$ 1,442,149</u>
Average Outstanding Balance		
Mortgage Loans Payable (e)	\$ 45,967	\$ 62,184
Unsecured Line of Credit (g)	201,524	196,480
Senior Unsecured Debt, net (f)(ad)	1,212,104	1,211,813
	<u>\$ 1,459,595</u>	<u>\$ 1,470,477</u>
Interest Rate Structure		
Fixed (e)(ad)(c)	\$ 1,257,898	\$ 1,346,849
Floating (g)(c)	195,900	95,300
	<u>\$ 1,453,798</u>	<u>\$ 1,442,149</u>
Average Interest Rates		
Mortgage Loans Payable (e)	6.55%	7.76%
Unsecured Line of Credit (g)	1.93%	2.75%
Senior Unsecured Debt, net (f) (ad)	7.29%	7.29%
Total Weighted Average	<u>6.53%</u>	<u>6.71%</u>
<b>DEBT RATIOS</b>		
Debt to Total Market Capitalization (Total Debt/(Market Value Common Stock + Preferred Stock + Total Debt))	44.4%	48.7%
Debt to Asset Value (Avg. Debt/ (Ann. NOI / Assumed Cap Rate)) (t)	39.8%	43.2%
Unencumbered Real Estate / Total Real Estate	97.2%	96.2%
<b>COVERAGE RATIOS</b>		
Interest Coverage - NOI (NOI / GAAP Interest Expense)	2.6x	2.8x
Interest Coverage - EBITDA (EBITDA / GAAP Interest Expense)	3.0x	3.0x
Fixed Charge Coverage - NOI (NOI / (GAAP Interest Expense + Principal Amort. + Preferred Dividends))	2.1x	2.3x
Fixed Charge Coverage - EBITDA (EBITDA / (GAAP Interest Expense + Principal Amort. + Preferred Dividends))	2.5x	2.4x



## DIVIDEND ANALYSIS

**By Quarter**

(UNAUDITED)

	Quarter Ended	
	December 31, 2003	December 31, 2002
<b>COMMON STOCK DIVIDENDS</b>		
Dividends per Share/Unit	\$ 0.6850	\$ 0.6850
Percentage of Dividend - Ordinary Income (z)	42.03%	42.16%
Percentage of Dividend - Return of Capital (z)	25.71%	30.03%
Percentage of Dividend - Capital Gain (z)	32.26%	27.81%
Common Shareholders' Record Date	12/31/2003	12/31/2002
Common Dividends Payment Date	1/20/2004	1/27/2003
<b>COMMON DIVIDEND/UNIT DISTRIBUTIONS</b>		
<b>PAYOUT RATIOS PER SHARE/UNIT</b>		
Payout - FFO (Common Dividends / Unit Distributions / FFO)	73.6%	75.9%
Payout - FAD (Common Dividends / Unit Distributions / FAD)	89.0%	102.5%
Dividend Coverage - FFO (FFO / Common Dividends / Unit Distributions)	1.36x	1.32x
Dividend Coverage - FAD (FAD / Common Dividends / Unit Distributions)	1.12x	0.98x
<b>COMMON DIVIDEND YIELDS</b>		
Dividend Yield	8.12%	9.79%
Spread Over 5 Year U.S. Treasury (u)	4.90%	7.06%
Spread Over 10 Year U.S. Treasury (u)	3.86%	5.96%
<b>PREFERRED STOCK DIVIDENDS (i)</b>		
Series C Preferred Stock Dividends Per Share	\$ 0.5391	\$ 0.5391
Series C Preferred Stock Dividend Yield	7.65%	8.29%
Series C Quarter End Price	28.200	26.010
Series D Preferred Stock Dividends Per Share	\$ 0.4969	\$ 0.4969
Series D Preferred Stock Dividend Yield	7.89%	8.13%
Series D Quarter End Price	25.200	24.450
Series E Preferred Stock Dividends Per Share	\$ 0.4938	\$ 0.4938
Series E Preferred Stock Dividend Yield	7.85%	8.14%
Series E Quarter End Price	25.150	24.260



## VALUATION ANALYSIS

By Quarter  
(UNAUDITED)

	Quarter Ended	
	December 31, 2003	December 31, 2002
<b>PRICING MULTIPLES /YIELDS</b>		
NOI Multiple (Mkt. Value of Common Equity+Avg. Preferred Stock+ Avg. Total Debt)/Ann. NOI (s)	13.3x	11.3x
EBITDA Multiple (Mkt. Value of Common Equity+Avg. Preferred Stock+ Avg. Total Debt)/Ann. EBITDA (s)	11.4x	10.6x
FFO Multiple (Common Share Price / Ann. FFO) (s)	9.3x	7.7x
FAD Multiple (Common Share Price / Ann. FAD) (s)	11.2x	10.4x
NOI Yield (Ann. NOI / (Mkt. Value of Common Equity + Avg. Preferred Stock+ Avg. Total Debt)) (s)	7.5%	8.8%
EBITDA Yield (Ann. EBITDA / (Mkt. Value of Common Equity + Avg. Preferred Stock+ Avg. Total Debt)) (s)	8.8%	9.5%
FFO Yield (Ann. FFO / Common Share Price) (s)	10.8%	12.9%
FAD Yield (Ann. FAD / Common Share Price) (s)	8.9%	9.6%
<b>RETURNS</b>		
Unleveraged Yield on Real Estate Owned - NOI (Ann. NOI / Avg. Gross Real Estate Investment) (s)	9.4%	10.2%
Unleveraged Yield on Real Estate Owned - EBITDA (Ann. EBITDA / Avg. Gross Real Estate Investment)) (s)	11.0%	11.0%
Return on Book Value of Common Stockholders' Equity (Ann. EBITDA / Avg. Common Stockholders' Equity) (s)	27.1%	25.9%
<b>VALUATION</b>		
Asset Value (Ann. NOI / Assumed Cap Rate) (t)	\$ 3,665,097	\$ 3,405,599
Net Asset Value (NAV) (ah) (Asset Value-Total Liab.- Preferred Stock)	\$ 1,823,365	\$ 1,580,013
NAV per Share (ah) (NAV / Total Shares and Units Outstanding)	\$ 39.17	\$ 34.79
NAV as a Percent of Common Share Price (NAV per Share / Common Share Price)	116.0%	124.3%
Market Premium (Discount) to NAV (ah) ((Market Value of Common Equity - NAV) / NAV)	(13.8%)	(19.5%)
Total Market Capitalization per Square Foot ((Market Value of Common Stock + Preferred Stock + Total Debt)/GLA)	\$ 56.54	\$ 49.41



## DEBT ANALYSIS

**Year to Date**

(UNAUDITED)

(IN 000'S)

	Year Ended	
	December 31, 2003	December 31, 2002
<b>DEBT OUTSTANDING</b>		
Average Outstanding Balance		
Mortgage Loans Payable (e)	\$ 36,783	\$ 85,930
Unsecured Line of Credit (g)	207,023	175,579
Senior Unsecured Debt, net (f)(ad)	1,211,995	1,171,527
	\$ 1,455,801	\$ 1,433,035
Average Interest Rate		
Mortgage Loans Payable (e)	7.05%	7.69%
Unsecured Line of Credit (g)	2.18%	3.05%
Senior Unsecured Debt, net (f)(ad)	7.35%	7.36%
Total Weighted Average	6.61%	6.85%
<b>COVERAGE RATIOS</b>		
Interest Coverage - NOI (NOI / GAAP Interest Expense)	2.6x	2.8x
Interest Coverage - EBITDA (EBITDA / GAAP Interest Expense)	2.9x	3.2x
Fixed Charge Coverage - NOI (NOI / (GAAP Interest Expense + Principal Amort. + Preferred Dividends))	2.1x	2.2x
Fixed Charge Coverage - EBITDA (EBITDA / (GAAP Interest Expense + Principal Amort. + Preferred Dividends))	2.4x	2.5x
<b>DEBT MATURITY</b>		
Weighted Average Maturity in Years as of 12/31/03 (v)	10.6	12.0
Debt Maturity By Year as of 12/31/03 (ab)		
2004	1,232	
2005	247,249	
2006	155,613	
2007	151,442	
2008	1,571	
2009	1,719	
2010	14,373	
2011	300,628	
2012	206,413	
2013	604	
2014	656	
Thereafter	371,539	
Total Debt	\$ 1,453,039	



## DIVIDEND ANALYSIS

**Year to Date**

(UNAUDITED)

	Year Ended	
	December 31, 2003	December 31, 2002
<b>COMMON STOCK DIVIDENDS</b>		
Dividends per Share/Unit	\$ 2.7400	\$ 2.7250
Percentage of Dividend - Ordinary Income (z)	42.03%	42.16%
Percentage of Dividend - Return of Capital (z)	25.71%	30.03%
Percentage of Dividend - Capital Gain (z)	32.26%	27.81%
<b>COMMON DIVIDEND/UNIT DISTRIBUTION PAYOUT RATIOS PER SHARE/UNIT</b>		
Payout - FFO (Common Dividends / Unit Distributions / FFO)	78.7%	76.6%
Payout - FAD (Common Dividends / Unit Distributions / FAD)	97.2%	89.6%
Dividend Coverage - FFO (FFO / Common Dividends / Unit Distributions)	1.27x	1.30x
Dividend Coverage - FAD (FAD / Common Dividends / Unit Distributions)	1.03x	1.12x
<b>PREFERRED STOCK DIVIDENDS (i)</b>		
Series B Preferred Stock Dividends Per Share	\$ -	\$ 0.8143
Series C Preferred Stock Dividends Per Share	\$ 2.1564	\$ 2.1564
Series D Preferred Stock Dividends Per Share	\$ 1.9875	\$ 1.9875
Series E Preferred Stock Dividends Per Share	\$ 1.9750	\$ 1.9750
<b>SHARES/UNITS OUTSTANDING</b>		
Basic		
Weighted Avg. Shares / Units Outstanding	45,322	45,841
Diluted		
Weighted Avg. Shares / Units Outstanding	45,443	46,079



## PROPERTY INFORMATION

(UNAUDITED)

	December 31, 2003	December 31, 2002
<b>TOTAL PORTFOLIO</b>		
Number of Properties - In Service	834	908
Number of Properties - Under Development	26	31
Total Number of Properties	860	939
Land Area - Developed (Acres)	4,384.95	4,547.27
Land Area - Developable (Acres) (w)	862.57	617.03
Gross Leasable Area s.f.-In Service	57,925,466	59,979,894
Gross Leasable Area s.f.-Under Development	2,640,051	2,582,483
Total Gross Leasable Area s.f.	60,565,517	62,562,377
Occupied (Square Feet)	51,223,499	53,707,017
Vacant (Square Feet)	6,701,967	6,272,877
Number of Tenants	2,456	2,575
Average Tenant Size per Occupied s.f.	20,856	20,857
Occupancy Rates - Based on In Service GLA	88.4%	89.5%
Weighted Average Lease Term (years)	5.1	5.5
<b>PORTFOLIO LEASING AND OPERATING STATISTICS</b>		
Leasing (Based on leasing activity during the period)		
Rental Rate Increases (previous cash rent vs. new cash rent)	(6.5%)	0.2%
Lease Costs Per Square Foot (includes tenant improvements and lease commissions)	\$ 2.33	\$ 2.54
Tenant Retention (by square feet)	63.1%	63.4%
Tenant Retention (by number of leases)	75.4%	64.6%
Capital Expenditures		
Non-Leasing Capital Expenditures Per Sq. Ft. (i.e., roofs, parking lot, etc.)	0.02	0.06
Same Property Detail (am)		
Change in Revenues	(5.2%)	(2.5%)
Change in Expenses	0.9%	(5.4%)
Change in NOI	(7.6%)	(1.2%)
Occupancy	87.6%	89.5%
Square Feet in Same Property Pool	51,804,482	53,563,871
% of Total Square Feet	89.4%	89.3%



## PROPERTY INFORMATION

(UNAUDITED)

	December 31, 2003	December 31, 2002
<b>NUMBER OF PROPERTIES</b>		
Atlanta	35	35
Baltimore	19	17
Central Pennsylvania	13	14
Chicago	40	52
Cincinnati	8	8
Columbus	6	6
Dallas/Fort Worth	91	93
Dayton	7	7
Denver	79	91
Des Moines	1	1
Detroit	127	133
Grand Rapids	2	2
Houston	30	27
Indianapolis	42	42
Los Angeles	25	37
Louisville	2	2
Milwaukee	7	7
Minneapolis/St. Paul	48	54
Nashville	13	17
Northern New Jersey	42	49
Philadelphia	37	40
Phoenix	9	2
Portland	n/a	24
Salt Lake City	47	46
San Diego	7	n/a
Southern New Jersey	28	28
St. Louis	13	12
Tampa	42	47
Other	14	15
Total In Service Properties	834	908

Atlanta	4.2%	3.9%
Baltimore	2.3%	1.9%
Central Pennsylvania	1.6%	1.5%
Chicago	4.8%	5.7%
Cincinnati	1.0%	0.9%
Columbus	0.7%	0.7%
Dallas/Fort Worth	10.9%	10.2%
Dayton	0.8%	0.8%
Denver	9.5%	10.0%
Des Moines	0.1%	0.1%
Detroit	15.2%	14.6%
Grand Rapids	0.2%	0.2%
Houston	3.6%	3.0%
Indianapolis	5.0%	4.6%
Los Angeles	3.0%	4.1%
Louisville	0.2%	0.2%
Milwaukee	0.8%	0.8%
Minneapolis/St. Paul	5.8%	5.9%
Nashville	1.6%	1.9%
Northern New Jersey	5.0%	5.4%
Philadelphia	4.4%	4.4%
Phoenix	1.1%	0.2%
Portland	n/a	2.6%
Salt Lake City	5.6%	5.1%
San Diego	0.8%	n/a
Southern New Jersey	3.4%	3.1%
St. Louis	1.6%	1.3%
Tampa	5.0%	5.2%
Other	1.7%	1.7%
Total In Service Properties	100.0%	100.0%

## PROPERTY INFORMATION

(UNAUDITED)



GLA	December 31, 2003	December 31, 2002
In Service Gross Leasable Area by Region		
Atlanta	5,514,750	5,037,299
Baltimore	1,365,730	1,308,130
Central Pennsylvania	1,877,135	1,660,135
Chicago	4,161,446	5,237,641
Cincinnati	1,683,100	1,683,100
Columbus	1,421,016	1,421,016
Dallas/Fort Worth	4,816,331	4,821,035
Dayton	342,746	342,746
Denver	4,044,099	4,464,625
Des Moines	88,000	88,000
Detroit	4,196,324	4,398,434
Grand Rapids	474,750	474,750
Houston	3,310,998	3,041,510
Indianapolis	4,064,118	4,346,512
Los Angeles	1,594,696	1,668,894
Louisville	433,500	443,500
Milwaukee	379,234	379,234
Minneapolis/St. Paul	4,572,418	4,944,153
Nashville	1,670,892	2,217,382
Northern New Jersey	2,942,887	3,255,389
Philadelphia	1,907,132	1,886,042
Phoenix	420,861	120,848
Portland	n/a	635,825
Salt Lake City	1,053,687	738,947
San Diego	577,301	n/a
Southern New Jersey	1,214,706	1,536,616
St. Louis	1,325,761	1,122,688
Tampa	1,308,590	1,385,985
Other	1,163,258	1,319,458
Total In Service GLA	57,925,466	59,979,894

### In Service GLA as a % of Total Portfolio by Region

Atlanta	9.5%	8.4%
Baltimore	2.4%	2.2%
Central Pennsylvania	3.2%	2.8%
Chicago	7.2%	8.7%
Cincinnati	2.9%	2.8%
Columbus	2.5%	2.4%
Dallas/Fort Worth	8.3%	8.0%
Dayton	0.6%	0.6%
Denver	7.0%	7.4%
Des Moines	0.2%	0.1%
Detroit	7.2%	7.3%
Grand Rapids	0.8%	0.8%
Houston	5.7%	5.1%
Indianapolis	7.0%	7.2%
Los Angeles	2.8%	2.8%
Louisville	0.7%	0.7%
Milwaukee	0.7%	0.6%
Minneapolis/St. Paul	7.9%	8.2%
Nashville	2.9%	3.7%
Northern New Jersey	5.1%	5.4%
Philadelphia	3.3%	3.1%
Phoenix	0.7%	0.2%
Portland	n/a	1.1%
Salt Lake City	1.8%	1.2%
San Diego	1.0%	n/a
Southern New Jersey	2.1%	2.6%
St. Louis	2.3%	1.9%
Tampa	2.3%	2.3%
Other	2.0%	2.2%
Total	100.0%	100.0%

## PROPERTY INFORMATION

(UNAUDITED)



	December 31, 2003	December 31, 2002
<b>NUMBER OF PROPERTIES</b>		
Number of In Service Properties by Property Type (aj)		
Bulk Warehouse	123	126
Light Industrial	423	494
R&D/Flex	163	167
Regional Warehouse	92	85
Manufacturing	33	36
Total In Service Properties	834	908
 <b>BASE RENT</b>		
Base Rent Rate by Property Type		
Bulk Warehouse	32.2%	31.9%
Light Industrial	37.4%	38.4%
R&D/Flex	15.2%	15.6%
Regional Warehouse	10.5%	8.8%
Manufacturing	4.7%	5.2%
Total	100.0%	100.0%
 <b>GLA</b>		
In Service Gross Leasable Area by Property Type		
Bulk Warehouse	25,350,134	25,507,064
Light Industrial	17,896,996	19,841,628
R&D/Flex	5,681,027	5,842,260
Regional Warehouse	5,492,232	5,077,402
Manufacturing	3,505,077	3,711,540
Total In Service GLA	57,925,466	59,979,894
 In Service Gross Leasable Area by Property Type		
Bulk Warehouse	43.8%	42.5%
Light Industrial	30.9%	33.1%
R&D/Flex	9.8%	9.7%
Regional Warehouse	9.5%	8.5%
Manufacturing	6.1%	6.2%
Total	100.0%	100.0%
 Average In Service Property Size (GLA)		
Bulk Warehouse	206,099	202,437
Light Industrial	42,310	40,165
R&D/Flex	34,853	34,984
Regional Warehouse	59,698	59,734
Manufacturing	106,214	103,098

**PROPERTY INFORMATION**  
(UNAUDITED)



<b>OCCUPANCY RATES</b>	December 31, 2003	December 31, 2002
Occupancy Rates by Metropolitan Area		
Atlanta	91%	96%
Baltimore	89%	90%
Central Pennsylvania	69%	72%
Chicago	82%	87%
Cincinnati	90%	88%
Columbus	92%	93%
Dallas/Fort Worth	96%	90%
Dayton	90%	91%
Denver	90%	90%
Des Moines	32%	90%
Detroit	92%	91%
Grand Rapids	100%	100%
Houston	85%	89%
Indianapolis	79%	90%
Los Angeles	97%	93%
Louisville	100%	89%
Milwaukee	90%	90%
Minneapolis/St. Paul	89%	88%
Nashville	84%	85%
Northern New Jersey	93%	91%
Philadelphia	92%	94%
Phoenix	75%	68%
Portland	n/a	95%
Salt Lake City	90%	84%
San Diego	90%	n/a
Southern New Jersey	92%	93%
St. Louis	99%	87%
Tampa	83%	85%
Other	81%	89%
	<u>88%</u>	<u>90%</u>

<b>RENTAL INCOME</b>		
Rental Income as a % of Total Portfolio by Metropolitan Area		
Atlanta	6.2%	7.2%
Baltimore	2.8%	2.6%
Central Pennsylvania	2.3%	2.1%
Chicago	7.3%	7.7%
Cincinnati	2.4%	1.9%
Columbus	1.9%	1.6%
Dallas/Fort Worth	9.3%	7.0%
Dayton	0.5%	0.5%
Denver	8.2%	9.0%
Des Moines	0.0%	0.1%
Detroit	8.6%	9.0%
Grand Rapids	0.9%	2.5%
Houston	3.1%	3.5%
Indianapolis	5.9%	4.8%
Long Island	n/a	n/a
Los Angeles	3.2%	2.9%
Louisville	0.7%	0.4%
Milwaukee	0.8%	0.8%
Minneapolis/St. Paul	7.9%	8.7%
Nashville	2.1%	2.6%
Northern New Jersey	8.5%	8.4%
Philadelphia	3.6%	3.9%
Phoenix	1.2%	0.2%
Portland	0.0%	1.3%
Salt Lake City	1.6%	1.5%
San Diego	1.2%	n/a
Southern New Jersey	2.2%	2.3%
St. Louis	2.2%	1.6%
Tampa	3.5%	4.2%
Other	2.1%	1.7%
	<u>100.0%</u>	<u>100.0%</u>

## PROPERTY INFORMATION

(UNAUDITED)



<b>SAME PROPERTY OCCUPANCY RATES</b>	December 31, 2003	December 31, 2002
Property Occupancy Rates by Metropolitan Area		
Atlanta	88%	94%
Baltimore	87%	88%
Central Pennsylvania	58%	67%
Chicago	76%	89%
Cincinnati	90%	88%
Columbus	92%	93%
Dallas/Fort Worth	96%	89%
Dayton	90%	91%
Denver	86%	90%
Des Moines	32%	90%
Detroit	92%	92%
Grand Rapids	100%	100%
Houston	84%	89%
Indianapolis	78%	88%
Los Angeles	96%	94%
Louisville	100%	77%
Milwaukee	90%	90%
Minneapolis/St. Paul	88%	89%
Nashville	78%	74%
Northern New Jersey	91%	90%
Philadelphia	91%	93%
Phoenix	100%	0%
Salt Lake City	86%	85%
Southern New Jersey	91%	95%
St. Louis	99%	87%
Tampa	83%	84%
Other	81%	88%
Weighted Average Occupancy	<u>87%</u>	<u>89%</u>

<b>SAME PROPERTY RENTAL INCOME</b>		
Annual Rental Income per Average Occupied Square Foot by Metropolitan Area (x)		
Atlanta	3.48	3.78
Baltimore	5.58	5.57
Central Pennsylvania	4.47	4.29
Chicago	4.70	4.40
Cincinnati	3.15	3.29
Columbus	3.39	2.87
Dallas/Fort Worth	4.32	4.41
Dayton	4.45	4.27
Denver	5.59	5.78
Des Moines	3.52	2.86
Detroit	5.91	5.95
Grand Rapids	5.08	5.08
Houston	3.18	3.51
Indianapolis	3.51	3.55
Los Angeles	5.78	5.70
Louisville	3.08	3.30
Milwaukee	6.07	6.11
Minneapolis/St. Paul	4.93	5.17
Nashville	3.54	4.12
Northern New Jersey	7.70	7.60
Philadelphia	5.43	5.54
Phoenix	2.52	-
Salt Lake City	5.87	6.51
Southern New Jersey	4.72	4.64
St. Louis	3.31	3.67
Tampa	8.53	8.84
Other	4.33	3.93
Weighted Average Rental Income / Sq.Ft.	<u>4.74</u>	<u>4.82</u>



## PROPERTY INFORMATION

(UNAUDITED)

(AS OF DECEMBER 31, 2003 AND DOLLARS IN 000'S)

### LARGEST TENANTS

#### Twenty Largest Tenants By Annualized Lease Net Rent

	Annualized Lease Net Rent	
	Amount	% of Total
1. General Motors	\$ 3,861	1.7%
2. Venture Industries	2,409	1.1%
3. General Services Administration	1,908	0.9%
4. Whirlpool	1,584	0.7%
5. Best Buy	1,557	0.7%
6. Southland Bonded Warehouse	1,426	0.6%
7. USCO Contract Logistics	1,406	0.6%
8. Tyco Healthcare Retail Group	1,380	0.6%
9. C & D Warehouse	1,346	0.6%
10. Osteonics	1,326	0.6%
11. Dana	1,170	0.5%
12. Lucent Technologies	1,106	0.5%
13. St. George Warehousing	1,098	0.5%
14. Heritage Communications	1,094	0.5%
15. Bergen Brunswick	1,059	0.5%
16. Caterpillar Logistics	1,048	0.5%
17. Anixter	1,039	0.5%
18. Federal Express	1,037	0.5%
19. Franklin Brass Manufacturing	1,015	0.5%
20. Contico International	998	0.4%
	<u>\$ 28,867</u>	<u>12.9%</u>

#### Twenty Largest Tenants by Gross Leasable Area

	Gross Leasable Area	
	Occupied	% of Total
1. General Motors	886,595	1.5%
2. Southland Bonded Warehouse	689,533	1.2%
3. Whirlpool	657,451	1.1%
4. Tyco Healthcare Retail Group	608,000	1.0%
5. USCO Contract Logistics	504,000	0.9%
6. Best Buy	475,129	0.8%
7. Venture Industries	474,750	0.8%
8. Caterpillar Logistics	445,903	0.8%
9. American Standard	404,734	0.7%
10. C & D Warehouse	360,374	0.6%
11. Dana	336,470	0.6%
12. Contico International	332,630	0.6%
13. Anixter	320,171	0.5%
14. HPI North America	312,265	0.5%
15. Vantage Products	298,000	0.5%
16. Lucent Technologies	291,618	0.5%
17. Midwest Air Technologies	288,000	0.5%
18. Hydra Warehouse	271,000	0.5%
19. General Services Administration	270,989	0.5%
20. Houston Harvest Gift Products	252,000	0.4%
	<u>8,479,612</u>	<u>14.4%</u>

## PROPERTY INFORMATION

(UNAUDITED)



### LEASE EXPIRATION SCHEDULE

By Net Rent	Amount	Average Net Rent	% of Total
2004	58,722	4.17	26.3%
2005	49,408	4.77	22.1%
2006	40,881	4.91	18.3%
2007	25,370	4.53	11.4%
2008	21,172	4.09	9.5%
2009	11,255	3.95	5.0%
2010	7,644	3.45	3.4%
2011	2,948	5.12	1.3%
2012	1,255	5.06	0.6%
2013	3,743	2.37	1.7%
Thereafter	769	3.72	0.3%
	<u>\$223,167</u>	<u>\$4.36</u>	<u>100.0%</u>

By GLA	GLA	Average Lease (GLA)	% of Total
2004	14,087,159	19,620	27.5%
2005	10,357,040	17,262	20.2%
2006	8,317,850	17,623	16.2%
2007	5,606,578	22,426	10.9%
2008	5,179,327	21,140	10.1%
2009	2,846,749	33,102	5.6%
2010	2,218,422	44,368	4.3%
2011	575,676	28,784	1.1%
2012	247,901	27,545	0.5%
2013	1,579,857	105,324	3.1%
Thereafter	206,940	22,993	0.4%
	<u>51,223,499</u>	<u>20,705</u>	<u>100.0%</u>

By Number of Leases	Number	% of Total
2004	718	29.0%
2005	600	24.3%
2006	472	19.1%
2007	250	10.1%
2008	245	9.9%
2009	86	3.5%
2010	50	2.0%
2011	20	0.8%
2012	9	0.4%
2013	15	0.6%
Thereafter	9	0.4%
	<u>2,474</u>	<u>100.0%</u>

## 2003 PROPERTY ACQUISITION SUMMARY

(UNAUDITED)



PORTFOLIO	LOCATION	SQUARE FEET	PURCHASE PRICE (in millions)	WEIGHTED AVERAGE EXPECTED CAP RATE (k)
504 Advantage Way	Baltimore	527,600	20.4	
<b>Total First Quarter Acquisitions</b>		<b>527,600</b>	<b>\$20.4</b>	<b>9.4%</b>
First International Business Center	San Diego	724,502	41.8	
16522 Hunters Green Parkway	Baltimore	487,000	16.5	
16608 Hunters Green Parkway	Baltimore	32,680	1.9	
5100 West 70th Place	Chicago	407,012	7.9	
7800 The Bluffs	Atlanta	154,936	3.4	
8705 City Park Loop	Houston	191,537	4.3	
369 Orange Street	Salt Lake City	136,000	3.8	
Watkins/Van Buren Portfolio	Phoenix	434,234	15.2	
Whirlpool	Atlanta	657,451	15.8	
<b>Total Second Quarter Acquisitions</b>		<b>3,225,352</b>	<b>\$110.6</b>	<b>10.2%</b>
Jackson	Indianapolis	320,000	4.0	
13701 Rider Trail N.	St. Louis	64,387	3.7	
Northcreek	Cincinnati	92,282	5.6	
Northeast Commerce	Cincinnati	100,000	4.8	
1905 110th Street	Dallas	101,839	1.7	
Oak Grove Commons	Chicago	137,678	5.9	
Park Plaza	Indianapolis	95,080	3.2	
6101 Guion Road	Indianapolis	69,600	1.2	
<b>Total Third Quarter Acquisitions</b>		<b>980,866</b>	<b>\$30.1</b>	<b>11.9%</b>
Rose Garden Center	Phoenix	71,960	2.9	
Northwest Business Park	Indianapolis	343,200	11.3	
90 Southland Drive	Philadelphia	97,448	3.2	
1330 W. 3300 South Avenue	Salt Lake City	188,568	4.4	
Fairfield Business Park	Indianapolis	120,048	3.8	
Pennsauken Portfolio	S. New Jersey	203,350	5.6	
Turnbull Canyon	Los Angeles	116,000	5.1	
Southgate at Washington Business Pk	Washington D.C.	442,024	25.5	
10901 Kenwood Road	Cincinnati	143,438	3.0	
Intercontinental Business Park	Houston	164,387	2.9	
<b>Total Fourth Quarter Acquisitions</b>		<b>1,890,423</b>	<b>\$67.7</b>	<b>10.9%</b>
<b>Total 2003 Acquisitions</b>		<b>6,624,241</b>	<b>\$228.8</b>	<b>10.6%</b>

## 2002 PROPERTY ACQUISITION SUMMARY

(UNAUDITED)



PORTFOLIO	LOCATION	SQUARE FEET	PURCHASE PRICE (in millions)	WEIGHTED AVERAGE EXPECTED CAP RATE (k)
Metropolitan Drive	Philadelphia	765,489	\$38.9	
175 Wall Street	Chicago	50,050	2.8	
<b>Total First Quarter Acquisitions</b>		<b>815,539</b>	<b>\$41.7</b>	<b>10.6%</b>
OMA Rancho Dominguez	Los Angeles	464,800	19.8	
New Jersey Flex Portfolio	N. New Jersey	281,926	13.2	
1067 Warson Road	St. Louis	332,630	8.4	
Gateway #11	Denver	81,564	3.8	
Shoemaker Industrial Park	Los Angeles	105,005	5.7	
GM Portfolio	Various	1,275,750	36.8	
<b>Total Second Quarter Acquisitions</b>		<b>2,541,675</b>	<b>\$87.6</b>	<b>11.4%</b>
Southwest Business Park	Houston	131,000	4.6	
Century 105 Business Center	Los Angeles	195,701	13.0	
835 Wheeler Way	Philadelphia	64,402	2.0	
Avenue S and Plano Crossing	Dallas	422,026	20.8	
<b>Total Third Quarter Acquisitions</b>		<b>813,129</b>	<b>\$40.3</b>	<b>9.5%</b>
3200 Avenue E East	Dallas	49,177	0.7	
6070 LaGrange Blvd	Atlanta	75,600	1.5	
Midway Ft. Worth	Dallas	450,360	14.7	
Allendale Industrial Park	N. New Jersey	409,240	29.8	
1931 Olney Avenue	N. New Jersey	45,770	1.8	
46 North 49th Avenue	Phoenix	82,288	2.0	
6041-6045 Guion Road	Indianapolis	121,600	2.9	
Bensenville Portfolio	Chicago	158,791	9.3	
Temecula	Los Angeles	103,008	5.3	
<b>Total Fourth Quarter Acquisitions</b>		<b>1,495,834</b>	<b>\$67.8</b>	<b>9.9%</b>
<b>Total 2002 Acquisitions</b>		<b>5,666,177</b>	<b>\$237.4</b>	<b>10.5%</b>



**2003 PROPERTY DEVELOPMENT SUMMARY**  
(UNAUDITED)

**DEVELOPMENTS PLACED IN SERVICE**

<u>DEVELOPMENT</u>	<u>LOCATION</u>	<u>SQUARE FEET</u>	<u>ESTIMATED INVESTMENT</u> (in millions)	<u>AVERAGE EXPECTED CAP RATE (k)</u>
Tradepointe III	Louisville	221,000	6.5	
Sayreville Business Center - Lot #3	N. New Jersey	62,400	6.1	
<b>First Quarter Total</b>		<b>283,400</b>	<b>\$12.6</b>	<b>9.7%</b>
Ford BTS	Greensboro	252,000	8.7	
<b>Second Quarter Total</b>		<b>252,000</b>	<b>\$8.7</b>	<b>9.5%</b>
Tractor Supply Companies	Dallas	318,924	12.5	
First Park @ Brandon - Bldg 2	Tampa	63,080	4.3	
Garden of the Gods Phase II	Denver	50,470	3.2	
First Park @ Brandon - Bldg 1	Tampa	71,180	5.1	
<b>Third Quarter Total</b>		<b>503,654</b>	<b>\$25.1</b>	<b>9.5%</b>
Park 370 - Bldg B	St. Louis	173,800	7.2	
Addison Tech - Bldg D	Dallas	55,200	5.2	
First Arrowhead - Bldg D	Phoenix	19,960	2.1	
Asset Acceptance	Tampa	52,280	3.9	
<b>Fourth Quarter Total</b>		<b>301,240</b>	<b>\$18.5</b>	<b>10.1%</b>
<b>2003 Total</b>		<b>1,340,294</b>	<b>\$64.9</b>	<b>9.7%</b>

**DEVELOPMENTS IN PROCESS AT DECEMBER 31, 2003**

<u>DEVELOPMENT</u>	<u>LOCATION</u>	<u>SQUARE FEET</u>	<u>ESTIMATED INVESTMENT</u> (in millions)	
Mary Kay	Harrisburg	87,500	8.8	
First Commons II	Phoenix	99,435	6.6	
Ford Motor Company	Atlanta	231,000	8.9	
Baseline Road	Phoenix	147,454	14.7	
Park 370	St. Louis	144,400	7.2	
Tollway Park of Commerce I	Chicago	287,556	14.3	
Addison Tech	Dallas	34,800	3.3	
Jeffco Business Center I	Denver	103,720	13.7	
Caterpillar	Harrisburg	252,000	9.8	
DS Container	Chicago	236,213	12.5	
Hazelwood	St. Louis	180,658	7.7	
Park Centre	Denver	145,706	17.7	
Hampden North	Harrisburg	103,200	4.0	
Warm IV	Cincinnati	236,250	8.4	
Hilltop Business Center I	Denver	37,043	4.9	
Warm V	Cincinnati	180,000	6.9	
Park 2000 III	Minneapolis	133,116	6.6	
<b>Total Under Construction</b>		<b>2,640,051</b>	<b>\$156.1</b>	<b>8.5%</b>
% Leased			<b>70%</b>	
% Funded			<b>78%</b>	



**2002 PROPERTY DEVELOPMENT SUMMARY**  
(UNAUDITED)

<u>DEVELOPMENT</u>	<u>LOCATION</u>	<u>SQUARE FEET</u>	<u>ESTIMATED INVESTMENT</u> (in millions)	<u>AVERAGE EXPECTED CAP RATE (k)</u>
4645 West McDowell	Phoenix	73,802	\$3.5	
700 Allen Road	Harrisburg	181,990	6.5	
Terminus/West Business Park-Bldg 1	Atlanta	527,000	14.1	
<b>First Quarter Total</b>		<b>782,792</b>	<b>\$24.2</b>	<b>10.5%</b>
Addison Tech - Bldg B	Dallas	102,232	\$9.1	
First Arrowhead - Bldg B	Phoenix	54,455	4.6	
<b>Second Quarter Total</b>		<b>156,687</b>	<b>\$13.7</b>	<b>11.2%</b>
Verizon Wireless	Baltimore	67,200	4.0	
Tollway Park of Commerce I	Chicago	53,330	2.9	
Addison Tech - Bldg A	Dallas	36,000	3.1	
Bridgewater Dunes - Bldg 1A	Tampa	360,000	11.3	
First Garland - Bldg A	Dallas	472,200	12.2	
Hilltop Business Ctr. I - Bldg A	Denver	42,380	5.4	
Omega Lot #2	Baltimore	43,978	3.4	
Greenwood Phase III	Atlanta	455,000	12.0	
<b>Third Quarter Total</b>		<b>1,530,088</b>	<b>\$54.3</b>	<b>10.7%</b>
Eastgate III	Nashville	423,500	10.6	
Sayreville Business Center-Lot #4	N. New Jersey	62,400	5.3	
First Arrowhead - Bldg C	Phoenix	18,881	1.6	
Terminus/West Business Park-Bldg 2	Atlanta	202,400	7.2	
<b>Fourth Quarter Total</b>		<b>707,181</b>	<b>\$24.7</b>	<b>11.9%</b>
<b>2002 Total</b>		<b>3,176,748</b>	<b>\$116.8</b>	<b>10.9%</b>

## 2003 PROPERTY SALES SUMMARY

(UNAUDITED)



ADDRESS/PORTFOLIO	LOCATION	SQUARE FEET	SALE PRICE (in millions)	WEIGHTED AVERAGE CAP RATE
953 Westgate Drive	Minneapolis	51,906	\$3.3	
6464 Sycamore Court	Minneapolis	79,702	4.2	
11201 Hampshire Avenue	Minneapolis	60,480	2.5	
2070 Springdale Road	S. New Jersey	23,037	1.1	
20th Street Industrial	Portland	11,810	0.7	
301 Alice	Chicago	65,450	2.3	
244 Sheffield Street	N. New Jersey	23,430	2.7	
1275 Corporate Center Drive	Minneapolis	19,675	1.0	
1279 Corporate Center Drive	Minneapolis	19,792	1.0	
3632 Stern	Chicago	50,400	2.1	
2084 Lake Industrial Ct	Atlanta	180,000	6.1	
736-776 Industrial Drive	Chicago	80,180	4.5	
321 Lawndale	Salt Lake City	9,828	0.6	
Park 2000 Phase II	Minneapolis	128,872	7.5	
Blackmore Package	Los Angeles	20,700	2.8	
60 & 70 Ethel Road	N. New Jersey	104,820	6.6	
601-629 Montrose Avenue	N. New Jersey	75,000	5.3	
Smith Street & West Forest	N. New Jersey	110,000	10.2	
<b>Total First Quarter Sales</b>		<b>1,115,082</b>	<b>\$64.4</b>	<b>8.8%</b>
125 East Kensing Drive	Central PA	70,000	\$4.1	
560 Anglum Road	St. Louis	35,114	2.1	
2300 Hammond Drive	Chicago	77,000	3.2	
5 Carnegie Plaza	S. New Jersey	142,750	6.3	
Ainsworth	Portland	20,812	1.4	
Neighborcare	Portland	10,000	1.3	
1921 Northwood Drive	Detroit	42,000	2.9	
16 World's Fair Drive	N. New Jersey	43,400	2.9	
1830 W. 208th Street	Los Angeles	7,800	1.0	
20801-03 Higgins Court	Los Angeles	8,086	1.0	
20817-19 S. Western Ave.	Los Angeles	7,300	0.9	
20807-09 Higin Court	Los Angeles	8,048	1.0	
3200 Avenue E East	Dallas	49,330	1.2	
Parkwest Portfolio	Denver	99,688	6.2	
3600 Thayer Court	Chicago	66,958	5.6	
1328 Charwood	Baltimore	150,500	8.3	
7440 Whitehall	Dallas	22,615	0.7	
Ford BTS	Greensboro	252,000	9.2	
16608 Hunters Green	Baltimore	32,680	1.9	
495 East Locust	Central PA	200,000	8.3	
301-329 Airport Road	Chicago	92,527	5.0	
<b>Total Second Quarter Sales</b>		<b>1,438,608</b>	<b>\$74.5</b>	<b>8.4%</b>
6070 Lagrange	Atlanta	75,600	\$1.3	
50 Napoleon Court	N. New Jersey	20,158	1.5	
216 Kelsey Drive	Tampa	112,000	4.2	
Tractor Supply Waco	Dallas	318,924	12.6	
11866 Hubbard	Detroit	41,380	1.9	
33200 Capitol Ave.	Detroit	40,000	2.2	
Portland Portfolio	Portland	564,163	34.2	
1017-25 Jacksboro	Dallas	30,000	1.0	
Garden of the Gods II	Denver	50,470	3.4	
Corporate Center	Tampa	107,540	6.4	
8122 South Park Lane	Denver	43,987	3.9	
Denver Portfolio	Denver	229,086	12.4	
1501 Luna Road	Dallas	58,989	7.1	
8220-8260 Northcreek	Cincinnati	92,422	7.9	
417 Harding	Nashville	207,440	8.1	
315 Kirk Road	Chicago	309,600	12.6	
Century 105	Los Angeles	68,672	4.6	
First Brandon - Bldg 1	Tampa	71,180	7.4	
First Brandon - Bldg 2	Tampa	63,080	5.6	
<b>Total Third Quarter Sales</b>		<b>2,504,691</b>	<b>\$138.1</b>	<b>8.3%</b>

## 2003 PROPERTY SALES SUMMARY

(UNAUDITED)



ADDRESS/PORTFOLIO	LOCATION	SQUARE FEET	SALE PRICE (in millions)	WEIGHTED AVERAGE CAP RATE
2059 Springdale Road	S. New Jersey	49,300	2.5	
10435 Seymour	Chicago	53,684	2.0	
2654 Elliott	Detroit	9,700	0.6	
3627 Stern	Chicago	30,000	1.5	
215 Welsh Pool Road	Philadelphia	14,041	1.1	
217 Welsh Pool Road	Philadelphia	11,293	0.7	
211 Nesbitt	Nashville	339,050	8.3	
Arrow Business Center	Los Angeles	69,592	5.7	
480 E. 14th Street	Chicago	284,135	5.8	
34005 Schoolcraft	Detroit	26,100	1.5	
20 & 30 McDonald	Philadelphia	50,900	2.9	
405-417 University	Chicago	56,400	2.4	
2695 Customhouse	San Diego	111,644	6.6	
3200-3250 South St. Louis	Chicago	57,905	5.2	
American Red Cross	Portland	29,040	1.5	
504 Malcolm	Minneapolis	143,066	8.7	
Thermadyne	Other	156,200	8.0	
4430 Airport	Indianapolis	486,394	13.7	
Addison Tech Bldg D	Dallas	55,200	6.2	
23290 Commerce	Detroit	42,930	2.4	
First Arrowhead D	Phoenix	19,960	2.3	
7 Esterbrook	S. New Jersey	181,000	6.9	
1 Esterbrook Lane	S. New Jersey	8,610	0.6	
2800 South Falkenburg Road	Tampa	52,280	5.6	
Atchison & Topeka	Denver	48,000	3.5	
<b>Total Fourth Quarter Sales</b>		<b>2,386,424</b>	<b>\$105.9</b>	<b>9.0%</b>
<b>Total 2003 Sales</b>		<b>7,444,805</b>	<b>\$382.9</b>	<b>8.6%</b>

## 2002 PROPERTY SALES SUMMARY

(UNAUDITED)



ADDRESS/PORTFOLIO	LOCATION	SQUARE FEET	SALE PRICE (in millions)	WEIGHTED AVERAGE CAP RATE
10 Edison Street	Long Island	34,400	\$1.5	
5062 Kendrick Court	Grand Rapids	31,750	0.9	
3395 Kraft Avenue	Grand Rapids	42,600	1.5	
12 Wright Way	N. New Jersey	52,402	3.3	
4107 N. Himes Avenue	Tampa	26,716	3.2	
2651-2677 Manana	Dallas	82,229	2.0	
2001 110th Street	Dallas	74,106	2.3	
11674-11688 Fairgrove	St. Louis	31,500	1.0	
11652-11666 Fairgrove	St. Louis	31,500	1.0	
First Commons Phase I	Phoenix	132,261	8.0	
Delicor - 1645 NE 72nd Avenue	Portland	21,600	1.0	
700 Allen Road	Harrisburg	181,990	7.4	
155 Pierce Street	N. New Jersey	46,000	6.4	
7025 S. Revere Pkwy	Denver	59,270	4.8	
1255 Terminus Drive	Atlanta	527,000	15.6	
22731 Newman Street	Detroit	48,000	5.1	
Capital Business Center	Harrisburg	1,016,354	28.2	
851 Feehanville	Chicago	34,875	2.2	
<b>Total First Quarter Sales</b>		<b>2,474,553</b>	<b>\$95.4</b>	<b>9.2%</b>
5902 Decatur Blvd/GM	Indianapolis	389,660	\$20.9	
20909-11 Western	Los Angeles	7,300	0.8	
7359 South Hamlin	Chicago	56,017	1.5	
5079 33rd Street	Grand Rapids	109,875	3.2	
1920 Air Lane Dr.	Nashville	49,922	2.5	
3900 West 74th Street	Chicago	66,000	1.2	
2935 & 2945 Walkent	Grand Rapids	158,335	4.5	
5 Sidney Court	Long Island	29,300	1.4	
Quality Plaza	Long Island	174,169	8.7	
6635 E. 30th Street	Indianapolis	100,000	4.1	
7000 Highland Parkway	Atlanta	123,808	5.7	
1003 Sigman Road	Atlanta	123,457	4.2	
Capital Business Center	Harrisburg	537,720	16.3	
30 Troy Road	N. New Jersey	17,500	1.3	
20 Leslie Court	N. New Jersey	17,997	1.1	
25 Leslie Court	N. New Jersey	70,800	4.3	
130 Algonquin Parkway	N. New Jersey	29,008	1.5	
150 Algonquin Parkway	N. New Jersey	17,531	1.0	
First Arrowhead Bldg B	Phoenix	54,455	5.9	
Qualex	Portland	35,000	1.8	
280-296 Palatine Road	Chicago	90,833	4.3	
1405-1409 Avenue H	Dallas	36,000	0.8	
<b>Total Second Quarter Sales</b>		<b>2,294,687</b>	<b>\$96.6</b>	<b>8.8%</b>
4309 S. Morgan	Chicago	200,000	\$6.2	
550 Business Center Dr.	Chicago	34,596	2.1	
410 West 169th Street	Chicago	151,436	3.6	
21477 MBL Bridge Industrial	Detroit	41,500	2.4	
5025 28th Street	Grand Rapids	14,400	0.7	
401 Airport Road	Chicago	53,330	3.3	
7320 Executive Way	Baltimore	43,978	4.2	
First Garland Bldg A	Dallas	472,200	13.4	
2370 Trenton Way	Denver	22,735	1.7	
Addison Tech Bldg A	Dallas	36,000	3.9	
Highpoint Bldg A	Denver	42,380	5.9	
9197 W. 6th Avenue	Denver	32,741	3.8	
260 Greenwood Court	Atlanta	455,000	13.9	
Verizon	Harrisburg	67,200	4.5	
6800 Route 33	Tampa	360,000	14.9	
55 Locust Avenue	N. New Jersey	79,750	4.1	
2600 South 25th Street	Chicago	389,155	9.5	
4121-4161 McDonald/Dixon Ave	Des Moines	604,708	11.8	
38220 Plymouth Road	Detroit	145,232	7.5	
15 Leslie Court	N. New Jersey	18,000	1.2	
219 Welsh Pool Road	Philadelphia	19,965	1.3	
<b>Total Third Quarter Sales</b>		<b>3,284,306</b>	<b>\$119.8</b>	<b>8.6%</b>

## 2002 PROPERTY SALES SUMMARY

(UNAUDITED)



ADDRESS/PORTFOLIO	LOCATION	SQUARE FEET	SALE PRICE (in millions)	WEIGHTED AVERAGE CAP RATE
4545 Mossford Drive	Houston	66,565	1.9	
140 Hanover Drive	N. New Jersey	24,905	3.0	
800 Stephenson Highway	Detroit	48,200	5.5	
2443 SE 4th Ave.	Portland	27,128	1.1	
2760 South 1st Street	St. Louis	178,800	6.4	
5333 33rd Street	Grand Rapids	101,250	3.4	
20904-06 Higgins Court	Los Angeles	7,300	1.0	
35-45 Lake Street	Chicago	124,804	3.7	
100 Donwick Drive	Houston	251,850	6.1	
12221 West Feerick	Milwaukee	38,230	1.7	
110 Thousand Oaks Boulevard	Philadelphia	110,000	5.3	
14626 NE Airport Way	Portland	20,000	1.9	
16661 N. 84th Avenue	Phoenix	18,881	2.0	
1255 Terminus Drive 2	Atlanta	202,400	8.0	
Sweetwater Business Center	Tampa	172,000	10.4	
Grand Rapids Portfolio	Grand Rapids	1,856,726	49.0	
3170-3190 MacArthur Blvd	Chicago	41,423	2.6	
2002 Stephenson Highway	Detroit	21,850	2.1	
6045 Guion Road	Indianapolis	81,600	3.0	
8122 South Park Lane B	Denver	20,389	1.6	
6675 Parkland Blvd	Cleveland	102,500	6.0	
1630 SE 8th Ave	Portland	5,000	1.3	
12050-12200 Farmington Road	Detroit	25,470	1.4	
1601 Feehanville Road	Chicago	64,080	5.5	
1875 Rockdale	Atlanta	121,600	4.0	
32200 N. Avis	Detroit	88,700	4.6	
<b>Total Fourth Quarter Sales</b>		<b>3,821,651</b>	<b>\$142.5</b>	<b>9.3%</b>
<b>Total 2002 Sales</b>		<b>11,875,197</b>	<b>\$454.3</b>	<b>9.0%</b>

# DEVELOPABLE AND EXPANDABLE SITE INVENTORY (w)

(UNAUDITED)  
(AS OF DECEMBER 31, 2003)



Building Address/Land Project	Location	Land Area (Acres)	Developable/ Expandable GLA (Est.)
<b><u>Owned Land</u></b>			
<b>Atlanta</b>			
Terminus	Douglas County, GA	30.0	653,400
	<b>Subtotal</b>	<u>30.0</u>	<u>653,400</u>
<b>Baltimore</b>			
Advantage Way	Aberdeen, MD	22.0	479,160
	<b>Subtotal</b>	<u>22.0</u>	<u>479,160</u>
<b>Chicago</b>			
Joliet Land	Chicago, IL	27.9	608,098
Tollway Park of Commerce	Chicago, IL	11.0	240,233
	<b>Subtotal</b>	<u>39.0</u>	<u>848,331</u>
<b>Denver</b>			
Skyway Business Center	Denver, CO	11.3	246,114
	<b>Subtotal</b>	<u>11.3</u>	<u>246,114</u>
<b>Dallas</b>			
Miller Distribution Center	Garland, TX	20.0	435,600
Pinnacle Business Park	Dallas, TX	47.2	1,028,016
	<b>Subtotal</b>	<u>67.2</u>	<u>1,463,616</u>
<b>Indianapolis</b>			
Brookville	Indianapolis, IN	51.5	1,121,670
	<b>Subtotal</b>	<u>51.5</u>	<u>1,121,670</u>
<b>Philadelphia</b>			
Covington	Philadelphia, PA	330.0	7,187,400
	<b>Subtotal</b>	<u>330.0</u>	<u>7,187,400</u>
<b>Phoenix</b>			
First Gateway	Phoenix, AZ	30.1	656,014
Scottsdale Airpark	Scottsdale, AZ	5.2	113,474
Talavi	Phoenix, AZ	7.6	164,657
	<b>Subtotal</b>	<u>42.9</u>	<u>934,144</u>
<b>San Diego</b>			
Otay Mesa	Otay Mesa, CA	10.8	235,224
	<b>Subtotal</b>	<u>10.8</u>	<u>235,224</u>
<b>Tampa</b>			
Faulkenberg	Tampa, FL	9.5	206,692
Bridgewater	Lakeland, FL	57.0	1,241,460
	<b>Subtotal</b>	<u>66.5</u>	<u>1,448,152</u>
<b>SUBTOTAL OF OWNED LAND</b>		<b>671.1</b>	<b>14,617,211</b>
<b><u>Land Under Option</u></b>			
Terminus	Atlanta	80.0	1,742,400
NC Industrial Park	Atlanta	30.3	660,892
New Jersey	New Jersey	81.1	1,766,358
<b>TOTAL</b>		<b><u>862.6</u></b>	<b><u>18,786,862</u></b>



**FOOTNOTES**

(UNAUDITED)  
(IN 000'S EXCEPT PER SHARE DATA)

(a) In August 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets" ("FAS 144"). On January 1, 2002, the Company adopted FAS 144. FAS 144 requires that the operations and gain (loss) on sale of all properties sold subsequent to December 31, 2001 that were not held for sale at December 31, 2001 and properties that were classified as held for sale subsequent to December 31, 2001 be presented in discontinued operations if both of the following criteria are met: (i) the operations and cash flows of the property have been (or will be ) eliminated from the ongoing operations of the company as a result of the disposal transaction and (ii) the company will not have significant involvement in the operations of the property after the disposal transaction. FAS 144 also requires that prior periods be restated.

(b) Restricted cash as of December 31, 2003 is comprised of deposits with a 1031 Exchange Intermediary. The sales proceeds will be disbursed as First Industrial exchanges into properties under Section 1031 of the Internal Revenue Code.

(c) On January 1, 2001, the company adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities" ("FAS 133"). FAS 133 requires an entity to recognize all derivatives as either assets or liabilities in the statement of financial position and to measure those instruments at fair value. These fair value adjustments will affect either accumulated other comprehensive income or net income depending on whether the derivative instrument qualifies as a hedge for accounting purposes. Additionally, FAS 133 requires an entity to recognize in accumulated other comprehensive income settled derivative transactions that qualify for hedge accounting. The \$10,110 of other comprehensive loss represents settlement amounts of interest rate protection agreements that were used to fix the interest rate of anticipated debt offerings as well as an adjustment to mark to market an interest rate cap owned by one of the Company's joint ventures. The settlement amount of interest rate protection agreements that were used to lock the interest rate of anticipated debt offerings is being amortized into net income over the respective lives of the debt these interest rate protection agreements hedged.

(d) Other Assets and Deferred Financing Costs as of December 31, 2003 are comprised as follows:

<i>Other Assets</i>	
Mortgage Loans Receivable	\$ 54,420
Investment in Joint Ventures (ak)	13,186
Furniture, Fixtures, Leasehold Improvements and Equipment, Net	3,474
Prepaid Real Estate Taxes	2,140
Earnest Money and Escrow Deposits	5,328
Pursuit Costs	4,832
Deferred Financing Costs, Net	9,818
Leasing Commissions and In-Place Leases (FAS 141), Net	48,835
Other	8,709
Total Other Assets, net	<u>\$ 150,742</u>

(e) Mortgage Loans Payable consists of 9 first mortgage loans: 1) two assumed mortgage loans totaling \$5.4 million that are collateralized by 14 properties in Indianapolis, Indiana; 2) one assumed mortgage loan totaling \$2.1 million that is collateralized by one property in Baltimore, Maryland; 3) one assumed mortgage loan totaling \$2.5 million that is collateralized by one property in Tampa, Florida; 4) two assumed mortgage loans totaling \$11.4 million that are collateralized by 2 properties in Rancho Dominguez, CA; 5) one assumed mortgage loan totaling \$16.8 million that is collateralized by one property in Hagerstown, MD; 6) one assumed mortgage loan totaling \$4.9 million that is collateralized by one property in Downer's Grove, IL; and 7) one assumed mortgage loan totaling \$2.6 million that is collateralized by one property in Indianapolis, IN.

(f) First Industrial has received investment grade ratings from all three rating agencies with respect to its senior unsecured notes and preferred stock. The ratings are as follows:

	Senior Unsecured Notes	Preferred Stock
Fitch	BBB	BBB-
Moody's	Baa2	Baa3
Standard & Poor's	BBB	BBB-

(g) Unsecured Line of Credit consists of a \$300,000 unsecured revolving credit facility ("2002 Unsecured Line of Credit").

The 2002 Unsecured Line of Credit is used to provide for interim financing of property acquisitions and development, and for general corporate needs. It is the Company's intent to, from time to time, replace borrowings under the 2002 Unsecured Line of Credit with longer term sources of capital as the Company deems appropriate. The 2002 Unsecured Line of Credit bears interest at a rate based on, at the Company's election, LIBOR plus 0.7% or the prime rate. The 2002 Unsecured Line of Credit provides for a grid pricing of the interest rate whereby upon obtaining specific ratings from the appropriate rating agencies, the interest rate changes. The interest rate is reduced to LIBOR + .55% at a rating of A-. Under the competitive bid feature, the Company has the opportunity to decrease the interest rate lower than the stated interest rate. The 2002 Unsecured Line of Credit matures on September 30, 2005.

(h) Minority Interest represents operating partnership units owned by unit holders other than First Industrial Realty Trust, Inc





**FOOTNOTES**

(UNAUDITED)  
(IN 000'S EXCEPT PER SHARE DATA)

(m) In July 2003, the Securities and Exchange Commission (the "SEC") issued a clarification on Emerging Issues Task Force ("EITF") Abstract, Topic No. D 42, "The Effect on the Calculation of Earnings per Share for the Redemption or Induced Conversion of Preferred Stock" ("EITF 42"). This clarification of EITF 42, states for the purpose of calculating the excess of (1) fair value of the consideration to the holders of the preferred stock over (2) the carrying amount of the preferred stock in the balance sheet, the carrying amount of the preferred stock should be reduced by the issuance costs of the preferred stock. This clarification is effective in the first fiscal period ending after September 15, 2003 and requires prior periods presented to be restated. Accordingly, the Company has restated net income available to common stockholders and net income available to common stockholders per share amounts for the twelve months ended December 31, 2002 for the issuance costs related to the redemption of the Company's 8.75%, \$.01 par value, Series B Cumulative Preferred Stock on May 14, 2002.

(n) Non-incremental Capital Expenditures refers to building improvements and leasing costs required to maintain current revenues. The amounts below reflect amounts recorded during the period

	December 31, 2003	September 30, 2003	June 30, 2003	March 31, 2003
Building Improvements	\$ 1,128	\$ 2,499	\$ 3,674	\$ 1,094
Leasing Costs	6,884	6,899	7,760	7,598
Prorata Share of JV Costs	8	9	5	27
	<u>\$ 8,019</u>	<u>\$ 9,407</u>	<u>\$ 11,439</u>	<u>\$ 8,719</u>
	December 31, 2002	September 30, 2002	June 30, 2002	March 31, 2002
Building Improvements	\$ 3,842	\$ 1,650	\$ 2,171	\$ 948
Leasing Costs	8,251	7,114	5,902	4,553
Prorata Share of JV Costs	35	51	43	26
	<u>\$ 12,128</u>	<u>\$ 8,815</u>	<u>\$ 8,116</u>	<u>\$ 5,527</u>

(o) Partnership Units are exchangeable for common shares 1 to 1.

(p) Average Daily Volume (Dollars) is calculated by multiplying Average Daily Volume (Shares) by Average Common Share Price

(q) Average common share price is based on the average closing share price weighted by volume during the respective quarter

(r) First Industrial has reserved 1,200 shares under the 1994 Stock Incentive Plan, 6,500 shares under the 1997 Stock Incentive Plan and 2,300 shares under the 2001 Stock Incentive Plan. At December 31, 2003, options covering 2,504 shares were outstanding, 2,912 shares have been exercised or converted and options covering 3,052 shares were available under the 1994, 1997 and 2001 Stock Incentive Plan for future grants.

(s) Annualized results are based on multiplying quarterly results by 4. This understates the results to the extent it does not fully account for increasing rental income from existing properties and rental income from new acquisitions and developments made during the period. Average Gross Real Estate Investment excludes the average value of Construction in Progress.

(t) A cap rate is used to value real estate assets and is highly subjective. To determine asset value, an assumed cap rate of 9% is used. This does not imply that First Industrial would sell its assets at, above or below the assumed cap rate. Also included in asset value are construction in progress, the estimated value of the developable/expandable land inventory, cash and certain other assets which have tangible value (valued at net book value). The annualized NOI has been adjusted for certain non recurring fees and sales, developments and acquisitions which occurred during the quarter. In addition, a separate adjustment is made to reflect NOI at 95% occupancy. This adjustment will add NOI when actual occupancy is below 95% and subtract NOI when actual occupancy is above 95%. See footnote (ah).

(u) Spread over U.S. Treasury is equal to the dividend yield less the U.S. Treasury yield.

	December 31, 2003	December 31, 2002
5 Yr. U.S. Treasuries	3.22%	2.73%
10 Yr. U.S. Treasuries	4.26%	3.83%

(v) Weighted average maturity includes senior unsecured debt and mortgage loans payable and excludes unsecured line of credit. Maturity date assumes no exercise of the bondholder put option on the 2011 PATS (as defined in footnote (ad)). If this put option is exercised, weighted average maturity is 10.1 years as of December 31, 2003.



## FOOTNOTES

(UNAUDITED)  
(IN 000'S EXCEPT PER SHARE DATA)

- (w) Developable land area represents land specifically acquired for future development. This land is 100% owned by First Industrial, except where noted. The developable GLA is based on the developable land area and a parcel by parcel estimate of the land to building ratio. Actual build out can be influenced by a number of factors including renegotiations with existing tenants, negotiations with new tenants, and in certain instances, zoning restrictions, assessments of market conditions, and physical constraints for development.
- (x) Annualized rental income per average occupied square foot is based on multiplying the quarter's result by four and dividing by the average occupied GLA. This is used as a benchmark and does not necessarily reflect increases or decreases in NOI.
- (y) Detail for properties held for sale.

	December 31, 2003	September 30, 2003	June 30, 2003	March 31, 2003	December 31, 2002
Number of Properties	-	3	5	2	4
Square Feet (in Millions)	-	0.2	0.4	0.1	0.3
Accumulated Amortization	-	491	1,064	312	2,135

- (z) The return of capital percentages represent actual results in 2003 and 2002. Of the 32.26% capital gain percentage for the year ended December 31, 2003, 9.73% qualify as 25 percent rate capital gain, 4.14% qualify as 20 percent rate capital gain and 18.39% qualify as 15 percent rate capital gain. Of the 4.14% of such dividends that qualify as 20 percent rate capital gain, 64.66 percent (or 2.677 percentage points) qualify as a "qualified 5-year gain", to which, for certain taxpayers, a lower rate will apply. Of the 27.81% capital gain percentage for the year ended December 31, 2002, 4.47% qualify as short term capital gain, 9.23% qualify as 25 percent rate capital gain and 14.11% qualify as 20 percent rate capital gain. Of the 14.11% of such dividends that qualify as 20 percent rate capital gain, 51.67 percent (or 7.29 percentage points) qualify as a "qualified 5-year gain", to which, for certain taxpayers, a lower rate will apply.

- (aa) The following table reconciles certain captions in the supplemental statement of operations reported in this supplemental information package to the statement of operations as reported in the Company's filings with the SEC on Form 10-K:

	Three Months Ended December 31, 2003	Three Months Ended December 31, 2002	Twelve Months Ended December 31, 2003	Twelve Months Ended December 31, 2002
Total Revenues per the Form 10-K	\$ 86,823	\$ 83,182	\$ 341,381	\$ 313,957
Revenues from Discontinued Operations	2,635	11,369	22,594	57,644
Total Revenues per the Supplemental	<u>\$ 89,458</u>	<u>\$ 94,551</u>	<u>\$ 363,975</u>	<u>\$ 371,601</u>
Property Expenses per the Form 10-K	\$ 27,091	\$ 25,574	\$ 109,573	\$ 98,145
Property Expenses from Discontinued Operations	903	2,993	7,290	16,890
Property Expenses per the Supplemental	<u>\$ 27,994</u>	<u>\$ 28,567</u>	<u>\$ 116,863</u>	<u>\$ 115,035</u>
	Three Months Ended December 31, 2003	Three Months Ended December 31, 2002	Twelve Months Ended December 31, 2003	Twelve Months Ended December 31, 2002
Net Economic Gains (Losses) per the Form 10-K	\$ -	\$ -	\$ -	\$ -
Net Economic Gains (Losses)	16,813	10,239	56,189	46,277
Net Economic Gains (Losses) per the Supplemental	<u>\$ 16,813</u>	<u>\$ 10,239</u>	<u>\$ 56,189</u>	<u>\$ 46,277</u>
Gain on Sale of Properties per Form 10-K	\$ 6,366	\$ (1,884)	\$ 15,605	\$ 16,476
Gains from Discontinued Operations	22,366	22,451	79,072	54,657
Net Economic Gains (Losses)	<u>(16,813)</u>	<u>(10,239)</u>	<u>(56,189)</u>	<u>(46,277)</u>
Gain on Sale of Properties per the Supplemental	<u>\$ 11,919</u>	<u>\$ 10,328</u>	<u>\$ 38,488</u>	<u>\$ 24,856</u>
	Three Months Ended December 31, 2003	Three Months Ended December 31, 2002	Twelve Months Ended December 31, 2003	Twelve Months Ended December 31, 2002
Depreciation and Other Amortization per the Form 10-K	\$ 25,773	\$ 18,937	\$ 82,496	\$ 68,082
Depreciation and Other Amortization from Discontinued Operations	326	2,398	4,085	10,695
Depreciation of Corporate FF&E	(281)	(294)	(1,236)	(1,384)
Depreciation and Other Amortization per the Supplemental	<u>\$ 25,818</u>	<u>\$ 21,041</u>	<u>\$ 85,345</u>	<u>\$ 77,393</u>

## FOOTNOTES

(UNAUDITED)  
(IN 000'S EXCEPT PER SHARE DATA)

(ab) The debt maturity schedule reflects the maturity dates and amounts with respect to principal and scheduled amortization payments. The schedule excludes premiums and discounts and assumes the 2011 PATS (as defined in footnote (ad)) are not put to the Company on the put date.

(ac) In accordance with Generally Accepted Accounting Principles, the basic weighted average shares/units and shares outstanding has been adjusted to exclude restricted stock issued that has not vested. The diluted weighted average shares/units and shares outstanding has been adjusted to exclude restricted stock issued that has not vested except that these amounts include the dilution related to restricted stock outstanding. Due to these adjustments, per share amounts presented herein for prior periods have been recalculated.

(ad) On May 13, 1997, the Company issued \$150 million of senior unsecured debt which matures on May 15, 2007 (the "2007 Notes"). The issue price of the 2007 Notes was 99.965%. The 2007 Notes bear interest at 7.60%. The Company will amortize the discount over the life of the 2007 Notes. The Company also entered into an interest rate protection agreement which was used to hedge the interest rate on the 2007 Notes prior to issuance. Including the impact of the offering discount and the settlement amount of the interest rate protection agreement, the Company's effective interest rate on the 2007 Notes is 7.61%.

On May 13, 1997, the Company issued \$100 million of senior unsecured debt which matures on May 15, 2027 (the "2027 Notes"). The issue price of the 2027 Notes was 99.854%. The 2027 Notes bear interest at 7.15%. The Company will amortize the discount over the life of the 2027 Notes. The Company also entered into an interest rate protection agreement which was used to hedge the interest rate on the 2027 Notes prior to issuance. Including the impact of the offering discounts and the interest rate protection agreements, the Company's effective interest rate on the 2027 Notes is 7.04%. The 2027 Notes were redeemable at the option of the holders thereof, on May 12, 2002. On April 15, 2002, the Company received redemption notices from holders representing \$84,930 of the 2027 Notes outstanding. On May 15, 2002, the Company paid off and retired \$84,930 of the 2027 Notes. Due to the partial payoff of the 2027 Notes, the Company has recorded a loss from the early retirement of debt in 2002 of approximately \$888 comprised of the amount paid above the carrying amount of the 2027 Notes, the write-off of the pro rata unamortized deferred financing costs and legal costs. See footnote (af)

On May 22, 1997, the Company issued \$100 million of senior unsecured debt which matures on May 15, 2011 (the "2011 PATS"). The issue price of the 2011 PATS was 99.348%. The 2011 PATS bear interest at 7.375%. The 2011 PATS are redeemable at the option of the holder thereof, on May 15, 2004. The Company received approximately \$1.7 million from the holder of the 2011 PATS as consideration for the put option. The Company will amortize the put option proceeds over the life of the put option as an adjustment to interest expense. The Company also entered into an interest rate protection agreement which was used to hedge the interest rate on the 2011 PATS. Including the impact of the offering discount, the proceeds from the put option and the interest rate protection agreement, the Company's effective interest rate on the 2011 PATS is 7.18%.

On November 20, 1997, the Company issued \$50 million of senior unsecured debt which matures on November 20, 2005 (the "2005 Notes"). The issue price of the 2005 Notes was 100%. The 2005 Notes bear interest at 6.90% which is equal to the effective interest rate.

On December 8, 1997, the Company issued \$150 million of senior unsecured debt which matures on December 1, 2006 (the "2006 Notes"). The issue price of the 2006 Notes was 100%. The 2006 Notes bear interest at 7.00%. The Company also entered into an interest rate protection agreement which was used to hedge the interest rate on the 2006 Notes prior to issuance. Including the impact of the settlement amount of the interest rate protection agreement, the Company's effective interest rate on the 2006 Notes is 7.22%.

On December 8, 1997, the Company issued \$100 million of senior unsecured debt which matures on December 1, 2017 (the "2017 Notes"). The issue price of the 2017 Notes was 99.808%. The 2017 Notes bear interest at 7.50%. The Company will amortize this discount over the life of the 2017 Notes. Including the impact of the offering discount, the Company's effective interest rate on the 2017 Notes is 7.52%.

On July 14, 1998, the Company issued \$200 million of senior unsecured debt which matures on July 15, 2028 (the "2028 Notes"). The issue price of the 2028 Notes was 99.882%. The 2028 Notes bear interest at 7.60%. The Company will amortize this discount over the life of the 2028 Notes. The Company also entered into an interest rate protection agreement which was used to hedge the interest rate on the 2028 Notes prior to issuance. The Company will amortize the settlement amount of the interest rate protection agreement over the life of the 2028 Notes. Including the impact of the offering discount and the settlement amount of the interest rate protection agreement, the Company's effective interest rate on the 2028 Notes is 8.13%.

On March 19, 2001, the Company issued \$200 million of senior unsecured debt which matures on March 15, 2011 (the "2011 Notes"). The issue price of the 2011 Notes was 99.695%. The 2011 Notes bear interest at 7.375%. The Company will amortize the discount over the life of the 2011 Notes. The Company also entered into an interest rate protection agreement which was used to fix the interest rate on the 2011 Notes prior to issuance. The Company will amortize the settlement amount of the interest rate protection agreement over the life of the 2011 Notes. Including the impact of the offering discount and the settlement amount of the interest rate protection agreements, the Company's effective interest rate on the 2011 Notes is 7.39%.

On April 15, 2002, the Company issued \$200 million of senior unsecured debt which matures on April 15, 2012 (the "2012 Notes"). The issue price of the 2012 Notes was 99.310%. The 2012 Notes bear interest at 6.875%. The Company will amortize the discount over the life of the 2012 Notes. The Company also entered into interest rate protection agreements which were used to fix the interest rate on the 2012 Notes prior to issuance. The Company will amortize the settlement amount of these interest rate protection agreements over the life of the 2012 Notes. Including the impact of the offering discount and the settlement amount of the interest rate protection agreements, the Company's effective interest rate is 6.85%.

On April 15, 2002, the Company issued \$50 million of senior unsecured debt which matures on April 15, 2032 (the "2032 Notes"). The issue price of the 2032 Notes was 98.660%. The 2032 Notes bear interest at 7.75%. The Company will amortize the discount over the life of the 2032 Notes. Including the impact of the offering discount, the Company's effective interest rate is 7.87%.



**FOOTNOTES**

(UNAUDITED)  
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(ae) Interest expense is reflected net of interest capitalized with respect to properties under development

	Quarter Ended	
	December 31, 2003	December 31, 2002
Quarterly Capitalized Interest	\$ 281	\$ 978
	Year to Date	
	December 31, 2003	December 31, 2002
Annual Capitalized Interest	\$ 761	\$ 7,792

(af) For the year ended December 31, 2003, represents the write-off of loan fees due to the retirement of mortgage debt. For the year ended December 31, 2002, represents the write-off of the pro-rata unamortized loan fees and legal costs and the amount paid above the carrying amount in connection with the partial retirement of the 2027 Notes. In April 2002, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard No. 145 "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections" ("FAS 145"). FAS 145 eliminates the requirement that gains and losses from the extinguishment of debt be aggregated and, if material, classified as an extraordinary item unless the criteria in Accounting Principles Board Opinion No. 30, "Reporting the Results of Operations- Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions" are met. Prior to the issuance of FAS 145, these write-offs would have been characterized as extraordinary. Under FAS 145, it is not considered extraordinary but instead part of continuing operations. FAS 145 was effective for fiscal years beginning after May 15, 2002 and requires prior periods be restated for financial statements issued in 2003. Accordingly, the Company reclassified amounts shown as extraordinary for the twelve months ended December 31, 2002 to continuing operations.

(ag) Other income includes acquisition, disposition, property and asset management fees from joint ventures First Industrial manages. These fees amounted to \$425 and \$372 for the quarters ending December 31, 2003 and 2002, respectively, and \$2,173 and \$1,863 for the year ended December 31, 2003 and 2002, respectively.

(ah) Net Asset Value detail. Also see footnote (t). The Company considers Net Asset Value to be a useful tool for investors and analysts to estimate the value of common shareholder equity. The assessment of the value of the Company is subjective in that it will involve estimates and assumptions and can be performed using various methods. The methodology used below is the Company's and may not be comparable to methodologies used by investors, analysts or other REITs.

	At December 31, 2003
Quarterly NOI	61,464
Sales/Acq./Dev. Run Rate Adjustment	(644)
Stabilized Occupancy Adjustment (95% Occupancy)	7,029
Adjusted NOI	67,849
	4 x
Annualized NOI	271,398
Cap Rate	9%
	3,015,532
Net economic gains (losses)	16,813
	4 x
Annualized net economic gains (losses)	67,252
Cap Rate	20%
	336,260
CIP	115,935
Cash and Cash Equivalents	821
Restricted Cash	82,006
Tenant A/R	8,994
Investment in JV	13,186
Furn. Fix. & Equip.	3,474
Prepaid Expenses	2,140
Earnest Money & Escrows	5,328
Land Under Construction	21,891
Developable Land Inventory	59,530
<b>Asset Value</b>	<b>3,665,097</b>
Total Liabilities	(1,591,732)
Preferred Stock	(250,000)
<b>Net Asset Value (NAV)</b>	<b>1,823,365</b>
Shares & Units Outstanding	46,554
<b>NAV per share</b>	<b>\$ 39.17</b>



**FOOTNOTES**

(UNAUDITED)  
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- (ai) Under GAAP, weighted average common shares must include the dilutive impact, if any, of the in-the-money stock options and restricted stock. The Company has conformed with the GAAP computation of diluted common shares in computing per share amounts for items included on the Statement of Operations, including FFO and FAD.
- (aj) The Company uses the following general criteria for the different property types. While some properties may have characteristics which fall under more than one property type, the Company has used what they feel is the most dominating characteristic to categorize the property.

Property Type	Property Square Feet	Ceiling Height	Office Space	Manufacturing Space	Land Use Ratio
Light Industrial	Less than 100,000 sq. ft.	16 to 21 ft.	5% to 50%	Under 50%	4 to 1
R&D/Flex	Less than 100,000 sq. ft.	Less than 16 ft.	50% or more	Under 25%	4 to 1
Bulk Warehouse	More than 100,000 sq. ft.	22 ft. or more	5% to 15%	Under 25%	2 to 1
Regional Warehouse	Less than 100,000 sq. ft.	22 ft. or more	5% to 15%	Under 25%	2 to 1
Manufacturing	Various	10 to 18 ft.	5% to 15%	Over 50%	4 to 1

- (ak) The Company recognizes income from its joint ventures using the equity method of accounting. The following table shows the Company's share of the joint venture's combined FFO, combined net income and combined balance sheet:

Combined Income Statement

	Twelve Months Ended December 31, 2003		Three Months Ended December 31, 2003	
	Joint Ventures	Company's Interest	Joint Ventures	Company's Interest
JV Net Operating Income	\$ 25,341	\$ 3,510	\$ 6,528	\$ 922
Add: Net Economic Gains (Losses)	(6,675)	(668)	(4,051)	(405)
Less: Interest Expense	(7,346)	(948)	(1,986)	(261)
Less: Amort of Deferred Financing Fees	(1,639)	(235)	(491)	(71)
<b>Funds From Operations (FFO)</b>	<b>9,681</b>	<b>1,659</b>	<b>-</b>	<b>185</b>
Less: Depreciation and Amortization	\$ (7,652)	\$ (1,038)	\$ (2,046)	\$ (281)
Add: Accum Depreciation/Amortization on Sold Properties	4,451	447	1,927	193
Less: Extraordinary Loss	34	5	35	5
<b>Net Income</b>	<b>\$ 6,514</b>	<b>\$ 1,073</b>	<b>\$ (84)</b>	<b>\$ 102</b>

Combined Balance Sheet

	As of December 31, 2003	
	Joint Ventures	Company's Interest
Gross Real Estate Investment	\$ 348,030	\$ 49,154
Less: Accumulated Depreciation	(15,330)	(1,901)
Net Real Estate	332,700	47,253
Other Assets	16,750	2,221
	<b>\$ 349,450</b>	<b>\$ 49,474</b>
Mortgage Loans Payable	\$ 217,413	\$ 30,428
Other Liabilities	6,596	841
Equity	125,441	18,205
	<b>\$ 349,450</b>	<b>\$ 49,474</b>

As of December 31, 2003, the Company has invested in two joint ventures. The first joint venture began in August 1998 and has \$61.0 million of gross real estate and \$43.7 million of secured debt. The Company has a 10% ownership interest in this joint venture, which owns 1.8 million square feet of real estate. The second joint venture began in December 2001 and has \$287.0 million of gross real estate and \$173.7 million of secured debt. The Company has a 15% ownership interest in this joint venture, which owns 6.2 million square feet of real estate.

- (al) At December 31, 2003, Construction in Progress excludes \$21.9 million of land related to properties currently under construction (such amount is included in the Land account on the balance sheet).
- (am) For properties placed in-service.



## FOOTNOTES

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- (an) Investors in and analysts following the real estate industry utilize funds from operations ("FFO"), net operating income ("NOI"), EBITDA and funds available for distribution ("FAD"), variously defined, as supplemental performance measures. While the Company believes net income available to common stockholders, as defined by GAAP, is the most appropriate measure, it considers FFO, NOI, EBITDA and FAD, given their wide use by and relevance to investors and analysts, appropriate supplemental performance measures. FFO, reflecting the assumption that real estate asset values rise or fall with market conditions, principally adjusts for the effects of GAAP depreciation/amortization of real estate assets. NOI provides a measure of rental operations, and does not factor in depreciation/amortization and non-property specific expenses such as general and administrative expenses. EBITDA provides a further tool to evaluate ability to incur and service debt and to fund dividends and other cash needs. FAD provides a further tool to evaluate ability to fund dividends. In addition, FFO, NOI, EBITDA and FAD are commonly used in various ratios, pricing multiples/yields and returns and valuation calculations used to measure financial position, performance and value.

As previously announced, the Company simplified and revised its calculation of FFO effective January 1, 2003. Accordingly, for the twelve months ended December 31, 2003, the Company calculated FFO to be equal to net income available to common stockholders plus depreciation/amortization/impairment of real estate minus accumulated depreciation/amortization/impairment on real estate sold. For periods prior to 2003, including the twelve months ended December 31, 2002, the Company calculated FFO to be equal to net income available to common stockholders, excluding extraordinary gains/losses from debt restructuring and sales of depreciated property (other than Net Economic Gains/Losses on sales of properties related to the Company's Integrated Industrial Solutions™ activities) plus depreciation/amortization/impairment (other than amortization of deferred financing costs, interest rate protection agreements and corporate F&E) and after adjustments for unconsolidated partnerships and joint ventures. Net Economic Gains/Losses are calculated by subtracting from gain on sale of real estate (calculated in accordance with GAAP, including gains on sale of real estate classified as discontinued operations) the recapture of accumulated depreciation/amortization/impairment on real estate sold.

NOI is defined as revenues of the Company, minus property expenses such as real estate taxes, repairs and maintenance, property management, utilities, insurance and other expenses. NOI includes NOI from discontinued operations.

EBITDA is defined as NOI plus the equity in FFO of the Company's joint ventures, which are accounted for under the equity method of accounting, plus Net Economic Gains (Losses) (see footnote (l)) minus general and administrative expenses. EBITDA includes EBITDA from discontinued operations.

FAD is defined as EBITDA minus GAAP interest expense, minus preferred stock dividends, minus straight-line rental income, plus restricted stock amortization, minus non-incremental capital expenditures. Non-incremental capital expenditures are building improvements and leasing costs required to maintain current revenues.

FFO, NOI, EBITDA and FAD do not represent cash generated from operating activities in accordance with GAAP and are not necessarily indicative of cash available to fund cash needs, including the repayment of principal on debt and payment of dividends and distributions. FFO, NOI, EBITDA and FAD should not be considered as substitutes for net income available to common stockholders (calculated in accordance with GAAP) as a measure of results of operations or cash flows (calculated in accordance with GAAP) as a measure of liquidity. FFO, NOI, EBITDA and FAD as calculated by the Company may not be comparable to similarly titled, but differently calculated, measures of other REITs or to the definition of FFO published by NAREIT.