

FIRST INDUSTRIAL REALTY TRUST INC

Form 8-K

March 28, 2005

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

Current Report

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

March 22, 2005

Date of Report (Date of earliest event reported)

FIRST INDUSTRIAL REALTY TRUST, INC.

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation or organization)

1-13102
(Commission File Number)

36-3935116
(I.R.S. Employer
Identification No.)

311 S. Wacker Drive, Suite 4000
Chicago, Illinois 60606
(Address of principal executive offices, zip code)

(312) 344-4300
(Registrant's telephone number, including area code)

£ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

£ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

£ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

£ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 4.02(a). Non-Reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim Review.

On March 17, 2005, First Industrial Realty Trust, Inc. (the Company) issued a press release which referred to an ongoing review of its presentation of income taxes under the Financial Accounting Standards Board's Statement of Financial Accounting No. 109, Accounting for Income Tax (FAS 109), on its consolidated statement of operations. Previously in its consolidated statements of operations, the Company allocated its entire income tax provision/benefit to income from discontinued operations. Based on the review of its presentation of income taxes under FAS 109, the Company reconsidered such presentation and determined that the Company's income tax provision/benefit should be allocated between income from continuing operations, income from discontinued operations and gain on sale of real estate. On March 22, 2005, the Company concluded that such allocation would result in a material change in income from continuing operations, income from discontinued operations and gain on sale of real estate. Accordingly, on March 22, 2005, management and the audit committee of the Company determined (i) that the Company will restate its financial statements for the quarters ended March 31, 2004 and 2003, June 30, 2004 and 2003, and September 30, 2004 and 2003 included in its Forms 10-Q for the respective periods, and its financial statements for the years ended December 31, 2003 and 2002 included in its Form 8-K filed July 30, 2004 (the Affected Financial Statements) and (ii) that the Affected Financial Statements, as well as the financial statements for the year ended December 31, 2001 included in the Company's Form 8-K filed July 30, 2004, should no longer be relied upon. The Company intends to restate the Affected Financial Statements as appropriate, including in its Form 10-K for the year ended December 31, 2004, which the Company expects to file no later than March 31, 2005.

The restatement of the Affected Financial Statements will have no effect on net income, net income available to common stockholders per share (EPS), the balance sheets or the statements of stockholders' equity for any of the restated periods. The Company's cash position, liquidity and debt covenants also will be unaffected.

In light of the determination to restate the Affected Financial Statements as described above, management has concluded that as of December 31, 2004 the Company did not maintain effective controls over its presentation of income taxes under FAS 109 and that this control deficiency constitutes a material weakness in the Company's internal control over financial reporting. Given management's conclusion that such material weakness existed as of December 31, 2004, management's assessment of the effectiveness of the Company's internal control over financial reporting included in its Form 10-K for the period ended December 31, 2004 will conclude that the Company's internal control over financial reporting was not effective as of December 31, 2004. Also, as a result of such material weakness, management expects that the report of its independent registered public accountants in the Company's Form 10-K for the period ended December 31, 2004 will contain an adverse opinion with respect to the effectiveness of the Company's internal controls over financial reporting as of December 31, 2004. Further, management believes, and will report in the Company's Form 10-K for the period

ended December 31, 2004, that such material weakness which existed as of December 31, 2004 has subsequently been remediated.

Management and the audit committee of the Company discussed with the Company's independent auditors, PricewaterhouseCoopers LLP, the matters disclosed in this filing pursuant to Item 4.02(a) of Form 8-K.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FIRST INDUSTRIAL REALTY TRUST, INC.

By: /s/ Scott A. Musil

Name: Scott A. Musil

Title: Senior Vice President, Controller,
Treasurer and Assistant Secretary

Date: March 28, 2005