

FIRST INDUSTRIAL REALTY TRUST INC

Form 424B5

May 12, 2004

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The information in this Prospectus Supplement and the accompanying Prospectus is not complete and may be changed. This Prospectus Supplement and the accompanying Prospectus do not constitute an offer to sell these securities and are not soliciting an offer to buy these securities in any state or jurisdiction where the offer or sale is not permitted.

Subject to Completion, dated May 11, 2004

PROSPECTUS SUPPLEMENT

(TO PROSPECTUS DATED AUGUST 23, 2001)

100,000 Shares

First Industrial Realty Trust, Inc.

Depositary Shares Each Representing 1/100 of a Share of

Series F Flexible Cumulative Redeemable Preferred Stock
(T-FLEXSM)

(Five-Year Initial Fixed Rate Period)

**(Liquidation Preference Equivalent to \$1,000 Per Depositary Share
of Series F Preferred Stock)**

Each of the 100,000 Depositary Shares (the "Depositary Shares") offered hereby represents ownership of 1/100 of a share of the Series F Flexible Cumulative Redeemable Preferred Stock (the "Series F Preferred Shares") of First Industrial Realty Trust, Inc. (the "Company"), deposited with EquiServe Trust Company, N.A., as Depositary, and entitles the holder to all proportional rights, preferences and privileges of the Series F Preferred Shares represented thereby (including dividend, voting, redemption and liquidation rights and preferences). The proportionate liquidation preference of each Depositary Share is \$1,000.

Dividends on the Series F Preferred Shares represented by the Depositary Shares will be cumulative from the date of original issuance and initially will be payable semi-annually in arrears, commencing on September 30, 2004. The initial distribution rate on the Series F Preferred Shares will be % per annum from the date of original issuance through , 2009, which is the initial fixed rate period (which is equivalent to \$ per Depositary Share per year). Thereafter, the distribution rate for the Series F Preferred Shares may be at fixed rates determined through remarketings of the Series F Preferred Shares for specific periods of varying length or may be at a Floating Rate as defined herein.

In order to maintain the Company's qualification as a real estate investment trust ("REIT") for federal income tax purposes, ownership by any person of the Depositary Shares, the Series F Preferred Shares and other classes of capital stock of the Company is limited, with certain exceptions, to an aggregate of 9.9% in value of the outstanding capital stock of the Company. In addition, Depositary Shares may not be acquired by certain employee benefit plans or certain other investors. See "Description of Preferred Stock - Restrictions on Ownership" in the accompanying Prospectus and "Certain ERISA Considerations" in this Prospectus Supplement.

A brief description of the Series F Preferred Shares can be found under "Summary Information - Q&A" in this Prospectus Supplement.

	Per Share	Total(2)
Initial public offering price(1)	\$	\$
Underwriting commissions payable by the Company	\$	\$

(1) Plus accumulated distributions, if any, from the date of original issuance, which is expected to be , 2004.

(2) Before deducting expenses payable by the Company.

Investing in the Series F Preferred Shares involves risks. See the section entitled Risk Factors beginning on page S-7 of this prospectus supplement and page 5 of the accompanying prospectus for more information.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Series F Preferred Shares or determined that this Prospectus Supplement or the accompanying Prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

The Series F Preferred Shares will be ready for delivery in book-entry form only through The Depository Trust Company on or about , 2004.

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The date of this Prospectus Supplement is , 2004.

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Unless the context otherwise requires, references in this prospectus to First Industrial, we, us and our refer to First Industrial Realty Trust, Inc. and its consolidated partnerships, limited liability companies and corporations.

You should rely only on the information incorporated by reference or provided in this Prospectus Supplement or the accompanying Prospectus. Neither we nor the Underwriters have authorized anyone to provide you with different information. Neither we nor the

Underwriters are making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information in this Prospectus Supplement or the accompanying Prospectus is accurate as of any date other than the date on the front cover of this Prospectus Supplement.

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This Prospectus Supplement and the accompanying Prospectus, including documents incorporated by reference, contain certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. We intend forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and we are including this statement for purposes of complying with these safe harbor provisions. Forward-looking statements, which are based on certain assumptions and describe our future plans, strategies and expectations, are generally identifiable by use of the words believe, expect, intend, anticipate, estimate, project or similar expressions. The ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Factors which could have a material adverse effect on our operations and future prospects include, but are not limited to, changes in: economic conditions generally and the real estate market specifically, legislative/regulatory changes (including changes to laws governing the taxation of REITs), availability of financing, interest rate levels, competition, supply and demand for industrial properties in our current and proposed market areas, potential environmental liabilities, slippage in development or lease-up schedules, tenant credit risks, higher-than-expected costs and changes in general accounting principles, policies and guidelines applicable to REITs. These risks and uncertainties, together with those stated under the caption Risk Factors herein and in the accompanying Prospectus, should be considered in evaluating forward-looking statements, and undue reliance should not be placed on these statements.

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SUMMARY INFORMATION Q&A

The following information supplements, and should be read together with, the information contained in other parts of this Prospectus Supplement and in the accompanying Prospectus. This summary highlights selected information from this Prospectus Supplement and the accompanying Prospectus to help you understand the Series F Flexible Cumulative Redeemable Preferred Stock and the Depositary Shares. You should carefully read this Prospectus Supplement and the accompanying Prospectus to understand fully those terms as well as the tax and other considerations that are important to you in making a decision about whether to invest in the Series F Preferred Shares. You should pay special attention to the Risk Factors section beginning on page S-7 of this Prospectus Supplement and page 5 of the accompanying Prospectus to determine whether an investment in the Series F Preferred Shares is appropriate for you.

What are the Series F Preferred Shares and the Depositary Shares?

The Series F Preferred Shares are a new series of preferred shares of First Industrial Realty Trust, Inc. Each Series F Preferred Share will entitle the holder to receive cash distributions (Distributions), and to certain other rights, as described in this Prospectus Supplement.

Each Depositary Share represents 1/100 of a Series F Preferred Share. The Series F Preferred Shares will be deposited with EquiServe Trust Company, N.A., as Depositary (the Depositary), under a depositary agreement (the Depositary Agreement) among the Company, the Depositary and the holders from time to time of the depositary receipts (the Depositary Receipts) issued by the Depositary thereunder. Depositary Receipts will evidence the Depositary Shares. Subject to the terms of the Depositary Agreement, each holder of a Depositary Receipt evidencing a Depositary Share will be entitled, proportionately, to all the rights and preferences of, and subject to all of the limitations of, the interest in the Series F Preferred Shares represented thereby (including dividend, voting, redemption and liquidation rights and preferences). See Description of Depositary Shares in the accompanying Prospectus. The Company is offering the Depositary Shares at a price of \$1,000 per share.

Who is the Company?

First Industrial Realty Trust, Inc. is a REIT under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended (the Code). First Industrial Realty Trust, Inc., together with its consolidated partnerships, limited liability companies and corporations, is a self-administered and fully integrated real estate company which owns, manages, acquires, sells and develops industrial real estate. Our principal executive offices are located at 311 S. Wacker Drive, Suite 4000, Chicago, Illinois 60606, telephone number (312) 344-4300. Our website is www.firstindustrial.com. The information on our website is not a part of, and is not incorporated by reference into, this Prospectus Supplement.

What will the Distribution Rate be on the Series F Preferred Shares?

Distributions initially will be paid at a rate (a Distribution Rate) of % per annum of the liquidation preference (the Initial Distribution Rate) (equivalent to \$ per Depositary Share), payable semiannually in arrears, for the period from the date of original issuance of the Series F Preferred Shares, which is expected to be , 2004, through , 2009 (the Initial Fixed Rate Period).

If the Series F Preferred Shares are not redeemed, we will have the option to remarket the Depositary Shares prior to expiration of the Initial Fixed Rate Period to establish a new fixed per annum Distribution Rate (together with the Initial Distribution Rate and any subsequent fixed rate established pursuant to a remarketing, as described below, a Fixed Rate) with respect to the Series F Preferred Shares (to be in effect after the Initial Fixed Rate Period). Any new Fixed Rate so established will be in effect for such period (together with the Initial Fixed Rate Period and any subsequent period established pursuant to a remarketing, as described below, a Fixed Rate Period) as we determine in connection with the remarketing, provided that a Fixed Rate Period must be for a duration of at least six months. A Fixed Rate Period may not end on a day other than a day immediately preceding a Distribution Payment Date (as defined below). Distributions on Series F Preferred Shares during any Fixed Rate Period will be payable semiannually in arrears. Prior to the

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expiration of any Fixed Rate Period, we will have the option to again remarket the Series F Preferred Shares to establish a new Fixed Rate for a new Fixed Rate Period (to be in effect after the expiration of the then current Distribution Period).

If the Series F Preferred Shares are not redeemed and if we elect not to remarket the Depositary Shares prior to expiration of the Initial Fixed Rate Period or any subsequent Fixed Rate Period, or if we are unable to successfully remarket all Depositary Shares tendered for sale in a remarketing, distributions on the Series F Preferred Shares will thereafter be payable at a floating rate (a Floating Rate) reset quarterly equal to % (the Initial Credit Spread), plus the Adjustable Rate, which will be the greater of (i) the 3-month LIBOR Rate; (ii) the 10-year Treasury CMT Rate; and (iii) the 30-year Treasury CMT Rate (each as defined herein). A Floating Rate will be in effect until we subsequently remarket the Depositary Shares to again establish a Fixed Rate for a new Fixed Rate Period as described below. During any period during which a Floating Rate is in effect (a Floating Rate Period), distributions on the Series F Preferred Shares will be payable quarterly in arrears. We may elect to remarket the Depositary Shares prior to any Distribution Payment Date relating to a Floating Rate Period in order to again establish a new Fixed Rate for a new Fixed Rate Period (to be in effect after the expiration of the then current Distribution Period, as defined below).

In this Prospectus Supplement, each semiannual distribution period in a Fixed Rate Period (including, without limitation, the Initial Fixed Rate Period) and each quarterly distribution period in a Floating Rate Period are sometimes referred to as a Distribution Period.

What are the procedures for remarketing the Depositary Shares and establishing the Distribution Rate for Distribution Periods subsequent to the Initial Fixed Rate Period?

In connection with any remarketing of the Depositary Shares, holders of Depositary Shares will be given the option to elect to retain or tender all or a portion of their Depositary Shares for sale in the remarketing. Such election will be required to be made on a date that is no later than the fifth Business Day (as defined below) prior to the proposed remarketing date (an Election Date). A holder that fails to give an election notice to the Remarketing Agent (as defined below) by the Election Date will be deemed to have elected to sell its Depositary Shares in the remarketing. A holder of Depositary Shares may notify the Remarketing Agent of its interest in retaining all or some of its Depositary Shares, provided that the new Distribution Rate is a Fixed Rate not less than a rate per annum specified by the holder. In such case, the holder will be given priority to purchase the specified number of Depositary Shares in the remarketing, provided the new Distribution Rate is a Fixed Rate not less than the rate specified by the holder.

If the Remarketing Agent is able to remarket all Depositary Shares tendered or deemed tendered in connection with the remarketing at a price equal to \$1,000 per Depositary Share for the desired new Fixed Rate Period selected by us, the Distribution Rate on the Series F Preferred Shares for the new Fixed Rate Period will be the rate that the Remarketing Agent determines, in its sole judgment, to be the lowest rate per annum, if any, that will enable it to remarket all Depositary Shares tendered or deemed tendered for remarketing at a price of \$1,000 per Depositary Share.

If the Remarketing Agent is unable to remarket all Depositary Shares tendered or deemed tendered in connection with a remarketing at a price equal to \$1,000 per Depositary Share for the desired new Fixed Rate Period selected by us, the Distribution Rate on the Series F Preferred Shares will be the then applicable Floating Rate. In such case, each holder will continue to hold its Series F Preferred Shares at the Floating Rate.

The purchase price payable to a holder for any Depositary Share repurchased from it in a remarketing is expected to be equal to \$1,000 per Depositary Share plus accrued and unpaid Distributions. Lehman Brothers Inc. is expected to act as remarketing agent (the Remarketing Agent) in connection with any remarketing of the Depositary Shares.

You should read Description of the Series F Preferred Shares Remarketing for more information regarding the procedures relating to a remarketing of the Depositary Shares.

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When will you receive Distributions?

If you purchase the Depositary Shares, you are entitled to receive Distributions at the Distribution Rate on the applicable distribution payment date (each, a Distribution Payment Date). During the Initial Fixed Rate Period, Distributions will be payable semi-annually in arrears on March 31 and September 30 of each year, commencing on September 30, 2004. In any subsequent Fixed Rate Period, Distributions will be payable semiannually in arrears determined based on the remarketing date (if the Depositary Shares are remarketed for a new Fixed Rate Period that begins on _____ or _____, Distributions will be payable on _____ and _____ of each year, and if the Depositary Shares are remarketed for a new Fixed Rate Period that begins on _____ or _____, Distributions will be payable on _____ and _____ of each year). Distributions during any Floating Rate Period will be payable on _____, _____, _____ and _____ of each year.

When can the Company redeem the Series F Preferred Shares and the Depositary Shares?

In addition to certain circumstances relating to our maintenance of our ability to qualify as a REIT as described under Restrictions on Transfers of Capital Stock in the accompanying Prospectus, the Series F Preferred Shares may be redeemed at any time, in whole or in part, at our option:

on the last Distribution Payment Date relating to the Initial Fixed Rate Period;

on such dates with respect to any other Fixed Rate Period as we may determine prior to the commencement of such Fixed Rate Period; or

at any time during a Floating Rate Period;

at a cash redemption price of \$100,000 per share (equivalent to \$1,000 per Depositary Share), plus all accrued and unpaid dividends (whether or not declared) to the date of redemption. If fewer than all the outstanding Series F Preferred Shares are to be redeemed, the number of shares and Depositary Shares to be redeemed will be determined by our Board of Directors and such shares shall be redeemed pro rata from the holders of record thereof in proportion to the number of such shares held by such holders (with adjustments to avoid redemption of fractional shares) or by lot in a manner determined by our Board of Directors.

Will the Depositary Shares be listed on a stock exchange?

The Depositary Shares will not be listed on any stock exchange. The Underwriters have advised us that they intend to make a market in the Depositary Shares. The Underwriters will have no obligation to make a market in the Depositary Shares, however, and may cease market-making activities, if commenced, at any time.

Will holders of the Series F Preferred Shares have any voting rights?

Generally, the holders of the Series F Preferred Shares will have limited voting rights, together with all other series of our preferred stock ranking *pari passu* with the Series F Preferred Shares as to dividends or upon liquidation, to (1) elect directors to our Board of Directors under certain circumstances and (2) approve (A) the issuance of a series of preferred stock ranking senior to the Series F Preferred Shares as to dividends or upon liquidation or (B) certain amendments to our charter. See Description of the Series F Preferred Shares Voting Rights.

In what form will the Depositary Shares be issued?

The Depositary Shares will be represented by one or more global securities that will be deposited with and registered in the name of a securities depository or its nominee. This means that you will not receive a certificate for your Series F Preferred Shares and that your broker will maintain your position in the Series F Preferred Shares. We expect that the Series F Preferred Shares will be ready for delivery through a securities depository on or about _____, 2004. The Depositary Trust Company (DTC) will act as the initial securities depository for the Depositary Shares.

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RISK FACTORS

Your investment in the Series F Preferred Shares will involve certain risks. You should carefully consider the following discussion of risks as well as the section entitled Risk Factors beginning on page 5 of the accompanying Prospectus, and the other information in this Prospectus Supplement and the accompanying Prospectus before deciding whether an investment in the Series F Preferred Shares is suitable for you.

First Industrial Realty Trust, Inc. might fail to qualify or to remain qualified as a REIT.

We intend to operate so as to qualify as a REIT under the Code. Although we believe that we are organized and will operate in a manner so as to qualify as a REIT, qualification as a REIT involves the satisfaction of numerous requirements, some of which must be met on a recurring basis. These requirements are established under highly technical and complex Code provisions of which there are only limited judicial or administrative interpretations, and involve the determination of various factual matters and circumstances not entirely within our control.

We (through one of our subsidiary partnerships) entered into certain development agreements in 2000 through 2003, the performance of which has been completed. Under these agreements, we provided services to unrelated third parties and certain payments were made by the unrelated third parties for services provided by certain contractors hired by us. We believe that these payments were properly characterized by us as reimbursements for costs incurred by us on behalf of the third parties and do not constitute gross income and did not prevent us from satisfying the gross income requirements of the REIT provisions (the gross income tests). We have brought this matter to the attention of the Internal Revenue Service (the IRS). The IRS has not challenged or expressed any interest in challenging our view on this matter. If the IRS were to challenge such position and were successful, we might be found not to have satisfied the gross income tests in one or more of our taxable years. If we were found not to have satisfied the gross income tests, we could be subject to a penalty tax as further discussed under Certain United States Federal Income Tax Consequences below. However, such noncompliance should not adversely affect our status as a REIT as long as such noncompliance was due to reasonable cause and not to willful neglect, and certain other requirements are met. Although this cannot be assured, we believe that the risk of losing our REIT status as a result of these development agreements is remote.

If we were to fail to qualify as a REIT in any taxable year, we would be subject to federal income tax, including any applicable alternative minimum tax, on our taxable income at corporate rates. This could result in a discontinuation or substantial reduction in dividends to stockholders. Unless entitled to relief under certain statutory provisions, we also would be disqualified from electing treatment as a REIT for the four taxable years following the year during which we fail to qualify as a REIT. See Certain United States Federal Income Tax Consequences in this Prospectus Supplement.

There can be no assurance as to the liquidity of the Depositary Shares.

There is no assurance that a secondary market for the Depositary Shares will develop or, if such a market develops, that the Depositary Shares will trade at or close to their stated liquidation amount. The ability of a holder of the Depositary Shares to sell such Depositary Shares may depend on the success of the remarketing. If the Remarketing Agent cannot remarket the Depositary Shares or we do not elect to remarket the Depositary Shares, the holders of the Depositary Shares may not be able to sell the Depositary Shares. It is not expected that the Depositary Shares will be listed on any securities exchange.

After the Initial Fixed Rate Period, the Distribution Rate on the Series F Preferred Shares will vary.

The Distribution Rate on the Series F Preferred Shares is fixed at % per annum for the Initial Fixed Rate Period. Thereafter, the Series F Preferred Shares will pay Distributions at Fixed Rates during future Fixed Rate Periods, which rates will be determined through remarketings of the Depositary Shares, or at Floating Rates during Floating Rate Periods, which rates will be the Initial Credit Spread plus the Adjustable Rate. In connection with any proposed remarketing to set a Fixed Rate for a new Fixed Rate Period, you may have the opportunity to elect to sell your Depositary Shares to the Remarketing Agent at a price of

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\$1,000 per Depositary Share, plus accrued and unpaid distributions. If, however, the remarketing is unsuccessful, the Series F Preferred Shares will pay Distributions at a Floating Rate until any future time that we elect to remarket the Depositary Shares to set a new Fixed Rate and are able to successfully remarket the Depositary Shares.

Fixed Rate Periods and Floating Rate Periods can be of varying lengths and varying Distribution Rates. Distribution Rates on the Series F Preferred Shares may move back and forth between Fixed Rates and Floating Rates over the life of the Series F Preferred Shares.

There can be no assurance as to the market prices for the Depositary Shares.

There can be no assurance as to the market prices for the Depositary Shares. Accordingly, the Depositary Shares that an investor may purchase, whether pursuant to the offer made by this Prospectus Supplement or in a remarketing, may trade at a discount to the price that the investor paid to purchase the Depositary Shares offered by this Prospectus Supplement.

You have limited voting rights.

You will have limited voting rights. See Description of the Series F Preferred Shares Voting Rights.

USE OF PROCEEDS

We estimate that the gross proceeds from our sale of the depositary shares offered by this Prospectus Supplement will be \$100 million. We intend to use the gross proceeds from this offering and the anticipated gross proceeds of approximately \$100 million from a private offering of a new series of cumulative redeemable preferred shares (the Series G Preferred Stock) which we anticipate undertaking in the near future to redeem all of our (i) \$125 million of 7.95% Series D Cumulative Preferred Stock (the Series D Preferred Stock) and (ii) \$75 million of 7.90% Series E Cumulative Preferred Stock (the Series E Preferred Stock). Redemption of the 7.95% Series D Cumulative Preferred Stock is conditioned upon the closing of one or more equity offerings by us with aggregate proceeds of not less than \$125 million. Redemption of the 7.90% Series E Cumulative Preferred Stock is conditioned upon (i) the closing of one or more equity offerings by us with aggregate proceeds of not less than \$75 million but less than \$125 million or (ii) the closing of one or more equity offerings by us with aggregate proceeds of not less than \$200 million. If we complete this offering but are unable to consummate the Series G Preferred Stock offering, we will only redeem the Series E Preferred Stock and use the balance of the gross proceeds from this offering for general corporate purposes, including the repayment of amounts outstanding under our \$300 million unsecured revolving credit facility (the Acquisition Facility). Amounts outstanding under the facility, which matures on September 30, 2005, bear interest at a floating rate of interest. We will pay out of our general funds the underwriting commissions in connection with the Depositary Shares offered hereby and estimated offering expenses of \$.

We also anticipate issuing at least \$200 million of senior notes in the near term. Approximately \$100 million of the Notes will be exchanged for \$100 million aggregate principal amount of our 7.375% Notes due May 15, 2011. The balance of the proceeds of the senior notes would be available either to redeem our Series G Preferred Stock or for general corporate purposes, including the repayment of amounts outstanding under our Acquisition Facility. Currently, we have no agreement or understanding regarding the redemption of the Series G Preferred Stock or to use the proceeds of the senior notes for the repayment of amounts outstanding under our Acquisition Facility.

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DESCRIPTION OF THE SERIES F PREFERRED SHARES

General

Under our Articles of Incorporation, as amended, up to 10,000,000 shares of preferred stock, par value \$.01 per share, may be issued from time to time in one or more series, as authorized by our Board of Directors. Prior to issuance of shares of each series, our Board of Directors is required by the Maryland General Corporation Law and our Articles of Incorporation to fix for each series such terms, preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms or conditions of redemption as are permitted by Maryland law. As of the date hereof, 20,000 shares of 8 5/8% Series C Cumulative Preferred Stock (the Series C Preferred Shares), 50,000 shares of Series D Preferred Stock and 30,000 shares of Series E Preferred Stock are outstanding. On April 9, 2001, we redeemed all of outstanding Series A Cumulative Preferred Stock (the Series A Preferred Shares) at the price of \$25 per share, plus accrued and unpaid dividends. On May 14, 2002, we redeemed all of our outstanding 8 3/4% Series B Cumulative Preferred Stock (the Series B Preferred Shares) at the price of \$25 per Depositary Share, plus accrued and unpaid dividends. On May 8, 2004, we called for redemption, subject to certain conditions, of all of our outstanding 7.95% Series D Cumulative Preferred Stock at a redemption price of \$2,500 per share plus accrued and unpaid dividends and all of our outstanding 7.90% Series E Cumulative Preferred Stock at a redemption price of \$2,500 per share plus accrued and unpaid dividends.

Prior to issuance, our Board of Directors will have adopted resolutions creating the Series F Preferred Shares. When issued, the Series F Preferred Shares will have a liquidation amount of \$100,000 per share, will be fully paid and nonassessable, will not be subject to any sinking fund or other obligation of ours to redeem or retire the Series F Preferred Shares and will have no preemptive rights. The Series C Preferred Shares, the Series D Preferred Shares, the Series E Preferred Shares and the Series F Preferred Shares and the Series G Preferred Shares, if issued, will rank on a parity as to payment by us, as issuer, of dividends and amounts upon liquidation. See Description of Preferred Stock in the accompanying Prospectus.

EquiServe Trust Company, N.A. will act as the transfer agent and dividend disbursing agent for the Series F Preferred Shares.

Each Depositary Share represents 1/100 of a Series F Preferred Share. The Series F Preferred Shares will be deposited with EquiServe Trust Company, N.A., as Depositary, under a Deposit Agreement among us, the Depositary and the holders from time to time of the Depositary Receipts issued by the Depositary thereunder. The Depositary Receipts will evidence the Depositary Shares. Subject to the terms of the Depositary Agreement, each holder of a Depositary Receipt evidencing a Depositary Share will be entitled, proportionately, to all the rights and preferences of, and subject to all of the limitations of, the interest in the Series F Preferred Shares represented thereby (including dividend, voting, redemption and liquidation rights and preferences). See Description of Depositary Shares in the accompanying Prospectus.

Immediately following the issuance of the Series F Preferred Shares by us, we will deposit the Series F Preferred Shares with the Depositary, which will then issue and deliver the Depositary Receipts to us. We will, in turn, deliver the Depositary Receipts to the Underwriters. Depositary Receipts will be issued evidencing only whole Depositary Shares.

The following is a brief description of the terms of the Series F Preferred Shares, which does not purport to be complete and is subject to and qualified in its entirety by reference to the Articles Supplementary with respect to the Series F Preferred Shares, the form of which is available from us.

See Restrictions on Transfers of Capital Stock in the accompanying Prospectus for a discussion of certain powers given to our Board of Directors to prohibit the transfer, or effect redemptions, of any our capital stock. Such restrictions are designed to implement ownership limitations which apply to beneficial ownership of such capital stock in order to aid us in maintaining our qualification as a REIT. In addition, Depositary Shares representing the Series F Preferred Shares may not be acquired by certain employee benefit plans or certain other investors. See Certain ERISA Considerations in this Prospectus Supplement.

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Distributions

General

Holders of Series F Preferred Shares, in preference to the holders of the common stock, and of any other capital stock of ours ranking junior to the Series F Preferred Shares as to payment of dividends, will be entitled to receive, when and as declared by our Board of Directors out of our assets legally available for payment, cash dividends. The Initial Distribution Rate on the Series F Preferred Shares will be % per annum, payable semiannually in arrears, for the Initial Fixed Rate Period (equivalent to \$ per year per Depository Share). If the Series F Preferred Shares are not redeemed, we will have the option to remarket the Series F Preferred Shares prior to the expiration of the Initial Fixed Rate Period to establish a new Fixed Rate with respect to the Series F Preferred Shares (to be in effect after the Initial Fixed Rate Period). Any new Fixed Rate so established will be in effect for such Fixed Rate Period as we determine in connection with the remarketing, provided that a Fixed Rate Period must be for a duration of at least six months and may not end on a day other than a day immediately preceding a Distribution Payment Date. Distributions on Series F Preferred Shares during any Fixed Rate Period will be cumulative for the date of issuance and will be payable semiannually in arrears. Prior to expiration of any Fixed Rate Period, we will have the option to again remarket the Series F Preferred Shares to establish a new Fixed Rate for a new Fixed Rate Period (to be in effect after the expiration of the then current Distribution Period). We also have the option to remarket the Series F Preferred Shares for the purpose of establishing a new Fixed Rate for a new Fixed Rate Period prior to any Distribution Payment Date during a time in which Series F Preferred Shares are redeemable in a subsequent Fixed Rate Period.

If the Series F Preferred Shares are not redeemed and we elect not to remarket the Series F Preferred Shares prior to expiration of the Initial Fixed Rate Period or any subsequent Fixed Rate Period, or if we are unable to successfully remarket all Series F Preferred Shares tendered or deemed tendered for sale in a remarketing, Distributions on the Series F Preferred Shares will thereafter be cumulative from such date and payable at the Floating Rate, subject to our right to subsequently remarket Series F Preferred Shares to again establish a Fixed Rate for a new Fixed Rate Period. During any Floating Rate Period, Distributions on the Series F Preferred Shares will be payable quarterly in arrears. We may elect to remarket the Series F Preferred Shares prior to any Distribution Payment Date relating to a Floating Rate Period in order to again establish a new Fixed Rate for a new Fixed Rate Period (to be in effect after the expiration of the then current Distribution Period).

During the Initial Distribution Period, Distributions will be payable semiannually in arrears on March 31 and September 30 of each year, commencing on September 30, 2004. In any subsequent Fixed Rate Period, Distributions will be payable semiannually in arrears determined based on the remarketing date (if the Series F Preferred Shares are remarketed for a new Fixed Rate Period that begins on or , Distributions will be payable on or of each year, and if the Series F Preferred Shares are remarketed for a new Fixed Rate Period that begins on or , Distributions will be payable on or of each year). Distributions during any Floating Rate Period will be payable on , and of each year. Distributions not paid on a Distribution Payment Date will accumulate additional Distributions (to the extent permitted by law) compounded semiannually at the Fixed Rate or quarterly at the Floating Rate, as applicable, then in effect.

If any Distribution Payment Date with respect to a Fixed Rate Period is not a Business Day, then Distributions will be payable on the first Business Day following such Distribution Payment Date with the same force and effect as if payment was made on the date such payment was originally payable. If any Distribution Payment Date with respect to a Floating Rate Period is not a Business Day, then Distributions will be payable on the first Business Day following such Distribution Payment Date and Distributions shall accrue to the actual payment date (except for a Distribution Payment Date that coincides with the Redemption Date).

Distributions shall be payable on the Distribution Payment Date to holders of record as of the opening of business on the Business Day immediately preceding such Distribution Payment Date. After full dividends on the Series F Preferred Shares have been paid or declared and funds set aside for payment for all past dividend

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periods and for the then current quarter, the holders of Series F Preferred Shares will not be entitled to any further dividends with respect to that quarter.

The amount of Distributions per Depositary Share payable on each semiannual Distribution Payment Date relating to a Fixed Rate Period will be computed on the basis of a 360-day year of twelve 30-day months. The amount of Distributions per Depositary Share payable on each quarterly Distribution Payment Date in respect of a Floating Rate Period will be computed by multiplying the per annum Distribution Rate in effect for such Distribution Period by a fraction, the numerator of which will be the actual number of days in such Distribution Period (or portion thereof) (determined by including the first day thereof and excluding the last thereof) and the denominator of which will be 360, and multiplying the rate so obtained by \$1,000.

When dividends are not paid in full upon the Series F Preferred Shares and any other shares of our preferred stock ranking on a parity as to dividends with the Series F Preferred Shares, all dividends declared upon the Series F Preferred Shares and any other of our preferred stock ranking on a parity as to dividends with the Series F Preferred Shares shall be declared pro rata so that the amount of dividends declared per share on such Series F Preferred Shares and such other stock shall in all cases bear to each other the same ratio that the accrued dividends per share on the Series F Preferred Shares and such other preferred stock bear to each other. Except as set forth in the preceding sentence, unless full dividends on the Series F Preferred Shares have been paid for all past dividend periods, no dividends (other than in common stock or other shares of our capital stock ranking junior to the Series F Preferred Shares as to dividends and upon liquidation) shall be declared or paid or set aside for payment, nor shall any other distribution be made on the common stock or on any other shares of our capital stock ranking junior to or on a parity with the Series F Preferred Shares as to dividends or upon liquidation. Unless full dividends on the Series F Preferred Shares have been paid for all past dividend periods, no common stock or any other shares of our capital stock ranking junior to or on a parity with the Series F Preferred Shares as to dividends or upon liquidation shall be redeemed, purchased or otherwise acquired for any consideration (or any moneys be paid or made available for a sinking fund for the redemption of any such stock) by us or any subsidiary of ours except by conversion into or exchange for shares of our capital stock ranking junior to the Series F Preferred Shares as to dividends and upon liquidation.

The Acquisition Facility restricts us from paying distributions on account of any fiscal year, on an aggregate basis, in excess of 95% of our funds from operations for such fiscal year, except in the case where such distributions are necessary to maintain our tax status as a REIT. Funds from operations is defined under the Acquisition Facility as GAAP net income, as adjusted by (i) excluding gains and losses from property sales (unless they are the result of our integrated industrial solutions activities, which primarily involve merchant development activities and land sales, as reported by us), debt restructurings and property write-downs and adjusted for the non-cash effect of straight-lining of rents, (ii) straight-lining various ordinary operating expenses which are payable less frequently than monthly (e.g., real estate taxes) and (iii) adding back depreciation, amortization and all non-cash items. In calculating funds from operations, no deduction shall be made from net income for closing costs and other one-time charges associated with the formation and capitalization of us or our affiliates. Management believes that this restriction will not impede our ability to pay, in full, the dividends on the Series C Preferred Shares, Series D Preferred Shares, Series E Preferred Shares and the Series F Preferred Shares.

Determining the Floating Rate

During any Floating Rate Period, the Calculation Agent (as defined below) shall calculate the Floating Rate and the amount of Distributions payable on each quarterly Distribution Payment Date relating to a Floating Rate Period. Promptly upon such determination, the Calculation Agent shall notify us of the Floating Rate for the new Distribution Period. The Floating Rate determined by the Calculation Agent, absent manifest error, shall be binding and conclusive upon the beneficial owners and holders of the Series F Preferred Shares and us.

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Except as provided below, the Floating Rate for any Floating Rate Period for the Series F Preferred Shares will be equal to the Adjustable Rate (as defined below) plus % (the Initial Credit Spread). The Adjustable Rate for any Distribution Period will be equal to the highest of the 3-month LIBOR Rate, the 10-year Treasury CMT and the 30-year Treasury CMT (each as defined below and collectively referred to as the Benchmark Rates) for such Distribution Period during the Floating Rate Period. In the event that the Calculation Agent determines in good faith that for any reason:

any one of the Benchmark Rates cannot be determined for any Distribution Period, the Adjustable Rate for such Distribution Period will be equal to the higher of whichever two of such rates can be so determined;

only one of the Benchmark Rates can be determined for any Distribution Period, the Adjustable Rate for such Distribution Period will be equal to whichever such rate can be so determined; or

none of the Benchmark Rates can be determined for any Distribution Period, the Adjustable Rate for the preceding Distribution Period will be continued for such Distribution Period.

The 3-month LIBOR Rate means, for each Distribution Period, the arithmetic average of the two most recent weekly quotes for deposits for U.S. Dollars having a term of three months, as published on the first Business Day of each week during the relevant Calendar Period (as defined below) immediately preceding the Distribution Period for which the Floating Rate is being determined. Such quotes will be taken from Telerate Page 3750 at approximately 11:00 a.m. London time on the relevant date. If such rate does not appear on Telerate Page 3750 on the relevant date, the 3-month LIBOR Rate will be the arithmetic mean of the rates quoted by three major banks in New York City selected by the Calculation Agent, at approximately 11:00 a.m., New York City time, on the relevant date for loans in U.S. Dollars to leading European banks for a period of three months.

The 10-year Treasury CMT means the rate determined in accordance with the following provisions:

With respect to any Distribution determination date and the Distribution Period that begins immediately thereafter, the 10-year Treasury CMT means the rate displayed on Telerate Page 7051 under the caption . . . Treasury Constant Maturities...Federal Reserve Board Release H.15...Mondays Approximately 3:45 p.m., under the column for the Designated CMT Maturity Index (as defined below).

If such rate is no longer displayed on the relevant page, or is not so displayed by 3:00 p.m., New York City time, on the applicable Distribution determination date, then the 10-year Treasury CMT for such Distribution determination date will be such treasury constant maturity rate for the Designated CMT Maturity Index as is published in H.15(519).

If such rate is no longer displayed on the relevant page, or if not published by 3:00 p.m., New York City time, on the applicable Distribution determination date, then the 10-year Treasury CMT for such Distribution determination date will be such constant maturity treasury rate for the Designated CMT Maturity Index (or other United States Treasury rate for the Designated CMT Maturity Index) for the applicable Distribution determination date with respect to such Distribution reset date as may then be published by either the Board of Governors of the Federal Reserve System or the United States Department of the Treasury that the Calculation Agent determines to be comparable to the rate formerly displayed on the Telerate Page 7051 and published in H.15(519).

If such information is not provided by 3:00 p.m., New York City time, on the applicable Distribution determination date, then the 10-year Treasury CMT for such Distribution determination date will be calculated by the Calculation Agent and will be a yield to maturity, based on the arithmetic mean of the secondary market offered rates as of approximately 3:30 p.m., New York City time, on the Distribution determination date reported, according to their written records, by three leading primary United States government securities dealers in The City of New York (each, a Reference Dealer) selected by the Calculation Agent (from five such Reference Dealers selected by the Calculation Agent and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest

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quotation (or, in the event of equality, one of the lowest)), for the most recently issued direct noncallable fixed rate obligations of the United States (Treasury Debentures) with an original maturity of approximately the Designated CMT Maturity Index and a remaining term to maturity of not less than such Designated CMT Maturity Index minus one year.

If the Calculation Agent is unable to obtain three such Treasury Debentures quotations, the 10-year Treasury CMT for the applicable Distribution determination date will be calculated by the Calculation Agent and will be a yield to maturity based on the arithmetic mean of the secondary market offered rates as of approximately 3:30 p.m., New York City time, on the applicable Distribution determination date of three Reference Dealers in The City of New York (from five such Reference Dealers selected by the Calculation Agent and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest)), for Treasury Debentures with an original maturity of the number of years that is the next highest to the Designated CMT Maturity Index and a remaining term to maturity closest to the Designated CMT Maturity Index and in an amount of at least \$100 million.

If three or four (and not five) of such Reference Dealers are quoting as set forth above, then the 10-year Treasury CMT will be based on the arithmetic mean of the offered rates obtained and neither the highest nor lowest of such quotes will be eliminated; provided, however, that if fewer than three Reference Dealers selected by the Calculation Agent are quoting as set forth above, the 10-year Treasury CMT with respect to the applicable Distribution determination date will remain the 10-year Treasury CMT for the immediately preceding Distribution Period. If two Treasury Debentures with an original maturity as described in the second preceding sentence have remaining terms to maturity equally close to the Designated CMT Maturity Index, then the quotes for the Treasury Debentures with the shorter remaining term to maturity will be used.

The 30-year Treasury CMT has the meaning specified under the definition of 10-year Treasury CMT, except that the Designated CMT Maturity Index for the 30-year Treasury CMT shall be 30 years.

The 3-month LIBOR Rate, the 10-year Treasury CMT and the 30-year Treasury CMT shall each be rounded to the nearest hundredth of a percent.

The Floating Rate with respect to each Floating Rate Period will be calculated as promptly as practicable by the Calculation Agent according to the appropriate method described above.

Business Day means a day other than (i) a Saturday or Sunday; (ii) a day on which banks in New York, New York are authorized or obligated by law or executive order to remain closed; or (iii) a day on which our principal executive office is closed for business.

Calculation Agent means The Bank of New York, or its successor appointed by us, acting as calculation agent.

Calendar Period means a period of 180 calendar days.

Designated CMT Maturity Index means the original period to maturity of the U.S. Treasury securities (10 years) with respect to which the 10-year Treasury CMT will be calculated.

Telerate Page 3750 means the display designated on page 3750 on MoneyLine Telerate (or such other page as may replace the 3750 page on the service or such other service as may be nominated by the British Bankers Association for the purpose of displaying London interbank offered rates for U.S. Dollars deposits).

Telerate Page 7051 means the display on MoneyLine Telerate (or any successor service), on such page (or any other page as may replace such page on that service), for the purpose of displaying Treasury Constant Maturities as reported in H.15(519).

Conversion Rights

The Series F Preferred Shares will not be convertible into shares of any other class or series of our capital stock.

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Liquidation Rights

In the event of any voluntary or involuntary liquidation, dissolution or winding up, the holders of Series F Preferred Shares will be entitled to receive out of our assets available for distribution to stockholders, before any distribution of assets is made to holders of common stock or of any other shares of our capital stock ranking as to such distribution junior to the Series F Preferred Shares, liquidating distributions in the amount of \$100,000 per share (equivalent to \$1,000 per Depositary Share), plus all accrued and unpaid dividends (whether or not declared) for the then current, and all prior, dividend periods. If, upon any voluntary or involuntary liquidation, dissolution or winding up, the amounts payable with respect to the Series F Preferred Shares and any of our other shares of stock ranking as to any such distribution on a parity with the Series F Preferred Shares are not paid in full, the holders of Series F Preferred Shares and of such other capital stock will share ratably in any such distribution of our assets in proportion to the full respective preferential amounts to which they are entitled, and the holders of the Series F Preferred Shares will not be entitled to any further participation in any distribution of assets by us. Holders of Depositary Shares will not be entitled to any such payments.

For purposes of liquidation rights, a consolidation or merger by us with or into any other corporation or corporations or a sale of all or substantially all of our assets is not a liquidation, dissolution or winding up of First Industrial Realty Trust, Inc.

Redemption

In addition to certain circumstances relating to our maintenance of our ability to qualify as a REIT as described under **Restrictions on Transfers of Capital Stock** in the accompanying Prospectus, the Series F Preferred Shares may be redeemed, in whole or in part, at our option:

on the last Distribution Payment Date relating to the Initial Fixed Rate Period;

on such dates with respect to any other Fixed Rate Period as we may determine prior to the commencement of such Fixed Rate Period; or

at any time during a Floating Rate Period;

at a cash redemption price of \$100,000 per share (equivalent to \$1,000 per Depositary Share), plus all accrued and unpaid dividends (whether or not declared) to the date of redemption. If fewer than all the outstanding Series F Preferred Shares are to be redeemed, the number of shares and Depositary Shares to be redeemed will be determined by our Board of Directors and such shares shall be redeemed pro rata from the holders of record thereof in proportion to the number of such shares held by such holders (with adjustments to avoid redemption of fractional shares) or by lot in a manner determined by our Board of Directors.

Notwithstanding the foregoing, if any dividends on the Series F Preferred Shares for any dividend period have not been paid, no Series F Preferred Shares shall be redeemed unless all outstanding Series F Preferred Shares are simultaneously redeemed, and we shall not purchase or otherwise acquire, directly or indirectly, any Series F Preferred Shares; *provided, however*, that this shall not prevent the purchase or acquisition of the Series F Preferred Shares pursuant to a purchase or exchange offer if such offer is made on the same terms to all holders of the Series F Preferred Shares.

Notice of redemption will be given by publication in a newspaper of general circulation in The City of New York, such publication to be made once a week for two successive weeks commencing not less than 30 or more than 60 days prior to the redemption date. A similar notice will be mailed by us, postage prepaid, not less than 30 or more than 60 days prior to the redemption date, addressed to the respective holders of record of Depositary Shares to be redeemed at their respective addresses as they appear on our stock transfer records. Each notice shall state: (i) the redemption date; (ii) the number of Depositary Shares to be redeemed; (iii) the redemption price; (iv) the place or places where certificates for the Depositary Shares are to be surrendered for payment of the redemption price; and (v) that dividends on the shares to be redeemed will cease to accrue on such redemption date. If fewer than all the Depositary Shares held by any holder are to be redeemed, the notice mailed to such holder shall also specify the number of Depositary Shares to be

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redeemed from such holder. In order to facilitate the redemption of Series F Preferred Shares, our Board of Directors may fix a record date for the determination of Depositary Shares to be redeemed, such record date to be not less than 30 or more than 60 days prior to the date fixed for such redemption.

Notice having been given as provided above, from and after the date specified therein as the date of redemption, unless we default in providing funds for the payment of the redemption price on such date, all dividends on the Series F Preferred Shares called for redemption will cease to accrue. From and after the redemption date, unless we so default, all rights of the holders of the Series F Preferred Shares as our stockholders, except the right to receive the redemption price (but without interest), will cease. Upon surrender in accordance with such notice of the certificates representing any such shares (properly endorsed or assigned for transfer, if our Board of Directors shall so require and the notice shall so state), the redemption price set forth above shall be paid out of the funds provided by us. If fewer than all the shares represented by any such certificate are redeemed, a new certificate shall be issued representing the unredeemed shares without cost to the holder thereof.

Subject to applicable law and the limitation on purchases when dividends on the Series F Preferred Shares are in arrears, we may, at any time and from time to time, purchase any Depositary Shares in the open market, by tender or by private agreement.

Voting Rights

Except as indicated below, and except as expressly required by applicable law, the holders of Series F Preferred Shares will not be entitled to vote.

If the equivalent of six quarterly dividends (whether or not consecutive) payable on the Series F Preferred Shares or any other series of our preferred stock ranking on a parity with the Series F Preferred Shares as to dividends or upon liquidation (any such series, Parity Preferred Shares) are in arrears, the holders of all outstanding Series F Preferred Shares and shares of any series of Parity Preferred Shares, voting as a single class without regard to series, will be entitled to elect two additional directors until all dividends in arrears have been paid (either directly or declared and funds therefor set apart for payment).

At any time when such right to elect directors separately shall have so vested, we may, and upon the written request of the holders of record of not less than 20% of the total number of Series F Preferred Shares and shares of any series of Parity Preferred Shares then outstanding shall, call a special meeting of stockholders for the election of such directors. Such special meeting shall be held, in the case of such a written request, within 90 days after the delivery of such request and, in either case, at the place and upon the notice provided by law and in our Bylaws, provided that we shall not be required to call such a special meeting if such request is received less than 120 days before the date fixed for the next ensuing annual meeting of stockholders and the holders of all classes of outstanding preferred stock are offered the opportunity to elect such directors (or fill any vacancy) at such annual meeting of stockholders. Directors so elected shall serve until the next annual meeting of our stockholders or until their respective successors are elected and qualify, or, if sooner, until all dividends in arrears have been paid or declared and funds therefor set apart for payment. If, prior to the end of the term of any director so elected, a vacancy in the office of such director shall occur, during the continuance of a default in dividends on our preferred stock, by reason of death, resignation, or disability, such vacancy shall be filled for the unexpired term of such former director by the appointment of a new director by the remaining director or directors so elected.

The affirmative vote or consent of the holders of at least 66 2/3% of the outstanding Series F Preferred Shares and of any series of Parity Preferred Shares, voting as a single class, will be required to authorize another class of capital stock senior to the Series F Preferred Shares with respect to the payment of dividends or the distribution of assets on liquidation. The affirmative vote or consent of the holders of at least 66 2/3% of the outstanding Series F Preferred Shares will be required to amend or repeal any provision of, or add any provision to, the Articles of Incorporation, including the Articles Supplementary, if such action would materially and adversely alter or change the rights, preferences or privileges of the Series F Preferred Shares.

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No consent or approval of the holders of Depositary Receipts evidencing the Depositary Shares will be required for the issuance from our authorized but unissued preferred stock of other shares of any series of preferred stock ranking on a parity with or junior to the Series F Preferred Shares as to payment of dividends and distribution of assets.

Remarketing

Remarketing Procedures

Set forth below is a summary of the procedures to be followed in connection with a remarketing of the Series F Preferred Shares:

If we elect to conduct a remarketing, not less than 10 nor more than 35 Business Days prior to the related Election Date, we are required to give the notice of remarketing of the Depositary Shares to DTC, the Remarketing Agent and the Calculation Agent. Such notice will describe the remarketing and will indicate the length of the proposed new Fixed Rate Period, the proposed Remarketing Date and any redemption provisions that will apply during such new Fixed Rate Period. At any time prior to the Election Date, we may elect to terminate a remarketing by giving DTC, the Remarketing Agent and the Calculation Agent notice of such termination.

Not later than 4:00 p.m., New York City time, on an Election Date, each holder of Depositary Shares may give, through the facilities of DTC, a notice to us of its election (Notice of Election) (i) to retain and not to have all or any portion of the Depositary Shares owned by it remarketed in the remarketing, or (ii) to tender all or any portion of such Depositary Shares for purchase in the remarketing (such portion, in either case, is required to be in the liquidation amount of \$1,000 per Depositary Share or any integral multiple thereof). Any Notice of Election given to us will be irrevocable and may not be conditioned upon the level at which the Fixed Rate is established in the remarketing. Promptly after 4:30 p.m., New York City time, on such Election Date, we, based on the Notices of Election received by us through DTC prior to such time, will notify the Remarketing Agent of the number of Depositary Shares to be retained by holders of Depositary Shares and the number of Depositary Shares tendered or deemed tendered for purchase in the remarketing.

If any holder of Depositary Shares gives a Notice of Election to tender Depositary Shares as described in clause (ii) in the prior paragraph, the Depositary Shares so subject to such Notice of Election will be deemed tendered for purchase in the remarketing, notwithstanding any failure by such holder to deliver or properly deliver such Depositary Shares to the Remarketing Agent for purchase. If any holder of Depositary Shares fails timely to deliver a Notice of Election, as described above, such Depositary Shares will be deemed tendered for purchase in such remarketing, notwithstanding such failure or the failure by such holder to deliver or properly deliver such Depositary Shares to the Remarketing Agent for purchase.

The right of each holder of Depositary Shares to have Depositary Shares tendered for purchase shall be limited to the extent that (i) the Remarketing Agent conducts a remarketing pursuant to the terms of the Remarketing Agreement (as defined below); (ii) Depositary Shares tendered have not been called for redemption; (iii) the Remarketing Agent is able to find a purchaser or purchasers for tendered Depositary Shares at a Fixed Rate; and (iv) such purchaser or purchasers deliver the purchase price therefor to the Remarketing Agent.

Any holder of Depositary Shares that desires to continue to retain a number of Depositary Shares, but only if the Fixed Rate is not less than a specified rate per annum, should submit a Notice of Election to tender such Depositary Shares and separately notify the Remarketing Agent of its interest at the telephone number set forth in the notice of remarketing. If such holder so notifies the Remarketing Agent, the Remarketing Agent will give priority to such holder's purchase of such number of Depositary Shares in the remarketing, providing that the Fixed Rate is not less than such specified rate.

If holders submit Notices of Election to retain all of the Depositary Shares then outstanding, the Fixed Rate will be the rate determined by the Remarketing Agent, in its sole discretion, as the rate that would have been established had a remarketing been held on the related Remarketing Date.

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On any Remarketing Date on which the remarketing is to be conducted, the Remarketing Agent will use commercially reasonable efforts to remarket, at a price equal to 100% of the liquidation amount thereof, Series F Preferred Shares tendered or deemed tendered for purchase.

If, as a result of such efforts, on any Remarketing Date, the Remarketing Agent has determined that it will be able to remarket all Depositary Shares tendered or deemed tendered for purchase in the remarketing at a Fixed Rate and at a price of \$1,000 per Depositary Share, prior to 4:00 p.m., New York City time, on such Remarketing Date, the Remarketing Agent will determine the Fixed Rate, which will be the rate per annum (rounded to the nearest one-thousandth (0.001) of one percent per annum) which the Remarketing Agent determines, in its sole judgment, to be the lowest Fixed Rate per annum, if any, that will enable it to remarket all Depositary Shares tendered or deemed tendered for remarketing at a price of \$1,000 per Depositary Share.

If the Remarketing Agent is unable to remarket by 4:00 p.m., New York City time, on the third Business Day prior to the Remarketing Settlement Date, all Depositary Shares tendered or deemed tendered for purchase at a price of \$1,000 per Depositary Share, the Distribution Rate shall be the Floating Rate. In such case, no Depositary Shares will be sold in the remarketing and each holder will continue to hold its Depositary Shares at the Floating Rate applicable to the Series F Preferred Shares. All Depositary Shares tendered or deemed tendered in the remarketing will be automatically delivered to the account of the Remarketing Agent through the facilities of DTC against payment of the purchase price therefor on the Remarketing Settlement Date. The Remarketing Agent will make payment to the Participant (as defined below) of each tendering holder of Depositary Shares in the remarketing through the facilities of DTC by the close of business on the Remarketing Settlement Date.

In accordance with DTC's normal procedures, on the Remarketing Settlement Date, the transactions described above with respect to each Depositary Share tendered or deemed tendered for purchase and sold in the remarketing will be executed through DTC and the accounts of the Participants (as defined below) will be debited and credited and such Depositary Shares delivered by book-entry as necessary to effect purchases and sales of such Depositary Shares. DTC is expected to make payment in accordance with its normal procedures.

If any holder selling Depositary Shares in the remarketing fails to deliver such Depositary Shares, the Participant of such selling holder and of any other person that was to have purchased Depositary Shares in the remarketing may deliver to any such other person a number of Depositary Shares that is less than the number of Depositary Shares that otherwise was to be purchased by such person. In such event, the number of Depositary Shares to be so delivered will be determined by such Participant and delivery of such lesser number of Depositary Shares will constitute good delivery.

The Remarketing Agent is not obligated to purchase any Depositary Shares that would otherwise remain unsold in a remarketing. Neither we nor the Remarketing Agent shall be obligated in any case to provide funds to make payment upon tender of Series F Preferred Shares for remarketing.

As used herein:

Remarketing Date means any Business Day no later than the third Business Day prior to any Remarketing Settlement Date.

Remarketing Settlement Date means (i) the first Business Day of the next Distribution Period following the expiration of the Initial Fixed Rate Period; (ii) any Distribution Payment Date during a Floating Rate Period; or (iii) any Distribution Payment Date during a time in which Series F Preferred Shares are redeemable in a subsequent Fixed Rate Period.

Remarketing Agent

The Remarketing Agent will be Lehman Brothers Inc. We will enter into a Remarketing Agreement (the Remarketing Agreement) with the Remarketing Agent which provides, among other things, that Lehman Brothers Inc. will act as the exclusive Remarketing Agent and will use commercially reasonable efforts to remarket Depositary Shares tendered or deemed tendered for purchase in the remarketing at a price of

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\$1,000 per Depository Share. Under certain circumstances, some portion of the Depository Shares tendered or deemed tendered in the remarketing may be purchased by the Remarketing Agent. See Remarketing Procedures.

The Remarketing Agreement provides that the Remarketing Agent shall incur no liability to us or to any holder of the Depository Shares in its individual capacity or as Remarketing Agent for any action or failure to act in connection with a remarketing or otherwise, except as a result of gross negligence or willful misconduct on its part.

We have agreed to indemnify the Remarketing Agent against certain liabilities, including liabilities under the Securities Act of 1933, as amended (the Securities Act), or contribute to payments that the Remarketing Agent may be required to make, arising out of or in connection with its duties under the Remarketing Agreement.

The Remarketing Agreement will also provide that any Remarketing Agent may resign and be discharged from its duties and obligations thereunder; provided, however, that no such resignation will become effective until the Company has appointed at least one nationally recognized broker-dealer as successor Remarketing Agent and such successor Remarketing Agent has entered into a remarketing agreement with us. In such case, we will use our reasonable best efforts to appoint a successor Remarketing Agent and enter into such a remarketing agreement with such person as soon as reasonably practicable.

Book-Entry Only Issuance The Depository Trust Company

DTC will act as the initial securities depository for the Depository Shares. The Depository Shares will be listed only as fully registered securities registered in the name of Cede & Co., DTC's nominee, or such other name as may be requested by an authorized representative of DTC. One or more fully registered global Depository Share certificates will be issued, representing in the aggregate the total number of Depository Shares, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code and a clearing agency registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market instruments from over 85 countries that DTC's participants (Direct Participants) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (DTCC). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation and Emerging Markets Clearing Corporation (NSCC, GSCC, MBSCC and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (Indirect Participants) and, together with the Direct Participants, the Participants). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Depository Shares within the DTC system must be made by or through Direct Participants, which will receive a credit for the Depository Shares on DTC's records. The ownership interest of each actual purchaser of Depository Shares (Beneficial Owner) is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchases,

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but Beneficial Owners are expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owners purchased Depositary Shares. Transfers of ownership interests in the Depositary Shares are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Depositary Shares, except in the event that use of the book-entry system for the Depositary Shares is discontinued.

To facilitate subsequent transfers, all Depositary Shares deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Depositary Shares with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Depositary Shares. DTC's records reflect only the identity of the Direct Participants to whose accounts such Depositary Shares are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC.

Although voting with respect to the Series F Preferred Shares is limited, in those cases where a vote is required, neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Depositary Shares. Under its usual procedures, DTC mails an Omnibus Proxy to us as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Depositary Shares are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Distribution payments on the Depositary Shares will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from us on the relevant payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of such Participant and not of DTC nor its nominee or us, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of distributions to Cede & Co. (or such nominee as may be requested by an authorized representative of DTC) is our responsibility, disbursement of such payments to Direct Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Except as provided herein, a Beneficial Owner in a global share of Series F Preferred Shares will not be entitled to receive physical delivery of Depositary Shares. Accordingly, each Beneficial Owner must rely on the procedures of DTC to exercise any rights under the Depositary Shares. The laws of some jurisdictions require that certain purchasers of securities take physical delivery of Securities in definitive form. Such laws may impair the ability to transfer beneficial interests in a global Depositary Share.

DTC may discontinue providing its services as securities depository with respect to the Depositary Shares at any time by giving reasonable notice to us. Under such circumstances, in the event that a successor securities depository is not obtained, Depositary Receipts will be printed and delivered to the holders of record. Additionally, we may decide to discontinue use of the system of book-entry transfers through DTC (or a successor depository) with respect to the Depositary Shares. In that event, Depositary Receipts for the Depositary Shares will be printed and delivered to the holders of record.

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The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that we believe to be reliable, but we take no responsibility for the accuracy thereof. We have no responsibility for the performance by DTC or its Participants of their respective obligations as described herein or under the rules and procedures governing their respective operations.

Registrar and Transfer Agent

It is anticipated that EquiServe Trust Company, N.A., or one of its affiliates, will act as registrar and transfer agent (the Securities Registrar) for the Depositary Shares.

Registration of transfers of Series F Preferred Shares will be effected without charge by or on behalf of the Company, but upon payment in respect of any tax or other governmental charges which may be imposed in relation to it.

The Securities Registrar will not be required to register or cause to be registered any transfer of Depositary Shares after they have been called for redemption.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

This section is a summary of the material federal income tax matters of general application pertaining to REITs and to prospective purchasers of our Depositary Shares. This section supercedes the section entitled "Federal Income Tax Considerations" in the accompanying prospectus. This discussion is based upon current law (which is subject to change, possibly on retroactive basis) and does not purport to deal with all aspects of federal income taxation that may be relevant to investors subject to special treatment under the federal income tax laws, such as dealers in securities, insurance companies, tax-exempt entities (except as described herein), expatriates, financial institutions, non-U.S. stockholders (except as described herein) or partnerships or other pass-through entities. This section applies only to purchasers of Depositary Shares in this offering who hold the shares as capital assets within the meaning of Section 1221 of the Code.

The provisions of the Code pertaining to REITs are highly technical and complex and sometimes involve mixed questions of fact and law. This section does not discuss U.S. federal estate or gift taxation or state, local or foreign taxation.

You are advised to consult with your own tax advisor regarding the specific U.S. federal, state, local and foreign tax consequences to you of the purchase, ownership and sale of Depositary Shares.

Taxation of First Industrial Realty Trust, Inc.

In the opinion of Cahill Gordon & Reindel LLP:

commencing with our taxable year ended December 31, 1994, we have been organized and operated in conformity with the requirements for qualification and taxation as a REIT under the Code, and

our current and proposed method of operation (as represented by us to Cahill Gordon & Reindel LLP in a written certificate) will enable us to continue to meet the requirements for qualification and taxation as a REIT under the Code.

Cahill Gordon & Reindel LLP's opinion is based on various assumptions and is conditioned upon certain representations made by us as to factual matters with respect to us and certain partnerships, limited liability companies and corporations through which we hold substantially all of our assets, including an assumption that, if we ultimately were found not to have satisfied the gross income requirements of the REIT provisions as a result of certain development agreements entered into by us (as discussed in "Risk Factors" above), such failure was due to reasonable cause and not due to willful neglect, and we have otherwise satisfied all the requirements for relief under the Code (as discussed in "Risk Factors" above). Moreover, our qualification and taxation as a REIT depends upon our ability to meet, as a matter of fact, through actual annual operating results, distribution levels, diversity of stock ownership and various other qualification tests imposed under the Code discussed below, the results of which will not be reviewed by Cahill Gordon &

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Reindel LLP. No assurance can be given that the actual results of our operations for any particular taxable year will satisfy those requirements.

To qualify as a REIT under the Code for a taxable year, we must meet certain organizational and operational requirements, which generally require us to be a passive investor in real estate and to avoid excessive concentration of ownership of our capital stock. Generally, at least 75% of the value of our total assets at the end of each calendar quarter must consist of real estate assets, cash or governmental securities. We generally may not own securities possessing more than 10% of the total voting power, or representing more than 10% of the total value, of the outstanding securities of any issuer, and the value of any one issuer's securities may not exceed 5% of the value of our assets. Shares of qualified REITs, qualified temporary investments and shares of certain wholly owned subsidiary corporations known as qualified REIT subsidiaries and taxable REIT subsidiaries are exempt from these prohibitions. We hold assets through certain qualified REIT subsidiaries and taxable REIT subsidiaries. In the opinion of Cahill Gordon & Reindel LLP, based on certain factual representations, these holdings do not violate the prohibitions in the REIT provisions on ownership of securities.

The 10% and 5% limitations described above will not apply to the ownership of securities of a taxable REIT subsidiary. A REIT may own up to 100% of the securities of a taxable REIT subsidiary subject only to the limitations that the aggregate value of the securities of all taxable REIT subsidiaries owned by the REIT does not exceed 20% of the value of the assets of the REIT, and the aggregate value of all securities owned by the REIT (including the securities of all taxable REIT subsidiaries, but excluding governmental securities) does not exceed 25% of the value of the assets of the REIT. A taxable REIT subsidiary generally is any corporation (other than another REIT and corporations involved in certain lodging, healthcare, franchising and licensing activities) owned by a REIT with respect to which the REIT and such corporation jointly elect that such corporation shall be treated as a taxable REIT subsidiary.

For each taxable year, at least 75% of a REIT's gross income must be derived from specified real estate sources and 95% must be derived from such real estate sources plus certain other permitted sources. Real estate income for purposes of these requirements includes

gain from the sale of real property not held primarily for sale to customers in the ordinary course of business,

dividends on REIT shares,

interest on loans secured by mortgages on real property,

certain rents from real property, and

certain income from foreclosure property.

For rents to qualify, they may not be based on the income or profits of any person, except that they may be based on a percentage or percentages of gross receipts. Also, subject to certain limited exceptions, the REIT may not manage the property or furnish services to tenants except through an independent contractor which is paid an arm's-length fee and from which the REIT derives no income. However, a REIT may render a de minimis amount of otherwise impermissible services to tenants, or in connection with the management of property, and treat amounts received with respect to such property as rents from real property. In addition, a taxable REIT subsidiary may provide certain services to tenants of the REIT, which services could not otherwise be provided by the REIT or the REIT's other subsidiaries.

Substantially all of our assets are held through certain partnerships. In general, in the case of a REIT that is a partner in a partnership, applicable regulations treat the REIT as holding directly its proportionate share of the assets of the partnership and as being entitled to the income of the partnership attributable to such share based on the REIT's proportionate share of such partnership's capital.

We must satisfy certain ownership restrictions that limit the concentration of ownership of our capital stock and the ownership by us of our tenants. Our outstanding capital stock must be held by at least 100 stockholders during at least 335 days of a taxable year or during a proportionate part of a taxable year of less

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than 12 months. No more than 50% in value of our outstanding capital stock, including in some circumstances capital stock into which outstanding securities m