



Supplemental Information

June 30, 2004

First Industrial Realty Trust, Inc. (NYSE: FR)

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June 30, 2004

FINANCIAL STATEMENTS (see Note 1 Below)	PAGE
By Quarter	
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
Year to Date	
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
SELECTED FINANCIAL INFORMATION	
By Quarter	
Equity Analysis	14
Debt Analysis	16
Dividend Analysis	17
Valuation Analysis	18
By Year	
Debt Analysis	19
Dividend Analysis	20
SELECTED PROPERTY INFORMATION	
Property Information	21
Property Acquisition Summary	29
Property Development Summary	31
Property Sales Summary	33
Developable and Expandable Site Inventory	36
FOOTNOTES	37

(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-Q.



BALANCE SHEETS

(UNAUDITED)
(IN 000's)

	Quarter Ended				
	June 30, 2004	March 31, 2004	December 31, 2003	September 30, 2003	June 30, 2003
ASSETS					
Real Estate					
Land	\$ 441,831	\$ 446,523	\$ 443,942	\$ 426,898	\$ 428,851
Buildings and Improvements	2,208,528	2,165,735	2,180,038	2,184,357	2,233,354
Construction in Progress (al)	88,713	110,809	115,935	113,894	107,714
Furniture, Fixtures and Equipment	885	885	885	1,202	1,202
	<u>2,739,957</u>	<u>2,723,952</u>	<u>2,740,800</u>	<u>2,726,351</u>	<u>2,771,121</u>
Less: Accumulated Depreciation	(367,323)	(358,040)	(349,252)	(337,342)	(328,327)
Net Real Estate Investment	2,372,634	2,365,912	2,391,548	2,389,009	2,442,794
Real Estate Held for Sale, Net (y)	14,787	6,217	-	7,157	11,244
Cash and Cash Equivalents	-	7,749	821	7,130	5,002
Restricted Cash (b)	68,886	54,104	82,006	66,640	18,689
Tenant Accounts Receivable, Net	6,853	8,511	8,994	10,934	11,190
Deferred Rent Receivable	15,344	14,725	13,912	13,276	13,777
Other Assets and Deferred Financing Costs, Net (d)	202,362	172,569	150,742	147,069	131,118
	<u>\$ 2,680,866</u>	<u>\$ 2,629,787</u>	<u>\$ 2,648,023</u>	<u>\$ 2,641,215</u>	<u>\$ 2,633,814</u>
LIABILITIES AND STOCKHOLDERS' EQUITY					
<i>Liabilities</i>					
Mortgage Loans Payable (e)	\$ 44,886	\$ 45,319	\$ 45,746	\$ 46,175	\$ 39,024
Unsecured Line of Credit (g)	84,000	161,900	195,900	188,600	202,600
Senior Unsecured Debt, net (f) (ad)	1,346,905	1,212,225	1,212,152	1,212,079	1,212,006
Dividends/Distributions Payable	33,496	32,718	31,889	31,661	31,607
Other Liabilities	96,204	97,228	106,045	114,036	101,824
	<u>1,605,491</u>	<u>1,549,390</u>	<u>1,591,732</u>	<u>1,592,551</u>	<u>1,587,061</u>
Minority Interest (h)	160,332	165,305	167,118	168,943	169,431
<i>Stockholders' Equity</i>					
Preferred Stock (f)(i)	-	1	1	1	1
Common Stock (j)	438	437	424	420	419
Accumulated Other Comprehensive Loss (c)	(3,407)	(9,675)	(10,110)	(10,056)	(10,152)
Treasury Stock, at cost (j)	(70,588)	(70,588)	(70,588)	(70,588)	(70,588)
Unearned Value of Restricted Stock	(23,762)	(25,652)	(19,035)	(20,563)	(21,935)
Paid in Capital	1,206,900	1,201,924	1,161,373	1,150,190	1,147,879
Distributions in Excess of Net Income	(194,538)	(181,355)	(172,892)	(169,683)	(168,302)
	<u>915,043</u>	<u>915,092</u>	<u>889,173</u>	<u>879,721</u>	<u>877,322</u>
Total Liabilities and Stockholders' Equity	<u>\$ 2,680,866</u>	<u>\$ 2,629,787</u>	<u>\$ 2,648,023</u>	<u>\$ 2,641,215</u>	<u>\$ 2,633,814</u>



STATEMENT OF OPERATIONS

By Quarter

(UNAUDITED)

(IN 000'S)

	Quarter Ended	
	June 30, 2004	June 30, 2003
REVENUES		
Rental Income	\$ 61,262	\$ 57,503
Tenant Recoveries and Other Income (ag)	18,981	18,368
Total Revenues	<u>80,243</u>	<u>75,871</u>
EXPENSES		
Real Estate Taxes	12,355	11,838
Repairs and Maintenance	5,916	5,770
Property Management	3,808	2,586
Utilities	2,539	2,268
Insurance	863	882
Other	1,400	1,911
General and Administrative	9,665	7,223
Amortization of Deferred Financing Costs	464	437
Depreciation of Corporate FF&E	321	319
Depreciation and Other Amortization of Real Estate	23,174	17,292
Total Expenses	<u>60,505</u>	<u>50,526</u>
OTHER INCOME/EXPENSE		
Interest Income	866	479
Interest Expense (ae)	(23,986)	(23,966)
Gain on Settlement of Interest Rate Protection Agreement	1,450	-
Total Other Income/Expense	<u>(21,670)</u>	<u>(23,487)</u>
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE EQUITY IN NET INCOME OF JOINT VENTURES AND INCOME ALLOCATED TO MINORITY INTEREST	(1,932)	1,858
Equity in Net Income of Joint Ventures	301	269
Minority Interest Allocable to Continuing Operations	<u>1,924</u>	<u>472</u>
INCOME FROM CONTINUING OPERATIONS	293	2,599
Income from Discontinued Operations (Including Gain on Sale of Real Estate of \$26,906 and \$16,374 for the Three Months Ended June 30, 2004 and 2003, respectively)	27,881	21,181
Minority Interest Allocable to Discontinued Operations	<u>(3,834)</u>	<u>(3,147)</u>
INCOME BEFORE GAIN ON SALE OF REAL ESTATE	24,340	20,633
Gain on Sales of Real Estate	3,337	3,336
Minority Interest Allocable to Gain on Sale of Real Estate	<u>(459)</u>	<u>(496)</u>
NET INCOME	27,218	23,473
Preferred Dividends	(4,790)	(5,044)
Redemption of Series D and Series E Preferred Stock (i)	<u>(7,359)</u>	<u>-</u>
NET INCOME FOR COMMON STOCKHOLDERS	<u>\$ 15,069</u>	<u>\$ 18,429</u>



STATEMENT OF OPERATIONS

By Quarter
(UNAUDITED)
(IN 000'S)

	Quarter Ended	
	June	June
	30, 2004	30, 2003
NET INCOME FOR COMMON STOCKHOLDERS	\$ 15,069	\$ 18,429
Add: Depreciation and Other Amortization of Real Estate	23,174	17,292
Add: Minority Interest Allocable to Discontinued Operations	3,834	3,147
Add: Minority Interest Allocable to Continuing Operations	(1,924)	(472)
Add: Minority Interest Allocable to Gain on Sale of Real Estate	459	496
Add: Depreciation and Other Amortization of Real Estate Included in Discontinued Operations	595	2,446
Add: Depreciation and Other Amortization of Real Estate- Joint Ventures	476	301
Less: Accumulated Depreciation/Amortization on Real Estate Sold	(10,194)	(8,166)
Less: Accumulated Depreciation/Amortization on Real Estate Sold- Joint Ventures	-	(10)
	\$ 31,489	\$ 33,463
FUNDS FROM OPERATIONS ("FFO") (an)		
Add: Restricted Stock Amortization	1,930	1,506
Add: Amortization of Deferred Financing Costs	464	437
Add: Depreciation of Corporate FF&E	321	319
Add: Redemption of Series D and Series E Preferred Stock (i)	7,359	-
Less: Non-Incremental Capital Expenditures (n)	(10,969)	(11,439)
Less: Straight-line Rental Income Adjustment	(1,116)	(285)
	\$ 29,478	\$ 24,001
FUNDS AVAILABLE FOR DISTRIBUTION ("FAD") (an)		
	\$ 29,478	\$ 24,001
NET INCOME FOR COMMON STOCKHOLDERS	\$ 15,069	\$ 18,429
Add: Interest Expense (ae)	23,986	23,966
Add: Depreciation and Other Amortization of Real Estate	23,174	17,292
Add: Preferred Dividends	4,790	5,044
Add: Redemption of Series D and Series E Preferred Stock (i)	7,359	-
Add: Minority Interest Allocable to Discontinued Operations	3,834	3,147
Add: Minority Interest Allocable to Continuing Operations	(1,924)	(472)
Add: Minority Interest Allocable to Gain on Sale of Real Estate	459	496
Add: Amortization of Deferred Financing Costs	464	437
Add: Depreciation of Corporate FF&E	321	319
Add: Depreciation and Other Amortization of Real Estate Included in Discontinued Operations	595	2,446
Add: Depreciation and Other Amortization of Real Estate- Joint Ventures	476	301
Less: Accumulated Depreciation/Amortization on Real Estate Sold	(10,194)	(8,166)
Less: Accumulated Depreciation/Amortization on Real Estate Sold- Joint Ventures	-	(10)
	\$ 68,409	\$ 63,229
EBITDA (an)		
Add: General and Administrative	9,665	7,223
Less: Net Economic Gains (Losses)	(20,049)	(11,544)
Less: Equity in FFO of Joint Ventures	(777)	(560)
	\$ 57,248	\$ 58,348
NET OPERATING INCOME (an)		
	\$ 57,248	\$ 58,348



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

By Quarter
(UNAUDITED)
(IN 000'S)

	Quarter Ended	
	June 30, 2004	June 30, 2003
REVENUES		
Rental Income	\$ 63,219	\$ 65,772
Tenant Recoveries and Other Income (ag)	21,792	21,215
Total Revenues	<u>85,011</u>	<u>86,987</u>
EXPENSES		
Real Estate Taxes	12,672	13,366
Repairs and Maintenance	6,118	6,410
Property Management	3,902	2,986
Utilities	2,696	2,542
Insurance	887	1,015
Other	1,488	2,320
Total Property Expenses	<u>27,763</u>	<u>28,639</u>
NET OPERATING INCOME	57,248	58,348
Equity in FFO of Joint Ventures (ak)	777	560
Net Economic Gains (l)	20,049	11,544
General and Administrative	<u>(9,665)</u>	<u>(7,223)</u>
EBITDA	68,409	63,229
Interest Expense (ae)	(23,986)	(23,966)
Preferred Dividends	(4,790)	(5,044)
Redemption of Series D and Series E Preferred Stock (i)	(7,359)	-
Amortization of Deferred Financing Costs	(464)	(437)
Depreciation of Corporate FF&E	<u>(321)</u>	<u>(319)</u>
FUNDS FROM OPERATIONS - FFO	31,489	33,463
Depreciation and Other Amortization	(23,769)	(19,738)
Equity in Dep/Other Amortization of Joint Ventures (ak)	(476)	(291)
Add Preferred Dividends	4,790	5,044
Add Redemption of Series D and Series E Preferred Stock (i)	7,359	-
Gain on Sales of Properties	10,194	8,166
Minority Interest (h)	<u>(2,369)</u>	<u>(3,171)</u>
NET INCOME	\$ 27,218	\$ 23,473
Preferred Dividends	(4,790)	(5,044)
Redemption of Series D and Series E Preferred Stock (i)	<u>(7,359)</u>	<u>-</u>
NET INCOME FOR COMMON STOCKHOLDERS	15,069	18,429
Gain on Sale of Property from Discontinued Operations (a)	(26,906)	(16,374)
Net Operating Income from Discontinued Operations (a)	(1,570)	(7,253)
Depreciation and Amortization from Discontinued Operations (a)	595	2,446
Minority Interest from Discontinued Operations (a)	<u>3,834</u>	<u>2,760</u>
NET INCOME (LOSS) FOR COMMON STOCKHOLDERS BEFORE DISCONTINUED OPERATIONS	<u>\$ (8,978)</u>	<u>\$ 8</u>
EBITDA	\$ 68,409	\$ 63,229
Interest Expense	(23,986)	(23,966)
Preferred Dividends	(4,790)	(5,044)
Straight-line Rental Income Adjustment	(1,116)	(285)
Restricted Stock Amortization	1,930	1,506
Non-Incremental Capital Expenditures (n)	<u>(10,969)</u>	<u>(11,439)</u>
FUNDS AVAILABLE FOR DISTRIBUTION - FAD	<u>\$ 29,478</u>	<u>\$ 24,001</u>
COMMON DIVIDENDS/DISTRIBUTIONS	<u>\$ 32,743</u>	<u>\$ 31,607</u>



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

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

	Quarter Ended	
	June 30, 2004	June 30, 2003
REVENUES		
Rental Income	74.4%	75.6%
Tenant Recoveries and Other Income (ag)	25.6%	24.4%
Total Revenues	<u>100.0%</u>	<u>100.0%</u>
EXPENSES		
Real Estate Taxes	14.9%	15.4%
Repairs and Maintenance	7.2%	7.4%
Property Management	4.6%	3.4%
Utilities	3.2%	2.9%
Insurance	1.0%	1.2%
Other	1.8%	2.7%
Total Property Expenses	<u>32.7%</u>	<u>32.9%</u>
NET OPERATING INCOME	67.3%	67.1%
Equity in FFO of Joint Ventures (ak)	0.9%	0.6%
Net Economic Gains (Losses) (l)	23.6%	13.3%
General and Administrative	<u>(11.4%)</u>	<u>(8.3%)</u>
EBITDA	80.5%	72.7%
Interest Expense (ae)	(28.2%)	(27.6%)
Preferred Dividends	(5.6%)	(5.8%)
Redemption of Series D and Series E Preferred Stock (i)	(8.7%)	-
Amortization of Deferred Financing Costs	(0.5%)	(0.5%)
Depreciation of Corporate FF&E	<u>(0.4%)</u>	<u>(0.4%)</u>
FUNDS FROM OPERATIONS - FFO	37.0%	38.5%
Depreciation and Other Amortization	(28.0%)	(22.7%)
Equity in Dep/Other Amortization of Joint Ventures (ak)	(0.6%)	(0.3%)
Add Preferred Dividends	5.6%	5.8%
Add Redemption of Series D and Series E Preferred Stock (i)	8.7%	-
Gain on Sales of Properties	12.0%	9.4%
Minority Interest (h)	<u>(2.8%)</u>	<u>(3.6%)</u>
NET INCOME	32.0%	27.0%
Preferred Dividends	(5.6%)	(5.8%)
Redemption of Series D and Series E Preferred Stock (i)	<u>(8.7%)</u>	<u>-</u>
NET INCOME FOR COMMON STOCKHOLDERS	17.7%	21.2%
Gain on Sale of Property from Discontinued Operations (a)	(31.7%)	(18.8%)
Net Operating Income from Discontinued Operations (a)	(1.8%)	(8.3%)
Depreciation and Amortization from Discontinued Operations (a)	0.7%	2.8%
Minority Interest from Discontinued Operations (a)	<u>4.5%</u>	<u>3.2%</u>
NET INCOME (LOSS) FOR COMMON STOCKHOLDERS BEFORE DISCONTINUED OPERATIONS	<u>(10.6%)</u>	<u>0.0%</u>
EBITDA	80.5%	72.7%
Interest Expense	(28.2%)	(27.6%)
Preferred Dividends	(5.6%)	(5.8%)
Straight-line Rental Income Adjustment	(1.3%)	(0.3%)
Restricted Stock Amortization	2.3%	1.7%
Non-Incremental Capital Expenditures (n)	<u>(12.9%)</u>	<u>(13.2%)</u>
FUNDS AVAILABLE FOR DISTRIBUTION - FAD	<u>34.7%</u>	<u>27.6%</u>
COMMON DIVIDENDS/DISTRIBUTIONS	<u>38.5%</u>	<u>36.3%</u>



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

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

	Quarter Ended	
	June 30, 2004	June 30, 2003
REVENUES		
Rental Income	\$ 1.34	\$ 1.45
Tenant Recoveries and Other Income (ag)	0.46	0.47
Total Revenues	1.80	1.92
EXPENSES		
Real Estate Taxes	0.27	0.29
Repairs and Maintenance	0.13	0.14
Property Management	0.08	0.07
Utilities	0.06	0.06
Insurance	0.02	0.02
Other	0.03	0.05
Total Property Expenses	0.59	0.63
NET OPERATING INCOME	1.21	1.29
Equity in FFO of Joint Ventures (ak)	0.02	0.01
Net Economic Gains (Losses) (l)	0.43	0.25
General and Administrative	(0.20)	(0.16)
EBITDA	1.45	1.39
Interest Expense (ae)	(0.51)	(0.53)
Preferred Dividends	(0.10)	(0.11)
Redemption of Series D and Series E Preferred Stock (i)	(0.16)	-
Amortization of Deferred Financing Costs	(0.01)	(0.01)
Depreciation of Corporate FF&E	(0.01)	(0.01)
FUNDS FROM OPERATIONS - FFO	0.67	0.74
Depreciation and Other Amortization	(0.50)	(0.44)
Equity in Dep/Other Amortization of Joint Ventures (ak)	(0.01)	(0.01)
Add Preferred Dividends	0.10	0.11
Add Redemption of Series D and Series E Preferred Stock (i)	0.16	-
Gain on Sales of Properties	0.22	0.18
NET INCOME	\$ 0.63	\$ 0.59
Preferred Dividends	(0.10)	(0.11)
Redemption of Series D and Series E Preferred Stock (i)	(0.16)	-
NET INCOME FOR COMMON STOCKHOLDERS	\$ 0.37	\$ 0.48
Gain on Sale of Property from Discontinued Operations (a)	(0.57)	(0.36)
Net Operating Income from Discontinued Operations (a)	(0.03)	(0.16)
Depreciation and Amortization from Discontinued Operations (a)	0.01	0.05
NET INCOME (LOSS) FOR COMMON STOCKHOLDERS BEFORE DISCONTINUED OPERATIONS	\$ (0.22)	\$ 0.01
<hr style="border-top: 1px dashed black;"/>		
EBITDA	\$ 1.45	\$ 1.39
Interest Expense	(0.51)	(0.53)
Preferred Dividends	(0.10)	(0.11)
Straight-line Rental Income Adjustment	(0.02)	(0.01)
Restricted Stock Amortization	0.04	0.03
Non-Incremental Capital Expenditures (n)	(0.23)	(0.25)
FUNDS AVAILABLE FOR DISTRIBUTION - FAD	0.63	0.53
COMMON DIVIDENDS/DISTRIBUTIONS	\$ 0.6850	\$ 0.6850



STATEMENT OF OPERATIONS

Year to Date

(UNAUDITED)

(IN 000'S)

	Six Months	
	Ended	
	June 30, 2004	June 30, 2003
REVENUES		
Rental Income	\$ 121,971	\$ 123,484
Tenant Recoveries and Other Income (ag)	40,388	37,076
Total Revenues	162,359	160,560
EXPENSES		
Real Estate Taxes	25,082	23,645
Repairs and Maintenance	12,752	12,196
Property Management	6,573	6,061
Utilities	5,867	4,984
Insurance	1,681	1,792
Other	3,169	3,381
General and Administrative	16,888	13,987
Amortization of Deferred Financing Costs	910	875
Depreciation of Corporate FF&E	640	627
Depreciation and Other Amortization of Real Estate	44,666	33,677
Total Expenses	118,228	101,225
OTHER INCOME/EXPENSE		
Interest Income	1,578	1,255
Interest Expense (ae)	(47,684)	(47,792)
Gain on Settlement of Interest Rate Protection Agreement	1,450	-
Loss from Early Retirement of Debt (af)	-	(1,466)
Total Other Income/Expense	(44,656)	(48,003)
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE EQUITY IN INCOME OF JOINT VENTURES AND INCOME ALLOCATED TO MINORITY INTEREST		
	(525)	11,332
Equity in Net Income of Joint Ventures	546	443
Minority Interest Allocable to Continuing Operations	2,401	(264)
INCOME FROM CONTINUING OPERATIONS	2,422	11,511
Income from Discontinued Operations (Including Gain on Sale of Real Estate of \$51,637 and \$34,831 for the Six Months Ended June 30, 2004 and 2003, respectively)	54,869	45,296
Minority Interest Allocable to Discontinued Operations	(7,693)	(6,731)
INCOME BEFORE GAIN ON SALE OF REAL ESTATE	49,598	50,076
Gain on Sales of Real Estate	6,583	4,636
Minority Interest Allocable to Gain on Sale of Real Estate	(923)	(689)
NET INCOME	55,258	54,023
Preferred Dividends	(9,834)	(10,088)
Redemption of Series D and Series E Preferred Stock (i)	(7,359)	-
NET INCOME FOR COMMON STOCKHOLDERS	\$ 38,065	\$ 43,935



STATEMENT OF OPERATIONS

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

	Six Months Ended	
	June 30, 2004	June 30, 2003
NET INCOME FOR COMMON STOCKHOLDERS	\$ 38,065	\$ 43,935
Add: Depreciation and Other Amortization of Real Estate	44,666	33,677
Add: Minority Interest Allocable to Discontinued Operations	7,693	6,731
Add: Minority Interest Allocable to Continuing Operations	(2,401)	264
Add: Minority Interest Allocable to Gain on Sale of Real Estate	923	689
Add: Depreciation and Other Amortization of Real Estate Included in Discontinued Operations	1,602	4,998
Add: Depreciation and Other Amortization of Real Estate- Joint Ventures	909	685
Less: Accumulated Depreciation/Amortization on Real Estate Sold	(22,021)	(16,084)
Less: Accumulated Depreciation/Amortization on Real Estate Sold- Joint Ventures	(5)	(222)
FUNDS FROM OPERATIONS ("FFO") (an)	\$ 69,431	\$ 74,673
Add: Loss from Early Retirement of Debt (af)	-	1,466
Add: Restricted Stock Amortization	3,334	2,637
Add: Amortization of Deferred Financing Costs	910	875
Add: Depreciation of Corporate FF&E	640	627
Add: Redemption of Series D and Series E Preferred Stock (i)	7,359	-
Less: Non-Incremental Capital Expenditures (n)	(18,187)	(20,158)
Less: Straight-line Rental Income Adjustment	(2,812)	(686)
FUNDS AVAILABLE FOR DISTRIBUTION ("FAD") (an)	\$ 60,675	\$ 59,434
NET INCOME FOR COMMON STOCKHOLDERS	\$ 38,065	\$ 43,935
Add: Interest Expense (ae)	47,684	47,792
Add: Depreciation and Other Amortization of Real Estate	44,666	33,677
Add: Preferred Dividends	9,834	10,088
Add: Redemption of Series D and Series E Preferred Stock (i)	7,359	-
Add: Minority Interest Allocable to Discontinued Operations	7,693	6,731
Add: Minority Interest Allocable to Continuing Operations	(2,401)	264
Add: Minority Interest Allocable to Gain on Sale of Real Estate	923	689
Add: Loss from Early Retirement of Debt (af)	-	1,466
Add: Amortization of Deferred Financing Costs	910	875
Add: Depreciation of Corporate FF&E	640	627
Add: Depreciation and Other Amortization of Real Estate Included in Discontinued Operations	1,602	4,998
Add: Depreciation and Other Amortization of Real Estate- Joint Ventures	909	685
Less: Accumulated Depreciation/Amortization on Real Estate Sold	(22,021)	(16,084)
Less: Accumulated Depreciation/Amortization on Real Estate Sold- Joint Ventures	(5)	(222)
EBITDA (an)	\$ 135,858	\$ 135,521
Add: General and Administrative	16,888	13,987
Less: Net Economic Gains (Losses)	(36,199)	(23,383)
Less: Equity in FFO of Joint Ventures	(1,450)	(906)
NET OPERATING INCOME (an)	\$ 115,097	\$ 125,219



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

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

	Six Months	
	Ended	
	June 30, 2004	June 30, 2003
REVENUES		
Rental Income	\$ 127,803	\$ 141,503
Tenant Recoveries and Other Income (ag)	45,150	43,538
Total Revenues	<u>172,953</u>	<u>185,041</u>
EXPENSES		
Real Estate Taxes	26,040	27,076
Repairs and Maintenance	13,463	13,782
Property Management	6,865	6,901
Utilities	6,234	5,615
Insurance	1,763	2,082
Other	3,491	4,366
Total Property Expenses	<u>57,856</u>	<u>59,822</u>
NET OPERATING INCOME	115,097	125,219
Equity in FFO of Joint Ventures (ak)	1,450	906
Net Economic Gains (Losses) (l)	36,199	23,383
General and Administrative	<u>(16,888)</u>	<u>(13,987)</u>
EBITDA	135,858	135,521
Interest Expense (ae)	(47,684)	(47,792)
Loss from Early Retirement of Debt (af)	-	(1,466)
Preferred Dividends	(9,834)	(10,088)
Redemption of Series D and Series E Preferred Stock (i)	(7,359)	-
Amortization of Deferred Financing Costs	(910)	(875)
Depreciation of Corporate FF&E	<u>(640)</u>	<u>(627)</u>
FUNDS FROM OPERATIONS - FFO	69,431	74,673
Depreciation and Other Amortization	(46,268)	(38,675)
Equity in Dep/Other Amortization of Joint Ventures (ak)	(904)	(463)
Add Preferred Dividends	9,834	10,088
Add Redemption of Series D and Series E Preferred Stock (i)	7,359	-
Gain/(Loss) on Sales of Properties	22,021	16,084
Minority Interest (h)	<u>(6,215)</u>	<u>(7,684)</u>
NET INCOME	\$ 55,258	\$ 54,023
Preferred Dividends	(9,834)	(10,088)
Redemption of Series D and Series E Preferred Stock (i)	<u>(7,359)</u>	<u>-</u>
NET INCOME FOR COMMON STOCKHOLDERS	\$ 38,065	\$ 43,935
Gain on Sale of Property from Discontinued Operations (a)	(51,637)	(34,831)
Net Operating Income from Discontinued Operations (a)	(4,834)	(15,463)
Depreciation and Amortization from Discontinued Operations (a)	1,602	4,998
Minority Interest from Discontinued Operations (a)	<u>7,688</u>	<u>6,731</u>
NET INCOME (LOSS) FOR COMMON STOCKHOLDERS BEFORE DISCONTINUED OPERATIONS	<u>\$ (9,116)</u>	<u>\$ 5,370</u>
EBITDA	\$ 135,858	\$ 135,521
Interest Expense	(47,684)	(47,792)
Preferred Dividends	(9,834)	(10,088)
Straight-line Rental Income Adjustment	(2,812)	(686)
Restricted Stock Amortization	3,334	2,637
Non-Incremental Capital Expenditures (n)	<u>(18,187)</u>	<u>(20,158)</u>
FUNDS AVAILABLE FOR DISTRIBUTION - FAD	<u>\$ 60,675</u>	<u>\$ 59,434</u>
COMMON DIVIDENDS/DISTRIBUTIONS	<u>\$ 65,461</u>	<u>\$ 63,150</u>



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

Year to Date

(UNAUDITED)

(AS A % OF TOTAL REVENUES)

	Six Months Ended	
	June 30, 2004	June 30, 2003
REVENUES		
Rental Income	73.9%	76.5%
Tenant Recoveries and Other Income (ag)	26.1%	23.5%
Total Revenues	<u>100.0%</u>	<u>100.0%</u>
EXPENSES		
Real Estate Taxes	15.1%	14.6%
Repairs and Maintenance	7.8%	7.4%
Property Management	4.0%	3.7%
Utilities	3.6%	3.0%
Insurance	1.0%	1.1%
Other	2.0%	2.4%
Total Property Expenses	<u>33.5%</u>	<u>32.3%</u>
NET OPERATING INCOME	66.5%	67.7%
Equity in FFO of Joint Ventures (ak)	0.8%	0.5%
Net Economic Gains (Losses) (l)	20.9%	12.6%
General and Administrative	<u>(9.8%)</u>	<u>(7.6%)</u>
EBITDA	78.6%	73.2%
Interest Expense (ae)	(27.6%)	(25.8%)
Loss from Retirement of Debt (af)	-	(0.8%)
Preferred Dividends	(5.7%)	(5.5%)
Redemption of Series D and Series E Preferred Stock (i)	(4.3%)	-
Amortization of Deferred Financing Costs	(0.5%)	(0.5%)
Depreciation of Corporate FF&E	<u>(0.4%)</u>	<u>(0.3%)</u>
FUNDS FROM OPERATIONS - FFO	40.1%	40.4%
Depreciation and Other Amortization	(26.8%)	(20.9%)
Equity in Dep/Other Amortization of Joint Ventures (ak)	(0.5%)	(0.3%)
Add Preferred Dividends	5.7%	5.5%
Add Redemption of Series D and Series E Preferred Stock (i)	4.3%	-
Gain/(Loss) on Sales of Properties	12.7%	8.7%
Minority Interest (h)	<u>(3.6%)</u>	<u>(4.2%)</u>
NET INCOME	31.9%	29.2%
Preferred Dividends	(5.7%)	(5.5%)
Redemption of Series D and Series E Preferred Stock (i)	<u>(4.3%)</u>	<u>-</u>
NET INCOME FOR COMMON STOCKHOLDERS	22.0%	23.7%
Gain on Sale of Property from Discontinued Operations (a)	(29.9%)	(18.8%)
Net Operating Income from Discontinued Operations (a)	(2.8%)	(8.4%)
Depreciation and Amortization from Discontinued Operations (a)	0.9%	2.7%
Minority Interest from Discontinued Operations (a)	<u>4.4%</u>	<u>3.6%</u>
NET INCOME (LOSS) FOR COMMON STOCKHOLDERS BEFORE DISCONTINUED OPERATIONS	<u>(5.3%)</u>	<u>2.9%</u>
.....		
EBITDA	78.6%	73.2%
Interest Expense	(27.6%)	(25.8%)
Preferred Dividends	(5.7%)	(5.5%)
Straight-line Rental Income Adjustment	(1.6%)	(0.4%)
Restricted Stock Amortization	1.9%	1.4%
Non-Incremental Capital Expenditures (n)	<u>(10.5%)</u>	<u>(10.9%)</u>
FUNDS AVAILABLE FOR DISTRIBUTION - FAD	<u>35.1%</u>	<u>32.1%</u>
COMMON DIVIDENDS/DISTRIBUTIONS	<u>37.8%</u>	<u>34.1%</u>



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

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

	Six Months	
	Ended	
	June 30, 2004	June 30, 2003
REVENUES		
Rental Income	\$ 2.72	\$ 3.12
Tenant Recoveries and Other Income (ag)	0.96	0.96
Total Revenues	<u>3.68</u>	<u>4.08</u>
EXPENSES		
Real Estate Taxes	0.55	0.60
Repairs and Maintenance	0.29	0.30
Property Management	0.15	0.15
Utilities	0.13	0.12
Insurance	0.04	0.05
Other	0.07	0.10
Total Property Expenses	<u>1.23</u>	<u>1.32</u>
NET OPERATING INCOME	2.45	2.76
Equity in FFO of Joint Ventures (ak)	0.03	0.02
Net Economic Gains (Losses) (l)	0.77	0.52
General and Administrative	<u>(0.36)</u>	<u>(0.31)</u>
EBITDA	2.89	2.99
Interest Expense (ae)	(1.02)	(1.05)
Loss from Retirement of Debt (af)	-	(0.03)
Preferred Dividends	(0.21)	(0.22)
Redemption of Series D and Series E Preferred Stock (i)	(0.16)	-
Amortization of Deferred Financing Costs	(0.02)	(0.02)
Depreciation of Corporate FF&E	<u>(0.01)</u>	<u>(0.01)</u>
FUNDS FROM OPERATIONS - FFO	1.48	1.65
Depreciation and Other Amortization	(0.99)	(0.85)
Equity in Dep/Other Amortization of Joint Ventures (ak)	(0.02)	(0.01)
Add Preferred Dividends	0.21	0.22
Add Redemption of Series D and Series E Preferred Stock (i)	0.16	-
Gain/(Loss) on Sales of Properties	<u>0.47</u>	<u>0.36</u>
NET INCOME	1.31	1.36
Preferred Dividends	(0.21)	(0.22)
Redemption of Series D and Series E Preferred Stock (i)	<u>(0.16)</u>	<u>-</u>
NET INCOME FOR COMMON STOCKHOLDERS	0.94	1.14
Gain on Sale of Property from Discontinued Operations (a)	(1.10)	(0.77)
Net Operating Income from Discontinued Operations (a)	(0.10)	(0.34)
Depreciation and Amortization from Discontinued Operations (a)	<u>0.03</u>	<u>0.11</u>
NET INCOME (LOSS) FOR COMMON STOCKHOLDERS BEFORE DISCONTINUED OPERATIONS	<u>(0.23)</u>	<u>0.14</u>
EBITDA	2.89	2.99
Interest Expense	(1.02)	(1.05)
Preferred Dividends	(0.21)	(0.22)
Straight-line Rental Income Adjustment	(0.06)	(0.02)
Restricted Stock Amortization	0.07	0.06
Non-Incremental Capital Expenditures (n)	<u>(0.39)</u>	<u>(0.44)</u>
FUNDS AVAILABLE FOR DISTRIBUTION - FAD	<u>\$1.29</u>	<u>\$1.31</u>
COMMON DIVIDENDS/DISTRIBUTIONS	<u>\$ 1.37</u>	<u>\$ 1.37</u>



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

	June 30, 2004	June 30, 2003
COMMON STOCK		
Common Shares and Partnership Units Outstanding		
Common Shares	41,245	39,370
Partnership Units (o)	6,546	6,772
Total	47,791	46,142
Basic		
Weighted Avg. Shares/Units Outstanding (ac)	46,909	45,240
Weighted Avg. Shares Outstanding (ac)	40,336	38,446
Diluted		
Weighted Avg. Shares/Units Outstanding (ac)	47,156	45,367
Weighted Avg. Shares Outstanding (ac)	40,584	38,573
Common Shares Trading Volume		
Average Daily Volume (Shares)	230	265
Average Daily Volume (Dollars) (p)	\$ 8,206	\$ 7,995
As a % of Common Shares	0.56%	0.67%
Common Share Price Range		
Quarterly High	\$ 39.500	\$ 32.510
Quarterly Low	32.690	27.960
Quarterly Average (q)	35.620	30.170
End of Quarter	36.880	31.600
Common Stock Options Outstanding (Shares) (r)	1,105.8	2,971.8
Weighted Average Option Exercise Price	\$ 30.77	\$ 30.24
PREFERRED STOCK (i)		
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
Series D Preferred Shares Book Value	\$ -	\$ 25.00
Series E Preferred Shares Outstanding	-	3,000
Series E Preferred Shares Book Value	\$ -	\$ 25.00
Series F Preferred Shares Outstanding	50	-
Series F Preferred Shares Book Value	\$ 1,000.00	\$ -
Series G Preferred Shares Outstanding	25	-
Series G Preferred Shares Book Value	\$ 1,000.00	\$ -
Series H Preferred Shares Outstanding	0.5	-
Series H Preferred Shares Book Value	\$ 250,000.00	\$ -
CAPITALIZATION		
Book Value of Preferred Stock	250,000	250,000
Market Value of Common Equity	1,762,532	1,458,087
Market Capitalization	\$ 2,012,532	\$ 1,708,087
Total Debt	1,475,791	1,453,630
Total Market Capitalization	\$ 3,488,323	\$ 3,161,717
(Market Capitalization + Total Debt)		



EQUITY ANALYSIS

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

RESEARCH

Current Analysts Coverage

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

Contact

Stephanie Krewson
Ross Nussbaum
Robert Norfleet
Louis Taylor
James Sullivan
Jay Leupp
Paul Puryear
Jonathan Litt

INSTITUTIONAL OWNERSHIP

	<u>Shares Owned</u>	<u>% of Common Shares</u>
Top Ten Institutional Holders 13F, UK UT, CAN MF and Offsh Fd	14,727,057	32.0%
Top Twenty Institutional Holders 13F, UK UT, CAN MF and Offsh Fd	18,482,100	40.1%
Total Shares Held by Institutions 13F, UK UT, CAN MF and Offsh Fd	25,707,839	55.8%
Total Number of Institutional Shareholders 13F, UK UT, CAN MF, and Offsh Fd	198	

Source:Based on information compiled by Thomson Financial and using total outstanding shares and units of 47,790,791. This information may reflect filing and/or reporting lags.



DEBT ANALYSIS

By Quarter
(UNAUDITED)
(IN 000'S)

	Quarter Ended	
	June 30, 2004	June 30, 2003
DEBT OUTSTANDING		
Outstanding Balance		
Mortgage Loans Payable (e)	\$ 44,886	\$ 39,024
Unsecured Line of Credit (g)	84,000	202,600
Senior Unsecured Debt, net (f)(ad)	1,346,905	1,212,006
	<u>\$ 1,475,791</u>	<u>\$ 1,453,630</u>
Average Outstanding Balance		
Mortgage Loans Payable (e)	\$ 45,111	\$ 33,574
Unsecured Line of Credit (g)	140,709	210,611
Senior Unsecured Debt, net (f)(ad)	1,239,327	1,211,958
	<u>\$ 1,425,147</u>	<u>\$ 1,456,143</u>
Interest Rate Structure		
Fixed (e)(ad)(c)	\$ 1,391,791	\$ 1,301,030
Floating (g)(c)	84,000	152,600
	<u>\$ 1,475,791</u>	<u>\$ 1,453,630</u>
Average Interest Rates		
Mortgage Loans Payable (e)	6.61%	7.19%
Unsecured Line of Credit (g)	2.17%	2.38%
Senior Unsecured Debt, net (f) (ad)	7.38%	7.37%
Total Weighted Average	<u>6.84%</u>	<u>6.65%</u>
DEBT RATIOS		
Debt to Total Market Capitalization (Total Debt/(Market Value Common Stock + Preferred Stock + Total Debt))	42.3%	46.0%
Debt to Asset Value (Avg. Debt/ (Ann. NOI / Assumed Cap Rate)) (t)	40.0%	42.5%
Unencumbered Real Estate / Total Real Estate	97.1%	97.6%
COVERAGE RATIOS		
Interest Coverage - NOI (NOI / GAAP Interest Expense)	2.4x	2.4x
Interest Coverage - EBITDA (EBITDA / GAAP Interest Expense)	2.9x	2.6x
Fixed Charge Coverage - NOI (NOI / (GAAP Interest Expense + Principal Amort. + Preferred Dividends))	2.0x	2.0x
Fixed Charge Coverage - EBITDA (EBITDA / (GAAP Interest Expense + Principal Amort. + Preferred Dividends))	2.4x	2.2x
PRINCIPAL AMORTIZATION	300	254



DIVIDEND ANALYSIS

By Quarter
(UNAUDITED)

	Quarter Ended	
	June 30, 2004	June 30, 2003
COMMON STOCK DIVIDENDS		
Dividends per Share/Unit	\$ 0.6850	\$ 0.6850
Percentage of Dividend - Ordinary Income (z)	25.00%	42.03%
Percentage of Dividend - Return of Capital (z)	30.00%	25.71%
Percentage of Dividend - Capital Gain (z)	45.00%	32.26%
Common Shareholders' Record Date	6/30/2004	6/30/2003
Common Dividends Payment Date	7/19/2004	7/21/2003
COMMON DIVIDEND/UNIT DISTRIBUTIONS		
PAYOUT RATIOS PER SHARE/UNIT		
Payout - FFO (Common Dividends / Unit Distributions / FFO)	102.0%	92.6%
Payout - FAD (Common Dividends / Unit Distributions / FAD)	109.0%	129.1%
Dividend Coverage - FFO (FFO / Common Dividends / Unit Distributions)	0.98x	1.08x
Dividend Coverage - FAD (FAD / Common Dividends / Unit Distributions)	0.92x	0.77x
COMMON DIVIDEND YIELDS		
Dividend Yield	7.43%	8.67%
Spread Over 5 Year U.S. Treasury (u)	3.62%	6.25%
Spread Over 10 Year U.S. Treasury (u)	2.81%	5.14%
PREFERRED STOCK DIVIDENDS (i)		
Series C Preferred Stock Dividends Per Share	\$ 0.5391	\$ 0.5391
Series C Preferred Stock Dividend Yield	7.99%	7.92%
Series C Quarter End Price	27.000	27.210
Series D Preferred Stock Dividends Per Share	\$ 0.3699	\$ 0.4969
Series D Preferred Stock Dividend Yield	N/A	7.92%
Series D Quarter End Price	N/A	25.100
Series E Preferred Stock Dividends Per Share	\$ 0.3676	\$ 0.4938
Series E Preferred Stock Dividend Yield	N/A	7.84%
Series E Quarter End Price	N/A	25.200
Series F Preferred Stock Dividends Per Share	\$ 5.8896	\$ -
Series F Preferred Stock Dividend Yield	N/A	-
Series F Quarter End Price	N/A	-
Series G Preferred Stock Dividends Per Share	\$ 6.8340	\$ -
Series G Preferred Stock Dividend Yield	N/A	-
Series G Quarter End Price	N/A	-
Series H Preferred Stock Dividends Per Share	\$ 588.9380	\$ -
Series H Preferred Stock Dividend Yield	N/A	-
Series H Quarter End Price	N/A	-



VALUATION ANALYSIS

By Quarter
(UNAUDITED)

	Quarter Ended	
	June 30, 2004	June 30, 2003
PRICING MULTIPLES /YIELDS		
NOI Multiple (Mkt. Value of Common Equity+Avg. Preferred Stock+ Avg. Total Debt)/Ann. NOI (s)	15.0x	13.6x
EBITDA Multiple (Mkt. Value of Common Equity+Avg. Preferred Stock+ Avg. Total Debt)/Ann. EBITDA (s)	12.6x	12.5x
FFO Multiple (Common Share Price / Ann. FFO) (s)	14.0x	10.9x
FAD Multiple (Common Share Price / Ann. FAD) (s)	14.9x	15.2x
NOI Yield (Ann. NOI / (Mkt. Value of Common Equity + Avg. Preferred Stock+ Avg. Total Debt)) (s)	6.7%	7.4%
EBITDA Yield (Ann. EBITDA / (Mkt. Value of Common Equity + Avg. Preferred Stock+ Avg. Total Debt)) (s)	8.0%	8.0%
FFO Yield (Ann. FFO / Common Share Price) (s)	7.1%	9.2%
FAD Yield (Ann. FAD / Common Share Price) (s)	6.7%	6.6%
RETURNS		
Unleveraged Yield on Real Estate Owned - NOI (Ann. NOI / Avg. Gross Real Estate Investment) (s)	8.7%	8.9%
Unleveraged Yield on Real Estate Owned - EBITDA (Ann. EBITDA / Avg. Gross Real Estate Investment)) (s)	10.4%	9.7%
Return on Book Value of Common Stockholders' Equity (Ann. EBITDA / Avg. Common Stockholders' Equity) (s)	23.8%	21.8%
VALUATION		
Asset Value (Ann. NOI / Assumed Cap Rate) (t)	\$ 3,565,029	\$ 3,424,531
Net Asset Value (NAV) (ah) (Asset Value-Total Liab.- Preferred Stock)	\$ 1,709,538	\$ 1,587,470
NAV per Share (ah) (NAV / Total Shares and Units Outstanding)	\$ 35.77	\$ 34.40
NAV as a Percent of Common Share Price (NAV per Share / Common Share Price)	97.0%	108.9%
Market Premium (Discount) to NAV (ah) ((Market Value of Common Equity - NAV) / NAV)	3.1%	(8.2%)
Total Market Capitalization per Square Foot ((Market Value of Common Stock + Preferred Stock + Total Debt)/GLA)	\$ 58.95	\$ 52.34



DEBT ANALYSIS

Year to Date

(UNAUDITED)

(IN 000'S)

	Six Months Ended	
	June 30, 2004	June 30, 2003
DEBT OUTSTANDING		
Average Outstanding Balance		
Mortgage Loans Payable (e)	\$ 45,329	\$ 30,497
Unsecured Line of Credit (g)	180,755	204,703
Senior Unsecured Debt, net (f)(ad)	1,225,752	1,211,922
	\$ 1,451,836	\$ 1,447,121
Average Interest Rate		
Mortgage Loans Payable (e)	6.61%	7.61%
Unsecured Line of Credit (g)	2.02%	2.42%
Senior Unsecured Debt, net (f)(ad)	7.39%	7.41%
Total Weighted Average	6.69%	6.71%
 COVERAGE RATIOS		
Interest Coverage - NOI (NOI / GAAP Interest Expense)	2.4x	2.6x
Interest Coverage - EBITDA (EBITDA / GAAP Interest Expense)	2.8x	2.8x
Fixed Charge Coverage - NOI (NOI / (GAAP Interest Expense + Principal Amort. + Preferred Dividends))	2.0x	2.1x
Fixed Charge Coverage - EBITDA (EBITDA / (GAAP Interest Expense + Principal Amort. + Preferred Dividends))	2.3x	2.3x
 DEBT MATURITY		
Weighted Average Maturity in Years as of 6/30/04 (v)	9.9	11.1
Debt Maturity By Year as of 6/30/04 (ab)		
2004	628	
2005	51,342	
2006	155,601	
2007	235,433	
2008	1,560	
2009	126,428	
2010	14,641	
2011	200,616	
2012	206,496	
2013	604	
2014	125,656	
Thereafter	371,539	
Total Debt	\$ 1,490,544	



DIVIDEND ANALYSIS

Year to Date

(UNAUDITED)

	Sixths Ended	
	June 30, 2004	June 30, 2003
COMMON STOCK DIVIDENDS		
Dividends per Share/Unit	\$ 1.3700	\$ 1.3700
Percentage of Dividend - Ordinary Income (z)	25.00%	42.03%
Percentage of Dividend - Return of Capital (z)	30.00%	25.71%
Percentage of Dividend - Capital Gain (z)	45.00%	32.26%
COMMON DIVIDEND/UNIT DISTRIBUTION PAYOUT RATIOS PER SHARE/UNIT		
Payout - FFO (Common Dividends /Unit Distributions /FFO)	91.9%	83.0%
Payout - FAD (Common Dividends Unit Distributions /FAD)	105.1%	104.2%
Dividend Coverage - FFO (FFO /Common Dividends /Unit Distributions)	1.09x	1.21x
Dividend Coverage - FAD (FAD /Common Dividends /Unit Distributions)	0.95x	0.96x
PREFERRED STOCK DIVIDENDS (i)		
Series C Preferred Stock Dividends Per Share	\$ 1.0782	\$ 1.0782
Series D Preferred Stock Dividends Per Share	\$ 0.8668	\$ 0.9938
Series E Preferred Stock Dividends Per Share	\$ 0.8614	\$ 0.9875
Series F Preferred Stock Dividends Per Share	\$ 5.8896	\$ -
Series G Preferred Stock Dividends Per Share	\$ 6.8340	\$ -
Series H Preferred Stock Dividends Per Share	\$ 588.9380	\$ -
SHARES/UNITS OUTSTANDING		
Basic		
Weighted Avg. Shares /Units Outstanding	46,569	45,219
Diluted		
Weighted Avg. Shares /Units Outstanding	46,940	45,304



PROPERTY INFORMATION

(UNAUDITED)

	June 30, 2004	June 30, 2003
TOTAL PORTFOLIO		
Number of Properties - In Service	814	888
Number of Properties - Under Development	24	29
Total Number of Properties	<u>838</u>	<u>917</u>
Land Area - Developed (Acres)	4,400.37	4,532.43
Land Area - Developable (Acres) (w)	779.00	868.89
Gross Leasable Area s.f.-In Service	59,178,370	60,406,901
Gross Leasable Area s.f.-Under Development	<u>2,759,752</u>	<u>2,585,943</u>
Total Gross Leasable Area s.f.	<u>61,938,122</u>	<u>62,992,844</u>
Occupied (Square Feet)	52,453,274	52,786,796
Vacant (Square Feet)	6,725,096	7,620,105
Number of Tenants	2,381	2,579
Average Tenant Size per Occupied s.f.	22,030	20,468
Occupancy Rates - Based on In Service GLA	88.6%	87.4%
Weighted Average Lease Term (years)	5.0	5.3
PORTFOLIO LEASING AND OPERATING STATISTICS		
Leasing (Based on leasing activity during the period)		
Rental Rate Increases (previous cash rent vs. new cash rent)	(2.7%)	(6.9%)
Lease Costs Per Square Foot (includes tenant improvements and lease commissions)	\$ 2.32	\$ 2.50
Tenant Retention (by square feet)	66.6%	74.5%
Tenant Retention (by number of leases)	69.2%	64.7%
Capital Expenditures		
Non-Leasing Capital Expenditures Per Sq. Ft. (i.e., roofs, parking lot, etc.)	0.06	0.06
Same Property Detail (am)		
Change in Revenues	(2.8%)	(5.0%)
Change in Expenses	(5.1%)	(2.8%)
Change in NOI	(1.7%)	(5.9%)
Occupancy	87.0%	86.0%
Square Feet in Same Property Pool	50,181,178	52,650,807
% of Total Square Feet	84.8%	87.2%



PROPERTY INFORMATION

(UNAUDITED)

	June 30, 2004	June 30, 2003
NUMBER OF PROPERTIES		
Atlanta	37	35
Baltimore	14	16
Central Pennsylvania	14	13
Chicago	41	47
Cincinnati	9	8
Columbus	6	6
Dallas/Fort Worth	90	93
Dayton	n/a	7
Denver	77	88
Des Moines	1	1
Detroit	125	132
Grand Rapids	2	2
Houston	28	28
Indianapolis	42	42
Los Angeles	23	30
Louisville	3	2
Milwaukee	8	7
Minneapolis/St. Paul	44	49
Nashville	12	17
Northern New Jersey	36	43
Philadelphia	36	40
Phoenix	13	9
Portland	n/a	21
Salt Lake City	46	46
San Diego	7	6
Southern New Jersey	26	27
St. Louis	20	11
Tampa	40	47
Other	14	15
Total In Service Properties	814	888
Atlanta	4.5%	3.9%
Baltimore	1.7%	1.8%
Central Pennsylvania	1.7%	1.5%
Chicago	5.0%	5.3%
Cincinnati	1.1%	0.9%
Columbus	0.7%	0.7%
Dallas/Fort Worth	11.1%	10.5%
Dayton	n/a	0.8%
Denver	9.5%	9.9%
Des Moines	0.1%	0.1%
Detroit	15.4%	14.9%
Grand Rapids	0.2%	0.2%
Houston	3.4%	3.2%
Indianapolis	5.2%	4.7%
Los Angeles	2.8%	3.4%
Louisville	0.4%	0.2%
Milwaukee	1.0%	0.8%
Minneapolis/St. Paul	5.4%	5.5%
Nashville	1.5%	1.9%
Northern New Jersey	4.4%	4.8%
Philadelphia	4.4%	4.5%
Phoenix	1.6%	1.0%
Portland	n/a	2.4%
Salt Lake City	5.7%	5.2%
San Diego	0.9%	0.7%
Southern New Jersey	3.2%	3.0%
St. Louis	2.5%	1.2%
Tampa	4.9%	5.3%
Other	1.7%	1.7%
Total In Service Properties	100.0%	100.0%

PROPERTY INFORMATION

(UNAUDITED)



	June 30, 2004	June 30, 2003
GLA		
In Service Gross Leasable Area by Region		
Atlanta	5,897,848	5,514,750
Baltimore	1,048,665	1,158,530
Central Pennsylvania	2,054,535	1,877,135
Chicago	4,532,830	4,855,526
Cincinnati	1,733,100	1,683,100
Columbus	1,872,124	1,421,016
Dallas/Fort Worth	4,877,170	4,904,437
Dayton	n/a	342,746
Denver	4,419,944	4,365,159
Des Moines	88,000	88,000
Detroit	4,111,238	4,356,434
Grand Rapids	474,750	474,750
Houston	3,234,298	3,233,047
Indianapolis	4,064,118	4,346,512
Los Angeles	969,129	1,616,960
Louisville	664,500	433,500
Milwaukee	482,258	379,234
Minneapolis/St. Paul	4,312,728	4,694,369
Nashville	1,737,770	2,217,382
Northern New Jersey	2,600,989	2,962,885
Philadelphia	1,860,382	1,886,042
Phoenix	655,344	420,861
Portland	n/a	593,203
Salt Lake City	1,043,187	865,119
San Diego	577,301	529,321
Southern New Jersey	1,110,588	1,393,866
St. Louis	2,319,104	1,087,574
Tampa	1,273,212	1,385,985
Other	1,163,258	1,319,458
Total In Service GLA	59,178,370	60,406,901
In Service GLA as a % of Total Portfolio by Region		
Atlanta	10.0%	9.1%
Baltimore	1.8%	1.9%
Central Pennsylvania	3.5%	3.1%
Chicago	7.7%	8.0%
Cincinnati	2.9%	2.8%
Columbus	3.2%	2.4%
Dallas/Fort Worth	8.2%	8.1%
Dayton	n/a	0.6%
Denver	7.5%	7.2%
Des Moines	0.1%	0.1%
Detroit	6.9%	7.2%
Grand Rapids	0.8%	0.8%
Houston	5.5%	5.4%
Indianapolis	6.9%	7.2%
Los Angeles	1.6%	2.7%
Louisville	1.1%	0.7%
Milwaukee	0.8%	0.6%
Minneapolis/St. Paul	7.3%	7.8%
Nashville	2.9%	3.7%
Northern New Jersey	4.4%	4.9%
Philadelphia	3.1%	3.1%
Phoenix	1.1%	0.7%
Portland	n/a	1.0%
Salt Lake City	1.8%	1.4%
San Diego	1.0%	0.9%
Southern New Jersey	1.9%	2.3%
St. Louis	3.9%	1.8%
Tampa	2.2%	2.3%
Other	2.0%	2.2%
Total	100.0%	100.0%

PROPERTY INFORMATION

(UNAUDITED)



	June 30, 2004	June 30, 2003
NUMBER OF PROPERTIES		
Number of In Service Properties by Property Type (aj)		
Bulk Warehouse	136	128
Light Industrial	406	469
R&D/Flex	151	166
Regional Warehouse	89	92
Manufacturing	32	33
Total In Service Properties	814	888

BASE RENT

Base Rent Rate by Property Type		
Bulk Warehouse	34.1%	30.9%
Light Industrial	37.2%	38.2%
R&D/Flex	15.2%	16.0%
Regional Warehouse	9.1%	9.8%
Manufacturing	4.3%	5.1%
Total	100.0%	100.0%

GLA

In Service Gross Leasable Area by Property Type		
Bulk Warehouse	28,083,010	26,672,955
Light Industrial	17,298,710	18,989,703
R&D/Flex	5,216,496	5,817,637
Regional Warehouse	5,214,537	5,425,248
Manufacturing	3,365,617	3,501,358
Total In Service GLA	59,178,370	60,406,901

In Service Gross Leasable Area by Property Type

Bulk Warehouse	47.5%	44.2%
Light Industrial	29.2%	31.4%
R&D/Flex	8.8%	9.6%
Regional Warehouse	8.8%	9.0%
Manufacturing	5.7%	5.8%
Total	100.0%	100.0%

Average In Service Property Size (GLA)

Bulk Warehouse	206,493	208,382
Light Industrial	42,608	40,490
R&D/Flex	34,546	35,046
Regional Warehouse	58,590	58,970
Manufacturing	105,176	106,102

PROPERTY INFORMATION
(UNAUDITED)



OCCUPANCY RATES	June 30, 2004	June 30, 2003
Occupancy Rates by Metropolitan Area		
Atlanta	88%	80%
Baltimore	89%	90%
Central Pennsylvania	81%	70%
Chicago	85%	90%
Cincinnati	86%	86%
Columbus	89%	73%
Dallas/Fort Worth	94%	94%
Dayton	n/a	92%
Denver	87%	90%
Des Moines	46%	32%
Detroit	90%	89%
Grand Rapids	87%	100%
Houston	89%	80%
Indianapolis	89%	84%
Los Angeles	99%	94%
Louisville	100%	100%
Milwaukee	92%	90%
Minneapolis/St. Paul	85%	90%
Nashville	88%	83%
Northern New Jersey	82%	89%
Philadelphia	92%	95%
Phoenix	84%	100%
Portland	n/a	95%
Salt Lake City	91%	87%
San Diego	95%	82%
Southern New Jersey	97%	98%
St. Louis	99%	95%
Tampa	83%	82%
Other	84%	89%
	<u>89%</u>	<u>87%</u>

RENTAL INCOME		
Rental Income as a % of Total Portfolio by Metropolitan Area		
Atlanta	6.5%	5.4%
Baltimore	3.7%	2.8%
Central Pennsylvania	2.6%	2.5%
Chicago	6.4%	8.8%
Cincinnati	2.8%	1.9%
Columbus	1.1%	1.6%
Dallas/Fort Worth	7.6%	7.7%
Dayton	0.5%	0.5%
Denver	8.9%	9.6%
Des Moines	0.0%	0.0%
Detroit	8.5%	8.8%
Grand Rapids	0.8%	0.9%
Houston	3.7%	3.3%
Indianapolis	5.9%	4.9%
Long Island	n/a	n/a
Los Angeles	2.6%	3.4%
Louisville	0.8%	0.5%
Milwaukee	0.8%	0.8%
Minneapolis/St. Paul	7.6%	8.3%
Nashville	2.0%	2.7%
Northern New Jersey	7.2%	8.0%
Philadelphia	3.9%	3.9%
Phoenix	1.4%	0.5%
Portland	n/a	1.2%
Salt Lake City	2.0%	1.4%
San Diego	1.2%	0.9%
Southern New Jersey	2.3%	2.4%
St. Louis	4.1%	1.6%
Tampa	3.6%	4.0%
Other	1.5%	1.8%
	<u>100.0%</u>	<u>100.0%</u>

PROPERTY INFORMATION

(UNAUDITED)



SAME PROPERTY OCCUPANCY RATES	June 30, 2004	June 30, 2003
Property Occupancy Rates by Metropolitan Area		
Atlanta	86%	76%
Baltimore	86%	89%
Central Pennsylvania	69%	68%
Chicago	79%	85%
Cincinnati	86%	87%
Columbus	82%	67%
Dallas/Fort Worth	92%	94%
Denver	85%	89%
Des Moines	46%	32%
Detroit	90%	90%
Grand Rapids	87%	100%
Houston	88%	79%
Indianapolis	88%	83%
Los Angeles	99%	93%
Louisville	100%	100%
Milwaukee	90%	90%
Minneapolis/St. Paul	84%	90%
Nashville	82%	85%
Northern New Jersey	81%	89%
Philadelphia	92%	95%
Phoenix	32%	100%
Salt Lake City	87%	85%
Southern New Jersey	98%	98%
St. Louis	99%	95%
Tampa	85%	80%
Other	84%	88%
Weighted Average Occupancy	86%	86%

SAME PROPERTY RENTAL INCOME

Annual Rental Income per Average Occupied Square Foot by Metropolitan Area (x)

Atlanta	3.19	3.64
Baltimore	5.21	4.98
Central Pennsylvania	4.24	4.59
Chicago	4.61	4.60
Cincinnati	2.94	3.01
Columbus	1.67	2.82
Dallas/Fort Worth	4.19	4.38
Denver	5.58	5.77
Des Moines	3.23	3.37
Detroit	5.73	5.84
Grand Rapids	4.99	5.08
Houston	3.06	3.32
Indianapolis	3.23	3.52
Los Angeles	6.49	5.90
Louisville	3.23	3.09
Milwaukee	5.87	6.16
Minneapolis/St. Paul	4.95	5.08
Nashville	3.45	4.01
Northern New Jersey	7.53	7.57
Philadelphia	5.93	5.69
Phoenix	5.16	2.89
Salt Lake City	6.14	5.91
Southern New Jersey	4.78	4.73
St. Louis	3.58	3.50
Tampa	8.68	8.71
Other	3.75	4.01
Weighted Average Rental Income / Sq.Ft.	4.58	4.74



PROPERTY INFORMATION

(UNAUDITED)

(AS OF JUNE 30, 2004 AND DOLLARS IN 000'S)

LARGEST TENANTS

Twenty Largest Tenants By Annualized Lease Net Rent

	Annualized Lease Net Rent	
	Amount	% of Total
1. Venture Industries	\$ 2,063	0.9%
2. Caterpillar Logistics	1,767	0.8%
3. General Motors	1,766	0.8%
4. DSA Warehouse	1,751	0.8%
5. Whirlpool	1,584	0.7%
6. General Services Administration	1,582	0.7%
7. Best Buy	1,557	0.7%
8. Ingram Book Group	1,426	0.6%
9. Kuehne & Nagel	1,406	0.6%
10. Tyco Healthcare Retail Group	1,380	0.6%
11. Federal Express	1,190	0.5%
12. AHL Services	1,188	0.5%
13. Ford Motor Company	1,135	0.5%
14. Lucent Technologies	1,106	0.5%
15. Franklin Brass Manufacturing	1,092	0.5%
16. Bergen Brunswig	1,085	0.5%
17. Iron Mountain Information Management	1,071	0.5%
18. Anixter	1,069	0.5%
19. Contico International	998	0.4%
20. MSX International	980	0.4%
	<u>\$ 27,195</u>	<u>12.0%</u>

Twenty Largest Tenants by Gross Leasable Area

	Gross Leasable Area	
	Occupied	% of Total
1. Masterfoods	705,600	1.2%
2. DSA Warehouse	689,533	1.2%
3. Whirlpool	657,451	1.1%
4. Caterpillar Logistics	653,903	1.1%
5. Tyco Healthcare Retail Group	608,000	1.0%
6. Ingram Book Group	518,400	0.9%
7. Kuehne and Nagel	504,000	0.9%
8. General Motors	490,500	0.8%
9. Best Buy	475,129	0.8%
10. Venture Industries	413,500	0.7%
11. Contico International	332,630	0.6%
12. Anixter	320,171	0.5%
13. Vantage Products	298,000	0.5%
14. Dorel USA	297,800	0.5%
15. Ford Motor Company	296,010	0.5%
16. Lucent Technologies	291,618	0.5%
17. Midwest Air Technologies	288,000	0.5%
18. Iron Mountain Information Management	273,396	0.5%
19. Katoen Natie Gulf Coast	272,380	0.5%
20. Hydra Warehouse	271,000	0.5%
	<u>8,657,021</u>	<u>14.8%</u>

PROPERTY INFORMATION

(UNAUDITED)



LEASE EXPIRATION SCHEDULE

By Net Rent	Amount	Average Net Rent	% of Total
2004	31,297	3.85	13.8%
2005	55,038	4.50	24.4%
2006	41,844	4.71	18.5%
2007	31,613	4.40	14.0%
2008	24,896	4.34	11.0%
2009	19,168	4.39	8.5%
2010	6,940	3.62	3.1%
2011	2,628	5.30	1.2%
2012	1,927	4.48	0.9%
2013	4,819	2.95	2.1%
Thereafter	5,819	4.00	2.6%
	<u>\$225,988</u>	<u>\$4.31</u>	<u>100.0%</u>

By GLA	GLA	Average Lease (GLA)	% of Total
2004	8,132,654	20,180	15.5%
2005	12,222,879	19,463	23.3%
2006	8,883,727	18,130	16.9%
2007	7,183,860	21,067	13.7%
2008	5,729,825	22,558	10.9%
2009	4,371,303	23,502	8.3%
2010	1,916,934	33,630	3.7%
2011	495,564	23,598	0.9%
2012	430,299	33,100	0.8%
2013	1,632,700	96,041	3.1%
Thereafter	1,453,529	76,502	2.8%
	<u>52,453,274</u>	<u>21,595</u>	<u>100.0%</u>

By Number of Leases	Number	% of Total
2004	403	16.6%
2005	628	25.9%
2006	490	20.2%
2007	341	14.0%
2008	254	10.5%
2009	186	7.7%
2010	57	2.3%
2011	21	0.9%
2012	13	0.5%
2013	17	0.7%
Thereafter	19	0.8%
	<u>2,429</u>	<u>100.0%</u>

2004 PROPERTY ACQUISITION SUMMARY

(UNAUDITED)



PORTFOLIO	LOCATION	SQUARE FEET	PURCHASE PRICE (in millions)	WEIGHTED AVERAGE EXPECTED CAP RATE (k)
St. Louis Portfolio	St. Louis	812,685	\$30.7	
375 YKK Drive	Nashville	98,150	2.8	
1706 Heil Quaker Road	Nashville	522,483	11.3	
1100 Burlington Pike	Cincinnati	482,772	10.5	
Total First Quarter Acquisitions		1,916,090	\$55.2	10.5%
14755 27th Avenue North	Minneapolis/St. Paul	81,927	\$2.9	
Seppi Portfolio	Salt Lake City	93,600	4.7	
Dartmouth Industrial Park	Denver	663,411	31.0	
1075 Northfield Court	Atlanta	151,743	6.0	
Phoenix Tech Center	Phoenix	22,978	2.2	
2250 Arthur Avenue	Chicago	76,430	2.4	
1850 Touhy Avenue	Chicago	169,000	7.2	
7600 69th Avenue	Minneapolis/St. Paul	216,700	12.3	
N120W18485 Freistadt Road	Milwaukee	103,024	4.5	
Total Second Quarter Acquisitions		1,578,813	\$73.2	9.5%
Total 2004 Acquisitions		3,494,903	\$128.3	10.0%

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	
Total First Quarter Acquisitions		527,600	\$20.4	9.4%
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	
Total Second Quarter Acquisitions		3,225,352	\$110.6	10.2%
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	
Total Third Quarter Acquisitions		980,866	\$30.1	11.9%
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	
Total Fourth Quarter Acquisitions		1,890,423	\$67.7	10.9%
Total 2003 Acquisitions		6,624,241	\$228.8	10.6%



2004 PROPERTY DEVELOPMENT SUMMARY

(UNAUDITED)

DEVELOPMENTS PLACED IN SERVICE

DEVELOPMENT	LOCATION	SQUARE FEET	ESTIMATED INVESTMENT (in millions)	AVERAGE EXPECTED CAP RATE (k)
First Commons Phase II	Phoenix	54,890	\$3.4	
Hampden North	Harrisburg	103,200	4.0	
Hazelwood	St. Louis	180,658	8.0	
First Quarter Total		338,748	\$15.4	8.5%
Mary Kay	Harrisburg	87,500	\$8.1	
Ford Motor Company	Atlanta	231,000	9.0	
DS Container	Chicago	236,213	13.0	
Baseline Road	Phoenix	73,415	7.5	
Caterpillar	Harrisburg	252,000	10.0	
Second Quarter Total		880,128	\$47.6	8.2%
2004 Total		1,218,876	\$63.0	8.3%

DEVELOPMENTS IN PROCESS AT JUNE 30, 2004

DEVELOPMENT	LOCATION	SQUARE FEET	ESTIMATED INVESTMENT (in millions)	
First Commons II	Phoenix	44,545	3.1	
DBL Logistics	Phoenix	144,020	13.2	
Electronic Boutique	Harrisburg	314,591	12.2	
Jeffco Business Center I	Denver	103,720	13.6	
Park Centre	Denver	145,706	17.9	
Tollway Park of Commerce I	Chicago	287,556	15.0	
Warm IV	Cincinnati	236,250	8.4	
Addison Tech	Dallas	34,800	3.3	
Hilltop Business Center I	Denver	37,043	4.9	
Park 370	St. Louis	144,400	7.1	
Park 2000 III	Minneapolis	133,116	6.4	
Warm V	Cincinnati	180,000	6.8	
Baseline Road	Phoenix	74,245	7.4	
Maytag	Des Moines	750,000	20.1	
Mohawk Carpet	Detroit	63,000	4.6	
First Park @ Brandon	Tampa	66,760	5.1	
Total Under Construction		2,759,752	\$149.0	9.0%
% Leased			72%	
% Funded			68%	



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</u>
Tradepointe III	Louisville	221,000	6.5	
Sayreville Business Center - Lot #3	N. New Jersey	62,400	6.1	
First Quarter Total		283,400	\$12.6	9.7%
Ford BTS	Greensboro	252,000	8.7	
Second Quarter Total		252,000	\$8.7	9.5%
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	
Third Quarter Total		503,654	\$25.1	9.5%
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	
Fourth Quarter Total		301,240	\$18.5	10.1%
2003 Total		1,340,294	\$64.9	9.7%

2004 PROPERTY SALES SUMMARY

(UNAUDITED)



ADDRESS/PORTFOLIO	LOCATION	TYPE	SQUARE FEET	SALE PRICE (in millions)	WEIGHTED AVERAGE CAP RATE
Minneapolis Portfolio	Minneapolis/St. Paul		435,032	\$25.0	
7600 Eastgate Boulevard	Nashville		423,500	14.3	
5903 Johns Road	Tampa		11,600	0.8	
2255 South 300 West Building G	Salt Lake City		10,500	0.8	
1102 Appleton Drive	Nashville		28,022	1.5	
Tile America Buildings	Dallas/Ft. Worth		41,000	1.1	
12050-12300 Hubbard	Detroit		85,086	4.8	
202 Philips Road	Philadelphia		46,750	1.8	
3575 Stern Avenue	Chicago		68,728	3.5	
5100 W. 70th Place	Chicago		407,012	13.2	
10311 W. Hampden	Denver		52,227	4.9	
6400 North Broadway	Denver		69,430	3.1	
10205 51st Avenue	Minneapolis/St. Paul		30,476	1.7	
375 YKK Drive	Nashville		98,150	5.9	
60 Chapin Road	N. New Jersey		259,230	19.6	
7 Carnegie Plaza	S. New Jersey		90,804	5.5	
5471 W. Waters Avenue	Tampa		23,778	2.8	
Total First Quarter Sales			2,181,325	\$110.2	8.5%
49 Napoleon Court	N. New Jersey		32,500	\$2.3	
5555 West 70th Place	Chicago		41,531	1.5	
1821 Portal	Baltimore/Washington		86,234	5.8	
1350-1370 Blair Drive	Baltimore/Washington		125,421	11.2	
Dayton Portfolio	Dayton		342,746	12.6	
7020-7024 Kaighn	S. New Jersey		12,000	1.1	
6 Esterbrook	S. New Jersey		32,914	1.6	
1801 Portal	Baltimore/Washington		57,600	2.4	
25 World's Fair Drive	N. New Jersey		20,000	3.1	
Princeton South	N. New Jersey		118,750	13.9	
15402, 15431 & 15340 Vantage Pkwy	Houston		164,387	4.1	
2035 E. Vista Bella	Los Angeles		230,000	13.2	
7340 Executive Way	Baltimore/Washington		78,418	7.1	
4500 Westport	Central PA		178,600	6.5	
1100 Burlington Pike	Cincinnati		482,772	13.6	
1111 West Evans	Denver		41,619	2.9	
20 South 48th Avenue	Phoenix		26,680	1.4	
Total Second Quarter Sales			2,072,172	\$104.5	8.3%
Total 2004 Sales			4,253,497	\$214.7	8.4%

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	
Total First Quarter Sales		1,115,082	\$64.4	8.8%
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	
Total Second Quarter Sales		1,438,608	\$74.5	8.4%
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	
Total Third Quarter Sales		2,504,691	\$138.1	8.3%

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	
Total Fourth Quarter Sales		2,386,424	\$105.9	9.0%
Total 2003 Sales		7,444,805	\$382.9	8.6%

DEVELOPABLE AND EXPANDABLE SITE INVENTORY (w)

(UNAUDITED)
(AS OF JUNE 30, 2004)



Building Address/Land Project	Location	Useable Land Area (Acres)	Developable/ Expandable GLA (Est.)
<u>Owned Land</u>			
Atlanta			
Terminus	Douglas County, GA	30.0	653,400
	Subtotal	30.0	653,400
Baltimore			
Advantage Way	Aberdeen, MD	22.0	479,160
	Subtotal	22.0	479,160
Chicago			
Joliet Land	Chicago, IL	27.9	608,098
Tollway Park of Commerce	Chicago, IL	11.0	240,233
	Subtotal	39.0	848,331
Denver			
Skyway Business Center	Denver, CO	11.3	246,114
	Subtotal	11.3	246,114
Dallas			
Miller Distribution Center	Garland, TX	20.2	439,956
Pinnacle Business Park	Dallas, TX	41.7	908,226
	Subtotal	61.9	1,348,182
Indianapolis			
Brookville	Indianapolis, IN	31.0	674,744
	Subtotal	31.0	674,744
Philadelphia			
Covington	Philadelphia, PA	282.3	6,148,058
	Subtotal	282.3	6,148,058
Phoenix			
First Gateway	Phoenix, AZ	30.1	656,014
	Subtotal	30.1	656,014
San Diego			
Otay Mesa	Otay Mesa, CA	9.2	201,029
	Subtotal	9.2	201,029
Tampa			
First Park at Brandon	Brandon, FL	5.7	125,017
Bridgewater	Lakeland, FL	75.8	1,650,271
	Subtotal	81.5	1,775,288
Other			
GM Reno Land	Reno, NV	14.5	315,592
	Subtotal	14.5	315,592
SUBTOTAL OF OWNED LAND		612.8	13,345,913
<u>Land Under Option</u>			
Terminus	Atlanta, GA	42.0	914,760
NC Industrial Park	Greensboro, NC	20.9	455,202
New Jersey	New Jersey	55.9	1,217,502
	Subtotal	118.8	1,587,464
TOTAL		731.6	15,933,377



FOOTNOTES

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

- (a) In August 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard ("FAS") 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 and properties that were classified as held for sale 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 June 30, 2004 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 FAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by FAS 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. At June 30, 2004, the \$3,407 of other comprehensive loss represents settlement amounts of interest rate protection agreements that were used to fix the interest rate of anticipated debt offerings and 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 June 30, 2004 are comprised as follows:

<i>Other Assets</i>	
Mortgage Loans Receivable	\$ 95,115
Investment in Joint Ventures (ak)	16,491
Furniture, Fixtures, Leasehold Improvements and Equipment, Net	3,324
Prepaid Real Estate Taxes	424
Earnest Money and Escrow Deposits	8,288
Pursuit Costs	5,301
Deferred Financing Costs, Net	12,609
Leasing Commissions and In-Place Leases (FAS 141), Net	51,823
Other	8,987
Total Other Assets, net	<u>\$ 202,362</u>

- (e) Mortgage Loans Payable consists of 9 first mortgage loans: 1) two assumed mortgage loans totaling \$5.1 million that are collateralized by 13 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) one assumed mortgage loans totaling \$5.6 million that is collateralized by one property in Rancho Dominguez, CA; 5) one assumed mortgage totaling \$5.7 million that is collateralized by one property in Bloomington, MN; 6) one assumed mortgage loan totaling \$16.5 million that is collateralized by one property in Hagerstown, MD; 7) one assumed mortgage loan totaling \$4.8 million that is collateralized by one property in Downers Grove, IL; and 8) 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 ("Unsecured Line of Credit").

The 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, from time to time, to replace borrowings under the Unsecured Line of Credit with longer term sources of capital as the Company deems appropriate. The 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 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 Unsecured Line of Credit matures on September 28, 2007.

- (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)

- (i) On June 4, 1997, the Company issued 2,000 Depositary Shares, each representing 1/100 of a share of the Company's 8.625% Series C Cumulative Preferred Stock priced at \$25.00 per depositary share ("Series C Preferred"). The Series C Preferred is not redeemable prior to June 6, 2007. On or after June 6, 2007, the Series C Preferred shares will be redeemable for cash at the option of the Company, in whole or in part, at a redemption price of \$25.00 per depositary share plus accrued dividends, if any.

On February 4, 1998, the Company issued 5,000 Depositary Shares, each representing 1/100th of a share of the Company's 7.95%, \$0.1 par value, Series D Cumulative Preferred Stock (the "Series D Preferred Stock"), at an initial offering price of \$25.00 per Depositary Share. On or after February 4, 2003, the Series D Preferred Stock became redeemable for cash at the option of the Company, in whole or in part, at a redemption price equivalent to \$25.00 per Depositary Share, or \$125,000 in the aggregate, plus dividends accrued and unpaid to the redemption date. On May 8, 2004, the Company called for the redemption of all its outstanding Series D Preferred Stock at the price of \$25.00 per Depositary Share, plus accrued and unpaid dividends. The Company redeemed the Series D Preferred Stock on June 7, 2004 and paid a prorated second quarter dividend of \$3.6990 per Depositary Share, totaling approximately \$1,850. In accordance with the Securities and Exchange Commission's July 31, 2003 clarification on Emerging Issues Task Force Abstract, Topic No. D 42, "The Effect on the Calculation of Earnings per Share for the Redemption or Induced Conversion of Preferred Stock" ("EITF D 42"), the Company recognized a charge from the redemption of the Series D Preferred Stock of \$4,467, which represents the write off of the initial offering costs associated with the issuance of the Series D Preferred Stock.

On March 18, 1998, the Company issued 3,000 Depositary Shares, each representing 1/100th of a share of the Company's 7.90%, \$0.1 par value, Series E Cumulative Preferred Stock (the "Series E Preferred Stock"), at an initial offering price of \$25.00 per Depositary Share. On or after March 18, 2003, the Series E Preferred Stock became redeemable for cash at the option of the Company, in whole or in part, at a redemption price equivalent to \$25.00 per Depositary Share, or \$75,000 in the aggregate, plus dividends accrued and unpaid to the redemption date. On May 8, 2004, the Company called for the redemption of all its outstanding Series E Preferred Stock at the price of \$25.00 per Depositary Share, plus accrued and unpaid dividends. The Company redeemed the Series E Preferred Stock on June 7, 2004 and paid a prorated second quarter dividend of \$3.6757 per Depositary Share, totaling approximately \$1,103. In accordance with EITF D 42, the Company recognized a charge from the redemption of the Series E Preferred Stock of \$2,892, which represents the write off of the initial offering costs associated with the issuance of the Series E Preferred Stock.

On May 27, 2004, the Company issued 50,000 Depositary Shares, each representing 1/100th of a share of the Company's 6.236%, \$0.1 par value, Series F Flexible Cumulative Redeemable Preferred Stock (the "Series F Preferred Stock"), at an initial offering price of \$1,000 per Depositary Share. Dividends on the Series F Preferred Stock are cumulative from the date of initial issuance and are payable semi-annually in arrears for the period from the date of original issuance through March 31, 2009, commencing on September 30, 2004, at a rate of 6.236% per annum of the liquidation preference (the "Series F Initial Distribution Rate") (equivalent to \$62.36 per Depositary Share). On or after March 31, 2009, the Series F Initial Distribution Rate is subject to reset, at the Company's option, subject to certain conditions and parameters, at fixed or floating rates and periods. On or after March 31, 2009, the Series F Preferred Stock is redeemable for cash at the option of the Company, in whole or in part, at a redemption price equivalent to \$1,000 per Depositary Share, or \$50,000 in the aggregate, plus dividends accrued and unpaid to the redemption date. The Series F Preferred Stock has no stated maturity and is not convertible into any other securities of the Company.

On May 27, 2004, the Company issued 25,000 Depositary Shares, each representing 1/100th of a share of the Company's 7.236%, \$0.1 par value, Series G Flexible Cumulative Redeemable Preferred Stock (the "Series G Preferred Stock"), at an initial offering price of \$1,000 per Depositary Share. Dividends on the Series G Preferred Stock are cumulative from the date of initial issuance and are payable semi-annually in arrears for the period from the date of original issuance of the Series G Preferred Stock through March 31, 2014, commencing on September 30, 2004, at a rate of 7.236% per annum of the liquidation preference (the "Series G Initial Distribution Rate") (equivalent to \$72.36 per Depositary Share). On or after March 31, 2014, the Series G Initial Distribution Rate is subject to reset, at the Company's option, subject to certain conditions and parameters, at fixed or floating rates and periods. On or after March 31, 2014, the Series G Preferred Stock is redeemable for cash at the option of the Company, in whole or in part, at a redemption price equivalent to \$1,000 per Depositary Share, or \$25,000 in the aggregate, plus dividends accrued and unpaid to the redemption date. The Series G Preferred Stock has no stated maturity and is not convertible into any other securities of the Company.

On June 2, 2004, the Company issued 500 Shares of 2.965% \$0.1 par value, Series H Flexible Cumulative Redeemable Preferred Stock (the "Series H Preferred Stock"), at an initial offering price of \$250,000 per Share. On June 25, 2004 the Company called for the redemption of all its outstanding Series H Preferred Stock at the price of \$242,875 per Share, plus accrued and unpaid dividends. The Company redeemed the Series H Preferred Stock on July 2, 2004 and paid a prorated second and third quarter dividend of \$629.5548 per Share, totaling approximately \$315. In accordance with EITF D 42, the Company will recognize a charge from the redemption of the Series H Preferred Stock of approximately \$6 million for the three months ending September 30, 2004, which represents the write off of the initial offering costs associated with the issuance of the Series H Preferred Stock.



FOOTNOTES

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

- (j) In 2000, the Company repurchased 394,300 shares of its stock in the open market at a weighted average stock price of \$29.67.
In 2001, the Company repurchased 1,003,300 shares of its stock in the open market at a weighted average stock price of \$28.30.
In 2002, the Company repurchased 1,091,500 shares of its stock in the open market at a weighted average stock price of \$27.02.
In 2003, the Company repurchased 37,300 shares of its stock in the open market at a weighted average stock price of \$26.73.
- (k) Weighted average expected cap rate represents the expected stabilized cash yield (cash NOI divided by the total expected investment). Straight-line rents are not included in cash NOI.
- (l) FFO includes Net Economic Gains (Losses) resulting from all property sales. 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 and amortization on real estate sold. Land sales are sales of any unimproved property. Merchant sales are sales of a property developed or redeveloped by the company or its management or short-term property resales. Redeveloped property is property in which the Company has invested an amount equal to or greater than 20% of its original cost. A short term property resale is defined as a property sold within one year of original purchase. Existing portfolio sales are sales of a property that weren't developed or redeveloped by the Company or its management or a sale of a property that was owned for more than one year.

The breakdown of Net Economic Gains (Losses) as reported in the supplemental statement of operations is as follows:

	June 30, 2004	March 31, 2004	June 30, 2003	March 31, 2003
Land Sales	\$ 1,470	\$ 399	\$ 1,558	\$ 83
Merchant Sales	7,745	7,806	4,324	5,514
Existing Portfolio Sales	10,834	7,945	5,662	6,242
	<u>\$ 20,049</u>	<u>\$ 16,150</u>	<u>\$ 11,544</u>	<u>\$ 11,839</u>

- (m) Intentionally left blank.
- (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.

	June 30, 2004	March 31, 2004	June 30, 2003	March 31, 2003
Building Improvements	\$ 3,548	\$ 663	\$ 3,674	\$ 1,094
Leasing Costs	7,418	6,551	7,760	7,598
Prorata Share of JV Costs	3	3	5	27
	<u>\$ 10,969</u>	<u>\$ 7,218</u>	<u>\$ 11,439</u>	<u>\$ 8,719</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 June 30, 2004, 1,810 restricted shares were issued in connection with the Company's compensation plans, options covering 1,106 shares were outstanding, 4,306 options have been exercised or converted and options covering 2,778 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).



FOOTNOTES

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

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

	June 30, 2004	June 30, 2003
5 Yr. U.S. Treasuries	3.81%	2.42%
10 Yr. U.S. Treasuries	4.62%	3.53%

(v) Weighted average maturity includes senior unsecured debt and mortgage loans payable and excludes the unsecured line of credit.

(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.

	June 30, 2004	March 31, 2004	December 31, 2003	September 30, 2003	June 30, 2003
Number of Properties	2	2	-	3	5
Square Feet (in Millions)	0.2	0.1	-	0.2	0.4
Accumulated Amortization	849	1,025	-	491	1,064

(z) The return of capital percentages represent estimates for 2004 and actual results for 2003. 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.

(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-Q:

	Three Months Ended June 30, 2004	Three Months Ended June 30, 2003	Six Months Ended June 30, 2004	Six Months Ended June 30, 2003
Total Revenues per the Form 10-Q	\$ 80,243	\$ 75,871	\$ 162,359	\$ 160,560
Interest Income	866	479	1,578	1,255
Gain on Sale of Interest Rate Protection Agreement	1,450	-	1,450	-
Revenues from Discontinued Operations	2,452	10,637	7,566	23,226
Total Revenues per the Supplemental	<u>\$ 85,011</u>	<u>\$ 86,987</u>	<u>\$ 172,953</u>	<u>\$ 185,041</u>
Property Expenses per the Form 10-Q	\$ 26,881	\$ 25,255	\$ 55,124	\$ 52,059
Property Expenses from Discontinued Operations	882	3,384	2,732	7,763
Property Expenses per the Supplemental	<u>\$ 27,763</u>	<u>\$ 28,639</u>	<u>\$ 57,856</u>	<u>\$ 59,822</u>
Net Economic Gains per the Form 10-Q	\$ -	\$ -	\$ -	\$ -
Net Economic Gains	20,049	11,544	36,199	23,383
Net Economic Gains per the Supplemental	<u>\$ 20,049</u>	<u>\$ 11,544</u>	<u>\$ 36,199</u>	<u>\$ 23,383</u>
Gain on Sale of Properties per Form 10-Q	\$ 3,337	\$ 3,336	\$ 6,583	\$ 4,636
Gains from Discontinued Operations	26,906	16,374	51,637	34,831
Less: Net Economic Gains	<u>(20,049)</u>	<u>(11,544)</u>	<u>(36,199)</u>	<u>(23,383)</u>
Gain on Sale of Properties per the Supplemental	<u>\$ 10,194</u>	<u>\$ 8,166</u>	<u>\$ 22,021</u>	<u>\$ 16,084</u>
Depreciation and Other Amortization per the Form 10-Q	\$ 23,495	\$ 17,611	\$ 45,306	\$ 34,304
Depreciation and Other Amortization from Discontinued Operations	595	2,446	1,602	4,998
Less: Depreciation of Corporate FF&E	<u>(321)</u>	<u>(319)</u>	<u>(640)</u>	<u>(627)</u>
Depreciation and Other Amortization per the Supplemental	<u>\$ 23,769</u>	<u>\$ 19,738</u>	<u>\$ 46,268</u>	<u>\$ 38,675</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.
- (ac) In accordance with Generally Accepted Accounting Principles, the basic weighted average shares/units and shares outstanding exclude restricted stock issued that has not vested. The diluted weighted average shares/units and shares outstanding exclude restricted stock issued that has not vested and include the dilution related to restricted stock outstanding.
- (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 fix the interest rate on the 2007 Notes prior to issuance. The Company will amortize the settlement amount of the interest rate protection agreement over the life of the 2007 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 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 fix the interest rate on the 2027 Notes prior to issuance. The Company will amortize the settlement amount of the interest rate protection agreement over the life of the 2027 Notes. Including the impact of the offering discounts and the interest rate protection agreement, 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 May 15, 2002, the Company paid off and retired 84,930 of the 2027 Notes.
- 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 fix the interest rate on the 2011 PATS. The Company will amortize the settlement amount of the interest rate protection agreement over the life of 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 May 17, 2004, the Company retired the 2011 PATS.
- 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 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 fix the interest rate on the 2006 Notes prior to issuance. The Company will amortize the settlement amount of the interest rate protection agreement over the life of the 2006 Notes. 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 fix 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)
(IN 000'S EXCEPT PER SHARE DATA)

On May 17, 2004, the Company issued \$125 million of senior unsecured debt which matures on June 1, 2014 and bears a coupon interest rate of 6.42% (the "2014 Notes"). The issue price of the 2014 Notes was 99.1226%. The debt issue discount of the 2014 Notes is being amortized over the life of the 2014 Notes as an adjustment to interest expense. Including the impact of the offering discount, the Company's effective interest rate is 6.54%.

On June 14, 2004, the Company issued \$125 million of senior unsecured debt which matures on June 15, 2009 and bears a coupon interest rate of 5.25% (the "2009 Notes"). The issue price of the 2009 Notes was 99.826%. The Company also entered into interest rate protection agreements which were used to fix the interest rate on the 2009 Notes prior to issuance. The debt issue discount and the settlement amount of the interest rate protection agreements are being amortized over the life of the 2009 Notes as an adjustment to interest expense. Including the impact of the offering discount and the settlement amount of the interest rate protection agreements, the Company's effective interest rate is 4.10%.

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

	Quarter Ended			
	June 30, 2004	March 31, 2004	June 30, 2003	March 31, 2003
Quarterly Capitalized Interest	\$ 258	\$ 391	\$ 162	\$ 204

- (af) For the six months ended June 30, 2003, represents the write-off of loan fees due to the early retirement of mortgage debt.
- (ag) Other income includes acquisition, disposition, property and asset management fees from joint ventures the Company manages. These fees amounted to \$1,124 and \$573 for the quarters ending June 30, 2004 and 2003, respectively, and \$1,811 and \$833 for the six month periods ended June 30, 2004 and 2003, 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 June 30, 2004
Quarterly NOI	57,248
Sales/Acq./Dev. Run	
Rate Adjustment	(1,297)
Stabilized Occupancy	
Adjustment (95% Occupancy)	9,043
Adjusted NOI	64,994
	4 x
Annualized NOI	259,975
Cap Rate	9%
	2,888,613
Net economic gains (losses)	20,049
	4 x
Annualized net economic gains (losses)	80,196
Cap Rate	20%
	400,980
CIP	88,713
Cash and Cash Equivalents	-
Restricted Cash	68,886
Tenant A/R	6,853
Investment in JV	16,491
Furn. Fix. & Equip.	3,324
Prepaid Expenses	424
Earnest Money & Escrows	8,288
Land Under Construction	20,273
Developable Land Inventory	62,184
Asset Value	3,565,029
Total Liabilities	(1,605,491)
Preferred Stock	(250,000)
Net Asset Value (NAV)	1,709,538
Shares & Units Outstanding	47,791
NAV per share	\$ 35.77



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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

	Six Months Ended June 30, 2004		Three Months Ended June 30, 2004	
	Joint Ventures	Company's Interest	Joint Ventures	Company's Interest
JV Net Operating Income	\$ 15,698	\$ 2,254	\$ 8,047	\$ 1,161
Add: Net Economic Gains (Losses)	(379)	(38)	(2)	-
Less: Interest Expense	(4,366)	(589)	(2,233)	(304)
Less: Amort of Deferred Financing Fees	(1,273)	(177)	(545)	(80)
Funds From Operations (FFO)	9,680	1,450	5,267	777
Less: Depreciation and Amortization	\$ (4,392)	\$ (909)	\$ (2,246)	\$ (476)
Add: Accum Depreciation/Amortization on Sold Properties	37	5	-	-
Net Income	\$ 5,325	\$ 546	\$ 3,021	\$ 301

Combined Balance Sheet

	As of June 30, 2004	
	Joint Ventures	Company's Interest
Gross Real Estate Investment	\$ 394,452	\$ 56,582
Less: Accumulated Depreciation	(18,452)	(2,382)
Net Real Estate	376,000	54,200
Other Assets	27,781	3,979
	\$ 403,781	\$ 58,179
Mortgage Loans Payable	\$ 249,068	\$ 35,572
Other Liabilities	16,116	2,322
Equity	138,597	20,285
	\$ 403,781	\$ 58,179

As of June 30, 2004, the Company has invested in three joint ventures. The first joint venture began in August 1998 and has \$51.7 million of gross real estate and \$35.7 million of secured debt. The Company has a 10% ownership interest in this joint venture, which owns 1.5 million square feet of real estate. The second joint venture began in December 2001 and has \$287.1 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. The third joint venture began in May 2003 and has \$55.7 million of gross real estate and \$39.6 million of secured debt. The Company has a 15% ownership interest in this joint venture, which owns 1.7 million square feet of real estate.

- (al) At June 30, 2004, Construction in Progress excludes \$20.3 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 tool to further evaluate ability to incur and service debt and to fund dividends and other cash needs. FAD provides a tool to further 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.

The Company calculates FFO to be equal to net income available to common stockholders plus depreciation and amortization of real estate minus accumulated depreciation and amortization on real estate sold. Accordingly, as calculated by the Company, FFO includes net economic gains (losses). See footnote (l).

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 preferred stock redemption costs, 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.