

REALTY INCOME CORP
Form 10-K
February 15, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-K
ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the Fiscal Year Ended December 31, 2007

Commission File Number 1-13374

REALTY INCOME CORPORATION
(Exact name of registrant as specified in its charter)

Maryland
(State or Other Jurisdiction of
Incorporation or Organization)

33-0580106
(IRS Employer
Identification Number)

600 La Terraza Boulevard, Escondido, California 92025
(Address of Principal Executive Offices)

Registrant's telephone number, including area code: (760) 741-2111

Securities registered pursuant to Section 12 (b) of the Act:

Title of Each Class	Name of Each Exchange On Which Registered
Common Stock, \$1.00 Par Value	New York Stock Exchange
Class D Preferred Stock, \$1.00 Par Value	New York Stock Exchange
Class E Preferred Stock, \$1.00 Par Value	New York Stock Exchange
8.25% Monthly Income Senior Notes, due 2008	New York Stock Exchange

Securities registered pursuant to Section 12 (g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES NO

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES NO

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was

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required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES NO

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer (as defined in Exchange Act Rule 12b-2).

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES NO

At June 30, 2007, the aggregate market value of the Registrant's shares of common stock, \$1.00 par value, held by non-affiliates of the Registrant was \$2.5 billion, at the New York Stock Exchange ("NYSE") closing price of \$25.19.

At February 1, 2008, the number of shares of common stock outstanding was 101,286,217, the number of Class D preferred stock outstanding was 5,100,000, the number of Class E preferred stock outstanding was 8,800,000 and the number of outstanding 8.25% Monthly Income Senior Notes, due 2008, was 4,000,000.

DOCUMENTS INCORPORATED BY REFERENCE

Part III, Item 10, 11, 12, 13 and 14 incorporate by reference certain specific portions of the definitive proxy statement for Realty Income Corporation's Annual Meeting to be held on May 13, 2008, to be filed pursuant to Regulation 14A. Only those portions of the proxy statement which are specifically incorporated by reference herein shall constitute a part of this annual report.

REALTY INCOME CORPORATION

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PART I

Item 1: Business

THE COMPANY

Realty Income Corporation, The Monthly Dividend Company®, is a Maryland corporation organized to operate as an equity real estate investment trust, or REIT. Our primary business objective is to generate dependable monthly cash distributions from a consistent and predictable level of funds from operations, or FFO per share. Our monthly distributions are supported by the cash flow from our portfolio of retail properties leased to regional and national retail chains. We have in-house acquisition, leasing, legal, retail and real estate research, portfolio management and capital markets expertise. Over the past 38 years, Realty Income and its predecessors have been acquiring and owning freestanding retail properties that generate rental revenue under long-term lease agreements (primarily 15 to 20 years).

In addition, we seek to increase distributions to common stockholders and FFO per share through both active portfolio management and the acquisition of additional properties. Our portfolio management focus includes:

- Contractual rent increases on existing leases;
- Rent increases at the termination of existing leases, when market conditions permit; and
- The active management of our property portfolio, including re-leasing vacant properties and selectively selling properties.

In acquiring additional properties, we adhere to a focused strategy of primarily acquiring properties that are:

- Freestanding, single-tenant, retail locations;
- Leased to regional and national retail chains; and
- Leased under long-term, net-lease agreements.

At December 31, 2007, we owned a diversified portfolio:

- Of 2,270 retail properties;
- With an occupancy rate of 97.9%, or 2,222 properties occupied of the 2,270 properties in the portfolio;
 - With only 48 properties available for lease;
 - Leased to 115 different retail chains doing business in 30 separate retail industries;
 - Located in 49 states;
 - With over 18.5 million square feet of leasable space; and
- With an average leasable retail space per property of approximately 8,150 square feet.

Of the 2,270 properties in the portfolio, 2,259, or 99.5%, are single-tenant, retail properties and the remaining 11 are multi-tenant, distribution and office properties. At December 31, 2007, 2,212 of the 2,259 single-tenant properties were leased with a weighted average remaining lease term (excluding extension options) of approximately 13.0 years.

In addition, at December 31, 2007, our wholly-owned taxable REIT subsidiary, Crest Net Lease, Inc. (“Crest”), had invested \$56.2 million in 30 properties, which are classified as held for sale. Crest was created to buy and sell properties, primarily to individual investors who are involved in tax-deferred exchanges under Section 1031 of the Internal Revenue Code of 1986, as amended (the “Tax Code”).

We typically acquire retail store properties under long-term leases with retail chain store operators. These transactions generally provide capital to owners of retail real estate and retail chains for expansion or other corporate purposes. Our acquisition and investment activities are concentrated in well-defined target markets and generally focus on retail

chains providing goods and services that satisfy basic consumer needs.

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Our net-lease agreements generally:

- Are for initial terms of 15 to 20 years;
- Require the tenant to pay minimum monthly rent and property operating expenses (taxes, insurance and maintenance); and
 - Provide for future rent increases based on increases in the consumer price index, fixed increases, or to a lesser degree, additional rent calculated as a percentage of the tenants' gross sales above a specified level.

We commenced operations as a REIT on August 15, 1994 through the merger of 25 public and private real estate limited partnerships with and into us. Each of the partnerships was formed between 1970 and 1989 for the purpose of acquiring and managing long-term, net-leased properties.

The eight senior officers of Realty Income owned 1.3% of our outstanding common stock with a market value of \$33.2 million at February 1, 2008. The directors and eight senior officers of Realty Income, as a group, owned 2.5% of our outstanding common stock with a market value of \$64.6 million at February 1, 2008.

Our common stock is listed on The New York Stock Exchange ("NYSE") under the ticker symbol "O" with a cusip number of 756109-104. Our central index key number is 726728.

Our Class D cumulative redeemable preferred stock is listed on the NYSE under the ticker symbol "OprD" with a cusip number is 756109-609.

Our Class E cumulative redeemable preferred stock is listed on the NYSE under the ticker symbol "OprE" with a cusip number is 756109-708.

Realty Income's 8.25% Monthly Income Senior Notes due 2008 are listed on the NYSE under the ticker symbol "OUI" with a cusip number of 756109-203.

In February 2008, we had 75 permanent employees as compared to 70 permanent employees in February 2007.

We maintain an Internet website at www.realtyincome.com. On our website we make available, free of charge, copies of our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports, as soon as reasonably practicable after we electronically file these reports with the SEC. None of the information on our website is deemed to be part of this report.

RECENT DEVELOPMENTS

Increases in Monthly Distributions to Common Stockholders

We continue our 38-year policy of paying distributions monthly. Monthly distributions per share were increased in April 2007 by \$0.000625 to \$0.127125, in July 2007 by \$0.000625 to \$0.12775, in September 2007 by \$0.00775 to \$0.1355, in October 2007 by \$0.000625 to \$0.136125 and in January 2008 by \$0.000625 to \$0.13675. The increase in January 2008 was our 41st consecutive quarterly increase and the 47th increase in the amount of our dividend since our listing on the New York Stock Exchange, or NYSE, in 1994. In 2007, we paid the following monthly cash distributions per share: three in the amount of \$0.1265, three in the amount of \$0.127125, two in the amount of \$0.12775, one in the amount of \$0.1355 and three in the amount of \$0.136125, totaling \$1.56025. In December 2007 and January 2008, we declared distributions of \$0.13675 per share, which were paid in January 2008 and will be paid in February 2008, respectively.

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The monthly distribution of \$0.13675 per share represents a current annualized distribution of \$1.641 per share, and an annualized distribution yield of approximately 6.5% based on the last reported sale price of our common stock on the NYSE of \$25.15 on February 1, 2008. Although we expect to continue our policy of paying monthly distributions, we cannot guarantee that we will maintain our current level of distributions, that we will continue our pattern of increasing distributions per share, or what our actual distribution yield will be in any future period.

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Acquisitions During 2007

During 2007, Realty Income and Crest invested \$533.7 million, in aggregate, in 357 new retail properties and properties under development. These 357 new properties are located in 38 states, will contain over 1.9 million leasable square feet, and are 100% leased with an average lease term of 19.3 years. As described below, Realty Income acquired 325 properties and Crest acquired 32 properties.

Included in the \$533.7 million is \$503.8 million invested by Realty Income in 325 new properties and properties under development, with an initial weighted average contractual lease rate of 8.6%. These 325 properties are located in 38 states, will contain over 1.8 million leasable square feet and are 100% leased with an average lease term of 19.2 years. The 325 new properties acquired by Realty Income are net-leased to 16 different retail chains in the following nine industries: automotive service, automotive tire service, convenience store, distribution and office, drug store, grocery, health and fitness, restaurant, and sporting goods. Also included in the \$533.7 million is \$29.9 million invested by Crest in 32 new restaurant properties.

The initial weighted average contractual lease rate is computed as estimated contractual net operating income (in a net-leased property this is equal to the base rent or, in the case of properties under development, the estimated base rent under the lease) for the first year of each lease, divided by the estimated total costs. Since it is possible that a tenant could default on the payment of contractual rent, we cannot assure you that the actual return on the funds invested will remain at the percentages listed above.

Investments in Existing Properties

In 2007, we capitalized costs of \$1.9 million on existing properties in our portfolio, consisting of \$614,000 for re-leasing costs and \$1.3 million for building improvements.

Issuance of 12-Year Senior Unsecured Notes

In September 2007, we issued \$550 million in aggregate principal amount of 6.75% senior unsecured notes due 2019 (the "2019 Notes"). The price to the investor for the 2019 Notes was 99.827% of the principal amount for an effective yield of 6.772%. The net proceeds of approximately \$544.4 million from this offering were used to fund certain acquisitions, repay borrowings under our acquisition credit facility and for general corporate purposes. The remaining net proceeds, which are included in "cash and cash equivalents" on our 2007 consolidated balance sheet, will be used for general corporate purposes, which include additional property acquisitions. Interest on the 2019 Notes is paid semiannually.

Credit Ratings Upgrade

In April 2007, Moody's Investors Service upgraded our senior unsecured debt rating to Baa1 from Baa2 and our preferred stock rating to Baa2 from Baa3, with a stable outlook.

Standard & Poor's MidCap 400 Index

In November 2007, we were added to the Standard & Poor's ("S&P") MidCap 400 Index. The S&P MidCap 400 stock index covers companies with market capitalizations in the range of \$1.5 billion to \$5.5 billion and is part of a series of S&P indices.

Net Income Available to Common Stockholders

Net income available to common stockholders was \$116.2 million in 2007 versus \$99.4 million in 2006, an increase of \$16.8 million. On a diluted per common share basis, net income was \$1.16 per share in 2007 as compared to \$1.11 per share in 2006.

The calculation to determine net income available to common stockholders includes the gain from the sales of properties. The amount of gains varies from period to period and can significantly impact net income available to common stockholders.

The gain recognized from the sales of investment properties during 2007 was \$3.6 million, as compared to \$3.0 million for 2006.

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Funds from Operations (FFO)

In 2007, our FFO increased by \$33.9 million, or 21.8%, to \$189.7 million versus \$155.8 million in 2006. On a diluted per common share basis, FFO was \$1.89 in 2007 compared to \$1.73 for 2006, an increase of \$0.16, or 9.2%.

See our discussion of FFO in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this annual report, which includes a reconciliation of net income available to common stockholders to FFO.

Crest's Property Sales

During 2007, Crest sold 62 properties from its inventory for an aggregate of \$123.6 million, which resulted in a gain of \$12.3 million. Crest's gains are included in "income from discontinued operations, real estate acquired for resale by Crest" on our consolidated statements of income.

Crest's Property Inventory

Crest's property inventory at December 31, 2007 totaled \$56.2 million. These properties are included in "real estate held for sale, net" on our consolidated balance sheets.

DISTRIBUTION POLICY

Distributions are paid monthly to our common, Class D preferred and Class E preferred stockholders if, and when, declared by our Board of Directors.

In order to maintain our tax status as a REIT for federal income tax purposes, we generally are required to distribute dividends to our stockholders aggregating annually at least 90% of our REIT taxable income (determined without regard to the dividends paid deduction and excluding net capital gains), and we are subject to income tax to the extent we distribute less than 100% of our REIT taxable income (including net capital gains). In 2007, our cash distributions totaled \$182.2 million, or approximately 113.6% of our estimated REIT taxable income of \$160.4 million. Our estimated REIT taxable income reflects non-cash deductions for depreciation and amortization. We intend to continue to make distributions to our stockholders that are sufficient to meet this distribution requirement and that will reduce our exposure to income taxes. Our 2007 cash distributions to common stockholders totaled \$157.7 million, representing 83.1% of our funds from operations available to common stockholders of \$189.7 million.

The Class D preferred stockholders receive cumulative distributions at a rate of 7.375% per annum on the \$25 per share liquidation preference (equivalent to \$1.84375 per annum per share). The Class E preferred stockholders receive cumulative distributions at a rate of 6.75% per annum on the \$25 per share liquidation preference (equivalent to \$1.6875 per annum per share).

Future distributions will be at the discretion of our Board of Directors and will depend on, among other things, our results of operations, FFO, cash flow from operations, financial condition and capital requirements, the annual distribution requirements under the REIT provisions of the Tax Code, our debt service requirements and any other factors the Board of Directors may deem relevant. In addition, our credit facility contains financial covenants that could limit the amount of distributions payable by us in the event of a deterioration in our results of operations or financial condition, and which prohibit the payment of distributions on the common or preferred stock in the event that we fail to pay when due (subject to any applicable grace period) any principal or interest on borrowings under our credit facility.

Distributions of our current and accumulated earnings and profits for federal income tax purposes generally will be taxable to stockholders as ordinary income, except to the extent that we recognize capital gains and declare a capital gains dividend or that such amounts constitute "qualified dividend income" subject to a reduced tax rate. The

maximum tax rate of non-corporate taxpayers for “qualified dividend income” has generally been reduced to 15% (until it “sunset” or reverts to the provisions of prior law, which under current law will occur with respect to taxable years beginning after December 31, 2010). In general, dividends payable by REITs are not eligible for

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the reduced tax rate on corporate dividends, except to the extent the REIT's dividends are attributable to dividends received from taxable corporations (such as our taxable REIT subsidiary, Crest), to income that was subject to tax at the corporate or REIT level (for example, if we distribute taxable income that we retained and paid tax on in the prior taxable year) or, as discussed above, dividends properly designated by us as "capital gain dividends." Distributions in excess of earnings and profits generally will be treated as a non-taxable reduction in the stockholders' basis in their stock. Distributions above that basis, generally, will be taxable as a capital gain to stockholders who hold their shares as a capital asset. Approximately 11.2% of the distributions to our common stockholders, made or deemed to have been made in 2007, were classified as a return of capital for federal income tax purposes. We are unable to predict the portion of future distributions that may be classified as a return of capital.

BUSINESS PHILOSOPHY AND STRATEGY

Investment Philosophy

We believe that owning an actively managed, diversified portfolio of retail properties under long-term, net leases produces consistent and predictable income. Net leases typically require the tenant to be responsible for minimum monthly rent and property operating expenses including property taxes, insurance and maintenance. In addition, tenants are typically responsible for future rent increases based on increases in the consumer price index, fixed increases or, to a lesser degree, additional rent calculated as a percentage of the tenants' gross sales above a specified level. We believe that a portfolio of properties under long-term leases, coupled with the tenant's responsibility for property expenses, generally produces a more predictable income stream than many other types of real estate portfolios, while continuing to offer the potential for growth in rental income.

Investment Strategy

In identifying new properties for acquisition, our focus is generally on providing capital to retail chain owners and operators by acquiring, then leasing back, retail store locations. We categorize retail tenants as: 1) venture market, 2) middle market, and 3) upper market. Venture companies typically offer a new retail concept in one geographic region of the country and operate between five and 50 retail locations. Middle market retail chains typically have 50 to 500 retail locations, operations in more than one geographic region, have been successful through one or more economic cycles, and have a proven, replicable concept. The upper market retail chains typically consist of companies with 500 or more locations, operating nationally, in a proven, mature retail concept. Upper market retail chains generally have strong operating histories and access to several sources of capital.

Realty Income primarily focuses on acquiring properties leased to middle market retail chains that we believe are attractive for investment because:

- They generally have overcome many of the operational and managerial obstacles that can adversely affect venture retailers;
- They typically require capital to fund expansion but have more limited financing options than upper market retail chains;
- They generally have provided us with attractive risk-adjusted returns over time since their financial strength has, in many cases, tended to improve as their businesses have matured;
 - Their relatively large size allows them to spread corporate expenses across a greater number of stores; and
- Middle market retailers typically have the critical mass to survive if a number of locations are closed due to underperformance.

We also focus on, and have selectively made investments in, properties of upper market retail chains. We believe upper market retail chains can be attractive for investment because:

- They typically are of a higher credit quality;
- They usually are larger public and private retailers with more commonly recognized brand names;
 - They utilize a larger building ranging in size from 10,000 to 50,000 square feet; and
 - They are able to grow because access to capital facilitates larger transaction sizes.

While our investment strategy focuses primarily on acquiring properties leased to middle and upper market retail chains, we also selectively seek investment opportunities with venture market retail chains. Periodically, venture market opportunities arise where we feel that the real estate used by the tenant is high quality and can be purchased at favorable prices. To meet our stringent investment standards, however, venture retail companies must have a well-defined retailing concept and strong financial prospects. These opportunities are examined on a case by case basis and we are highly selective in making investments in this area.

Historically, our investment focus has been on retail industries that have a service component because we believe the lease revenue from these types of businesses is more stable. Because of this investment focus, for the quarter ended December 31, 2007, approximately 84.5% of our rental revenue was derived from retailers with a service component in their business. Furthermore, we believe these service-oriented businesses would be difficult to duplicate over the Internet and that our properties continue to perform well relative to competition from Internet businesses.

Credit Strategy

We generally provide sale-leaseback financing to less than investment grade retail chains. We typically acquire and lease back properties to regional and national retail chains and believe that within this market we can achieve an attractive risk-adjusted return on the financing we provide to retailers. Since 1970, our overall weighted average occupancy rate at the end of each year has been 98.5%, and the occupancy rate at the end of each year has never been below 97.5%.

We believe the principal financial obligations of most retailers typically include their bank and other debt, payment obligations to suppliers and real estate lease obligations. Because we typically own the land and building in which a tenant conducts its retail business, we believe the risk of default on a retailers' lease obligations is less than the retailers' unsecured general obligations. It has been our experience that since retailers must retain their profitable retail locations in order to survive, in the event of reorganization they are less likely to reject a lease for a profitable location because this would terminate their right to use the property. Thus, as the property owner, we believe we will fare better than unsecured creditors of the same retailer in the event of reorganization. If a property is rejected by the tenant during reorganization, we own the property and can either lease it to a new tenant or sell the property. In addition, we believe that the risk of default on the real estate leases can be further mitigated by monitoring the performance of the retailers' individual unit locations and considering whether to sell locations that are weaker performers.

In order to qualify for inclusion in our portfolio, new property acquisitions must meet stringent investment and credit requirements. The properties must generate attractive current yields and the tenant must meet our credit profile. We have established a three-part analysis that examines each potential investment based on:

- Industry, company, market conditions and credit profile;
- Store profitability, if profitability data is available; and
- Overall real estate characteristics, including property value and comparative rental rates.

The typical profile of companies whose properties have been approved for acquisition are those with 50 or more retail locations. Generally the properties:

- Are located in highly visible areas,
- Have easy access to major thoroughfares; and
 - Have attractive demographics.

Acquisition Strategy

We seek to invest in industries in which several, well-organized, regional and national retail chains are capturing market share through service, quality control, economies of scale, advertising and the selection of prime retail locations. We execute our acquisition strategy by acting as a source of capital to regional and national retail chain store owners and operators, doing business in a variety of industries, by acquiring and leasing back retail store locations. We undertake thorough research and analysis to identify appropriate industries, tenants and property locations for investment. Our research expertise is instrumental to uncovering net-lease opportunities in markets where our real estate financing program adds value. In selecting real estate for potential investment, we generally seek to acquire properties that have the following characteristics:

- Freestanding, commercially-zoned property with a single tenant;
- Properties that are important retail locations for regional and national retail chains;
 - Properties that we deem to be profitable for the retailers;
- Properties that are located within attractive demographic areas relative to the business of their tenants, with high visibility and easy access to major thoroughfares; and
- Properties that can be purchased with the simultaneous execution or assumption of long-term, net-lease agreements, offering both current income and the potential for rent increases.

Portfolio Management Strategy

The active management of the property portfolio is an essential component of our long-term strategy. We continually monitor our portfolio for any changes that could affect the performance of the industries, tenants and locations in which we have invested. We also regularly analyze our portfolio with a view toward optimizing its returns and enhancing its credit quality. Our executives review industry research, tenant research, property due diligence and significant portfolio management activities. This monitoring typically includes regular review and analysis of:

- The performance of various retail industries; and
- The operation, management, business planning and financial condition of the tenants.

We have an active portfolio management program that incorporates the sale of assets when we believe the reinvestment of the sales proceeds will generate higher returns, enhance the credit quality of our real estate portfolio, or extend our average remaining lease term. At December 31, 2007, we classified real estate owned by Crest with a carrying amount of \$56.2 million as held for sale on our balance sheet. Additionally, we anticipate selling investment properties in our portfolio that have not yet been specifically identified, from which we anticipate receiving between \$10 million and \$35 million in proceeds during the next 12 months. We intend to invest these proceeds into new property acquisitions. However, we cannot guarantee that we will sell properties during the next 12 months.

Universal Shelf Registration

In April 2006, we filed a shelf registration statement with the SEC, which is effective for a term of three years. In accordance with the SEC rules, the amount of securities to be issued pursuant to this shelf registration statement was not specified when it was filed. The securities covered by this registration statement include common stock, preferred stock, debt securities, or any combination of such securities. We may periodically offer one or more of these securities in amounts, prices and on terms to be announced when and if the securities are offered. The specifics of any future offerings, along with the use of proceeds of any securities offered, will be described in detail in a prospectus supplement, or other offering materials, at the time of any offering. There is no specific limit to the dollar amount of new securities that can be issued under this new shelf registration before it expires in April 2009, and our common stock, preferred stock and notes issued after April 2006 were all issued pursuant to this universal shelf registration statement.

Conservative Capital Structure

We believe that our stockholders are best served by a conservative capital structure. Therefore, we seek to maintain a conservative debt level on our balance sheet and solid interest and fixed charge coverage ratios. At February 1, 2008, our total outstanding credit facility borrowings and outstanding notes were \$1.47 billion, or approximately 33.7% of our total market capitalization of \$4.36 billion.

We define our total market capitalization at February 1, 2008 as the sum of:

- Shares of our common stock outstanding of 101,286,217 multiplied by the last reported sales price of our common stock on the NYSE of \$25.15 per share on February 1, 2008, or \$2.55 billion;
 - Aggregate liquidation value (par value of \$25 per share) of the Class D preferred stock of \$127.5 million;
 - Aggregate liquidation value (par value of \$25 per share) of the Class E preferred stock of \$220 million; and
 - Outstanding notes of \$1.47 billion.

Historically, we have met our long-term capital needs through the issuance of common stock, preferred stock and long-term unsecured notes and bonds. Over the long term, we believe that common stock should be the majority of our capital structure, however, we may issue additional preferred stock or debt securities from time to time. We may issue common stock when we believe that our share price is at a level that allows for the proceeds of any offering to be accretively invested into additional properties. In addition, we may issue common stock to permanently finance properties that were financed by our credit facility or debt securities. However, we cannot assure you that we will have access to the capital markets at terms that are acceptable to us.

\$300 Million Acquisition Credit Facility

We have a \$300 million revolving, unsecured credit facility that expires in October 2008. In April 2007, Moody's Investors Service upgraded our credit ratings. Effective May 2007, our investment grade credit ratings provided for financing under the credit facility at the London Interbank Offered Rate, commonly referred to as LIBOR, plus 60 basis points with a facility commitment fee of 15 basis points, for all-in drawn pricing of 75 basis points over LIBOR. At February 1, 2008, we had a borrowing capacity of \$300 million available on our credit facility and no outstanding balance.

We expect to use the credit facility to acquire additional retail properties and for other corporate purposes. Any additional borrowings will increase our exposure to interest rate risk. We have the right to request an increase in the borrowing capacity of the credit facility by up to \$100 million, to a total borrowing capacity of \$400 million. Any increase in the borrowing capacity is subject to approval by the lending banks of our credit facility.

We regularly review our credit facility and may seek to extend, renew or replace our credit facility, to the extent we deem appropriate. We have the right to extend the credit facility for an additional term of one year (to October 2009).

We use our credit facility for the short-term financing of new property acquisitions. When outstanding borrowings under the credit facility reach a certain level (generally in the range of \$100 million to \$200 million) and capital is available on acceptable terms, we generally seek to refinance those borrowings with the net proceeds of long-term or permanent financing, which may include the issuance of common stock, preferred stock, convertible preferred stock, debt securities or convertible debt securities. We cannot assure you, however, that we will be able to obtain any such refinancing or that market conditions prevailing at the time of refinancing will enable us to issue equity or debt securities upon acceptable terms.

Credit Agency Ratings

We are currently assigned investment grade corporate credit ratings, on our senior unsecured notes. Fitch Ratings has assigned a rating of BBB+, Moody's Investors Service has assigned a rating of Baa1 and Standard & Poor's Ratings Group has assigned a rating of BBB to our senior notes. The rating by Standard & Poor's has a "positive" outlook and the ratings by Fitch and Moody's have "stable" outlooks.

We have also been assigned investment grade credit ratings on our preferred stock. Fitch Ratings has assigned a rating of BBB, Moody's has assigned a rating of Baa2 and Standard & Poor's has assigned a rating of BBB- to our preferred stock. The rating by Standard & Poor's has a "positive" outlook and the ratings by Fitch and Moody's have "stable" outlooks.

The credit ratings assigned to us could change based upon, among other things, our results of operations and financial condition. These ratings are subject to ongoing evaluation by credit rating agencies and we cannot assure you that any such rating will not be changed or withdrawn by a rating agency in the future if, in its judgment, circumstances warrant. Moreover, a rating is not a recommendation to buy, sell or hold our debt securities, preferred stock or common stock.

Mortgage Debt

We have no mortgage debt on any of our properties.

No Off-Balance Sheet Arrangements or Unconsolidated Investments

We have no unconsolidated or off-balance sheet investments in "variable interest entities" or off-balance sheet financing, nor do we engage in trading activities involving energy or commodity contracts or other derivative instruments.

As we have no joint ventures, off-balance sheet entities, or mandatory redeemable preferred stock, our current financial position or results of operations are not affected by Financial Accounting Standards Board Interpretation No. 46R, Consolidation of Variable Interest Entities and Statement of Financial Accounting Standards No. 150, Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity.

Competitive Strategy

We believe that to successfully pursue our investment philosophy and strategy, we must seek to maintain the following competitive advantages:

- **Size and Type of Investment Properties:** We believe smaller (\$500,000 to \$10,000,000) net-leased retail properties represent an attractive investment opportunity in today's real estate environment. Due to the complexities of acquiring and managing a large portfolio of relatively small assets, we believe these types of properties have not experienced significant institutional ownership interest or the corresponding yield reduction experienced by larger income-producing properties. We believe the less intensive day-to-day property management required by net-lease agreements, coupled with the active management of a large portfolio of smaller properties, is an effective investment strategy. The tenants of our freestanding retail properties generally provide goods and services that satisfy basic consumer needs. In order to grow and expand, they generally need capital. Since the acquisition of real estate is typically the single largest capital expenditure of many of these retailers, our method of purchasing the property and then leasing it back, under a net-lease arrangement, allows the retail chain to free up capital.
- **Investment in New Retail Industries:** Though we specialize in single-tenant properties, we will seek to further diversify our portfolio among a variety of retail industries. We believe diversification will allow us to invest in retail industries that currently are growing and have characteristics we find attractive. These characteristics include, but are not limited to, retail industries that are dominated by local store operators where regional and national chain store operators can increase market share and dominance by consolidating local operators and streamlining their

operations, as well as capitalizing on major demographic shifts in a population base.

- **Diversification:** Diversification of the portfolio by retail industry type, tenant, and geographic location is key to our objective of providing predictable investment results for our stockholders, therefore further diversification of our portfolio is a continuing objective. At December 31, 2007, our retail property portfolio consisted of 2,270 properties located in 49 states, leased to 115 retail chains doing business in 30 industry segments. Each of the 30 industry segments, represented in our property portfolio, individually accounted for no more than 24.2% of our rental revenue for the quarter ended December 31, 2007.
- **Management Specialization:** We believe that our management's specialization in single-tenant retail properties, operated under net-lease agreements, is important to meeting our objectives. We plan to maintain this specialization and will seek to employ and train high-quality professionals in this specialized area of real estate ownership, finance and management.
- **Technology:** We intend to stay at the forefront of technology in our efforts to efficiently and economically carry out our operations. We maintain sophisticated information systems that allow us to analyze our portfolio's performance and actively manage our investments. We believe that technology and information-based systems will play an increasingly important role in our competitiveness as an investment manager and source of capital to a variety of industries and tenants.

PROPERTIES

At December 31, 2007, we owned a diversified portfolio:

- Of 2,270 retail properties;
 - With an occupancy rate of 97.9%, or 2,222 properties occupied of the 2,270 properties in the portfolio;
 - With only 48 properties available for lease;
 - Leased to 115 different retail chains doing business in 30 separate retail industries;
 - Located in 49 states;
 - With over 18.5 million square feet of leasable space; and
 - With an average leasable retail space per property of approximately 8,150 square feet.

In addition to our real estate portfolio, our subsidiary, Crest had invested \$56.2 million in 30 properties located in 14 states at December 31, 2007. These properties are classified as held for sale.

At December 31, 2007, 2,212, or 97.4%, of our 2,270 retail properties were leased under net-lease agreements. Net leases typically require the tenant to be responsible for minimum monthly rent and property operating expenses including property taxes, insurance and maintenance. In addition, tenants are typically responsible for future rent increases based on increases in the consumer price index, fixed increases or, to a lesser degree, additional rent calculated as a percentage of the tenants' gross sales above a specified level.

Our net-leased retail properties primarily are leased to regional and national retail chain store operators. Most buildings are single-story structures with adequate parking on site to accommodate peak retail traffic periods. The properties tend to be on major thoroughfares with relatively high traffic counts, adequate access and proximity to a sufficient population base to constitute a suitable market or trade area for the retailer's business.

Industry Diversification

The following table sets forth certain information regarding Realty Income's property portfolio (excluding properties owned by Crest) classified according to the business of the respective tenants, expressed as a percentage of our total rental revenue:

Industries	Percentage of Rental Revenue(1)						
	For the Quarter Ended December	For the Years Ended					
	31, 2007	Dec 31, 2007	Dec 31, 2006	Dec 31, 2005	Dec 31, 2004	Dec 31, 2003	Dec 31, 2002
Apparel stores	1.1%	1.2%	1.7%	1.6%	1.8%	2.1%	2.3%
Automotive collision services	1.1	1.1	1.3	1.3	1.0	0.3	--
Automotive parts	2.0	2.1	2.8	3.4	3.8	4.5	4.9
Automotive service	5.0	5.2	6.9	7.6	7.7	8.3	7.0
Automotive tire services	6.9	7.3	6.1	7.2	7.8	3.1	2.7
Book stores	0.2	0.2	0.2	0.3	0.3	0.4	0.4
Business services	*	0.1	0.1	0.1	0.1	0.1	0.1
Child care	7.7	8.4	10.3	12.7	14.4	17.8	20.8
Consumer electronics	0.9	0.9	1.1	1.3	2.1	3.0	3.3
Convenience stores	14.1	14.0	16.1	18.7	19.2	13.3	9.1
Crafts and novelties	0.3	0.3	0.4	0.4	0.5	0.6	0.4
Distribution and office	1.1	0.6	--	--	--	--	--
Drug stores	2.6	2.7	2.9	2.8	0.1	0.2	0.2
Entertainment	1.3	1.4	1.6	2.1	2.3	2.6	2.3
Equipment rental services	0.2	0.2	0.2	0.4	0.3	0.2	--
Financial services	0.2	0.2	0.1	0.1	0.1	--	--
General merchandise	0.7	0.7	0.6	0.5	0.4	0.5	0.5
Grocery stores	0.7	0.7	0.7	0.7	0.8	0.4	0.5
Health and fitness	5.3	5.1	4.3	3.7	4.0	3.8	3.8
Home furnishings	2.4	2.6	3.1	3.7	4.1	4.9	5.4
Home improvement	2.0	2.1	3.4	1.1	1.0	1.1	1.2
Motor vehicle dealerships	3.0	3.1	3.4	2.6	0.6	--	--
Office supplies	1.0	1.1	1.3	1.5	1.6	1.9	2.1
Pet supplies and services	0.8	0.9	1.1	1.3	1.4	1.7	1.7
Private education	0.7	0.8	0.8	0.8	1.1	1.2	1.3

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Restaurants	24.2	21.2	11.9	9.4	9.7	11.8	13.5
Shoe stores	--	--	--	0.3	0.3	0.9	0.8
Sporting goods	2.4	2.6	2.9	3.4	3.4	3.8	4.1
Theaters	8.4	9.0	9.6	5.2	3.5	4.1	3.9
Travel plazas	0.2	0.2	0.3	0.3	0.4	0.3	--
Video rental	1.4	1.7	2.1	2.5	2.8	3.3	3.3
Other	2.1	2.3	2.7	3.0	3.4	3.8	4.4
Totals	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

* Less than 0.1%

(1) Includes rental revenue for all properties owned by Realty Income at the end of each period presented, including revenue from properties reclassified to discontinued operations.

Service Category Diversification

The following table sets forth certain information regarding the properties owned by Realty Income (excluding properties owned by Crest) at December 31, 2007, classified according to the retail business types and the level of services they provide (dollars in thousands):

Industry	Number of Properties	Rental Revenue for the Quarter Ended December 31, 2007	Percentage of Revenue
Tenants Providing Services			
Automotive collision services	13	\$ 825	1.1%
Automotive service	237	3,921	5.0
Child care	265	5,970	7.7
Entertainment	8	999	1.3
Equipment rental services	2	150	0.2
Financial services	8	132	0.2
Health and fitness	26	4,105	5.3
Private education	6	576	0.7
Theaters	31	6,578	8.4
Other	13	1,652	2.1
	609	24,908	32.0
Tenants Selling Goods and Services			
Automotive parts (with installation)	30	583	0.7
Automotive tire services	153	5,387	6.9
Business services	2	37	*
Convenience stores	489	11,000	14.1
Distribution and office	3	827	1.1
Home improvement	1	57	0.1
Motor vehicle dealerships	19	2,323	3.0
Pet supplies and services	9	607	0.8
Restaurants	663	18,847	24.2
Travel plazas	1	170	0.2
Video rental	34	1,102	1.4
	1,404	40,940	52.5
Tenants Selling Goods			
Apparel stores	6	883	1.1
Automotive parts	59	1,004	1.3
Book stores	2	156	0.2
Consumer electronics	15	683	0.9
Crafts and novelties	4	215	0.3
Drug stores	39	2,007	2.6
General merchandise	25	556	0.7
Grocery stores	8	552	0.7
Home furnishings	42	1,897	2.4
Home improvement	31	1,451	1.9
Office supplies	10	789	1.0

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Pet supplies	2	37	*
Sporting goods	14	1,874	2.4
	257	12,104	15.5
Totals	2,270	\$ 77,952	100.0%

* Less than 0.1%

Lease Expirations

The following table sets forth certain information regarding Realty Income's property portfolio (excluding properties owned by Crest) regarding the timing of the lease term expirations (excluding extension options) on our 2,212 net leased, single-tenant retail properties as of December 31, 2007 (dollars in thousands):

Year Expiring(1)	Total Portfolio			Initial Expirations(3)			Subsequent Expirations(4)		
	Total Number of Leases	Rental Revenue for the Quarter Ended	% of Total Rental Revenue	Number of Leases Expiring	Rental Revenue for the Quarter Ended	% of Total Rental Revenue	Number of Leases Expiring	Rental Revenue for the Quarter Ended	% of Total Rental Revenue
2008	144	\$ 3,023	4.0%	70	\$ 1,594	2.1%	74	\$ 1,429	1.9%
2009	120	2,664	3.5	37	880	1.1	83	1,784	2.4
2010	78	1,553	2.1	34	789	1.1	44	764	1.0
2011	80	2,377	3.2	36	1,368	1.8	44	1,009	1.4
2012	101	2,425	3.2	80	2,011	2.7	21	414	0.5
2013	77	3,456	4.6	67	3,205	4.3	10	251	0.3
2014	47	1,968	2.6	34	1,714	2.3	13	254	0.3
2015	90	1,810	2.4	65	1,250	1.7	25	560	0.7
2016	112	1,909	2.5	111	1,883	2.5	1	26	*
2017	50	1,956	2.6	45	1,870	2.5	5	86	0.1
2018	24	1,093	1.5	24	1,093	1.5	--	--	--
2019	95	4,675	6.2	94	4,481	5.9	1	194	0.3
2020	82	2,980	4.0	79	2,916	3.9	3	64	0.1
2021	149	5,843	7.8	148	5,788	7.7	1	55	0.1
2022	104	3,033	4.0	103	2,985	4.0	1	48	*
2023	240	6,760	9.0	239	6,735	9.0	1	25	*
2024	64	1,919	2.5	64	1,919	2.5	--	--	--
2025	76	6,329	8.4	72	6,264	8.3	4	65	0.1
2026	217	11,719	15.6	215	11,664	15.5	2	55	0.1
2027	159	3,903	5.2	159	3,903	5.2	--	--	--
2028	44	1,262	1.7	43	1,260	1.7	1	2	*
2029	35	858	1.1	35	858	1.1	--	--	--
2030	14	714	0.9	14	714	0.9	--	--	--
2031	1	51	0.1	1	51	0.1	--	--	--
2032	1	17	*	1	17	*	--	--	--
2033	3	357	0.5	3	357	0.5	--	--	--
2034	2	230	0.3	2	230	0.3	--	--	--
2037	2	354	0.5	2	354	0.5	--	--	--
2043	1	13	*	--	--	--	1	13	*
Totals	2,212	\$ 75,251	100.0%	1,877	\$ 68,153	90.7%	335	\$ 7,098	9.3%

*Less than 0.1%

(1) Excludes ten multi-tenant properties and 48 vacant unleased properties, one of which is a multi-tenant property. The lease expirations for properties under construction are based on the estimated date of completion of those properties.

(2)

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Excludes revenue of \$2,701 from ten multi-tenant properties and from 48 vacant and unleased properties at December 31, 2007.

(3) Represents leases to the initial tenant of the property that are expiring for the first time.

(4) Represents lease expirations on properties in the portfolio, which have previously been renewed, extended or re-tenanted.

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State Diversification

The following table sets forth certain state-by-state information regarding Realty Income's property portfolio (excluding properties owned by Crest) as of December 31, 2007 (dollars in thousands):

State (49)	Number of Properties	Percent Leased	Approximate Leasable Square Feet	Rental Revenue for the Quarter Ended December 31, 2007	Percentage of Rental Revenue
Alabama	61	98%	413,700	\$ 1,885	2.4%
Alaska	2	100	128,500	277	0.4
Arizona	79	99	394,100	2,426	3.1
Arkansas	18	100	98,500	436	0.6
California	63	98	1,124,700	4,072	5.2
Colorado	54	98	451,000	1,943	2.5
Connecticut	26	100	282,300	1,324	1.7
Delaware	17	100	33,300	372	0.5
Florida	168	98	1,450,800	6,706	8.6
Georgia	132	98	926,900	3,972	5.1
Idaho	14	100	91,900	373	0.5
Illinois	74	99	867,600	4,076	5.2
Indiana	82	98	694,400	2,971	3.8
Iowa	20	95	140,900	439	0.6
Kansas	33	97	573,500	1,109	1.4
Kentucky	22	100	111,500	701	0.9
Louisiana	33	100	190,400	970	1.2
Maine	3	100	22,500	54	0.1
Maryland	28	100	256,500	1,470	1.9
Massachusetts	69	100	587,900	2,586	3.3
Michigan	51	100	246,200	1,235	1.6
Minnesota	21	100	392,100	1,328	1.7
Mississippi	72	97	359,600	1,482	1.9
Missouri	62	98	640,100	2,121	2.7
Montana	2	100	30,000	77	0.1
Nebraska	19	100	196,300	630	0.8
Nevada	15	100	191,000	847	1.1
New Hampshire	14	100	109,900	544	0.7
New Jersey	36	100	266,100	1,905	2.4
New Mexico	8	100	56,400	193	0.2
New York	44	95	508,100	2,544	3.3
North Carolina	63	98	454,400	2,098	2.7
North Dakota	6	100	36,600	71	0.1
Ohio	128	97	813,900	3,044	3.9
Oklahoma	25	100	145,900	609	0.8
Oregon	18	94	289,100	858	1.1
Pennsylvania	97	100	630,000	2,940	3.8
Rhode Island	4	100	14,500	87	0.1

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South Carolina	59	98	250,700	1,569	2.0
South Dakota	9	100	24,900	100	0.1
Tennessee	135	99	635,500	3,018	3.9
Texas	215	94	2,282,500	7,950	10.2
Utah	6	83	35,100	91	0.1
Vermont	4	100	12,700	122	0.1
Virginia	103	100	622,400	3,085	4.0
Washington	36	89	235,100	756	1.0
West Virginia	2	50	23,200	45	0.1
Wisconsin	17	94	157,400	409	0.5
Wyoming	1	100	4,200	32	*
Totals/Average	2,270	98%	18,504,800	\$ 77,952	100.0%

* Less than 0.1%

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Description of Leasing Structure

At December 31, 2007, 2,212 single tenant and certain other retail properties, or 97.4%, of our 2,270 properties were net leased. In most cases, the leases:

- Are for initial terms of 15 to 20 years;
- Require the tenant to pay minimum monthly rents and property operating expenses (taxes, insurance and maintenance); and
- Provide for future rent increases based on increases in the consumer price index, fixed increases, or to a lesser degree, additional rent calculated as a percentage of the tenants' gross sales above a specified level. Where leases provide for rent increases based on increases in the consumer price index, generally these increases become part of the new permanent base rent. Where leases provide for percentage rent, this additional rent is typically payable only if the tenants' gross sales, for a given period (usually one year), exceed a specified level and is then typically calculated as a percentage of only the amount of gross sales in excess of that level.

Matters Pertaining to Certain Properties and Tenants

Of the 48 properties available for lease or sale at December 31, 2007, all are single-tenant properties except one. As of February 1, 2008, transactions to lease or sell 17 of the 48 properties were underway or completed. At December 31, 2007, 25 of our properties under lease were unoccupied and available for sublease by the tenants, all of which were current with their rent and other obligations. During 2007, each of our tenants accounted for less than 10% of our rental revenue.

For 2007, our tenants in the convenience store and restaurant industries accounted for approximately 14.0% and 21.2%, respectively, of our rental revenue. A downturn in any of these industries, whether nationwide or limited to specific sectors of the United States, could adversely affect tenants in these industries, which in turn could have a material adverse affect on our financial position, results of operations and our ability to pay the principal of and interest on our debt securities and other indebtedness and to make distributions on our common stock and preferred stock. Individually, each of the other industries in our property portfolio accounted for less than 10% of our rental revenue for 2007.

In addition, a substantial number of our properties are leased to middle-market retail chains that generally have more limited financial and other resources than certain upper-market retail chains, and therefore they are more likely to be adversely affected by a downturn in their respective businesses or in the regional or national economy. Some of our tenants have incurred substantial debt and therefore are more likely to be adversely affected by a downturn in their respective businesses.

Realty Income owns 116 properties and Crest owns three properties, all leased to subsidiaries of Buffets, Inc. (Buffets) and guaranteed by Buffets. Buffets is a subsidiary of Buffets Holding, Inc. ("Buffets Holdings"). On January 22, 2008, Buffets Holdings, together with each of its subsidiaries, filed voluntary petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code. As of February 12, 2008, Buffets' lease payments to us are current. Based on our analysis of the Buffets' locations owned by Realty Income, we believe that the Chapter 11 filing will not have a material adverse affect on our operations or financial position.

Certain Properties Under Development

Of the 325 properties Realty Income acquired in 2007, four were development properties, all of which were occupied at December 31, 2007. In the case of development properties, we either enter into an agreement with a retail chain where the retailer retains a contractor to construct the building and we fund the costs of that development, or we fund a developer who constructs the building. In either case, there is an executed lease with a retail tenant at the time of the land purchase (with a fixed rent commencement date) and there is a requirement to complete the construction in a timely basis and within a specific budget, typically within eight months after we purchase the land. The tenant or developer generally is required to pay construction cost overruns to the extent that they exceed the construction budget by more than a predetermined amount. We also enter into a lease with the tenant at the time we purchase the land, which generally requires the tenant to begin paying base rent when the store opens for business. The base rent is calculated by multiplying a predetermined capitalization rate by our total investment in the property including the land cost for the property, construction costs and capitalized interest. Crest did not acquire any development property in 2007. Both Realty Income and Crest will continue to pursue development opportunities under similar arrangements in the future.

FORWARD-LOOKING STATEMENTS

This annual report on Form 10-K, including documents incorporated by reference, contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. When used in this annual report, the words “estimated”, “anticipated”, “expect”, “believe”, “intend” and similar expressions are intended to identify forward-looking statements. Forward-looking statements are subject to risks, uncertainties, and assumptions about Realty Income Corporation, including, among other things:

- Our anticipated growth strategies;
- Our intention to acquire additional properties and the timing of these acquisitions;
 - Our intention to sell properties and the timing of these property sales;
 - Our intention to re-lease vacant properties;
- Anticipated trends in our business, including trends in the market for long-term net-leases of freestanding, single-tenant retail properties;
 - Future expenditures for development projects; and
 - Profitability of our subsidiary, Crest Net Lease, Inc. (“Crest”).

Future events and actual results, financial and otherwise, may differ materially from the results discussed in the forward-looking statements. In particular, some of the factors that could cause actual results to differ materially are:

- Our continued qualification as a real estate investment trust;
 - General business and economic conditions;
 - Competition;
 - Fluctuating interest rates;
 - Access to debt and equity capital markets;
 - Continued uncertainty in the credit markets;
- Other risks inherent in the real estate business including tenant defaults, potential liability relating to environmental matters, illiquidity of real estate investments, and potential damages from natural disasters;
 - Impairments in the value of our real estate assets;
 - Changes in the tax laws of the United States of America;
- The outcome of any legal proceedings to which we are a party; and
 - Acts of terrorism and war.

Additional factors that may cause risks and uncertainties include those discussed in the sections entitled “Business”, “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this annual report.

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Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date that this annual report was filed with the Securities and Exchange Commission, or SEC. We undertake no obligation to publicly release the results of any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date of this annual report or to reflect the occurrence of unanticipated events. In light of these risks and uncertainties, the forward-looking events discussed in this annual report might not occur.

Item 1A: Risk Factors

As used under this caption “Risk Factors,” references to our capital stock include our common stock and any class or series of our preferred stock and references to our stockholders include holders of our common stock or any class or series of our preferred stock, in each case unless otherwise expressly stated or the context otherwise requires.

In order to grow we need to continue to acquire investment properties which may be subject to competitive pressures. We face competition in the acquisition, operation and sale of property. We expect competition from:

- Businesses;
- Individuals;
- Fiduciary accounts and plans; and
- Other entities engaged in real estate investment and financing.

Some of these competitors are larger than we are and have greater financial resources. This competition may result in a higher cost for properties we wish to purchase.

Our tenants’ creditworthiness and ability to pay rent may be affected by competition within their industries from other operators.

The tenants leasing our properties can face significant competition from other operators. This competition may adversely impact:

- That portion, if any, of the rental stream to be paid to us based on a tenant’s revenues; and
 - The tenants’ results of operations or financial condition.

Further, the occurrence of a tenant bankruptcy or insolvency could diminish the income we receive from that tenant’s lease or leases. In addition, a bankruptcy court might authorize the tenant to terminate its leases with us. If that happens, our claim against the bankrupt tenant for unpaid future rent would be subject to statutory limitations that might be substantially less than the remaining rent we are owed under the leases. In addition, any claim we have for unpaid past rent, if any, may not be paid in full.

As a property owner, we may be subject to unknown environmental liabilities.

Investments in real property can create a potential for environmental liability. An owner of property can face liability for environmental contamination created by the presence or discharge of hazardous substances on the property. We can face such liability regardless of:

- Our knowledge of the contamination;
 - The timing of the contamination;
 - The cause of the contamination; or
- The party responsible for the contamination of the property.

There may be environmental problems of which we are unaware associated with our properties. In that regard, a number of our properties are leased to operators of convenience stores that sell petroleum-based fuels, as well as to operators of oil change and tune-up facilities. These facilities, and some other of our properties, use, or may have used

in the past, underground lifts or underground tanks for the storage of petroleum-based or waste products, which could create a potential for release of hazardous substances.

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The presence of hazardous substances on a property may adversely affect our ability to sell that property and we may incur substantial remediation costs. Although our leases generally require our tenants to operate in compliance with all applicable federal, state and local environmental laws, ordinances and regulations, and to indemnify us against any environmental liabilities arising from the tenants' activities on the property, we could nevertheless be subject to strict liability by virtue of our ownership interest. There also can be no assurance that our tenants could or would satisfy their indemnification obligations under their leases. The discovery of environmental liabilities attached to our properties could have an adverse effect on our results of operations, our financial condition or our ability to make distributions to stockholders and to pay the principal of and interest on our debt securities and other indebtedness.

In addition, several of our properties were built during the period when asbestos was commonly used in building construction and other buildings with asbestos may be acquired by the Company in the future. Environmental laws govern the presence, maintenance and removal of asbestos-containing materials, or ACMs, and require that owners or operators of buildings containing asbestos properly manage and maintain the asbestos, that they adequately inform or train those who may come into contact with asbestos and that they undertake special precautions, including removal or other abatement in the event that asbestos is disturbed during renovation or demolition of a building. These laws may impose fines and penalties on building owners or operators for failure to comply with these requirements and may allow third parties to seek recovery from owners or operators for personal injury associated with exposure to asbestos fibers.

It is also possible that some of our properties may contain or develop harmful mold, which could lead to liability for adverse health effects and costs of remediation of the problem. When excessive moisture accumulates in buildings or on building materials, mold growth may occur, particularly if the moisture problem remains undiscovered or is not addressed over a period of time. Some molds may produce airborne toxins or irritants. Concern about indoor exposure to mold has been increasing, as exposure to mold may cause a variety of adverse health effects and symptoms, including allergic or other reactions. As a result, the presence of mold to which our tenants or their employees could be exposed at any of our properties could require us to undertake a costly remediation program to contain or remove the mold from the affected property, which would reduce our cash available for distribution. In addition, exposure to mold by our tenants or others could expose us to liability if property damage or health concerns arise.

Compliance. We have not been notified by any governmental authority, and are not otherwise aware, of any material noncompliance, liability or claim relating to hazardous substances, toxic substances, or petroleum products in connection with any of our present properties. Nevertheless, if environmental contamination should exist, we could be subject to strict liability by virtue of our ownership interest. In addition, we believe we are in compliance in all material respects with all present federal, state and local laws relating to ACMs.

Insurance and Indemnity. In June 2005, we entered into a seven-year environmental insurance policy on our property portfolio which replaced the previous five-year environmental insurance policy. The limits on our current policy are \$10 million per occurrence, and \$50 million in the aggregate, subject to a \$40,000 self insurance retention, per occurrence, for properties with underground storage tanks and a \$100,000 self insurance retention, per occurrence, for all other properties. It is possible that our insurance could be insufficient to address any particular environmental situation and that, in the future, we could be unable to obtain insurance for environmental matters at a reasonable cost, or at all.

Our tenants are generally responsible for, and indemnify us against, liabilities for environmental matters that occur on our properties. For properties that have underground storage tanks, in addition to providing an indemnity in our favor, the tenants generally obtain environmental insurance or rely upon the state funds in the states where these properties are located.

If we fail to qualify as a real estate investment trust, the amount of dividends we are able to pay would decrease, which could adversely affect the market price of our capital stock and could adversely affect the value of our debt securities.

Commencing with our taxable year ended December 31, 1994, we believe that we have been organized and have operated, and we intend to continue to operate, so as to qualify as a "REIT" under Sections 856 through 860 of the Code. However, we cannot assure you that we have been organized or have operated in a manner that has satisfied the requirements for qualification as a REIT, or that we will continue to be organized or operate in a manner that will allow us to continue to qualify as a REIT.

Qualification as a REIT involves the satisfaction of numerous requirements under highly technical and complex Code provisions, for which there are only limited judicial and administrative interpretations, and the determination of various factual matters and circumstances not entirely within our control.

For example, in order to qualify as a REIT, at least 95% of our gross income in each year must be derived from qualifying sources, and we must pay distributions to stockholders aggregating annually at least 90% of our REIT taxable income (as defined in the Code and determined without regard to the dividends paid deduction and by excluding net capital gains).

In the future, it is possible that legislation, new regulations, administrative interpretations or court decisions will change the tax laws with respect to qualification as a REIT, or the federal income tax consequences of such qualification.

If we fail to satisfy all of the requirements for qualifications as a REIT, we may be subject to certain penalty taxes or, in some circumstances, we may fail to qualify as a REIT. If we were to fail to qualify as a REIT in any taxable year:

- We would be required to pay federal income tax (including any applicable alternative minimum tax) on our taxable income at regular corporate rates;
- We would not be allowed a deduction in computing our taxable income for amounts distributed to our stockholders;
- We could be disqualified from treatment as a REIT for the four taxable years following the year during which qualification is lost;
 - We would no longer be required to make distributions to stockholders; and
- This treatment would substantially reduce amounts available for investment or distribution to stockholders because of the additional tax liability for the years involved, which could have a material adverse effect on the market price of our capital stock and the value of our debt securities.

Even if we qualify for and maintain our REIT status, we may be subject to certain federal, state and local taxes on our income and property. For example, if we have net income from a prohibited transaction, that income will be subject to a 100% tax. Our subsidiary Crest is subject to federal and state taxes at the applicable tax rates on its income and property.

Distributions requirements imposed by law limit our flexibility.

To maintain our status as a REIT for federal income tax purposes, we generally are required to distribute to our stockholders at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and by excluding net capital gains each year. We also are subject to tax at regular corporate rates to the extent that we distribute less than 100% of our REIT taxable income (including net capital gains) each year.

In addition, we are subject to a 4% nondeductible excise tax to the extent that we fail to distribute during any calendar year at least the sum of 85% of our ordinary income for that calendar year, 95% of our capital gain net income for the calendar year, and any amount of that income that was not distributed in prior years.

We intend to continue to make distributions to our stockholders to comply with the distribution requirements of the Code as well as to reduce our exposure to federal income taxes and the nondeductible excise tax. Differences in timing between the receipt of income and the payment of expenses to arrive at taxable income, along with the effect of required debt amortization payments, could require us to borrow funds on a short-term basis to meet the distribution requirements that are necessary to achieve the tax benefits associated with qualifying as a REIT.

Future issuances of equity securities could dilute the interest of holders of our common stock.

Our future growth will depend, in large part, upon our ability to raise additional capital. If we were to raise additional capital through the issuance of equity securities, we could dilute the interests of holders of our common stock. The interests of our common stockholders could also be diluted by the issuance of shares of common stock upon the exercise of outstanding options or pursuant to stock incentive plans. Likewise, our Board of Directors is authorized to cause us to issue preferred stock of any class or series (with dividend, voting and other rights as determined by the Board of Directors). Accordingly, the Board of Directors may authorize the issuance of preferred stock with voting, dividend and other similar rights that could dilute, or otherwise adversely affect, the interests of holders of our common stock.

We are subject to risks associated with debt and capital stock financing.

We intend to incur additional indebtedness in the future, including borrowings under our \$300 million acquisition credit facility. At February 1, 2008, we had no borrowings outstanding under our \$300 million acquisition credit facility and a total of \$1.47 billion aggregate principal amount of outstanding unsecured senior debt securities. To the extent that new indebtedness is added to our current debt levels, the related risks that we now face would increase. As a result, we are and will be subject to risks associated with debt financing, including the risk that our cash flow could be insufficient to meet required payments on our debt. We also face variable interest rate risk as the interest rate on our \$300 million credit facility is variable and could therefore increase over time. We also face the risk that we may be unable to refinance or repay our debt as it comes due. In addition, our \$300 million credit facility contains financial covenants that could limit the amount of distributions payable by us on our common stock and preferred stock in the event of deterioration in our results of operations or financial condition, and our \$300 million credit facility provides that, in the event of a failure to pay principal of or interest on borrowings there under when due (subject to any applicable grace period), we and our subsidiaries may not pay any dividends on our capital stock, including our outstanding common and preferred stock. If this were to occur, it would likely have a material adverse effect on the market price of our outstanding common and preferred stock and on the value of our debt securities.

Our indebtedness could also have other important consequences to holders of our common and preferred stock, including:

- Increasing our vulnerability to general adverse economic and industry conditions;
- Limiting our ability to obtain additional financing to fund future working capital, capital expenditures and other general corporate requirements;
- Requiring the use of a substantial portion of our cash flow from operations for the payment of principal and interest on our indebtedness, thereby reducing our ability to use our cash flow to fund working capital, capital expenditures and general corporate requirements;
 - Limiting our flexibility in planning for, or reacting to, changes in our business and our industry; and
 - Putting us at a disadvantage compared to our competitors with less indebtedness.

Our business operations may not generate the cash needed to make distributions on our capital stock or to service our indebtedness.

Our ability to make distributions on our common stock and preferred stock and payments on our indebtedness and to fund planned capital expenditures will depend on our ability to generate cash in the future. We cannot assure you that our business will generate sufficient cash flow from operations or that future borrowings will be available to us in an amount sufficient to enable us to make distributions on our common stock and preferred stock, to pay our

indebtedness or to fund our other liquidity needs.

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The market value of our capital stock and debt securities could be substantially affected by various factors. The market value of our capital stock and debt securities will depend on many factors, which may change from time to time, including:

- Prevailing interest rates, increases in which may have an adverse effect on the market value of our capital stock and our debt securities;
 - The market for similar securities issued by other REITs;
 - General economic and financial market conditions;
- The financial condition, performance and prospects of us, our tenants and our competitors;
- Changes in financial estimates or recommendations by securities analysts with respect to us, our competitors or our industry;
 - Changes in our credit ratings; and
 - Actual or anticipated variations in quarterly operating results.

As a result of these and other factors, investors who purchase our capital stock and debt securities may experience a decrease, which could be substantial, in the market value of our capital stock and debt securities, including decreases unrelated to our operating performance or prospects.

Real estate ownership is subject to particular economic conditions that may have a negative impact on our revenue. We are subject to all of the general risks associated with the ownership of real estate. In particular, we face the risk that rental revenue from our properties may be insufficient to cover all corporate operating expenses, debt service payments on indebtedness we incur and distributions on our stock. Additional real estate ownership risks include:

- Adverse changes in general or local economic conditions;
- Changes in supply of, or demand for, similar or competing properties;
 - Changes in interest rates and operating expenses;
 - Competition for tenants;
 - Changes in market rental rates;
 - Inability to lease properties upon termination of existing leases;
 - Renewal of leases at lower rental rates;
- Inability to collect rents from tenants due to financial hardship, including bankruptcy;
- Changes in tax, real estate, zoning and environmental laws that may have an adverse impact upon the value of real estate;
 - Uninsured property liability;
 - Property damage or casualty losses;
- Unexpected expenditures for capital improvements or to bring properties into compliance with applicable federal, state and local laws;
 - Acts of terrorism and war; and
- Acts of God and other factors beyond the control of our management.

An uninsured loss or a loss that exceeds the policy limits on our properties could subject us to lost capital or revenue on those properties.

Under the terms and conditions of the leases currently in force on our properties, tenants generally are required to indemnify and hold us harmless from liabilities resulting from injury to persons, air, water, land or property, due to activities conducted on the properties, except for claims arising from the negligence or intentional misconduct of us or our agents. Additionally, tenants are generally required, at the tenant's expense, to obtain and keep in full force during the term of the lease, liability and property damage insurance policies. The insurance policies our tenants are required to maintain for property damage are generally in amounts not less than the full replacement cost of the improvements less slab, foundations, supports and other customarily excluded improvements. Our tenants are generally required to maintain general liability coverage varying between \$1,000,000 and \$10,000,000 depending on the tenant and the

industry in which it operates.

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In addition to the indemnities and required insurance policies identified above, many of our properties are also covered by flood and earthquake insurance policies (subject to substantial deductibles) obtained and paid for by the tenants as part of their risk management programs. Additionally, we have obtained blanket liability, flood and earthquake (subject to substantial deductibles) and property damage insurance policies to protect us and our properties against loss should the indemnities and insurance policies provided by the tenants fail to restore the properties to their condition prior to a loss. However, should a loss occur that is uninsured or in an amount exceeding the combined aggregate limits for the policies noted above, or in the event of a loss that is subject to a substantial deductible under an insurance policy, we could lose all or part of our capital invested in, and anticipated revenue from, one or more of the properties, which could have a material adverse effect on our results of operations or financial condition and on our ability to pay the principal of and interest on our debt securities and other indebtedness and to make distributions to our stockholders.

Compliance with the Americans With Disabilities Act of 1990 and fire, safety, and other regulations may require us to make unintended expenditures that could adversely impact our results of operation.

Our properties are generally required to comply with the Americans with Disabilities Act of 1990, or the ADA. The ADA has separate compliance requirements for "public accommodations" and "commercial facilities," but generally requires that buildings be made accessible to people with disabilities. Compliance with the ADA requirements could require removal of access barriers and non-compliance could result in imposition of fines by the U.S. government or an award of damages to private litigants. The retailers to whom we lease properties are obligated by law to comply with the ADA provisions, and we believe that these retailers may be obligated to cover costs associated with compliance. If required changes involve greater expenditures than anticipated, or if the changes must be made on a more accelerated basis than anticipated, the ability of these retailers to cover costs could be adversely affected and we could be required to expend our own funds to comply with the provisions of the ADA, which could materially adversely affect our results of operations or financial condition and our ability to pay the principal of and interest on our debt securities and other indebtedness and to make distributions to our stockholders. In addition, we are required to operate our properties in compliance with fire and safety regulations, building codes and other land use regulations, as they may be adopted by governmental agencies and bodies and become applicable to our properties. We may be required to make substantial capital expenditures to comply with those requirements and these expenditures could materially adversely affect our results of operations or financial condition and our ability to pay the principal of and interest on our debt securities and other indebtedness and to make distributions to our stockholders.

Property taxes may increase without notice.

The real property taxes on our properties and any other properties that we develop or acquire in the future may increase as property tax rates change and as those properties are assessed or reassessed by tax authorities.

We depend on key personnel.

We depend on the efforts of our executive officers and key employees. The loss of the services of our executive officers and key employees could have a material adverse effect on our results of operations or financial condition and on our ability to pay the principal and interest on our debt securities and other indebtedness and to make distributions to our stockholders. It is possible that we will not be able to recruit additional personnel with equivalent experience in the retail, net-lease industry.

Terrorist attacks and other acts of violence or war may affect the value of our debt and equity securities, the markets in which we operate and our results of operations.

Terrorist attacks may negatively affect our operations and your investment. There can be no assurance that there will not be further terrorist attacks against the United States or United States businesses. These attacks, or armed conflicts, may directly impact our physical facilities or the businesses of our tenants.

Such events could cause consumer confidence and spending to decrease or result in increased volatility in the U.S. and worldwide financial markets and economy. They also could result in or prolong an economic recession in the U.S. or

abroad. Any of these occurrences could have a significant adverse impact on our operating results and revenues and on the market price of our capital stock and on the value of our debt securities. It could also have an adverse effect on our ability to pay principal and interest on our debt securities or other indebtedness and to make distributions to our stockholders.

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Recent disruptions in the financial markets could affect our ability to obtain debt financing on reasonable terms and have other adverse effects on us.

The United States credit markets have recently experienced significant dislocations and liquidity disruptions which have caused the spreads on prospective debt financings to widen considerably. These circumstances have materially impacted liquidity in the debt markets, making financing terms for borrowers less attractive, and, in certain cases, have resulted in the unavailability of certain types of debt financing. Continued uncertainty in the credit markets may negatively impact our ability to make acquisitions. A prolonged downturn in the credit markets could cause us to seek alternative sources of potentially less attractive financing, and may require us to adjust our business plan accordingly. In addition, these factors may make it more difficult for us to sell properties or may adversely affect the price we receive for properties that we do sell, as prospective buyers may experience increased costs of debt financing or difficulties in obtaining debt financing. These events in the credit markets have also had an adverse effect on other financial markets in the United States, which may make it more difficult or costly for us to raise capital through the issuance of our common stock or preferred stock. These disruptions in the financial markets also may have other unknown adverse effects on us or the economy generally.

Item 1B: Unresolved Staff comments

There are no unresolved staff comments.

Item 2: Properties

Information pertaining to our properties can be found under Item 1.

Item 3: Legal Proceedings

We are subject to certain claims and lawsuits in the ordinary course of business, the outcome of which cannot be determined at this time. In the opinion of management, any liability we might incur upon the resolution of these claims and lawsuits will not, in the aggregate, have a material adverse effect on our consolidated financial position or results of operations.

Item 4: Submission of Matters to a Vote of Security Holders

No matters were submitted to stockholders during the fourth quarter of the fiscal year.

PART II

Item 5: Market For The Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

A. Our common stock is traded on the NYSE under the ticker symbol "O." The following table shows the high and low sales prices per share for our common stock as reported by the NYSE, and distributions declared per share of common stock for the periods indicated.

	Price Per Share of Common Stock		Distributions Declared(1)
	High	Low	
2007			
First quarter	\$ 30.36	\$ 26.02	\$ 0.380125
Second quarter	29.13	24.53	0.382000
Third quarter	28.79	22.87	0.399375
Fourth quarter	30.70	26.31	0.409000
Total			\$ 1.570500
2006			
First quarter	\$ 24.93	\$ 21.57	\$ 0.349375
Second quarter	24.06	21.25	0.351250
Third quarter	25.10	21.65	0.368625
Fourth quarter	28.43	24.40	0.378250
Total			\$ 1.447500

(1) Common stock cash distributions currently are declared monthly by us based on financial results for the prior months. At December 31, 2007, a distribution of \$0.13675 per common share had been declared and was paid in January 2008.

There were 9,356 registered holders of record of our common stock as of December 31, 2007. We estimate that our total number of shareholders is approximately 80,000 when we include both registered and beneficial holders of our common stock.

Item 6: Selected Financial Data
(not covered by Report of Independent Registered Public Accounting Firm)

As of or for the years ended December 31, (dollars in thousands, except for per share data)	2007	2006	2005	2004	2003
Total assets (book value)	\$ 3,077,352	\$ 2,546,508	\$ 1,920,988	\$ 1,442,315	\$ 1,360,257
Cash and cash equivalents	193,101	10,573	65,704	2,141	4,837
Lines of credit and notes payable	1,470,000	920,000	891,700	503,600	506,400
Total liabilities	1,539,260	970,516	931,774	528,580	532,491
Total stockholders' equity	1,538,092	1,575,992	989,214	913,735	827,766
Net cash provided by operating activities	318,169	86,945	109,557	178,337	73,957
Net change in cash and cash equivalents	182,528	(55,131)	63,563	(2,696)	(4,084)
Total revenue	296,513	239,529	195,453	172,711	142,296
Income from continuing operations	127,383	105,718	88,403	81,400	70,685
Income from discontinued operations	13,026	5,063	10,716	21,997	15,750
Net income	140,409	110,781	99,119	103,397	86,435
Preferred stock cash dividends	(24,253)	(11,362)	(9,403)	(9,455)	(9,713)
Excess of redemption value over carrying value of preferred shares redeemed	--	--	--	(3,774)	--
Net income available to common stockholders	116,156	99,419	89,716	90,168	76,722
Cash distributions paid to common stockholders	157,659	129,667	108,575	97,420	83,842
Ratio of earnings to fixed charges (1)	2.9 times	2.9 times	3.2 times	3.9 times	4.1 times
Ratio of earnings to combined fixed charges and preferred stock cash dividends (1)	2.2 times	2.4 times	2.6 times	3.1 times	3.0 times
Basic and diluted net income per common share	1.16	1.11	1.12	1.15	1.08
Cash distributions paid per common share	1.56025	1.43725	1.34625	1.24125	1.18125
Cash distributions declared per common share	1.57050	1.44750	1.35250	1.25125	1.18375
Basic weighted average number of common shares outstanding	100,195,031	89,766,714	79,950,255	78,518,296	71,128,282
Diluted weighted average number of common shares outstanding	100,333,966	89,917,554	80,208,593	78,598,788	71,222,628

(1) Ratio of Earnings to Fixed Charges is calculated by dividing earnings by fixed charges. For this purpose, earnings consist of net income before interest expense, including the amortization of debt issuance costs and interest classified to discontinued operations. Fixed charges are comprised of interest costs (including capitalized interest), the amortization of debt issuance costs and interest classified to discontinued operations. In computing the ratio of earnings to combined fixed charges and preferred stock cash dividends, preferred stock cash dividends consist of dividends on our Class B preferred stock, Class C preferred stock and our outstanding Class D and Class E preferred stock. We redeemed our Class B preferred stock in June 2004 and our Class C preferred stock in July

2004. We issued 4,000,000 shares of our 7.375% Class D preferred stock in May 2004, 1,100,000 shares of our 7.375% Class D preferred stock in October 2004, and 8,800,000 shares of our 6.75% Class E preferred stock in December 2006.

Item 7: Management's Discussion and Analysis of Financial Condition and Results of Operations

GENERAL

Realty Income Corporation, The Monthly Dividend Company®, is a Maryland corporation organized to operate as an equity real estate investment trust, or REIT. Our primary business objective is to generate dependable monthly cash distributions from a consistent and predictable level of funds from operations, or FFO per share. The monthly distributions are supported by the cash flow from our portfolio of retail properties leased to regional and national retail chains. We have in-house acquisition, leasing, legal, retail research, real estate research, portfolio management and capital markets expertise. Over the past 38 years, Realty Income and its predecessors have been acquiring and owning freestanding retail properties that generate rental revenue under long-term lease agreements (primarily 15 to 20 years).

In addition, we seek to increase distributions to stockholders and FFO per share through both active portfolio management and the acquisition of additional properties. At December 31, 2007, we owned a diversified portfolio:

- Of 2,270 retail properties;
- With an occupancy rate of 97.9%, or 2,222 properties occupied of the 2,270 properties in the portfolio;
 - With only 48 properties available for lease;
 - Leased to 115 different retail chains doing business in 30 separate retail industries;
 - Located in 49 states;
 - With over 18.5 million square feet of leasable space; and
- With an average leasable retail space per property of approximately 8,150 square feet.

Of the 2,270 properties in the portfolio, 2,259, or 99.5%, are single-tenant, retail properties and the remaining 11 are multi-tenant, distribution and office properties. At December 31, 2007, 2,212, or 97.9%, of the 2,259 single-tenant properties were leased with a weighted average remaining lease term (excluding extension options) of approximately 13.0 years.

In addition, at December 31, 2007, our wholly-owned taxable REIT subsidiary, Crest Net Lease, Inc. ("Crest"), had invested \$56.2 million in 30 properties, which are classified as held for sale. Crest was created to buy and sell properties, primarily to individual investors who are involved in tax-deferred exchanges under Section 1031 of the Internal Revenue Code of 1986, as amended (the "Tax Code").

LIQUIDITY AND CAPITAL RESOURCES

Cash Reserves

We are organized to operate as an equity REIT that acquires and leases properties and distributes to stockholders, in the form of monthly cash distributions, a substantial portion of our net cash flow generated from leases on our retail properties. We intend to retain an appropriate amount of cash as working capital. At December 31, 2007, we had cash and cash equivalents totaling \$193.1 million, which represents a portion of the proceeds from the September 2007 issuance of \$550 million of 6.75% senior unsecured notes.

We believe that our cash and cash equivalents on hand, cash provided from operating activities and borrowing capacity is sufficient to meet our liquidity needs for the foreseeable future. We intend, however, to use additional sources of capital to fund property acquisitions and to repay future borrowings under our credit facility.

\$300 Million Acquisition Credit Facility

We have a \$300 million revolving, unsecured credit facility that expires in October 2008. In April 2007, Moody's Investors Service upgraded our credit ratings. Since May 2007, our investment grade credit ratings provided for financing under the credit facility at the London Interbank Offered Rate, commonly referred to as LIBOR, plus 60 basis points with a facility fee of 15 basis points, for all-in drawn pricing of 75 basis points over LIBOR. At February 1, 2008, we had a borrowing capacity of \$300 million available on our credit facility and no outstanding balance.

We expect to use the credit facility to acquire additional retail properties and for other corporate purposes. Any additional borrowings will increase our exposure to interest rate risk. We have the right to request an increase in the borrowing capacity of the credit facility by up to \$100 million, to a total borrowing capacity of \$400 million. Any increase in the borrowing capacity is subject to approval by the lending banks on our credit facility.

We regularly review our credit facility and may seek to extend, renew or replace our credit facility, to the extent we deem appropriate. We have the right to extend the credit facility for an additional term of one year (to October 2009).

Mortgage Debt

We have no mortgage debt on any of our properties.

Universal Shelf Registration

In April 2006, we filed a shelf registration statement with the SEC, which is effective for a term of three years. In accordance with the SEC rules, the amount of securities to be issued pursuant to this shelf registration statement was not specified when it was filed. The securities covered by this registration statement include common stock, preferred stock, debt securities, or any combination of such securities. We may periodically offer one or more of these securities in amounts, prices and on terms to be announced when and if the securities are offered. The specifics of any future offerings, along with the use of proceeds of any securities offered, will be described in detail in a prospectus supplement, or other offering materials, at the time of any offering. There is no specific limit to the dollar amount of new securities that can be issued under this new shelf registration before it expires in April 2009, and our common stock, preferred stock and notes issued after April 2006 were all issued pursuant to this universal shelf registration statement.

Conservative Capital Structure

We believe that our stockholders are best served by a conservative capital structure. Therefore, we seek to maintain a conservative debt level on our balance sheet and solid interest and fixed charge coverage ratios. At February 1, 2008, our total outstanding credit facility borrowings and outstanding notes were \$1.47 billion or approximately 33.7% of our total market capitalization of \$4.36 billion.

We define our total market capitalization at February 1, 2008 as the sum of:

- Shares of our common stock outstanding of 101,286,217 multiplied by the last reported sales price of our common stock on the NYSE of \$25.15 per share on February 1, 2008, or \$2.55 billion;
- Aggregate liquidation value (par value of \$25 per share) of the Class D preferred stock of \$127.5 million;
- Aggregate liquidation value (par value of \$25 per share) of the Class E preferred stock of \$220 million; and
- Outstanding notes of \$1.47 billion.

Historically, we have met our long-term capital needs through the issuance of common stock, preferred stock and long-term unsecured notes and bonds. Over the long term, we believe that common stock may be the majority of our capital structure; however, we may issue additional preferred stock or debt securities from time to time. We may issue common stock when we believe that our share price is at a level that allows for the proceeds of any offering to be accretively invested into additional properties. In addition, we may issue common stock to permanently finance properties that were financed by our credit facility or debt securities. However, we cannot assure you that we will have

access to the capital markets at terms that are acceptable to us.

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Credit Agency Ratings

We are currently assigned investment grade corporate credit ratings, on our senior unsecured notes. Fitch Ratings has assigned a rating of BBB+, Moody's Investors Service has assigned a rating of Baa1 and Standard & Poor's Ratings Group has assigned a rating of BBB to our senior notes. The rating by Standard & Poor's has a "positive" outlook and the ratings by Fitch and Moody's have "stable" outlooks.

We have also been assigned investment grade credit ratings on our preferred stock. Fitch Ratings has assigned a rating of BBB, Moody's has assigned a rating of Baa2 and Standard & Poor's has assigned a rating of BBB- to our preferred stock. The rating by Standard & Poor's has a "positive" outlook and the ratings by Fitch and Moody's have "stable" outlooks.

The credit ratings assigned to us could change based upon, among other things, our results of operations and financial condition. These ratings are subject to ongoing evaluation by credit rating agencies and we cannot assure you that any such rating will not be changed or withdrawn by a rating agency in the future if, in its judgment, circumstances warrant. Moreover, a rating is not a recommendation to buy, sell or hold our debt securities, preferred stock or common stock.

Notes Outstanding

Our senior unsecured note obligations consist of the following as of December 31, 2007, sorted by maturity date (dollars in millions):

8.25% notes, issued in October 1998 and due in November 2008	\$	100.0
8% notes, issued in January 1999 and due in January 2009		20.0
5.375% notes, issued in March 2003 and due in March 2013		100.0
5.5% notes, issued in November 2003 and due in November 2015		150.0
5.95% notes, issued in September 2006 and due in September 2016		275.0
5.375% notes, issued in September 2005 and due in September 2017		175.0
6.75% notes, issued in September 2007 and due in August 2019		550.0
5.875% bonds, issued in March 2005 and due in March 2035		100.0
	\$	1,470.0

All of our outstanding notes and bonds have fixed interest rates.

Interest on all of the senior note obligations is paid semiannually, with the exception of the interest on the 8.25% senior notes issued in October 1998, which is paid monthly. All of these notes contain various covenants, including: (i) a limitation on incurrence of any debt which would cause our debt to total adjusted assets ratio to exceed 60%; (ii) a limitation on incurrence of any secured debt which would cause our secured debt to total adjusted assets ratio to exceed 40%; (iii) a limitation on incurrence of any debt which would cause our debt service coverage ratio to be less than 1.5 times; and (iv) the maintenance at all times of total unencumbered assets not less than 150% of our outstanding unsecured debt. We have been in compliance with these covenants since each of the notes were issued.

The following is a summary of the key financial covenants to our senior unsecured notes, as defined and calculated per the terms of our notes. These calculations, which are not based on GAAP measurements, are presented to investors to show our ability to incur additional debt under the terms of our notes only and are not measures of our liquidity or performance. The actual amounts as of December 31, 2007 are:

Note Covenants	Required	Actual
Limitation on incurrence of total debt	≤ 60%	41.9%
Limitation on incurrence of secured debt	≤ 40%	0.0%

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Debt service coverage	≥ 1.5 x	4.2 x
Maintenance of total unencumbered assets	≥ 150% of unsecured debt	239%

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The following table summarizes the maturity of each of our obligations as of December 31, 2007 (dollars in millions):

Table of Obligations

Year of Maturity	Credit Facility (1)	Notes	Interest (2)	Ground Leases Paid by Realty Income(3)	Ground Leases Paid by Our Tenants(4)	Other (5)	Totals
2008	\$ --	\$ 100.0	\$ 91.2	\$ 0.1	\$ 1.8	\$ 8.6	\$ 201.7
2009	--	20.0	82.5	0.1	1.8	--	104.4
2010	--	--	82.4	0.1	1.7	--	84.2
2011	--	--	82.4	0.1	1.7	--	84.2
2012	--	--	82.4	0.1	1.6	--	84.1
Thereafter	--	1,350.0	505.9	1.0	16.5	--	1,873.4
Totals	\$ --	\$ 1,470.0	\$ 926.8	\$ 1.5	\$ 25.1	\$ 8.6	\$ 2,432.0

There was no outstanding credit facility balance on February 1, 2008.

- (1)
- (2) Interest on the credit facility and notes has been calculated based on outstanding balances as of December 31, 2007 through their respective maturity dates.
- (3) Realty Income currently pays the ground lessor directly for the rent under the ground lease. A majority of this rent is reimbursed to Realty Income as additional rent from our tenant.
- (4) Our tenants, who are generally sub-tenants under the ground leases, are responsible for paying the rent under these ground leases. In the event a tenant fails to pay the ground lease rent, we are primarily responsible.
- (5) Other consists of \$7.9 million of commitments under construction contracts and \$743,000 of contingent payments for tenant improvements and leasing costs.

Our credit facility and note obligations are unsecured. Accordingly, we have not pledged any assets as collateral for these obligations.

We anticipate paying off the notes due in 2008 and 2009 by one or more of the following; using cash on hand, utilizing our credit facility or issuing new securities.

Preferred Stock Outstanding

In 2004, we issued 5.1 million shares of 7.375% Class D cumulative redeemable preferred stock. Beginning May 27, 2009, shares of Class D preferred stock are redeemable at our option for \$25 per share, plus any accrued and unpaid dividends. Dividends on shares of Class D preferred stock are paid monthly in arrears.

In December 2006, we issued 8.8 million shares of 6.75% Class E cumulative redeemable preferred stock. Beginning December 7, 2011, shares of Class E preferred stock are redeemable at our option for \$25 per share, plus any accrued and unpaid dividends. Dividends on shares of Class E preferred stock are paid monthly in arrears.

No Off-Balance Sheet Arrangements or Unconsolidated Investments

We have no unconsolidated or off-balance sheet investments in "variable interest entities" or off-balance sheet financing, nor do we engage in trading activities involving energy or commodity contracts or other derivative instruments.

As we have no joint ventures, off-balance sheet entities, or mandatory redeemable preferred stock, our financial position or results of operations are currently not affected by Financial Accounting Standard Board Interpretation No.

46R, Consolidation of Variable Interest Entities and Statement of Financial Accounting Standard No. 150, Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity.

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Acquisitions During 2007

During 2007, Realty Income and Crest invested \$533.7 million, in aggregate, in 357 new retail properties and properties under development. These 357 new properties are located in 38 states, will contain over 1.9 million leasable square feet, and are 100% leased with an average lease term of 19.3 years. As described below, Realty Income acquired 325 properties and Crest acquired 32 properties.

Included in the \$533.7 million is \$503.8 million invested by Realty Income in 325 new properties and properties under development, with an initial weighted average contractual lease rate of 8.6%. These 325 properties are located in 38 states, will contain over 1.8 million leasable square feet and are 100% leased with an average lease term of 19.2 years. The 325 new properties acquired by Realty Income are net-leased to 16 different retail chains in the following nine industries: automotive service, automotive tire service, convenience store, distribution and office, drug store, grocery, health and fitness, restaurant and sporting goods. Also included in the \$533.7 million is \$29.9 million invested by Crest in 32 new restaurant properties.

The initial weighted average contractual lease rate is computed as estimated contractual net operating income (in a net-leased property that is equal to the base rent or, in the case of properties under development, the estimated base rent under the lease) for the first year of each lease, divided by the estimated total costs. Since it is possible that a tenant could default on the payment of contractual rent, we cannot assure you that the actual return on the funds invested will remain at the percentages listed above.

Increases in Monthly Distributions to Common Stockholders

We continue our 38-year policy of paying distributions monthly. Monthly distributions per share were increased in April 2007 by \$0.000625 to \$0.127125, in July 2007 by \$0.000625 to \$0.12775, in September 2007 by \$0.00775 to \$0.1355, in October 2007 by \$0.000625 to \$0.136125 and in January 2008 by \$0.000625 to \$0.13675. The increase in January 2008 was our 41st consecutive quarterly increase and the 47th increase in the amount of our dividend since our listing on the New York Stock Exchange, or NYSE, in 1994. In 2007, we paid the following monthly cash distributions per share: three in the amount of \$0.1265, three in the amount of \$0.127125, two in the amount of \$0.12775, one in the amount of \$0.1355 and three in the amount of \$0.136125, totaling \$1.56025. In December 2007 and January 2008, we declared distributions of \$0.13675 per share, which were paid in January 2008 and will be paid in February 2008, respectively.

The monthly distribution of \$0.13675 per share represents a current annualized distribution of \$1.641 per share, and an annualized distribution yield of approximately 6.5% based on the last reported sale price of our common stock on the NYSE of \$25.15 on February 1, 2008. Although we expect to continue our policy of paying monthly distributions, we cannot guarantee that we will maintain our current level of distributions, that we will continue our pattern of increasing distributions per share, or what our actual distribution yield will be in any future period.

RESULTS OF OPERATIONS

Critical Accounting Policies

Our consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). Our consolidated financial statements are the basis for our discussion and analysis of financial condition and results of operations. Preparing our consolidated financial statements requires us to make a number of estimates and assumptions that affect the reported amounts and disclosures in the consolidated financial statements. We believe that we have made these estimates and assumptions in an appropriate manner and in a way that accurately reflects our financial condition. We continually test and evaluate these estimates and assumptions using our historical knowledge of the business, as well as other factors, to ensure that they are reasonable for reporting purposes. However, actual results may differ from these estimates and assumptions.

In order to prepare our consolidated financial statements according to the rules and guidelines set forth by GAAP, many subjective judgments must be made with regard to critical accounting policies. One of these judgments is our estimate for useful lives in determining depreciation expense for our properties. Depreciation of buildings and improvements is generally computed using the straight-line method over an estimated useful life of 25 years. If we use a shorter or longer estimated useful life it could have a material impact on our results of operations. We believe that 25 years is an appropriate estimate of useful life. No depreciation has been recorded on Crest's properties because they are held for sale.

Another significant judgment must be made as to if, and when, impairment losses should be taken on our properties when events or a change in circumstances indicate that the carrying amount of the asset may not be recoverable. Generally, a provision is made for impairment loss if estimated future operating cash flows (undiscounted and without interest charges) plus estimated disposition proceeds (undiscounted) are less than the current book value. Impairment losses are measured as the amount by which the current book value of the asset exceeds the fair value of the asset. If a property is held for sale, it is carried at the lower of carrying cost or estimated fair value, less cost to sell. The carrying value of our real estate is the largest component of our consolidated balance sheet. If events should occur that require us to reduce the carrying value of our real estate by recording provisions for impairment losses, it could have a material impact on our results of operations.

The following is a comparison of our results of operations for the years ended December 31, 2007, 2006 and 2005.

Rental Revenue

Rental revenue was \$290.2 million for 2007 versus \$237.5 million for 2006, an increase of \$52.7 million, or 22.2%. Rental revenue was \$195.1 million in 2005. The increase in rental revenue in 2007 compared to 2006 is primarily attributable to:

- The 325 retail properties acquired by Realty Income in 2007, which generated \$13.6 million of rent in 2007;
- The 322 retail properties acquired by Realty Income in 2006, which generated \$53.4 million of rent in 2007 compared to \$15.7 million in 2006, an increase of \$37.7 million;
- Same store rents generated on 1,505 properties during the entire years of 2007 and 2006 increased by \$2.9 million, or 1.4%, to \$204.2 million from \$201.3 million; net of
- A decrease of \$1.2 million relating to the aggregate of (i) development properties acquired before 2006 that started paying rent in 2006, (ii) properties that were vacant during part of 2007 or 2006 and (iii) lease termination settlements. These items totaled \$17.74 million in aggregate in 2007 compared to \$18.96 million in 2006; and
- A decrease in straight-line rent and other non-cash adjustments to rent of \$274,000 in 2007 as compared to 2006.

Of the 2,270 properties in the portfolio at December 31, 2007, 2,259, or 99.5%, are single-tenant properties and the remaining 11 are multi-tenant properties. Of the 2,259 single-tenant properties, 2,212, or 97.9%, were net leased with a weighted average remaining lease term (excluding rights to extend a lease at the option of the tenant) of approximately 13.0 years at December 31, 2007. Of our 2,212 leased single-tenant properties, 1,999 or 90.4%, were under leases that provide for increases in rents through:

- Primarily base rent increases tied to a consumer price index;
 - Fixed increases;
- To a lesser degree, overage rent based on a percentage of the tenants' gross sales; or
 - A combination of two or more of the above rent provisions.

Percentage rent, which is included in rental revenue, was \$836,000 in 2007, \$1.1 million in 2006 and \$1.1 million in 2005. Percentage rent in 2007 was less than 1% of rental revenue and we anticipate percentage rent to be less than 1% of rental revenue in 2008.

Our portfolio of retail real estate, leased primarily to regional and national chains under net leases, continues to perform well and provide dependable lease revenue supporting the payment of monthly dividends to our stockholders. At December 31, 2007, our portfolio of 2,270 retail properties was 97.9% leased with 48 properties available for lease, one of which is a multi-tenant property.

As of February 1, 2008, transactions to lease or sell 17 of the 48 properties available for lease at December 31, 2007 were underway or completed. We anticipate these transactions will be completed during the next several months, although we cannot guarantee that all of these properties can be leased or sold within this period. It has been our experience that approximately 1% to 3% of our property portfolio will be unleased at any given time; however, we cannot assure you that the number of properties available for lease will not exceed these levels.

Depreciation and Amortization

Depreciation and amortization was \$77.2 million in 2007 versus \$59.3 million in 2006 and \$46.0 million in 2005. The increases in depreciation and amortization in 2007 and 2006 were due to the acquisition of properties in 2007, 2006 and 2005, which were partially offset by property sales in these years. As discussed in the section entitled "Funds from Operations Available to Common Stockholders," depreciation and amortization is a non-cash item that is excluded from our calculation of FFO.

Interest Expense

Interest expense was \$13.0 million higher in 2007 than in 2006. Interest expense increased in 2007 primarily due to higher average outstanding balances, which were partially offset by slightly lower interest rates related to our average outstanding borrowings, and Crest's larger investment in real estate, which contributed to the increase in interest expense included in discontinued operations. We issued \$550 million of 12-year notes in September 2007 and \$275 million of 10-year notes in September 2006, which contributed to the increase in average outstanding balances and slightly lower average interest rates on our debt.

The following is a summary of the components of our interest expense (dollars in thousands):

	2007	2006	2005
Interest on our credit facility and notes	\$ 67,964	\$ 54,068	\$ 40,968
Interest included in discontinued operations			
from real estate acquired for resale by Crest	(6,201)	(3,708)	(1,139)
Amortization of settlements on treasury lock agreement	870	717	756
Credit facility commitment fees	456	456	498
Amortization of credit facility origination costs and deferred			
bond financing costs	2,235	2,014	1,752
Interest capitalized	(993)	(2,184)	(1,886)
Interest expense	\$ 64,331	\$ 51,363	\$ 40,949

	2007	2006	2005
Credit facility and notes outstanding			
Average outstanding balances (dollars in thousands)	\$ 1,111,914	\$ 881,669	\$ 647,301
Average interest rates	6.11%	6.13%	6.33%

At February 1, 2008, the weighted average interest rate on our notes payable of \$1.47 billion was 6.28% and the average interest rate on our credit line was 3.78%. There was no outstanding balance on our credit line at February 1, 2008.

Interest Coverage Ratio

Our interest coverage ratio for 2007 was 4.1 times, for 2006 was 4.1 times and for 2005 was 4.4 times. Interest coverage ratio is calculated as: the interest coverage amount (as calculated in the following table) divided by interest expense, including interest recorded to discontinued operations. We consider interest coverage ratio to be an appropriate supplemental measure of a company's ability to meet its interest expense obligations. Our calculation of interest coverage ratio may be different from the calculation used by other companies and, therefore, comparability may be limited. This information should not be considered as an alternative to any GAAP liquidity measures.

The following is a reconciliation of net cash provided by operating activities on our consolidated statements of cash flow to our interest coverage amount (dollars in thousands):

	2007	2006	2005
Net cash provided by operating activities	\$ 318,169	\$ 86,945	\$ 109,557
Interest expense	64,331	51,363	40,949
Interest expense included in discontinued operations(1)	6,201	3,708	1,139
Income taxes	1,392	747	813
Income taxes included in discontinued operations(1)	3,039	494	943
Investment in real estate acquired for resale(1)(2)	29,886	113,166	55,890
Proceeds from sales of real estate acquired for resale(1)	(119,790)	(22,405)	(22,195)
Collection of a note receivable by Crest(1)	(651)	(1,333)	--
Crest provisions for impairment(1)	--	(1,188)	--
Gain on sales of real estate acquired for resale(1)	12,319	2,219	3,291
Amortization of share-based compensation	(3,857)	(2,951)	(2,167)
Changes in assets and liabilities:			
Accounts receivable and other assets	49	(4,418)	3,292
Accounts payable, accrued expenses and other liabilities	(21,675)	(3,208)	(8,290)
Interest coverage amount	\$ 289,413	\$ 223,139	\$ 183,222
Divided by interest expense(3)	\$ 70,532	\$ 55,071	\$ 42,088
Interest coverage ratio	4.1	4.1	4.4

(1) Crest activities.

(2) The 2005 amount includes intangibles recorded in connection with acquisitions of real estate acquired for resale.

(3) Includes interest expense recorded to "income from discontinued operations, real estate acquired for resale by Crest" on our consolidated statements of income.

Fixed Charge Coverage Ratio

Our fixed charge coverage ratio for 2007 was 3.1 times, for 2006 was 3.4 times and for 2005 was 3.6 times. Fixed charge coverage ratio is calculated in exactly the same manner as interest coverage ratio, except that preferred stock dividends are also added to the denominator. We consider fixed charge coverage ratio to be an appropriate supplemental measure of a company's ability to make its interest and preferred stock dividend payments. Our calculation of the fixed charge coverage ratio may be different from the calculation used by other companies and, therefore, comparability may be limited. This information should not be considered as an alternative to any GAAP liquidity measures or information presented in Exhibit 12.1 to this Annual Report.

Interest coverage amount divided by interest expense plus preferred stock dividends (dollars in thousands):

	2007	2006	2005
Interest coverage amount	\$ 289,413	\$ 223,139	\$ 183,222
Divided by interest expense plus preferred stock dividends (1)	\$ 94,785	\$ 66,433	\$ 51,491
Fixed charge coverage ratio	3.1	3.4	3.6

(1) Includes interest expense recorded to “income from discontinued operations, real estate acquired for resale by Crest” on our consolidated statements of income.

General and Administrative Expenses

General and administrative expenses increased by \$5.2 million to \$22.7 million in 2007 versus \$17.5 million in 2006. General and administrative expenses were \$15.4 million in 2005. In 2007, general and administrative expenses as a percentage of total revenue were 7.7% as compared to 7.3% in 2006 and 7.9% in 2005. General and administrative expenses increased in 2007 primarily due to increases in employee and director compensation costs. During 2007, we added two new directors to our board of directors. We anticipate that in 2008, general and administrative expenses as a percentage of total revenue will be flat or decrease.

In February 2008, we had 75 permanent employees as compared to 70 permanent employees in February 2007. As our property portfolio has grown and continues to grow, we have increased, and anticipate that we will continue to gradually increase the level of our staffing.

Property Expenses

Property expenses are broken down into costs associated with non-net leased multi-tenant properties, unleased single-tenant properties and general portfolio expenses. Expenses related to the multi-tenant and unleased single-tenant properties include, but are not limited to, property taxes, maintenance, insurance, utilities, property inspections, bad debt expense and legal fees. General portfolio costs include, but are not limited to, insurance, legal, bad debt expense, property inspections and title search fees. At December 31, 2007, 48 properties were available for lease, as compared to 26 at December 31, 2006 and 25 at December 31, 2005.

Property expenses were \$3.5 million in 2007, \$3.3 million in 2006 and \$3.9 million in 2005. Property expenses include provisions for impairment of \$138,000 recorded for one property in 2007 and \$151,000 recorded for two properties in 2005.

Income Taxes

Income taxes were \$1.4 million in 2007 as compared to \$747,000 in 2006 and \$813,000 in 2005. These amounts are for city and state income taxes paid by Realty Income. The increase in 2007 is due primarily to an increase in rental revenue resulting in higher city and state income tax expense and higher state tax rates.

In addition, Crest incurred state and federal income taxes of \$3.0 million in 2007 as compared to \$494,000 in 2006 and \$943,000 in 2005. The increase in Crest’s 2007 income taxes over the 2006 and 2005 income taxes is due to higher taxable income, primarily attributable to higher rental revenue and higher gain on sales of real estate acquired for resale. These amounts are included in “income from discontinued operations, real estate acquired for resale by Crest” on our consolidated statements of income.

Loss on Extinguishment of Debt

In September 2006, we redeemed all of our outstanding \$110 million, 7.75%, unsecured notes due May 2007 (the “2007 Notes”). The 2007 Notes were redeemed at a redemption price equal to 100% of the principal amount of the 2007 Notes, plus accrued and unpaid interest of \$3.2 million, as well as a make-whole payment of \$1.6 million. We recorded a loss on extinguishment of debt totaling \$1.6 million related to the make-whole payment associated with the

2007 Notes. For 2006, the make-whole payment represented approximately \$0.017 per share.

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Discontinued Operations

Crest acquires properties with the intention of reselling them rather than holding them as investments and operating the properties. Consequently, we classify properties acquired by Crest as held for sale at the date of acquisition and do not depreciate them. The operation of Crest's properties is classified as "income from discontinued operations, real estate acquired for resale by Crest" on our consolidated statements of income.

The following is a summary of Crest's "income from discontinued operations, real estate acquired for resale" on our consolidated statements of income (dollars in thousands, except per share data):

Crest's income from discontinued operations, real estate acquired for resale	2007	2006	2005
Gain on sales of real estate acquired for resale	\$ 12,319	\$ 2,219	\$ 3,291
Rental revenue	8,165	5,065	2,083
Other revenue	190	15	2
Interest expense	(6,201)	(3,708)	(1,139)
General and administrative expense	(691)	(440)	(453)
Property expenses	(40)	(67)	(60)
Provisions for impairment	--	(1,188)	--
Income taxes	(3,039)	(494)	(943)
Income from discontinued operations, real estate acquired for resale by Crest	\$ 10,703	\$ 1,402	\$ 2,781
Per common share, basic and diluted	\$ 0.11	\$ 0.02	\$ 0.03

Realty Income's operations from properties sold in 2007, 2006 and 2005 have been classified as discontinued operations. No investment properties were classified as held for sale at December 31, 2007. The following is a summary of Realty Income's "income from discontinued operations, real estate held for investment" on our consolidated statements of income (dollars in thousands, except per share data):

Realty Income's income from discontinued operations, real estate held for investment	2007	2006	2005
Gain on sales of investment properties	\$ 1,724	\$ 3,036	\$ 6,573
Rental revenue	881	1,063	2,296
Other revenue	2	34	2
Depreciation and amortization	(130)	(320)	(662)
Property expenses	(20)	(136)	(239)
Provisions for impairment	(134)	(16)	(35)
Income from discontinued operations, real estate held for investment	\$ 2,323	\$ 3,661	\$ 7,935
Per common share, basic and diluted	\$ 0.02	\$ 0.04	\$ 0.10

The following is a summary of our total income from discontinued operations (dollars in thousands, except per share data):

	2007	2006	2005
Real estate acquired for resale by Crest	\$ 10,703	\$ 1,402	\$ 2,781
Real estate held for investment	2,323	3,661	7,935
Income from discontinued operations	\$ 13,026	\$ 5,063	\$ 10,716
Per common share, basic and diluted	\$ 0.13	\$ 0.06	\$ 0.13

Crest's Property Sales

In 2007, Crest sold 62 properties for \$123.6 million, which resulted in a gain of \$12.3 million. For two property sales during 2007, Crest provided the buyers partial financing for a total of \$3.8 million, of which \$619,000 was paid in full in November 2007. In 2006, Crest sold 13 properties for \$22.4 million, which resulted in a gain of \$2.2 million. In 2005, Crest sold 12 properties for \$23.5 million, which resulted in a gain of \$3.3 million. In 2005, Crest provided a buyer partial financing of \$1.3 million for one property sale, which was paid in full in February 2006. Crest's gains on sales are reported before income taxes and are included in discontinued operations.

Crest's Property Inventory

At December 31, 2007, Crest had \$56.2 million invested in 30 properties, which are held for sale. At December 31, 2006, Crest's property inventory totaled \$137.5 million in 60 properties. Crest generally carries real estate inventory in excess of \$20 million. Crest generates an earnings spread on the difference between the lease payments it receives on the properties held in inventory and the cost of capital used to acquire properties. It is our belief that at this level of inventory, rental revenue will exceed the ongoing operating expenses of Crest without any property sales.

Gain on Sales of Investment Properties, Improvements and Land by Realty Income

In 2007, we sold ten investment properties for \$7.0 million, which resulted in a gain of \$1.7 million. This gain is included in discontinued operations. In addition, we sold excess land and improvements from five properties for an aggregate of \$4.4 million, which resulted in a gain of \$1.8 million. This gain from the land and improvements sales is reported in "other revenue" on our consolidated statements of income because these improvements and excess land were associated with properties that continue to be owned as part of our core operations. In 2006, we sold or exchanged 13 investment properties for \$10.7 million, which resulted in a gain of \$3.0 million, which is included in discontinued operations. In 2005, we sold 23 investment properties and sold a portion of the land from two properties for \$23.4 million and recognized a gain on sales of \$6.6 million, which is included in discontinued operations, except for \$18,000 that is included in "other revenue" on our consolidated statements of income.

We have an active portfolio management program that incorporates the sale of assets when we believe the reinvestment of the sale proceeds will generate higher returns, enhance the credit quality of our real estate portfolio or extend our average remaining lease term. At December 31, 2007, we classified real estate owned by Crest with a carrying amount of \$56.2 million as held for sale on our balance sheet. Additionally, we anticipate selling investment properties from our portfolio that have not yet been specifically identified, from which we anticipate receiving between \$10 million and \$35 million in proceeds during the next 12 months. We intend to invest these proceeds into new property acquisitions. However, we cannot guarantee that we will sell properties during the next 12 months.

Provisions for Impairment on Real Estate Acquired for Resale by Crest

In 2007 and 2005, no provisions for impairment were recorded by Crest. In 2006, provisions for impairment of \$1.2 million were recorded by Crest on three properties. One of the three properties was sold in 2007. Crest's properties are held for sale and the provisions for impairment recorded in 2006 reduced the carrying costs to the estimated fair-market value of those properties, net of estimated selling costs.

Provisions for Impairment on Realty Income Investment Properties

In 2007, we recorded a provision for impairment of \$134,000 on one property, which is included in "income from discontinued operations, real estate held for investment" on our consolidated statement of income, as the property was subsequently sold. Additionally, we recorded a provision for impairment of \$138,000 on one property in 2007, which is included in property expense on our consolidated statement of income. In 2006, we recorded a provision for impairment of \$16,000 on one property. In 2005, we recorded provisions for impairment totaling \$186,000 on four properties. The 2006 and 2005 provisions are included in "income from discontinued operations, real estate held for investment" except for \$151,000 in 2005, which is included in property expense on our consolidated statement of income.

Preferred Stock Dividends

Preferred stock cash dividends totaled \$24.3 million in 2007 as compared to \$11.4 million in 2006 and \$9.4 million in 2005.

Net Income Available to Common Stockholders

Net income available to common stockholders was \$116.2 million in 2007, an increase of \$16.8 million as compared to \$99.4 million in 2006. Net income available to common stockholders in 2005 was \$89.7 million.

The calculation to determine net income available to common stockholders includes gains from the sales of properties. The amount of gains varies from period to period based on the timing of property sales and can significantly impact net income available to common stockholders.

During 2007, the gain recognized from the sales of investment properties was \$3.6 million as compared to \$3.0 million during 2006 and \$6.6 million in 2005. Crest's gain recognized from the sale of properties during 2007 was \$12.3 million as compared to \$2.2 million during 2006 and \$3.3 million during 2005.

FUNDS FROM OPERATIONS AVAILABLE TO COMMON STOCKHOLDERS (FFO)

FFO for 2007 increased by \$33.9 million, or 21.8%, to \$189.7 million as compared to \$155.8 million in 2006 and \$129.6 million in 2005. The following is a reconciliation of net income available to common stockholders (which we believe is the most comparable GAAP measure) to FFO. Also presented is information regarding distributions paid to common stockholders and the weighted average number of shares used for the basic and diluted computation per share (dollars in thousands, except per share amounts):

	2007	2006	2005
Net income available to common stockholders	\$ 116,156	\$ 99,419	\$ 89,716
Depreciation and amortization:			
Continuing operations	77,192	59,288	46,002
Discontinued operations	130	320	662
Depreciation of furniture, fixtures and equipment	(244)	(192)	(142)
Gain on sales of land and investment properties:			
Continuing operations	(1,835)	--	(18)
Discontinued operations	(1,724)	(3,036)	(6,573)
FFO available to common stockholders	\$ 189,675	\$ 155,799	\$ 129,647
FFO per common share:			
Basic	\$ 1.89	\$ 1.74	\$ 1.62
Diluted	\$ 1.89	\$ 1.73	\$ 1.62
Distributions paid to common stockholders	\$ 157,659	\$ 129,667	\$ 108,575
FFO in excess of distributions paid to common stockholders	\$ 32,016	\$ 26,132	\$ 21,072
Weighted average number of common shares used for computation per share:			
Basic	100,195,031	89,766,714	79,950,255
Diluted	100,333,966	89,917,554	80,208,593

We define FFO, a non-GAAP measure, consistent with the National Association of Real Estate Investment Trust's definition, as net income available to common stockholders, plus depreciation and amortization of real estate assets, reduced by gains on sales of investment properties and extraordinary items.

We consider FFO to be an appropriate supplemental measure of a REIT's operating performance as it is based on a net income analysis of property portfolio performance that excludes noncash items such as depreciation. The historical accounting convention used for real estate assets requires straight-line depreciation of buildings and improvements, which implies that the value of real estate assets diminishes predictably over time. Since real estate values historically rise and fall with market conditions, presentations of operating results for a REIT, using historical accounting for depreciation, could be less informative. The use of FFO is recommended by the REIT industry as a supplemental performance measure. In addition, FFO is used as a measure of our compliance with the financial covenants of our credit facility.

Presentation of this information is intended to assist the reader in comparing the operating performance of different REITs, although it should be noted that not all REITs calculate FFO the same way, so comparisons with other REITs may not be meaningful. Furthermore, FFO is not necessarily indicative of cash flow available to fund cash needs and should not be considered as an alternative to net income as an indication of our performance. In addition, FFO should not be considered as an alternative to reviewing our cash flows from operating, investing and financing activities as a measure of liquidity, of our ability to make cash distributions or of our ability to pay interest payments.

Other Non-Cash Items and Capitalized Expenditures

The following information includes non-cash items and capitalized expenditures on existing properties in our portfolio. These items are not included in the adjustments to net income available to common stockholders to arrive at FFO. Analysts and investors often request this supplemental information.

(dollars in thousands)	2007	2006	2005
Amortization of settlements on treasury lock agreements(1)	\$ 870	\$ 717	\$ 756
Amortization of deferred note financing costs(2)	1,494	1,287	1,034
Amortization of share-based compensation	3,857	2,951	2,167
Capitalized leasing costs and commissions	(614)	(761)	(570)
Capitalized building improvements	(1,258)	(203)	(1,017)
Straight-line rent(3)	(1,217)	(1,515)	(1,360)
Provisions for impairment	272	16	186
Crest provisions for impairment	--	1,188	--
Crest gain on sale, previously reported as impairment	(271)	--	--
Gain on reinstatement of property carrying value	--	(716)	--

(1) The settlements on the treasury lock agreements resulted from an interest rate risk prevention strategy that we used in 1997 and 1998, which correlated to pending issuances of senior note securities. We have not employed this strategy since 1998.

(2) Amortization of deferred note financing costs includes the amortization of costs incurred and capitalized when our notes were issued in May 1997, October 1998, January 1999, March 2003, November 2003, March 2005, September 2005, September 2006 and September 2007. These costs are being amortized over the lives of these notes. No costs associated with our credit facility agreements or annual fees paid to credit rating agencies have been included.

(3) A negative amount indicates that our straight-line rent was greater than our actual cash rent collected.

IMPACT OF INFLATION

Tenant leases generally provide for limited increases in rent as a result of increases in the tenants' sales volumes, increases in the consumer price index, and/or fixed increases. We expect that inflation will cause these lease provisions to result in rent increases over time. During times when inflation is greater than increases in rent, as

provided for in the leases, rent increases may not keep up with the rate of inflation.

Approximately 97.4%, or 2,212, of the 2,270 properties in the portfolio are leased to tenants under net leases where the tenant is responsible for property expenses. Net leases tend to reduce our exposure to rising property expenses due to inflation. Inflation and increased costs may have an adverse impact on our tenants if increases in their operating expenses exceed increases in revenue.

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IMPACT OF RECENT ACCOUNTING PRONOUNCEMENTS

For information on the impact of recent accounting pronouncements on our business, see note 2 of the Notes to Consolidated Financial Statements.

Item 7A: Quantitative and Qualitative Disclosures about Market Risk

We are exposed to interest rate changes primarily as a result of our credit facility and long-term notes used to maintain liquidity and expand our real estate investment portfolio and operations. Our interest rate risk management objective is to limit the impact of interest rate changes on earnings and cash flow and to lower our overall borrowing costs. To achieve these objectives we issue long-term notes, primarily at fixed rates, and may selectively enter into derivative financial instruments, such as interest rate lock agreements, interest rate swaps and caps in order to mitigate our interest rate risk on a related financial instrument. We were not a party to any derivative financial instruments at December 31, 2007. We do not enter into any derivative transactions for speculative or trading purposes.

Our interest rate risk is monitored using a variety of techniques. The following table presents by year of expected maturity, the principal amounts, average interest rates and fair values as of December 31, 2007. This information is presented to evaluate the expected cash flows and sensitivity to interest rate changes (dollars in millions):

Expected Maturity Data

Year of maturity	Fixed rate debt	Average interest rate on fixed rate debt	Variable rate debt	Average interest rate on variable rate debt
2008(1)(2)	\$ 100.0	8.25%	\$ --	--%
2009(3)	20.0	8.00	--	--
2010	--	--	--	--
2011	--	--	--	--
2012	--	--	--	--
Thereafter(4)	1,350.0	6.10%	--	--
Totals	\$ 1,470.0	6.28%	\$ --	--%
Fair Value(5)	\$ 1,412.5		\$ --	

(1) \$100 million matures in November 2008.

(2) The credit facility expires in October 2008. There was no outstanding credit facility balance as of February 1, 2008.

(3) \$20 million matures in January 2009.

(4) \$100 million matures in March 2013, \$150 million matures in November 2015, \$275 million matures in September 2016, \$175 million matures in September 2017, \$550 million matures in August 2019 and \$100 million matures in March 2035.

(5) We base the fair value of the fixed rate debt at December 31, 2007 on the closing market price or indicative price per each note.

The table incorporates only those exposures that exist as of December 31, 2007. It does not consider those exposures or positions that could arise after that date. As a result, our ultimate realized gain or loss, with respect to interest rate fluctuations, would depend on the exposures that arise during the period, our hedging strategies at the time, and interest rates.

All of our outstanding notes and bonds have fixed interest rates. Our credit facility interest rate is variable. At December 31, 2007, our credit facility balance was zero; however, we intend to borrow funds on our credit facility in the future. Based on a hypothetical credit facility borrowing of \$50 million, a 1% change in interest rates would change our interest costs by \$500,000 per year.

Item 8: Financial Statements and Supplementary Data

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A. Report of Independent Registered Public Accounting Firm

B. Consolidated Balance Sheets,
December 31, 2007 and 2006

C. Consolidated Statements of Income,
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D. Consolidated Statements of Stockholders' Equity,
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E. Consolidated Statements of Cash Flows,
Years ended December 31, 2007, 2006 and 2005

F. Notes to Consolidated Financial Statements

G. Consolidated Quarterly Financial Data
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H. Schedule III Real Estate and Accumulated Depreciation

Schedules not filed: All schedules, other than that indicated in the Table of Contents, have been omitted as the required information is either not material, inapplicable or the information is presented in the financial statements or related notes.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Realty Income Corporation:

We have audited the accompanying consolidated financial statements of Realty Income Corporation and subsidiaries (the Company) as listed in the accompanying table of contents. In connection with our audits of the consolidated financial statements, we also have audited the financial statement Schedule III as listed in the accompanying table of contents. We also have audited Realty Income Corporation's internal control over financial reporting as of December 31, 2007, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these consolidated financial statements, financial statement schedule, for maintaining effective internal control over financial reporting, and for their assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on these consolidated financial statements, financial statement schedule, and on the Company's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the consolidated financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Realty Income Corporation and subsidiaries as of December 31, 2007 and 2006, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2007, in conformity with U.S. generally accepted accounting principles. Additionally, in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole,

presents fairly, in all material respects, the information set forth therein. Also in our opinion, Realty Income Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2007, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

/s/ KPMG
San Diego, California
February 12, 2008

REALTY INCOME CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets

December 31, 2007 and 2006
(dollars in thousands, except per share data)

	2007	2006
ASSETS		
Real estate, at cost:		
Land	\$ 1,110,897	\$ 958,770
Buildings and improvements	2,127,897	1,785,203
	3,238,794	2,743,973
Less accumulated depreciation and amortization	(470,695)	(396,854)
Net real estate held for investment	2,768,099	2,347,119
Real estate held for sale, net	56,156	137,962
Net real estate	2,824,255	2,485,081
Cash and cash equivalents	193,101	10,573
Accounts receivable	7,142	5,953
Goodwill	17,206	17,206
Other assets, net	35,648	27,695
Total assets	\$ 3,077,352	\$ 2,546,508
LIABILITIES AND STOCKHOLDERS' EQUITY		
Distributions payable	\$ 15,844	\$ 15,096
Accounts payable and accrued expenses	38,112	27,004
Other liabilities	15,304	8,416
Line of credit payable	--	--
Notes payable	1,470,000	920,000
Total liabilities	1,539,260	970,516
Commitments and contingencies		
Stockholders' equity:		
Preferred stock and paid in capital, par value \$1.00 per share, 20,000,000 shares authorized, 13,900,000 shares issued and outstanding in 2007 and 2006	337,790	337,781
Common stock and paid in capital, par value \$1.00 per share, 200,000,000 shares authorized, 101,082,717 and 100,746,226 shares issued and outstanding in 2007 and 2006, respectively	1,545,037	1,540,365
Distributions in excess of net income	(344,735)	(302,154)
Total stockholders' equity	1,538,092	1,575,992
Total liabilities and stockholders' equity	\$ 3,077,352	\$ 2,546,508

The accompanying notes to consolidated financial statements are an integral part of these statements.

REALTY INCOME CORPORATION AND SUBSIDIARIES
Consolidated Statements Of Income

Years Ended December 31, 2007, 2006 and 2005
(dollars in thousands, except per share data)

	2007	2006	2005
REVENUE			
Rental	\$ 290,159	\$ 237,487	\$ 195,099
Other	6,354	2,042	354
	296,513	239,529	195,453
EXPENSES			
Depreciation and amortization	77,192	59,288	46,002
Interest	64,331	51,363	40,949
General and administrative	22,694	17,539	15,421
Property	3,521	3,319	3,865
Income taxes	1,392	747	813
Loss on extinguishment of debt	--	1,555	--
	169,130	133,811	107,050
Income from continuing operations	127,383	105,718	88,403
Income from discontinued operations:			
Real estate acquired for resale by Crest	10,703	1,402	2,781
Real estate held for investment	2,323	3,661	7,935
	13,026	5,063	10,716
Net income	140,409	110,781	99,119
Preferred stock cash dividends	(24,253)	(11,362)	(9,403)
Net income available to common stockholders	\$ 116,156	\$ 99,419	\$ 89,716
Amounts available to common stockholders per common share:			
Income from continuing operations:			
Basic	\$ 1.03	\$ 1.05	\$ 0.99
Diluted	\$ 1.03	\$ 1.05	\$ 0.98
Net income, basic and diluted	\$ 1.16	\$ 1.11	\$ 1.12
Weighted average common shares outstanding:			
Basic	100,195,031	89,766,714	79,950,255
Diluted	100,333,966	89,917,554	80,208,593

The accompanying notes to consolidated financial statements are an integral part of these statements.

REALTY INCOME CORPORATION AND SUBSIDIARIES
Consolidated Statements Of Stockholders' Equity

Years Ended December 31, 2007, 2006 and 2005
(dollars in thousands)

	Shares of Preferred stock	Shares of Common stock	Preferred stock and paid in capital	Common stock and paid in capital	Distributions in excess of net income	Total
Balance, December 31, 2004	5,100,000	79,301,630	\$ 123,787	\$ 1,038,973	\$ (249,025)	\$ 913,735
Net income	--	--	--	--	99,119	99,119
Distributions paid and payable	--	--	--	--	(118,984)	(118,984)
Shares issued in stock offerings, net of offering costs of \$4,980	--	4,100,000	17	92,659	--	92,676
Share-based compensation	--	295,017	--	2,668	--	2,668
Balance, December 31, 2005	5,100,000	83,696,647	123,804	1,134,300	(268,890)	989,214
Net income	--	--	--	--	110,781	110,781
Distributions paid and payable	--	--	--	--	(144,045)	(144,045)
Shares issued in stock offerings, net of offering costs of \$20,911	--	16,815,000	--	402,745	--	402,745
Shares issued in stock offering, net of offering costs of \$6,023	8,800,000	--	213,977	--	--	213,977
Share-based compensation	--	234,579	--	3,320	--	3,320
Balance, December 31, 2006	13,900,000	100,746,226	337,781	1,540,365	(302,154)	1,575,992
Net income	--	--	--	--	140,409	140,409
Distributions paid and payable	--	--	--	--	(182,990)	(182,990)
Preferred stock issuance cost	--	--	9	--	--	9
Share-based compensation	--	336,491	--	4,672	--	4,672
Balance, December 31, 2007	13,900,000	101,082,717	\$ 337,790	\$ 1,545,037	\$ (344,735)	\$ 1,538,092

The accompanying notes to consolidated financial statements are an integral part of these statements.

REALTY INCOME CORPORATION AND SUBSIDIARIES
Consolidated Statements Of Cash Flows

Years Ended December 31, 2007, 2006 and 2005
(dollars in thousands)

	2007	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 140,409	\$ 110,781	\$ 99,119
Adjustments to net income:			
Depreciation and amortization	77,192	59,288	46,002
Income from discontinued operations:			
Real estate acquired for resale	(10,703)	(1,402)	(2,781)
Real estate held for investment	(2,323)	(3,661)	(7,935)
Gain on sales of land and improvements	(1,835)	--	(18)
Gain on reinstatement of property carrying value	--	(716)	--
Amortization of share-based compensation	3,857	2,951	2,167
Provisions for impairment on real estate held for investment	138	--	151
Cash provided by (used in) discontinued operations:			
Real estate acquired for resale	(1,610)	371	(510)
Real estate held for investment	863	961	2,059
Investment in real estate acquired for resale	(29,886)	(113,166)	(54,110)
Intangibles acquired in connection with acquisition of real estate acquired for resale	--	--	(1,780)
Proceeds from sales of real estate acquired for resale	119,790	22,405	22,195
Collection of notes receivable by Crest	651	1,333	--
Change in assets and liabilities:			
Accounts receivable and other assets	(49)	4,418	(3,292)
Accounts payable, accrued expenses and other liabilities	21,675	3,382	8,290
Net cash provided by operating activities	318,169	86,945	109,557
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales of investment properties:			
Continuing operations	4,370	2	109
Discontinued operations	7,014	9,804	22,191
Acquisition of and improvements to investment properties	(506,360)	(654,149)	(417,347)
Restricted escrow funds acquired in connection with acquisitions of investment properties	(2,648)	--	--
Intangibles acquired in connection with acquisitions of investment properties	(997)	(937)	(9,494)
Net cash used in investing activities	(498,621)	(645,280)	(404,541)

REALTY INCOME CORPORATION AND SUBSIDIARIES
Consolidated Statements Of Cash Flows
(Continued)

Years Ended December 31, 2007, 2006 and 2005
(dollars in thousands)

	2007	2006	2005
CASH FLOWS FROM FINANCING ACTIVITIES			
Borrowings from lines of credit	407,800	523,200	400,300
Payments under lines of credit	(407,800)	(659,900)	(287,200)
Proceeds from common stock offerings, net	--	402,745	92,659
Proceeds from notes issued, net	544,397	271,883	270,266
Principal payment on notes	--	(110,000)	--
Proceeds from preferred stock offerings, net	9	213,977	--
Cash distributions to common stockholders	(157,659)	(129,667)	(108,575)
Cash dividends to preferred stockholders	(24,583)	(9,403)	(9,403)
Proceeds from other stock issuances	816	369	500
Net cash provided by financing activities	362,980	503,204	358,547
Net increase (decrease) in cash and cash equivalents	182,528	(55,131)	63,563
Cash and cash equivalents, beginning of year	10,573	65,704	2,141
Cash and cash equivalents, end of year	\$ 193,101	\$ 10,573	\$ 65,704

For supplemental disclosures, see note 13.

The accompanying notes to consolidated financial statements are an integral part of these statements.

REALTY INCOME CORPORATION AND SUBSIDIARIES

Notes To Consolidated Financial Statements

December 31, 2007, 2006 and 2005

1. Organization and Operation

Realty Income Corporation (“Realty Income,” the “Company,” “we” or “our”) is organized as a Maryland corporation. We invest in commercial retail real estate and have elected to be taxed as a real estate investment trust (“REIT”).

At December 31, 2007, we owned 2,270 properties, located in 49 states, containing over 18.5 million leasable square feet, along with 30 properties owned by our wholly-owned taxable REIT subsidiary, Crest Net Lease, Inc. (“Crest”). Crest was created to buy and sell properties, primarily to individual investors who are involved in tax-deferred exchanges under Section 1031 of the Internal Revenue Code of 1986, as amended (the “Tax Code”).

Information with respect to number of properties, square feet, average initial lease term and weighted average contractual lease rate is unaudited.

2. Summary of Significant Accounting Policies and Procedures

Federal Income Taxes. We have elected to be taxed as a real estate investment trust (“REIT”) under the Tax Code. We believe we have qualified and continue to qualify as a REIT. Under the REIT operating structure, we are permitted to deduct distributions paid to our stockholders and generally will not be required to pay federal corporate income taxes on such income. Accordingly, no provision has been made for federal income taxes in the accompanying consolidated financial statements, except for federal income taxes of Crest, which totaled \$2.5 million in 2007, \$396,000 in 2006 and \$760,000 in 2005 and are included in discontinued operations.

Earnings and profits that determine the taxability of distributions to stockholders differ from net income reported for financial reporting purposes due to differences in the estimated useful lives and methods used to compute depreciation and the carrying value (basis) on the investments in properties for tax purposes, among other things.

The following reconciles our net income available to common stockholders to taxable income for 2007 (dollars in thousands) (unaudited):

Net income available to common stockholders	\$ 116,156
Tax loss on the sale of real estate less than book gains	(3,839)
Elimination of net revenue and expenses from Crest	(6,677)
Dividends received from Crest	3,300
Preferred dividends not deductible for tax	24,583
Depreciation and amortization timing differences	22,668
Adjustment for straight-line rent	(1,217)
Adjustment for an increase in prepaid rent	5,608
Other adjustments	(164)
Estimated taxable net income, before our dividends paid deduction	\$ 160,418

In June 2006, the Financial Accounting Standards Board (“FASB”) issued Interpretation No. 48, Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109. Interpretation No. 48 applies to all tax positions accounted for under Statement No. 109 and clarifies the accounting for uncertainty in income taxes by defining criteria that a tax position on an individual matter must meet before that position is recognized in the

financial statements. The adoption of Interpretation No. 48 in January 2007 did not impact our financial position or results of operations and we do not have any material unrecognized tax benefits or liabilities.

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Absent an election to the contrary, if a REIT acquires property that is or has been owned by a C corporation in a transaction in which the tax basis of the property in the hands of the REIT is determined by reference to the tax basis of the property in the hands of the C Corporation, and the REIT recognizes gain on the disposition of such property during the 10 year period beginning on the date on which it acquired the property, then the REIT will be required to pay tax at the highest regular corporate tax rate on this gain to the extent of the excess of the fair market value of the property over the REIT's adjusted basis in the property, in each case determined as of the date the REIT acquired the property. In August 2007, we acquired 100% of the stock of a C corporation that owned real property. At the time of acquisition, the C corporation became a Qualified REIT Subsidiary, was deemed to be liquidated for Federal income tax purposes, and the real property was deemed to be transferred to us with a carryover tax basis. As of December 31, 2007, we have built-in gains of \$59 million with respect to such property. We do not expect that we will be required to pay income tax on the built-in gains in these properties during the ten-year period ending August 28, 2017. It is our intent, and we have the ability, to defer any dispositions of these properties to periods when the related gains would not be subject to the built-in gain income tax or otherwise to defer the recognition of the built-in gain related to these properties. However, our plans could change and it may be necessary to dispose of one or more of these properties in a taxable transaction before August 28, 2017, in which case we would be required to pay corporate level tax with respect to the built-in gains on these properties as described above.

Net Income Per Common Share. Basic net income per common share is computed by dividing net income available to common stockholders by the weighted average number of common shares outstanding during each period. Diluted net income per common share is computed by dividing net income available to common stockholders for the period by the weighted average number of common shares that would have been outstanding assuming the issuance of common shares for all potentially dilutive common shares outstanding during the reporting period.

The following is a reconciliation of the denominator of the basic net income per common share computation to the denominator of the diluted net income per common share computation:

	2007	2006	2005
Weighted average shares used for the basic net income per share computation	100,195,031	89,766,714	79,950,255
Incremental shares from share-based compensation	138,935	150,840	258,338
Adjusted weighted average shares used for diluted net income per share computation	100,333,966	89,917,554	80,208,593
Nonvested shares from share-based compensation that were anti-dilutive	243,631	235,035	305,476

No stock options were anti-dilutive in 2007, 2006 or 2005.

Discontinued Operations. In accordance with FASB Statement No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets ("SFAS 144"), Realty Income's operations from investment properties sold in 2007, 2006 and 2005 are reported as discontinued operations. Their respective results of operations have been reclassified to "income from discontinued operations, real estate held for investment" on our consolidated statements of income. We do not

depreciate properties that are classified as held for sale. No investment properties were classified as held for sale at December 31, 2007.

Crest acquires properties with the intention of reselling them rather than holding them for investment and operating the properties. Consequently, we classify properties acquired by Crest as held for sale at the date of acquisition and do not depreciate them. In accordance with SFAS 144, the operations of Crest's properties are classified as "income from discontinued operations, real estate acquired for resale by Crest" on our consolidated statements of income.

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No debt was assumed by buyers of our investment properties or repaid as a result of our investment property sales and we do not allocate interest expense to discontinued operations related to real estate held for investment. We allocate interest expense related to borrowings specifically attributable to Crest's properties. The interest expense amounts allocated to the Crest properties are included in "income from discontinued operations, real estate acquired for resale by Crest" on our consolidated statements of income.

The following is a summary of Crest's "income from discontinued operations, real estate acquired for resale" on our consolidated statements of income (dollars in thousands):

Crest's income from discontinued operations, real estate acquired for resale	2007	2006	2005
Gain on sales of real estate acquired for resale	\$ 12,319	\$ 2,219	\$ 3,291
Rental revenue	8,165	5,065	2,083
Other revenue	190	15	2
Interest expense	(6,201)	(3,708)	(1,139)
General and administrative expense	(691)	(440)	(453)
Property expenses	(40)	(67)	(60)
Provisions for impairment	--	(1,188)	--
Income taxes	(3,039)	(494)	(943)
Income from discontinued operations, real estate acquired for resale by Crest	\$ 10,703	\$ 1,402	\$ 2,781

The following is a summary of Realty Income's "income from discontinued operations, from real estate held for investment" on our consolidated statements of income (dollars in thousands):

Realty Income's income from discontinued operations, real estate held for investment	2007	2006	2005
Gain on sales of investment properties	\$ 1,724	\$ 3,036	\$ 6,573
Rental revenue	881	1,063	2,296
Other revenue	2	34	2
Depreciation and amortization	(130)	(320)	(662)
Property expenses	(20)	(136)	(239)
Provisions for impairment	(134)	(16)	(35)
Income from discontinued operations, real estate held for investment	\$ 2,323	\$ 3,661	\$ 7,935

The following is a summary of our total income from discontinued operations (dollars in thousands, except per share data):

	2007	2006	2005
Real estate acquired for resale by Crest	\$ 10,703	\$ 1,402	\$ 2,781
Real estate held for investment	2,323	3,661	7,935
Income from discontinued operations	\$ 13,026	\$ 5,063	\$ 10,716
Per common share, basic and diluted	\$ 0.13	\$ 0.06	\$ 0.13

The per share amounts for "income from discontinued operations" above and the "income from continuing operations" and "net income" reported on the consolidated statements of income have each been calculated independently.

Revenue Recognition and Accounts Receivable. All leases are accounted for as operating leases. Under this method, lease payments that have fixed and determinable rent increases are recognized on a straight-line basis over the lease term. Any rental revenue contingent upon a tenant's sales is recognized only after the tenant exceeds their sales breakpoint. Rental increases based upon changes in the consumer price indexes are recognized only after the changes in the indexes have occurred and are then applied according to the lease agreements.

We recognize an allowance for doubtful accounts relating to accounts receivable for amounts deemed uncollectible. We consider tenant specific issues such as financial stability and ability to pay rent when determining collectibility of accounts receivable and appropriate allowances to record. The allowance for doubtful accounts was \$795,000 at December 31, 2007 and \$705,000 at December 31, 2006.

Other revenue includes non operating interest earned from investments in money market funds and other notes of \$3.6 million in 2007, \$1.2 million in 2006 and \$171,000 in 2005.

Principles of Consolidation. The accompanying consolidated financial statements include the accounts of Realty Income, Crest and other entities for which we make operating and financial decisions (control), after elimination of all material intercompany balances and transactions. All of Realty Income's and Crest's subsidiaries are wholly-owned. We have no unconsolidated or off-balance sheet investments in variable interest entities.

Cash Equivalents. We consider all short-term, highly liquid investments that are readily convertible to cash and have an original maturity of three months or less at the time of purchase to be cash equivalents. Our cash equivalents are primarily investments in United States Treasury or government money market funds.

Gain on Sales of Properties. We recognize gains on sales of properties in accordance with FASB Statement No 66, Accounting for Sales of Real Estate.

Depreciation and Amortization. Land, buildings and improvements are recorded and stated at cost. Major replacements and betterments, which improve or extend the life of the asset, are capitalized and depreciated over their estimated useful lives, while ordinary repairs and maintenance are expensed as incurred. Buildings and improvements that are under redevelopment, or are being developed, are carried at cost and no depreciation is recorded on these assets. Additionally, amounts essential to the development of the property, such as pre-construction, development, construction, interest and any other costs incurred during the period of development are capitalized. We cease capitalization when the property is available for occupancy upon substantial completion of tenant improvements, but in any event no later than one year from the completion of major construction activity.

Properties are depreciated using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

Buildings	25 years
Building improvements	4 to 15 years
Tenant improvements and lease commissions life	The shorter of the term of the related lease or useful life
Acquired in-place operating leases	Remaining terms of the respective leases

Provisions for Impairment. We review long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Generally, a provision is made for impairment if estimated future operating cash flows (undiscounted and without interest charges) plus estimated disposition proceeds (undiscounted) are less than the current book value. Impairment loss is measured as the amount by which the current book value of the asset exceeds the fair value of the asset. If a property is held for sale, it is carried at the lower of cost or estimated fair value, less estimated cost to sell.

In 2007, we recorded a provision for impairment of \$134,000 on one retail investment property in the motor vehicle industry. This provision for impairment is included in “income from discontinued operations, real estate held for investment” on our consolidated statement of income (“Discontinued Operations”). In 2007, we also recorded a provision for impairment of \$138,000 on one retail investment property in the consumer electronics industry. This provision for impairment is included in property expense on our consolidated statements of income.

In 2006, we recorded a provision for impairment of \$16,000 on one retail investment property in the restaurant industry. In 2005, we recorded provisions for impairment of \$186,000 on four retail properties, of which two have been sold. These properties were classified in the following industries: one in child care and three in restaurant.

The provisions for impairment recorded on investment properties in 2006 and 2005 are included in Discontinued Operations, except for \$151,000 in 2005 which is included in property expense on our consolidated statements of income.

In 2006, Crest recorded provisions for impairment of \$1.2 million on three retail properties, which were held for resale at December 31, 2006. One of the three properties was sold in 2007. No provision for impairment was recorded by Crest in 2007 or 2005. Provisions for impairment recorded by Crest are included in “income from discontinued operations, real estate acquired for resale by Crest” on our consolidated statements of income.

Acquired In-place Leases. In accordance with FASB Statement No. 141, Business Combinations (“SFAS 141”), the fair value of the real estate acquired with in-place operating leases is allocated to the acquired tangible assets, consisting of land, building and improvements, and identified intangible assets and liabilities, consisting of the value of above-market and below-market leases, the value of in-place leases and tenant relationships, based in each case on their fair values.

The fair value of the tangible assets of an acquired property (which includes land and buildings/improvements) is determined by valuing the property as if it were vacant, and the “as-if-vacant” value is then allocated to land and buildings/improvements based on our determination of the relative fair value of these assets. Our determinations are based on a real estate appraisal for each property, generated by an independent appraisal firm, and consider estimates of carrying costs during the expected lease-up periods, current market conditions, as well as costs to execute similar leases. In allocating the fair value to identified intangibles for above-market or below-market leases, an amount is recorded based on the present value of the difference between (i) the contractual amount to be paid pursuant to the in-place lease and (ii) our estimate of fair market lease rate for the corresponding in-place lease, measured over a period equal to the remaining term of the lease.

Capitalized above-market lease values are amortized as a reduction of rental income over the remaining terms of the respective leases. Capitalized below-market lease values are amortized as an increase to rental income over the remaining terms of the respective leases and expected below-market renewal option periods.

The aggregate value of other acquired intangible assets consists of the value of in-place leases and tenant relationships. These are measured by the excess of the purchase price paid for a property, after adjusting for above or below-market lease value, less the estimated fair value of the property “as if vacant,” determined as set forth above. The value of in-place leases, exclusive of the value of above-market and below-market in-place leases, is amortized to expense over the remaining periods of the respective leases. If a lease were to be terminated prior to its stated expiration, all unamortized amounts relating to that lease would be recorded to revenue or expense as appropriate.

Share-Based Compensation

Effective January 1, 2006, we adopted FASB Statement No. 123R, Share-Based Payments. Statement No. 123R requires companies to recognize in the income statement the grant-date fair value of stock options and other equity-based compensation issued to employees. Effective January 1, 2002, we adopted the fair value recognition

provisions of FASB Statement No. 123, Accounting for Stock-Based Compensation, and starting January 1, 2002 expensed costs for all stock option awards granted, modified, or settled.

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Goodwill. Goodwill is tested for impairment during the second quarter of each year as well as when events or circumstances occur indicating that our goodwill might be impaired. We did not record any new goodwill or impairment on our existing goodwill during 2007, 2006 or 2005.

Other Assets. Other assets consist of the following (in thousands):

December 31,	2007	2006
Deferred bond financing costs, net	\$ 14,940	\$ 10,868
Value of in-place and above-market leases, net	11,211	10,430
Prepaid expenses	3,803	3,271
Corporate assets, net of accumulated depreciation and amortization	1,356	463
Settlements on treasury lock agreements	759	1,629
Unamortized credit line fees, net	434	954
Other items	3,145	80
	\$ 35,648	\$ 27,695

Accounts Payable and Accrued Expenses. Accounts payable and accrued expenses consist of the following (in thousands):

December 31,	2007	2006
Bond interest payable	\$ 24,987	\$ 12,888
Other items	13,125	14,116
	\$ 38,112	\$ 27,004

Other Liabilities. Other liabilities consist of the following (in thousands):

December 31,	2007	2006
Rent received in advance	\$ 10,626	\$ 4,878
Security deposits	2,818	2,291
Value of in-place below-market leases, net	1,860	1,247
	\$ 15,304	\$ 8,416

Sales Taxes. We collect and remit sales taxes assessed by different governmental authorities that are both imposed on and concurrent with a revenue-producing transaction between us and our tenants. We report the collection of these taxes on a net basis (excluded from revenues). The amounts of these taxes are not significant to our financial position or results of operations.

Use of Estimates. The consolidated financial statements were prepared in conformity with U.S. generally accepted accounting principles, which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Impact of Recent Accounting Pronouncements. In September 2006, the FASB issued Statement No. 157, Fair Value Measurements. Statement No. 157 sets out a framework for measuring fair value, and requires additional disclosures about fair-value measurements. Statement No. 157 becomes effective for us at the beginning of 2008. The impact of adopting Statement No. 157 is not expected to have a material effect on our financial position or results of operations.

In February 2007, the FASB issued Statement No. 159, The Fair Value Option for Financial Assets and Financial Liabilities—including an Amendment of FASB Statement No. 115. Statement No. 159 permits entities to choose to measure many financial instruments and certain other items at fair value. We have elected not to use the fair value measurement provisions of Statement No. 159.

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In December 2007, the FASB issued Statement No. 141R (revised 2007), Business Combinations. Statement No. 141R will change the accounting for business combinations. Under Statement No. 141R, an acquiring entity will be required to recognize all the assets acquired and liabilities assumed in a transaction at the acquisition-date fair value with limited exceptions. Statement No. 141R will change the accounting treatment and disclosures for certain specific items in a business combination. Statement No. 141R becomes effective for us at the beginning of 2009. We are still evaluating the impact of Statement No. 141R on our financial position or results of operations.

In December 2007, the FASB issued Statement No. 160, Noncontrolling Interest in Consolidated Financial Statements. Statement No. 160 clarifies that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. This statement also requires consolidated net income to be reported at amounts that include the amounts attributable to both the parent and the noncontrolling interest and requires disclosure, on the face of the consolidated statement of income, of the amounts of consolidated net income attributable to the parent and to the noncontrolling interest. In addition, this statement establishes a single method of accounting for changes in a parent's ownership interest in a subsidiary that does not result in deconsolidation and requires that a parent recognize a gain or loss in net income when a subsidiary is deconsolidated. Statement No. 160 becomes effective for us at the beginning of 2009. This statement will be applied prospectively, except for the presentation and disclosure requirements, which will be applied retrospectively for all periods presented. We currently do not have any minority or noncontrolling interests in a subsidiary and we do not expect Statement No. 160 to have an impact on our consolidated financial statements; however, transactions between now and the adoption date of Statement No. 160 could have an impact on our consolidated financial statements.

Reclassifications. Certain of the 2006 and 2005 balances have been reclassified to conform to the 2007 presentation.

3. Retail Properties Acquired

We acquire land, buildings and improvements that are used by retail operators.

A. During 2007, Realty Income and Crest invested \$533.7 million, in aggregate, in 357 new retail properties and properties under development. These 357 properties are located in 38 states, will contain over 1.9 million leasable square feet, and are 100% leased with an average lease term of 19.3 years.

In comparison, during 2006, Realty Income and Crest invested \$769.9 million, in aggregate, in 378 new retail properties and properties under development. These 378 retail properties are located in 30 states, contain over 3.8 million leasable square feet, and are 100% leased with an average lease term of 17.1 years.

B. Of the \$533.7 million invested during 2007, Realty Income invested \$503.8 million in 325 new retail properties and properties under development with an initial weighted average contractual lease rate of 8.6%. These 325 properties are located in 38 states, will contain over 1.8 million leasable square feet, and are 100% leased with an average lease term of 19.2 years. The initial weighted average contractual lease rate is computed by dividing the estimated aggregate base rent for the first year of each lease by the estimated total cost of the properties.

In comparison, during 2006, Realty Income invested \$656.7 million in 322 new retail properties and properties under development, with an initial weighted average contractual lease rate of 8.6%. These 322 properties are located in 30 states, contain over 3.3 million leasable square feet and are 100% leased with an average lease term of 16.7 years.

C. During 2007, Crest invested \$29.9 million in 32 new retail properties. In comparison, during 2006, Crest invested \$113.2 million in 56 retail properties.

D. Crest's property inventory at December 31, 2007 consisted of 30 properties with a total investment of \$56.2 million and at December 31, 2006 consisted of 60 properties with a total investment of \$137.5 million. These amounts are included on our consolidated balance sheets in "real estate held for sale, net."

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E. Of the \$533.7 million invested in 2007, \$14.7 million was used to acquire five properties with existing leases already in-place with retail tenants. In accordance with SFAS 141, Realty Income recorded \$1.8 million as the intangible value of the in-place leases and \$784,000 as the intangible value of below-market rents. These amounts are recorded to “other assets” and “other liabilities,” respectively, on our consolidated balance sheet at December 31, 2007 and are amortized over the life of the respective leases.

Of the \$769.9 million invested in 2006, \$6.0 million was used to acquire one property with an existing lease already in-place with a retail tenant. In accordance with SFAS 141, Realty Income recorded \$1.6 million as the intangible value of the in-place lease and \$628,000 as the intangible value of below-market rents. These amounts were recorded to “other assets” and “other liabilities”, respectively, on our consolidated balance sheet and are amortized over the life of the respective lease.

4. Credit Facility

We have a \$300 million acquisition credit facility that expires in October 2008, unless extended as provided for in the credit facility agreement. We have the right to extend the credit facility for an additional term of one year (to October 2009). Since May 2007, our investment grade credit ratings provided for financing under the credit facility at LIBOR (London Interbank Offered Rate) plus 60 basis points with a facility commitment fee of 15 basis points, for all-in drawn pricing of 75 basis points over LIBOR.

The average borrowing rate on our credit facilities during 2007 was 6.0%, compared to 5.7% in 2006 and 4.3% in 2005 on our previous \$250 million credit facility, which expired in October 2005. The increase in the average borrowing rate is due to an increase in LIBOR since the beginning of 2005. The effective borrowing rate at December 31, 2007 was 5.2% and at December 31, 2006 was 6.0%. Our current credit facility is subject to various leverage and interest coverage ratio limitations. We are and have been in compliance with these covenants.

Our credit facility is unsecured and accordingly, we have not pledged any assets as collateral for this obligation. We regularly review our credit facility and may seek to extend, renew or replace our credit facility, to the extent we deem appropriate.

5. Notes Payable

Our senior unsecured note obligations consist of the following as of December 31, 2007, sorted by maturity date (dollars in millions):

8.25% notes, issued in October 1998 and due in November 2008	\$	100.0
8% notes, issued in January 1999 and due in January 2009		20.0
5.375% notes, issued in March 2003 and due in March 2013		100.0
5.5% notes, issued in November 2003 and due in November 2015		150.0
5.95% notes, issued in September 2006 and due in September 2016		275.0
5.375% notes, issued in September 2005 and due in September 2017		175.0
6.75% notes, issued in September 2007 and due in August 2019		550.0
5.875% bonds, issued in March 2005 and due in March 2035		100.0
	\$	1,470.0

Interest incurred on all of the notes for 2007 was \$67.1 million, for 2006 was \$49.6 million and for 2005 was \$39.5 million. In addition, when our 7.75% senior unsecured notes due 2007 were redeemed in September 2006, we paid a

\$1.6 million make-whole payment, which is classified as “loss on extinguishment of debt” on our consolidated statements of income. The interest rate on each of these notes is fixed.

Our outstanding notes are unsecured and accordingly, we have not pledged any assets as collateral for these or any other obligations. Interest on all of the senior note obligations is paid semiannually, with the exception of the interest on the 8.25% senior notes issued in October 1998 which is paid monthly.

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All of these notes contain various covenants, including: (i) a limitation on incurrence of any debt which would cause our debt to total adjusted assets ratio to exceed 60%; (ii) a limitation on incurrence of any secured debt which would cause our secured debt to total adjusted assets ratio to exceed 40%; (iii) a limitation on incurrence of any debt which would cause our debt service coverage ratio to be less than 1.5 times; and (iv) the maintenance at all times of total unencumbered assets not less than 150% of our outstanding unsecured debt. We have been in compliance with these covenants since each of the notes were issued.

In September 2007, we issued \$550 million in aggregate principal amount of 6.75% senior unsecured notes due 2019 (the "2019 Notes"). The price to the investor for the 2019 Notes was 99.827% of the principal amount for an effective yield of 6.772%. The net proceeds of approximately \$544.4 million from this offering were used to fund certain property acquisitions, repay borrowings under our acquisition credit facility and for general corporate purposes. The remaining net proceeds, which are included in "cash and cash equivalents" on our 2007 consolidated balance sheet, will be used for general corporate purposes, which include additional property acquisitions.

In September 2006, we issued \$275 million in aggregate principal amount of 5.95% senior unsecured notes due 2016 (the "2016 Notes"). The price to the investor for the 2016 Notes was 99.74% of the principal amount for an effective yield of 5.985%. The net proceeds of approximately \$271.9 million from this offering were used for general corporate purposes and to redeem the outstanding \$110 million 7.75% unsecured notes due May 2007 (the "2007 Notes"), which were issued in May 1997.

In September 2006, we redeemed all of our outstanding 2007 Notes at a redemption price equal to 100% of the principal amount, plus accrued and unpaid interest of \$3.2 million and a make-whole payment of \$1.6 million. We recorded a loss on extinguishment of debt totaling \$1.6 million related to the make-whole payment associated with the 2007 Notes. For 2006, the make-whole payment represented approximately \$0.017 per share.

In September 2005, we issued \$175 million in aggregate principal amount of 5.375% senior unsecured notes due 2017 (the "2017 Notes"). The price to the investor for the 2017 Notes was 99.974% of the principal amount for an effective yield of 5.378%. The net proceeds of approximately \$173.2 million from this offering were used to repay borrowings under our unsecured acquisition credit facility, to fund new property acquisitions and for other general corporate purposes.

In March 2005, we issued \$100 million in aggregate principal amount of 5.875% senior unsecured bonds due 2035 (the "2035 Bonds"). The price to the investor for the 2035 Bonds was 98.296% of the principal amount for an effective yield of 5.998%. The net proceeds of approximately \$97 million from this offering were used to repay borrowings under our acquisition credit facility and for other general corporate purposes.

In May 1998, we entered into a treasury interest rate lock agreement associated with the 8.25% senior notes issued in October 1998 (the "2008 Notes"). In settlement of the agreement, we made a payment of \$8.7 million in 1998. The payment on the agreement is being amortized over 10 years (the life of the notes) as a yield adjustment to interest expense. After taking into effect the results of the treasury lock settlement, the effective rate to us on the 2008 Notes is 9.12%.

The following table summarizes the maturity of our notes payable as of December 31, 2007 (dollars in millions):

Year of Maturity(1)	Notes
2008	\$ 100.0
2009	20.0
After 2012	1,350.0
Totals	\$ 1,470.0

(1) There are no maturities in 2010, 2011 and 2012.

We anticipate paying off the notes due in 2008 and 2009 by one or more of the following; using cash on hand, utilizing our credit facility or issuing new securities.

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6. Common Stock Offerings

A. In October and November 2006, we issued an aggregate of 6.9 million shares of common stock at a price of \$26.40 per share. The net proceeds of approximately \$173.2 million were used to fund new property acquisitions and for other general corporate purposes.

B. In September 2006, we issued 4.715 million shares of common stock at a price of \$24.32 per share. The net proceeds of approximately \$109 million from this offering were used to fund new property acquisitions, repay borrowings under our credit facility and for other general corporate purposes.

C. In March 2006, we issued 5.2 million shares of common stock at a price of \$24.39 per share. The net proceeds of approximately \$120.5 million were used to fund new property acquisitions and for other general corporate purposes.

D. In September 2005, we issued 4.1 million shares of common stock at a price of \$23.79 per share. The net proceeds of \$92.7 million were used to fund new property acquisitions and for other general corporate purposes.

7. Preferred Stock

A. In December 2006, we issued 8.8 million shares of 6.75% Monthly Income Class E cumulative redeemable preferred stock. The net proceeds of \$214 million from this issuance were used to repay borrowings under our credit facility and for other general corporate purposes. Beginning December 7, 2011, the Class E preferred shares are redeemable, at our option, for \$25 per share. During 2007, we paid twelve monthly dividends to holders of our Class E preferred stock totaling \$1.725 per share, or \$15.2 million, and at December 31, 2007 a monthly dividend of \$0.140625 per share was payable and was paid in January 2008. In January 2007, we paid the first Class E preferred dividend of \$0.178125, which covered a period of 38 days.

B. In 2004, we issued 5.1 million shares of 7.375% Monthly Income Class D cumulative redeemable preferred stock. The net proceeds of \$123.8 million from this issuance were used to redeem a portion of the outstanding Class B and Class C preferred stock, repay borrowings outstanding under our acquisition credit facility and for other general corporate purposes. Beginning May 27, 2009, the Class D preferred shares are redeemable, at our option, for \$25 per share. During 2007, 2006 and 2005, we paid twelve monthly dividends to holders of our Class D preferred stock totaling \$1.8437508, or \$9.4 million, and at December 31, 2007 a monthly dividend of \$0.1536459 was payable and was paid in January 2008.

8. Distributions Paid and Payable

A. Common Stock

We pay monthly cash distributions to our common stockholders. The following is a summary of monthly distributions paid per common share for the years:

Month	2007	2006	2005
January	\$ 0.126500	\$ 0.116250	\$ 0.110000
February	0.126500	0.116250	0.110000
March	0.126500	0.116250	0.110000
April	0.127125	0.116875	0.110625
May	0.127125	0.116875	0.110625
June	0.127125	0.116875	0.110625
July	0.127750	0.117500	0.111250
August	0.127750	0.117500	0.111250
September	0.135500	0.125250	0.115000
October	0.136125	0.125875	0.115625
November	0.136125	0.125875	0.115625
December	0.136125	0.125875	0.115625
Total	\$ 1.560250	\$ 1.437250	\$ 1.346250

The following presents the federal income tax characterization of distributions paid or deemed to be paid per common share for the years (unaudited):

	2007	2006	2005
Ordinary income	\$ 1.3847719	\$ 1.2945466	\$ 1.210091
Nontaxable distributions	0.1754781	0.1427034	0.136159
Capital gain	--	--	--
Totals	\$ 1.5602500	\$ 1.4372500	\$ 1.3462500

At December 31, 2007, a distribution of \$0.13675 per common share was payable and was paid in January 2008. At December 31, 2006, a distribution of \$0.1265 per common share was payable and was paid in January 2007.

B. Preferred Stock

Dividends of \$0.1536459 per share are paid monthly in arrears on the Class D preferred stock. We declared dividends to holders of our Class D preferred stock totaling \$9.4 million in 2007, \$9.8 million in 2006, and \$9.4 million in 2005. The dividends paid per share to our Class D preferred stockholders for 2007, 2006 and 2005 of \$1.84375 were characterized for federal income tax purposes as ordinary income.

Dividends of \$0.140625 per share are paid monthly in arrears on the Class E preferred stock. We declared dividends to holders of our Class E preferred stock totaling \$14.9 million in 2007 and \$1.6 million in 2006. The first Class E dividend was paid in January 2007. The dividends paid per share to our Class E preferred stockholders for 2007 of \$1.725 were characterized for federal income tax purposes as ordinary income.

9. Operating Leases

A. At December 31, 2007, we owned 2,270 properties in 49 states, excluding 30 properties owned by Crest. Of these 2,270 properties, 2,259, or 99.5%, are single-tenant, retail properties and the remaining 11 are multi-tenant, distribution and office properties. At December 31, 2007, 48 properties were vacant and available for lease or sale.

Substantially all leases are net leases where the tenant pays property taxes and assessments, maintains the interior and exterior of the building and leased premises, and carries insurance coverage for public liability, property damage, fire and extended coverage.

Rent based on a percentage of a tenants' gross sales (percentage rents) for 2007 was \$851,000, for 2006 was \$1.1 million and for 2005 was \$1.2 million, including amounts recorded to discontinued operations.

At December 31, 2007, minimum future annual rents to be received on the operating leases for the next five years and thereafter are as follows (dollars in thousands):

2008	\$ 307,983
2009	295,745
2010	286,809
2011	279,163
2012	269,310
Thereafter	2,668,430
Total	\$ 4,107,440

B. Major Tenants – No individual tenant's rental revenue, including percentage rents, represented more than 10% of our total revenue for each of the years ended December 31, 2007, 2006 or 2005.

10. Gain on Sales of Real Estate Acquired for Resale by Crest

In 2007, Crest sold 62 properties for \$123.6 million, which resulted in a gain of \$12.3 million. For two property sales during 2007, Crest provided the buyers partial financing for a total of \$3.8 million, of which \$619,000 was paid in full in November 2007. In 2006, Crest sold 13 properties for \$22.4 million, which resulted in a gain of \$2.2 million. In 2005, Crest sold 12 properties for \$23.5 million, which resulted in a gain of \$3.3 million. In 2005, Crest provided a buyer partial financing of \$1.3 million for one property, which was paid in full in February 2006. Crest's gains on sales are reported before income taxes and are included in discontinued operations.

11. Gain on Sales of Investment Properties, Improvements and Land by Realty Income

In 2007, we sold ten investment properties for \$7.0 million, which resulted in a gain of \$1.7 million. This gain is included in discontinued operations. In addition, we sold excess land and improvements from five properties for an aggregate of \$4.4 million, which resulted in a gain of \$1.8 million. This gain from the land and improvements sales is reported in "other revenue" on our consolidated statements of income because these improvements and excess land were associated with properties that continue to be owned as part of our core operations.

In 2006, we sold or exchanged 13 investment properties for \$10.7 million, which resulted in a gain of \$3.0 million that is included in discontinued operations.

In 2005, we sold 23 investment properties and sold a portion of the land from two properties for \$23.4 million, which resulted in a gain of \$6.6 million. This gain is included in discontinued operations, except for \$18,000 that is included in “other revenue” on our consolidated statements of income.

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12. Fair Value of Financial Instruments

We believe that the carrying values reflected in the consolidated balance sheets at December 31, 2007 and 2006 reasonably approximate the fair values for cash and cash equivalents, accounts receivable, and all liabilities, due to their short-term nature, except for notes payable. In making these assessments, we used estimates. The estimated fair value of the notes payable at December 31, 2007 is \$1.413 billion and at December 31, 2006 is \$921.9 million, based upon the closing market price per note or indicative price per each note at December 31, 2007 and 2006, respectively.

13. Supplemental Disclosures of Cash Flow Information

Interest paid in 2007 was \$56.7 million, in 2006 was \$52.4 million and in 2005 was \$36.4 million.

Interest capitalized to properties under development in 2007 was \$993,000, in 2006 was \$2.2 million and in 2005 was \$1.9 million.

Income taxes paid by Realty Income and Crest in 2007 were \$4.3 million, in 2006 were \$775,000 and in 2005 were \$1.4 million.

The following non-cash investing and financing activities are included in the accompanying consolidated financial statements:

- A. Share-based compensation expense for 2007 was \$3.9 million, for 2006 was \$3.0 million and for 2005 was \$2.2 million.
- B. See “Provisions for Impairment” in note 2 for a discussion of impairments recorded by Realty Income and Crest.
- C. In 2007, Crest sold two properties for an aggregate of \$5.5 million and received notes totaling \$3.8 million from the buyers, of which \$619,000 was paid in full in November 2007. The remaining note is included in “other assets” on our December 31, 2007 consolidated balance sheet.
- D. In connection with the acquisition of seven properties during 2007, we acquired restricted escrow funds totaling \$2.6 million. During 2007, all of these funds were invested in improvements to these properties.
- E. In accordance with FASB Statement No. 143, Accounting for Asset Retirement Obligations, we recorded an additional \$239,000 of estimated legal obligations related to asset retirement obligations on two land leases in 2007. In 2005, an asset retirement obligation was originally established for \$402,000 to account for the difference between our obligations to the landlord under the two land leases and our subtenant’s obligations to us under the subleases.
- F. In 2006, we exchanged one of our properties for a different property that was leased to the same tenant. As part of this transaction, accumulated depreciation was reduced by \$67,000 and a gain of \$67,000 was recorded. The original cost of and the value received for the property exchanged was \$900,000. This transaction had no impact on land or building and improvements.
- G. In 2006, we received shares of a public company as settlement of a bankruptcy claim associated with a former tenant. We recorded a value of \$207,000, which is in “other revenue” on our consolidated income statement, based on the closing market price of these shares on December 31, 2006 and included them in “other assets” on our consolidated balance sheet at December 31, 2006. The shares were sold in January 2007.

- H. In 2005, Crest sold a property for \$2.8 million and issued a note of \$1.3 million, which was paid in full in 2006 and is included in “other assets” on our December 31, 2005 consolidated balance sheet.
- I. Accrued costs on properties under development resulted in an increase in buildings and improvements and accounts payable of \$1.7 million in 2006. In 2005, non-cash additions to properties resulted in an increase in buildings of \$5.4 million and an increase in accounts payable of \$5.1 million.

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J. Distributions payable on our balance sheets is comprised of the following declared distributions (dollars in thousands):

	12/31/07	12/31/06
Common stock distributions	\$ 13,823	\$ 12,745
Preferred stock dividends	2,021	2,351

K. In 2004, we recorded an impairment of \$716,000 on one property to reduce its carrying value to zero. This loss was the result of a dispute with the original owner and tenant in their bankruptcy proceeding. Our title insurance company failed to timely record the deed on this property upon our original acquisition, which resulted in a claim by the bankruptcy trustee that Realty Income did not have legal title to the property. In the second quarter of 2006, this issue was resolved and we obtained title to the property. At that time we reinstated the original carrying value adjusted for depreciation on our balance sheet and recorded other revenue of \$716,000. We also reversed accrued liabilities and property expenses of \$133,000 associated with this property. As part of the settlement, these costs became the responsibility of the title insurance company.

14. Employee Benefit Plan

We have a 401(k) plan covering substantially all of our employees. Under our 401(k) plan, employees may elect to make contributions to the plan up to a maximum of 60% of their compensation, subject to limits under the IRS Code. We match 50% of our employee's contributions, up to 3% of the employee's compensation. Our aggregate matching contributions each year have been immaterial to our results of operations.

15. Common Stock Incentive Plan

In 2003, our Board of Directors adopted, and stockholders approved, the 2003 Incentive Award Plan of Realty Income Corporation (the "Stock Plan") to enable us to attract and retain the services of directors, employees and consultants, considered essential to our long-term success, by offering them an opportunity to own stock in Realty Income and/or rights that will reflect our growth, development and financial success. The Stock Plan was amended and restated by our Board of Directors in February 2006 and in May 2007. Under the terms of this plan, the aggregate number of shares of our common stock subject to options, stock purchase rights (SPR), stock appreciation rights (SAR) and other awards will be no more than 3,428,000 shares. The maximum number of shares that may be subject to options, stock purchase rights, stock appreciation rights and other awards granted under the plan to any individual in any calendar year may not exceed 1,600,000 shares. This plan has a term of 10 years from the date it was adopted by our Board of Directors, which was March 12, 2003. To date, we have not issued any SPR or SAR.

The amount of share-based compensation costs charged against income during 2007 were \$3.9 million, during 2006 were \$3.0 million and during 2005 were \$2.2 million.

No stock options were granted after January 1, 2002 and all outstanding options were fully vested as of December 31, 2006. Stock options were granted with an exercise price equal to the underlying stock's fair market value at the date of grant. Stock options expire ten years from the date they are granted and vested over service periods of one, three, four or five years.

The following table summarizes our stock option activity for the years:

	2007		2006		2005	
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Outstanding options, beginning of year	106,368	\$ 13.06	135,348	\$ 13.02	176,130	\$ 13.01
Options exercised	(61,361)	13.32	(28,696)	12.86	(40,352)	12.93
Options forfeited	--	--	(284)	14.70	(430)	14.70
Outstanding options, end of year	45,007	\$ 12.71	106,368	\$ 13.06	135,348	\$ 13.02
Outstanding exercisable, end of year	45,007	\$ 12.71	106,368	\$ 13.06	119,924	\$ 12.87

At December 31, 2007, the options outstanding and exercisable had exercise prices ranging from \$10.63 to \$14.70, with a weighted average price of \$12.71, and expiration dates ranging from May 2008 to December 2011 with a weighted average remaining term of 3.1 years.

The intrinsic value of a stock option is the amount by which the market value of the underlying stock at December 31 of each year exceeds the exercise price of the option. The market value of the Company's stock was \$27.02, \$27.70 and \$21.62 at December 31, 2007, 2006 and 2005, respectively. The total intrinsic value of options exercised during the years ended December 31, 2007, 2006 and 2005 was \$904,000, \$268,000 and \$377,000, respectively. The total intrinsic value of options vested during the years ended December 31, 2006 and 2005 was \$143,000 and \$67,000, respectively. The aggregate intrinsic value of options outstanding was \$644,000, \$1.6 million and \$1.2 million at December 31, 2007, 2006 and 2005, respectively. The aggregate intrinsic value of options exercisable at December 31, 2007, 2006 and 2005 was \$644,000, \$1.6 million and \$1.1 million, respectively.

The following table summarizes our common stock grant activity under our Stock Plan for the years 2007, 2006 and 2005. Our common stock grants vest over periods ranging from immediately to 10 years.

	2007		2006		2005	
	Number of shares	Weighted average price(1)	Number of shares	Weighted average price(1)	Number of shares	Weighted average price(1)
Outstanding nonvested shares, beginning of year	868,726	\$ 17.96	788,722	\$ 17.83	626,868	\$ 14.98
Shares granted	276,631	27.64	210,332	21.72	306,241	25.20
Shares vested	(149,284)	20.94	(125,879)	20.39	(92,811)	16.69
Shares forfeited	(1,501)	24.81	(4,449)	21.35	(51,576)	17.31
Outstanding nonvested shares, end of year	994,572	\$ 19.46	868,726	\$ 17.96	788,722	\$ 17.83

(1) Grant date fair value.

During 2007, we issued 276,631 shares of common stock under our Stock Plan. These shares vest over the following service periods: 20,000 vested upon issuance, 4,000 vest over a service period of one year, 12,000 vest over a service period of three years, 19,000 vest over a service period of five years and 221,631 vest over a service period of 10 years.

Our Stock Plan was amended on May 15, 2007. For grants made on or after May 15, 2007 the vesting schedule for shares granted to non-employee directors was amended to the following schedule:

- Shares vest in 33.33% increments on each of the first three anniversaries of the date the shares of stock are granted to directors with less than five years of service at the date of grant;
- Shares vest in 50% increments on each of the first two anniversaries of the date the shares of stock are granted to directors with six years of service at the date of grant;
- Shares are 100% vested on the first anniversary of the date the shares of stock are granted to directors with seven years of service at the date of grant; and
- There is immediate vesting as of the date the shares of stock are granted to directors with eight or more years of service at the date of grant.

On May 15, 2007, our Board of Directors also approved a new vesting schedule for shares granted to employees on or after May 15, 2007, which is as follows:

- For employees age 49 and below at the grant date, shares vest in 10% increments on each of the first ten anniversaries of the grant date;
- For employees age 50 through 55 at the grant date, shares vest in 20% increments on each of the first five anniversaries of the grant date;
- For employees age 56 at the grant date, shares vest in 25% increments on each of the first four anniversaries of the grant date;
- For employees age 57 at the grant date, shares vest in 33.33% increments on each of the first three anniversaries of the grant date;
- For employees age 58 at the grant date, shares vest in 50% increments on each of the first two anniversaries of the grant date;
- For employees age 59 at the grant date, shares are 100% vested on the first anniversary of the grant date; and
- For employees age 60 and above at the grant date, shares vest immediately on the grant date.

In addition, after they have been employed for six full months, all non-executive employees receive 200 shares of nonvested stock which vests over a five year period.

As of December 31, 2007, the remaining unamortized share-based compensation expense totaled \$19.4 million, which is being amortized on a straight-line basis over the service period of each applicable award. The amount of share-based compensation is based on the fair value of the stock at the grant date. We define the grant date as the date the recipient and the Company have a mutual understanding of the key terms and condition of the award and the recipient of the grant begins to benefit from, or be adversely affected by subsequent changes in the price of the shares.

The effect of pre-vesting forfeitures on our recorded expense has historically been negligible. Any future pre-vesting forfeitures are also expected to be negligible and we will record the benefit related to such forfeitures as they occur. Under the terms of our Stock Plan, we pay non-refundable dividends to the holders of our nonvested shares. Under Statement No. 123R, the dividends paid to holders of these nonvested shares should be charged as compensation expense to the extent that they relate to nonvested shares that do not or are not expected to vest. Given the negligible historical and prospective forfeiture rate determined by us, we did not record any amount to compensation expense related to dividends paid in 2007, 2006 or 2005, nor do we expect to record any amounts in future periods.

16. Segment Information

We evaluate performance and make resource allocation decisions on an industry by industry basis. For financial reporting purposes, we have grouped our tenants into 31 industry and activity segments (including properties owned by Crest that are grouped together). All of the properties are incorporated into one of the applicable segments. Because almost all of our leases require the tenant to pay operating expenses, revenue is the only component of segment profit and loss we measure.

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The following tables set forth certain information regarding the properties owned by us, classified according to the business of the respective tenants as of December 31, 2007 (dollars in thousands):

For the years ended December 31,	Revenue		
	2007	2006	2005
Segment rental revenue(1):			
Automotive parts	\$ 6,347	\$ 6,066	\$ 6,077
Automotive service	14,849	16,495	15,083
Automotive tire services	21,235	14,501	13,821
Child care	24,323	24,649	24,819
Convenience stores	40,727	38,283	36,711
Drug stores	7,830	6,986	5,593
Health and fitness	14,874	10,212	7,212
Home furnishings	7,797	7,623	7,552
Home improvement	6,116	7,127	2,152
Motor vehicle dealerships	9,540	7,890	4,747
Restaurants	60,908	28,191	17,888
Sporting goods	7,443	6,829	6,747
Theaters	26,120	22,906	10,139
17 non-reportable segments	42,050	39,729	36,558
Total rental revenue	290,159	237,487	195,099
Other revenue	6,354	2,042	354
Total revenue	\$ 296,513	\$ 239,529	\$ 195,453

(1)Crest's revenue appears in "income from discontinued operations, real estate acquired for resale by Crest" and is not included in this table, which covers revenue but does not include revenue classified as part of income from discontinued operations.

Assets, as of December 31:	2007	2006
Segment net real estate:		
Automotive parts	\$ 42,555	\$ 36,026
Automotive service	101,238	104,089
Automotive tire services	212,746	211,760
Child care	91,219	96,263
Convenience stores	408,119	334,839
Drug stores	100,154	78,347
Health and fitness	169,109	102,718
Home furnishings	54,508	56,286
Home improvement	59,497	61,301
Motor vehicle dealerships	101,886	104,122
Restaurants	776,973	540,093
Sporting goods	57,135	56,291
Theaters	267,423	272,135
Crest	56,156	137,506
17 other non-reportable segments	325,537	293,305
Total segment net real estate	2,824,255	2,485,081
Other intangible assets – Drug stores	6,988	7,629
Other intangible assets – Theaters	2,496	2,801

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Other intangible assets – Automotive tire services	765	--
Other intangible assets – Grocery stores	962	--
Other corporate assets	241,886	50,997
Total assets	\$ 3,077,352	\$ 2,546,508

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17. Commitments and Contingencies

In the ordinary course of our business, we are party to various legal actions which we believe are routine in nature and incidental to the operation of our business. We believe that the outcome of the proceedings will not have a material adverse effect upon our consolidated financial position or results of operations.

At December 31, 2007, we have committed \$7.9 million under construction contracts. These costs are expected to be paid in the next 12 months. In addition, we also have contingent payments for tenant improvements and leasing costs of \$743,000.

We have certain properties that are subject to ground leases which are accounted for as operating leases. At December 31, 2007, minimum future rental payments for the next five years and thereafter are as follows (dollars in thousands):

	Ground leases paid by Realty Income(1)	Ground leases paid by our tenants(2)	Total
2008	\$ 137	\$ 1,844	\$ 1,981
2009	92	1,778	1,870
2010	82	1,701	1,783
2011	69	1,668	1,737
2012	69	1,591	1,660
Thereafter	969	16,485	17,454
Total	\$ 1,418	\$ 25,067	\$ 26,485

Realty Income currently pays the ground lessor directly for the rent under the ground lease. A majority of this rent (1) is reimbursed to Realty Income as additional rent from our tenant.

Our tenants, who are generally sub-tenants under the ground leases, are responsible for paying the rent under these (2) ground leases. In the event a tenant fails to pay the ground lease rent, we are primarily responsible.

REALTY INCOME CORPORATION AND SUBSIDIARIES
Consolidated Quarterly Financial Data

(dollars in thousands, except per share data)
(not covered by Report of Independent Registered Public Accounting Firm)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year(2)
2007(1)					
Total revenue	\$ 71,198	\$ 70,589	\$ 74,080	\$ 80,646	\$ 296,513
Depreciation and amortization expense	18,083	18,475	19,559	21,075	77,192
Interest expense	12,420	13,029	16,163	22,719	64,331
Other expenses	6,207	7,151	7,458	6,791	27,607
Income from continuing operations	34,488	31,934	30,900	30,061	127,383
Income from discontinued operations	1,835	5,002	3,073	3,115	13,026
Net income	36,323	36,936	33,973	33,176	140,409
Net income available to common stockholders	30,260	30,873	27,910	27,113	116,156
Net income per common share:					
Basic	0.30	0.31	0.28	0.27	1.16
Diluted	0.30	0.31	0.28	0.27	1.16
Dividends paid per common share	0.379500	0.381375	0.391000	0.408375	1.56025
2006(1)					
Total revenue	\$ 55,015	\$ 56,366	\$ 59,154	\$ 68,995	\$ 239,529
Depreciation and amortization expense	13,461	14,740	14,581	16,505	59,288
Interest expense	13,198	11,930	12,530	13,706	51,363
Other expenses	5,335	5,268	6,520	6,037	23,160
Income from continuing operations	23,021	24,428	25,523	32,747	105,718
Income (loss) from discontinued operations	1,867	2,212	1,035	(51)	5,063
Net income	24,888	26,640	26,558	32,696	110,781
Net income available to common stockholders	22,537	24,289	24,207	28,386	99,419
Net income per common share:					
Basic	0.27	0.28	0.27	0.29	1.11
Diluted	0.27	0.27	0.27	0.29	1.11
Dividends paid per common share	0.348750	0.350625	0.360250	0.377625	1.437250

(1) The consolidated quarterly financial data includes revenues and expenses from our continuing and discontinued operations. The results of operations related to certain properties, that have been classified as held for sale or have been disposed of, have been reclassified to income from discontinued operations. Therefore, some of the information may not agree to our previously filed 10-Qs.

(2) Amounts for each period are calculated independently. The sum of the quarters may differ from the annual amount.

Item 9: Changes In and Disagreements With Accountants on Accounting and Financial Disclosure

We have had no disagreements with our independent registered public accounting firm on accountancy or financial disclosure, nor have we changed accountants in the two most recent fiscal years.

Item 9A: Controls and Procedures

Evaluation of Disclosure Controls and Procedures. We maintain disclosure controls and procedures (as defined in Securities Exchange Act 1934 Rules 13a-14(c) and 15d-14(c)) that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As of and for the year ended December 31, 2007, we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer. Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective and were operating at a reasonable assurance level.

Management's Report on Internal Control Over Financial Reporting.

Internal control over financial reporting refers to the process designed by, or under the supervision of, our Chief Executive Officer and Chief Financial Officer, and effected by our board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, and includes those policies and procedures that:

- (1) Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company.

Management has used the framework set forth in the report entitled "Internal Control--Integrated Framework" published by the Committee of Sponsoring Organizations ("COSO") of the Treadway Commission to evaluate the effectiveness of the Company's internal control over financial reporting. Management has concluded that the Company's internal control over financial reporting was effective as of the end of the most recent fiscal year. KPMG LLP has issued an attestation report on the effectiveness of the Company's internal control over financial reporting.

Submitted on February 12, 2008 by,

Thomas A Lewis, Chief Executive Officer and Vice Chairman

Paul M. Meurer, Chief Financial Officer, Executive Vice President and Treasurer

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Changes in Internal Controls. There have not been any significant changes in our internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation. There were no material weaknesses in our internal controls, and therefore no corrective actions were taken.

Limitations on the Effectiveness of Controls. Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of its inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

Item 9B: Other Information

None.

PART III

Item 10: Directors, Executive Officers and Corporate Governance

The information set forth under the captions “Director Nominees” and “Officers of the Company” and “Compliance with Federal Securities Laws” will be included in the definitive proxy statement for the 2008 Annual Meeting of Stockholders, to be filed pursuant to Regulation 14A. The Annual Meeting of Stockholders is presently scheduled to be held on May 13, 2008.

Item 11: Executive Compensation

The information set forth under the caption “Executive Compensation” will be included in the definitive proxy statement for the 2008 Annual Meeting of Stockholders, to be filed pursuant to Regulation 14A.

Item 12: Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information set forth under the caption “Security Ownership of Certain Beneficial Owners and Management” will be included in the definitive proxy statement for the 2008 Annual Meeting of Stockholders, to be filed pursuant to Regulation 14A.

Item 13: Certain Relationships, Related Transactions and Director Independence

The information set forth under the caption “Certain Transactions” will be included in the definitive proxy statement for the 2008 Annual Meeting of Stockholders, to be filed pursuant to Regulation 14A.

Item 14: Principal Accounting Fees and Services

The information set forth under the caption “Independent Registered Public Accounting Firm Fees and Services” will be included in the definitive proxy statement for the 2008 Annual Meeting of Stockholders, to be filed pursuant to Regulation 14A.

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PART IV

Item 15: Exhibits and Financial Statement Schedules

A. The following documents are filed as part of this report.

1. Financial Statements (see Item 8)

a. Reports of Independent Registered Public Accounting Firm

b. Consolidated Balance Sheets,
December 31, 2007 and 2006

c. Consolidated Statements of Income,
Years ended December 31, 2007, 2006 and 2005

d. Consolidated Statements of Stockholders' Equity,
Years ended December 31, 2007, 2006 and 2005

e. Consolidated Statements of Cash Flows,
Years ended December 31, 2007, 2006 and 2005

f. Notes to Consolidated Financial Statements

g. Consolidated Quarterly Financial Data,
(unaudited) for 2007 and 2006

2. Financial Statement Schedule. Reference is made to page F-1 of this report for Schedule III Real Estate and Accumulated Depreciation (electronically filed with the Securities and Exchange Commission, but not included herein).

Schedules not Filed: All schedules, other than those indicated in the Table of Contents, have been omitted as the required information is either not material, inapplicable or the information is presented in the financial statements or related notes.

3. Exhibits

Articles of Incorporation and By-Laws

Exhibit No.	Description
-------------	-------------

3.1	Articles of Incorporation of the Company, as amended by amendment No. 1 dated May 10, 2005 and amendment No. 2 dated May 10, 2005 (filed as exhibit 3.1 to the Company's Form 10-Q for the quarter ended June 30, 2005, and incorporated herein by reference).
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3.2	Bylaws of the Company, as amended by amendment No. 1 dated March 20, 2000, amendment No. 2 dated June 15, 2005, and as amended and restated on December 12, 2007 (filed as exhibit 3.1 to the Company's Form 8-K dated December 12, 2007, and incorporated herein by reference).
-----	--

3.3 Articles Supplementary to the Articles of Incorporation of the Company classifying and designating the 7.375% Monthly Income Class D Cumulative Redeemable Preferred Stock (filed as exhibit 3.8 to the Company's Form 8-A filed on May 25, 2004 and incorporated herein by reference).

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3.4 Articles Supplementary to the Articles of Incorporation of the Company classifying and designating additional shares of the 7.375% Monthly Income Class D Cumulative Redeemable Preferred Stock (filed as exhibit 3.2 to the Company's Form 8-K filed on October 19, 2004 and incorporated herein by reference).

3.5 Articles Supplementary to the Articles of Incorporation of the Company classifying and designating the 6.75% Class E Cumulative Redeemable Preferred Stock (filed as exhibit 3.5 to the Company's Form 8-A filed on December 5, 2006 and incorporated herein by reference).

Instruments defining the rights of security holders, including indentures

4.1 Pricing Committee Resolutions (filed as exhibit 4.2 to the Company's Form 8-K, dated October 27, 1998 and incorporated herein by reference).

4.2 Form of 8.25% Notes due 2008 (filed as exhibit 4.3 to the Company's Form 8-K, dated October 27, 1998 and incorporated herein by reference).

4.3 Indenture dated as of October 28, 1998 between the Company and The Bank of New York (filed as exhibit 4.1 to the Company's Form 8-K, dated October 27, 1998 and incorporated herein by reference).

4.4 Pricing Committee Resolutions and Form of 8% Notes due 2009 (filed as exhibit 4.2 to the Company's Form 8-K, dated January 21, 1999 and incorporated herein by reference).

4.5 Form of 5.375% Senior Notes due 2013 (filed as exhibit 4.2 to the Company's Form 8-K, dated March 5, 2003 and incorporated herein by reference).

4.6 Officer's Certificate pursuant to sections 201, 301 and 303 of the Indenture dated October 28, 1998 between the Company and The Bank of New York, as Trustee, establishing a series of securities entitled 5.375% Senior Notes due 2013 (filed as exhibit 4.3 to the Company's Form 8-K, dated March 5, 2003 and incorporated herein by reference).

4.7 Form of 5.50% Senior Notes due 2015 (filed as exhibit 4.2 to the Company's Form 8-K, dated November 19, 2003 and incorporated herein by reference).

4.8 Officer's Certificate pursuant to sections 201, 301 and 303 of the Indenture dated October 28, 1998 between the Company and The Bank of New York, as Trustee, establishing a series of securities entitled 5.50% Senior Notes due 2015 (filed as exhibit 4.3 to the Company's Form 8-K, dated November 19, 2003 and incorporated herein by reference).

4.9 Form of 5.875% Senior Notes due 2035 (filed as exhibit 4.2 to the Company's Form 8-K, dated March 8, 2005 and incorporated herein by reference).

4.10 Officer's Certificate pursuant to sections 201, 301 and 303 of the Indenture dated October 28, 1998 between the Company and The Bank of New York, as Trustee, establishing a series of securities entitled 5.875% Senior Debentures due 2035 (filed as exhibit 4.3 to the Company's Form 8-K, dated March 8, 2005 and incorporated herein by reference).

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Form of 5.375% Senior Notes due 2017 (filed as exhibit 4.2 to the Company's Form 8-K, dated September 8, 2005 and incorporated herein by reference).

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- 4.12 Officer's Certificate pursuant to sections 201, 301 and 303 of the Indenture dated October 28, 1998 between the Company and The Bank of New York, as Trustee, establishing a series of securities entitled 5.375% Senior Notes due 2017 (filed as exhibit 4.3 to the Company's Form 8-K, dated September 8, 2005 and incorporated herein by reference).
- 4.13 Form of 5.95% Senior Notes due 2016 (filed as exhibit 4.2 to the Company's Form 8-K, dated September 6, 2006 and incorporated herein by reference).
- 4.14 Officer's Certificate pursuant to sections 201, 301 and 303 of the Indenture dated October 28, 1998 between the Company and The Bank of New York, as Trustee, establishing a series of securities entitled 5.95% Senior Notes due 2016 (filed as exhibit 4.3 to the Company's Form 8-K, dated September 6, 2006 and incorporated herein by reference).
- 4.15 Form of 6.75% Notes due 2019 (filed as exhibit 4.2 to Company's Form 8-K, dated August 30, 2007 and incorporated herein by reference).
- 4.16 Officer's Certificate pursuant to sections 201, 301 and 303 of the Indenture dated October 28, 1998 between the Company and The Bank of New York Trust Company, N.A., as Trustee, establishing a series of securities entitled 6.75% Senior Notes due 2019 (filed as exhibit 4.3 to the Company's Form 8-K, dated August 30, 2007 and incorporated herein by reference).

Material Contracts

- 10.1 \$300 million Credit Agreement dated June 17, 2005 (filed as exhibit 10.1 to the Company's Form 8-K filed on June 20, 2005 and incorporated herein by reference).
- 10.2 Form indemnification agreement between the Company and each executive officer and each director of the Board of Directors of the Company (filed as exhibit 10.1 to the Company's Form 8-K filed on August 26, 2005 and incorporated herein by reference).
- 10.3 1994 Stock Option and Incentive Plan (filed as Exhibit 4.1 to the Company's Registration Statement on Form S-8 (registration number 33-95708), dated August 11, 1995, and incorporated herein by reference).
- 10.4 First Amendment to the 1994 Stock Option and Incentive Plan, dated June 12, 1997 (filed as Exhibit 10.9 to the Company's Form 8-B filed on July 29, 1997 and incorporated herein by reference).
- 10.5 Second Amendment to the 1994 Stock Option and Incentive Plan, dated December 16, 1997 (filed as Exhibit 10.9 to the Company's Form 10-K for the year ended December 31, 1997 and incorporated herein by reference).
- 10.6 Management Incentive Plan (filed as Exhibit 10.10 to the Company's Form 10-K for the year ended December 31, 1997 and incorporated herein by reference).
- 10.7 Form of Nonqualified Stock Option Agreement for Independent Directors (filed as Exhibit 10.11 to the Company's Form 10-K for the year ended December 31, 1997 and incorporated herein by reference).
- 10.8 Form of Employment Agreement between the Company and its Executive Officers (incorporated by reference to the Company's Form 8-B12B filed on July 29, 1997 and incorporated herein by reference).

10.9 Form of Restricted Stock Agreement between the Company and Executive Officers (filed as exhibit 10.11 to the Company's Form 8-K dated January 1, 2005 and incorporated herein by reference).

10.10 2003 Stock Incentive Award Plan of Realty Income Corporation, as amended and restated February 21, 2006 (filed as exhibit 10.10 to the Company's Form 10-K for the year ended December 31, 2005 and incorporated herein by reference).

10.20 First Amendment to Credit Agreement dated October 16, 2006 to the \$300 million Credit Agreement dated June 17, 2005 (filed as exhibit 10.1 to the Company's Form 8-K filed on November 3, 2006 and incorporated herein by reference).

10.30 Amendment dated May 15, 2007 to the Amended and Restated 2003 Stock Incentive Award Plan of Realty Income Corporation (filed as exhibit 10.1 to the Company's Form 10-Q, for the quarter ended June 30, 2007 and incorporated herein by reference).

10.40 Form of Restricted Stock Agreement (filed as exhibit 10.2 to the Company's Form 10-Q, for the quarter ended June 30, 2007 and incorporated herein by reference).

Statement of Ratios

*12.1 Statements re computation of ratios.

Subsidiaries of the Registrant

*21.1 Subsidiaries of the Company as of February 4, 2008.

Consents of Experts and Counsel

*23.1 Consent of Independent Registered Public Accounting Firm.

Certifications

*31.1 Rule 13a-14(a) Certifications as filed by the Chief Executive Officer pursuant to SEC release No. 33-8212 and 34-47551.

*31.2 Rule 13a-14(a) Certifications as filed by the Chief Financial Officer pursuant to SEC release No. 33-8212 and 34-47551.

*32 Section 1350 Certifications as furnished by the Chief Executive Officer and the Chief Financial Officer pursuant to SEC release No. 33-8212 and 34-47551.

* Filed herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

REALTY INCOME CORPORATION

By: /s/THOMAS A. LEWIS
Thomas A. Lewis
Vice Chairman of the Board of Directors,
Chief Executive Officer

Date: February 12, 2008

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Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/WILLIAM E. CLARK
William E. Clark
Chairman of the Board of Directors

Date: February 12, 2008

By: /s/THOMAS A. LEWIS
Thomas A. Lewis
Vice Chairman of the Board of Directors,
Chief Executive Officer
(Principal Executive Officer)

Date: February 12, 2008

By: /s/KATHLEEN R. ALLEN, Ph.D.
Kathleen R. Allen, Ph.D.
Director

Date: February 12, 2008

By: /s/DONALD R. CAMERON
Donald R. Cameron
Director

Date: February 12, 2008

By: /s/PRIYA CHERIAN HUSKINS
Priya Cherian Huskins
Director

Date: February 12, 2008

By: /s/ROGER P. KUPPINGER
Roger P. Kuppinger
Director

Date: February 12, 2008

By: /s/MICHAEL D. MCKEE
Michael D. McKee
Director

Date: February 12, 2008

By: /s/GREGORY T. MCLAUGHLIN
Gregory T. McLaughlin
Director

Date: February 12, 2008

By: /s/RONALD L. MERRIMAN
Ronald L. Merriman
Director

Date: February 12, 2008

By: /s/WILLARD H. SMITH JR
Willard H. Smith Jr
Director

Date: February 12, 2008

By: /s/PAUL M. MEURER
Paul M. Meurer
Executive Vice President, Chief Financial Officer and Treasurer

Date: February 12, 2008

(Principal Financial Officer)

By: /s/GREGORY J. FAHEY
Gregory J. Fahey
Vice President, Controller
(Principal Accounting Officer)

Date: February 12, 2008

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REALTY INCOME CORPORATION AND
SUBSIDIARIES
SCHEDULE III REAL ESTATE AND ACCUMULATED
DEPRECIATION

Description (Note 1)	Land	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 2, 3, 5, 6, 7 and 8)		Total
		Buildings, Improvements and Acquisition Fees	Buildings, Improvements and Acquisition Fees	Improvements	Carrying Costs	Buildings, Improvements and Acquisition Fees	Buildings, Improvements and Acquisition Fees	
Apparel Stores								
Little Rock AR	\$1,079,232	\$2,594,956	\$34,285	\$52,746	\$1,079,232	\$2,681,987	\$3,761,219	
Mesa AZ	619,035	867,013	1,760	43,447	619,035	912,220	1,531,255	
Danbury CT	1,083,296	6,217,688	40,544	6	1,083,296	6,258,238	7,341,534	
Manchester CT	771,660	3,653,539	1,661	None	771,660	3,655,200	4,426,860	
Manchester CT	1,250,464	5,917,037	3,555	None	1,250,464	5,920,592	7,171,056	
Staten Island NY	4,202,093	3,385,021	None	898	4,202,093	3,385,919	7,588,012	
Automotive Collision Services								
Highlands Ranch CO	583,289	2,139,057	None	None	583,289	2,139,057	2,722,346	
Littleton CO	601,388	2,169,898	None	None	601,388	2,169,898	2,771,286	
Parker CO	678,768	2,100,854	None	None	678,768	2,100,854	2,779,622	
Thornton CO	693,323	1,896,616	None	None	693,323	1,896,616	2,589,939	
Cumming GA	661,624	1,822,363	None	None	661,624	1,822,363	2,483,987	
Douglasville GA	679,868	1,935,515	None	None	679,868	1,935,515	2,615,383	
Morrow GA	725,948	1,846,315	None	None	725,948	1,846,315	2,572,263	
Peachtree City GA	1,190,380	689,284	None	None	1,190,380	689,284	1,879,664	
Ham Lake MN	192,610	1,930,958	None	None	192,610	1,930,958	2,123,568	
Cary NC	610,389	1,492,235	None	None	610,389	1,492,235	2,102,624	
Durham NC	680,969	1,323,140	None	None	680,969	1,323,140	2,004,109	
Wilmington NC	378,813	1,150,679	None	None	378,813	1,150,679	1,529,492	
Bartlett TN	648,526	1,960,733	None	None	648,526	1,960,733	2,609,259	
Automotive Parts								
Millbrook AL	108,000	518,741	None	276	108,000	519,017	627,017	
Montgomery AL	254,465	502,350	None	211	254,465	502,561	757,026	
Blytheville AR	137,913	509,447	6,000	None	137,913	515,447	653,360	
Osceola AR	88,759	520,047	None	None	88,759	520,047	608,806	
Wynne AR	70,000	547,576	26,595	None	70,000	574,171	644,171	
Phoenix AZ	231,000	513,057	None	88	231,000	513,145	744,145	

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Phoenix	AZ	71,750	159,359	None	88	71,750	159,447	231,197
Phoenix	AZ	222,950	495,178	None	88	222,950	495,266	718,216
Tucson	AZ	194,250	431,434	None	176	194,250	431,610	625,860
Grass Valley	CA	325,000	384,955	None	None	325,000	384,955	709,955
Jackson	CA	300,000	390,849	None	None	300,000	390,849	690,849
Sacramento	CA	210,000	466,419	None	127	210,000	466,546	676,546
Turlock	CA	222,250	493,627	None	None	222,250	493,627	715,877
Aurora	CO	231,314	430,495	None	None	231,314	430,495	661,809
Denver	CO	239,024	444,785	None	None	239,024	444,785	683,809
Denver	CO	315,000	699,623	None	None	315,000	699,623	1,014,623
Denver	CO	283,500	629,666	None	None	283,500	629,666	913,166
Denver	CO	141,400	314,056	None	146	141,400	314,202	455,602
Lakewood	CO	70,422	132,296	None	None	70,422	132,296	202,718
Littleton	CO	252,925	561,758	None	146	252,925	561,904	814,829
Longmont	CO	87,385	163,169	None	None	87,385	163,169	250,554
Smyrna	DE	232,273	472,855	None	None	232,273	472,855	705,128
Council Bluffs	IA	194,355	431,668	None	6	194,355	431,674	626,029
Boise	ID	158,400	351,812	None	259	158,400	352,071	510,471
Boise	ID	190,080	422,172	None	259	190,080	422,431	612,511

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Description (Note 1)		Initial Cost to Company		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 2, 3, 5, 6, 7 and 8)			Accumulated Depreciation (Note 3)
		Land	Buildings, Improvements and Acquisition Fees	Improvements	Carrying Costs	Land	Buildings, Improvements and Acquisition Fees	Total	
Lewiston	ID	138,950	308,612	None	None	138,950	308,612	447,562	24,000
Moscow	ID	117,250	260,417	None	None	117,250	260,417	377,667	20,000
Nampa	ID	183,743	408,101	None	378	183,743	408,479	592,222	31,000
Twin Falls	ID	190,080	422,172	None	131	190,080	422,303	612,383	32,000
Peoria	IL	193,868	387,737	19,808	230	193,868	407,775	601,643	17,000
Brazil	IN	183,952	453,831	None	173	183,952	454,004	637,956	15,000
Muncie	IN	148,901	645,660	45,635	28,972	148,901	720,267	869,168	29,000
Princeton	IN	134,209	560,113	None	None	134,209	560,113	694,322	19,000
Vincennes	IN	185,312	489,779	None	173	185,312	489,952	675,264	17,000
Kansas City	KS	185,955	413,014	None	146	185,955	413,160	599,115	31,000
Kansas City	KS	222,000	455,881	None	146	222,000	456,027	678,027	35,000
Topeka	KS	32,022	60,368	None	None	32,022	60,368	92,390	0
Bethesda	MD	282,717	525,928	None	None	282,717	525,928	808,645	0
Alma	MI	155,000	600,282	None	None	155,000	600,282	755,282	20,000
Lansing	MI	265,000	574,931	33,210	None	265,000	608,141	873,141	21,000
Sturgis	MI	109,558	550,274	None	None	109,558	550,274	659,832	19,000
Independence	MO	210,643	467,844	None	239	210,643	468,083	678,726	33,000
Kansas City	MO	210,070	466,571	None	239	210,070	466,810	676,880	35,000
Kansas City	MO	168,350	373,910	None	239	168,350	374,149	542,499	28,000
Batesville	MS	190,124	485,670	None	211	190,124	485,881	676,005	18,000
Horn Lake	MS	142,702	514,779	None	211	142,702	514,990	657,692	19,000
Jackson	MS	248,483	572,522	None	211	248,483	572,733	821,216	18,000
Richland	MS	243,565	558,645	None	211	243,565	558,856	802,421	17,000
Missoula	MT	163,100	362,249	None	None	163,100	362,249	525,349	28,000
Fargo	ND	53,973	100,262	None	None	53,973	100,262	154,235	0
Kearney	NE	173,950	344,393	None	None	173,950	344,393	518,343	23,000
Omaha	NE	196,000	435,321	None	None	196,000	435,321	631,321	33,000
Omaha	NE	199,100	412,042	None	6	199,100	412,048	611,148	31,000
Scottsbluff	NE	33,307	63,355	None	None	33,307	63,355	96,662	0
Cherry Hill	NJ	463,808	862,240	None	None	463,808	862,240	1,326,048	1,000
Pleasantville	NJ	77,105	144,693	None	None	77,105	144,693	221,798	0
Rio Rancho	NM	211,577	469,923	None	None	211,577	469,923	681,500	36,000
Las Vegas	NV	161,000	357,585	260,000	None	161,000	617,585	778,585	34,000
Reno	NV	456,000	562,344	None	None	456,000	562,344	1,018,344	43,000
Bethpage	NY	334,120	621,391	None	None	334,120	621,391	955,511	0
Commack	NY	400,427	744,533	None	None	400,427	744,533	1,144,960	0
Freeport	NY	134,828	251,894	None	None	134,828	251,894	386,722	0
Queens Village	NY	242,775	451,749	None	None	242,775	451,749	694,524	0
Riverhead	NY	143,929	268,795	None	None	143,929	268,795	412,724	0

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Canton	OH	396,560	597,553	None	None	396,560	597,553	994,113	22
Hamilton	OH	183,000	515,727	2,941	None	183,000	518,668	701,668	17
Hubbard	OH	147,043	481,217	None	None	147,043	481,217	628,260	18
Tulsa	OK	133,648	249,702	None	None	133,648	249,702	383,350	
Albany	OR	152,250	338,153	None	218	152,250	338,371	490,621	27
Beaverton	OR	210,000	466,419	None	218	210,000	466,637	676,637	37
Milwaukie	OR	180,250	400,336	None	218	180,250	400,554	580,804	32
Portland	OR	190,750	423,664	None	218	190,750	423,882	614,632	33
Portland	OR	147,000	326,493	None	218	147,000	326,711	473,711	26
Salem	OR	136,500	303,170	None	218	136,500	303,388	439,888	24
Butler	PA	339,929	633,078	5,684	None	339,929	638,762	978,691	24
Dover	PA	265,112	593,341	None	None	265,112	593,341	858,453	22

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Description (Note 1)	Initial Cost to Company				Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 2, 3, 5, 6, 7 and 8)			Accumulated Depreciation (Note 4)
	Land	Buildings, Improvements and	Acquisition Fees	Improvements	Carrying Costs	Land	Buildings, Improvements and	Acquisition Fees	Total	
Enola PA	220,228		546,026	None	None	220,228		546,026	766,254	199,000
Hanover PA	132,500		719,511	None	None	132,500		719,511	852,011	241,000
Harrisburg PA	327,781		608,291	None	None	327,781		608,291	936,072	232,000
Harrisburg PA	283,417		352,473	None	None	283,417		352,473	635,890	131,000
Lancaster PA	199,899		774,838	10,913	None	199,899		785,751	985,650	294,000
New Castle PA	180,009		525,774	3,860	None	180,009		529,634	709,643	204,000
Reading PA	379,000		658,722	10,100	None	379,000		668,822	1,047,822	228,000
Sioux Falls SD	48,833		91,572	None	None	48,833		91,572	140,405	1,000
Columbia TN	273,120		431,716	None	None	273,120		431,716	704,836	147,000
Memphis TN	197,708		507,647	None	248	197,708		507,895	705,603	188,000
Amarillo TX	140,000		419,734	None	None	140,000		419,734	559,734	317,000
El Paso TX	66,150		146,922	None	295	66,150		147,217	213,367	116,000
Lubbock TX	49,000		108,831	None	None	49,000		108,831	157,831	86,000
Bellevue WA	185,500		411,997	None	225	185,500		412,222	597,722	329,000
Bellingham WA	168,000		373,133	None	117	168,000		373,250	541,250	298,000
Hazel Dell WA	168,000		373,135	None	None	168,000		373,135	541,135	285,000
Kenmore WA	199,500		443,098	None	225	199,500		443,323	642,823	354,000
Kennewick WA	161,350		358,365	None	364	161,350		358,729	520,079	286,000
Kent WA	199,500		443,091	None	117	199,500		443,208	642,708	354,000
Lakewood WA	191,800		425,996	None	225	191,800		426,221	618,021	341,000
Marysville WA	168,000		373,135	None	122	168,000		373,257	541,257	298,000
Moses Lake WA	138,600		307,831	None	None	138,600		307,831	446,431	246,000
Pasco WA	161,700		359,142	None	364	161,700		359,506	521,206	287,000
Renton WA	185,500		412,003	None	225	185,500		412,228	597,728	328,000
Seattle WA	162,400		360,697	None	225	162,400		360,922	523,322	288,000
Silverdale WA	183,808		419,777	None	117	183,808		419,894	603,702	334,000
Tacoma WA	109,127		202,691	None	None	109,127		202,691	311,818	2,000
Tacoma WA	196,000		435,324	None	117	196,000		435,441	631,441	345,000
Vancouver WA	180,250		400,343	None	215	180,250		400,558	580,808	320,000
Walla Walla WA	170,100		377,793	None	1,804	170,100		379,597	549,697	302,000
Wenatchee WA	148,400		329,602	None	None	148,400		329,602	478,002	263,000
Automotive Service										
Flagstaff AZ	144,821		417,485	None	None	144,821		417,485	562,306	156,000
Mesa AZ	210,620		475,072	None	None	210,620		475,072	685,692	106,000
Phoenix AZ	189,341		546,984	None	None	189,341		546,984	736,325	123,000
Phoenix AZ	384,608		279,824	None	None	384,608		279,824	664,432	62,000

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Sierra Vista	AZ	175,114	345,508	None	None	175,114	345,508	520,622	77.
Tucson	AZ	226,596	437,972	None	None	226,596	437,972	664,568	98.
Bakersfield	CA	65,165	206,927	None	None	65,165	206,927	272,092	46.
Chula Vista	CA	313,293	409,654	None	16	313,293	409,670	722,963	190.
Dublin	CA	415,620	1,153,928	None	None	415,620	1,153,928	1,569,548	259.
Folsom	CA	471,813	325,610	None	None	471,813	325,610	797,423	73.
Indio	CA	264,956	265,509	None	None	264,956	265,509	530,465	59.
Los Angeles	CA	580,446	158,876	None	None	580,446	158,876	739,322	35.
Oxnard	CA	186,980	198,236	None	None	186,980	198,236	385,216	44.
Simi Valley	CA	213,920	161,012	None	None	213,920	161,012	374,932	36.
Vacaville	CA	358,067	284,931	None	None	358,067	284,931	642,998	64.
Broomfield	CO	154,930	503,626	None	450	154,930	504,076	659,006	229.
Denver	CO	79,717	369,587	None	41	79,717	369,628	449,345	336.

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Description (Note 1)		Initial Cost to Company		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 2, 3, 5, 6, 7 and 8)			Accumul Depreci (Note
		Land	Buildings, Improvements and Acquisition Fees	Improvements	Carrying Costs	Land	Buildings, Improvements and Acquisition Fees	Total	
Thornton	CO	276,084	415,464	None	205	276,084	415,669	691,753	18
Hartford	CT	248,540	482,460	None	None	248,540	482,460	731,000	21
Southington	CT	225,882	672,910	None	None	225,882	672,910	898,792	28
Vernon	CT	81,529	300,518	None	None	81,529	300,518	382,047	6
Carol City	FL	163,239	262,726	None	None	163,239	262,726	425,965	5
Jacksonville	FL	76,585	355,066	6,980	124	76,585	362,170	438,755	32
Lauderdale	FL	65,987	305,931	None	None	65,987	305,931	371,918	27
Lakes									
Orange City	FL	99,613	139,008	None	None	99,613	139,008	238,621	3
Seminole	FL	68,000	315,266	None	124	68,000	315,390	383,390	28
Sunrise	FL	80,253	372,070	None	None	80,253	372,070	452,323	33
Tampa	FL	67,000	310,629	None	124	67,000	310,753	377,753	28
Tampa	FL	86,502	401,041	None	141	86,502	401,182	487,684	35
Tampa	FL	70,000	324,538	None	162	70,000	324,700	394,700	29
Atlanta	GA	55,840	258,889	None	130	55,840	259,019	314,859	23
Bogart	GA	66,807	309,733	None	None	66,807	309,733	376,540	27
Douglasville	GA	214,771	129,519	None	None	214,771	129,519	344,290	2
Duluth	GA	290,842	110,056	None	None	290,842	110,056	400,898	2
Duluth	GA	222,275	316,925	None	151	222,275	317,076	539,351	12
Gainesville	GA	53,589	248,452	None	None	53,589	248,452	302,041	22
Kennesaw	GA	266,865	139,425	None	None	266,865	139,425	406,290	3
Marietta	GA	60,900	293,461	None	124	60,900	293,585	354,485	26
Marietta	GA	69,561	346,024	None	356	69,561	346,380	415,941	30
Norcross	GA	244,124	151,831	None	None	244,124	151,831	395,955	3
Riverdale	GA	58,444	270,961	None	None	58,444	270,961	329,405	24
Rome	GA	56,454	261,733	None	None	56,454	261,733	318,187	23
Snellville	GA	253,316	132,124	None	None	253,316	132,124	385,440	2
Tucker	GA	78,646	364,625	None	5,237	78,646	369,862	448,508	33
Arlington	IL	441,437	215,983	None	None	441,437	215,983	657,420	4
Hts									
Chicago	IL	329,076	255,294	None	None	329,076	255,294	584,370	5
Round Lake	IL	472,132	236,585	None	None	472,132	236,585	708,717	5
Beach									
Westchester	IL	421,239	184,812	None	None	421,239	184,812	606,051	4
Anderson	IN	232,170	385,661	None	163	232,170	385,824	617,994	15
Indianapolis	IN	231,384	428,307	None	None	231,384	428,307	659,691	19
Michigan	IN	392,638	297,650	-3,065	None	392,638	294,585	687,223	6
City									
Warsaw	IN	140,893	228,116	None	None	140,893	228,116	369,009	5
Olathe	KS	217,995	367,055	None	None	217,995	367,055	585,050	15

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Louisville	KY	56,054	259,881	None	64	56,054	259,945	315,999	23
Newport	KY	323,511	289,017	None	None	323,511	289,017	612,528	11
Billerica	MA	399,043	462,240	None	None	399,043	462,240	861,283	19
East Falmouth	MA	191,302	340,539	None	None	191,302	340,539	531,841	7
East Wareham	MA	149,680	278,669	None	None	149,680	278,669	428,349	6
Fairhaven	MA	138,957	289,294	None	None	138,957	289,294	428,251	6
Gardner	MA	138,990	289,361	None	None	138,990	289,361	428,351	6
Hyannis	MA	180,653	458,522	None	None	180,653	458,522	639,175	10
Lenox	MA	287,769	535,273	None	None	287,769	535,273	823,042	18
Newburyport	MA	274,698	466,449	None	None	274,698	466,449	741,147	10
North Reading	MA	180,546	351,161	None	None	180,546	351,161	531,707	7
Orleans	MA	138,212	394,065	None	None	138,212	394,065	532,277	8
Aberdeen	MD	223,617	225,605	None	None	223,617	225,605	449,222	5
Capital Heights	MD	547,173	219,979	-12,319	None	547,173	207,660	754,833	4
Clinton	MD	70,880	328,620	11,440	459	70,880	340,519	411,399	29

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Description (Note 1)	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 2, 3, 5, 6, 7 and 8)				Accumulated Depreciation (Note 3)
	Land	Buildings, Improvements and Acquisition Fees	Improvements	Carrying Costs	Land	Buildings, Improvements and Acquisition Fees	Total		
Lexington Park	MD 111,396	335,288	-7,600	None	111,396	327,688	439,084	7	
Kalamazoo	MI 391,745	296,975	-2,196	None	391,745	294,779	686,524	6	
Portage	MI 402,409	286,441	-2,112	None	402,409	284,329	686,738	6	
Southfield	MI 275,952	350,765	None	None	275,952	350,765	626,717	7	
Troy	MI 214,893	199,299	None	None	214,893	199,299	414,192	4	
Minneapolis	MN 58,000	268,903	None	479	58,000	269,382	327,382	24	
St. Cloud	MN 203,338	258,626	None	None	203,338	258,626	461,964	5	
Independence	MO 297,641	233,152	None	None	297,641	233,152	530,793	10	
Asheville	NC 441,746	242,565	None	None	441,746	242,565	684,311	5	
Charlotte	NC 508,100	457,295	None	None	508,100	457,295	965,395	8	
Concord	NC 237,688	357,976	None	5,668	237,688	363,644	601,332	13	
Durham	NC 55,074	255,336	None	121	55,074	255,457	310,531	23	
Durham	NC 354,676	361,203	3,400	351	354,676	364,954	719,630	15	
Fayetteville	NC 224,326	257,733	None	205	224,326	257,938	482,264	10	
Greensboro	NC 286,068	244,606	None	None	286,068	244,606	530,674	5	
Matthews	NC 295,580	338,472	10,000	16,390	295,580	364,862	660,442	14	
Pineville	NC 254,460	355,630	None	356	254,460	355,986	610,446	14	
Raleigh	NC 398,694	263,621	None	None	398,694	263,621	662,315	10	
Raleigh	NC 89,145	413,301	None	94	89,145	413,395	502,540	37	
Raleigh	NC 218,294	319,334	3,905	1,295	218,294	324,534	542,828	13	
Salisbury	NC 235,614	150,592	None	None	235,614	150,592	386,206	3	
Lincoln	NE 337,138	316,958	None	None	337,138	316,958	654,096	7	
Edison	NJ 448,936	238,773	None	None	448,936	238,773	687,709	5	
Glassboro	NJ 182,013	312,480	None	None	182,013	312,480	494,493	6	
Hamilton Square	NJ 422,477	291,555	None	None	422,477	291,555	714,032	6	
Hamilton Township	NJ 265,238	298,167	None	None	265,238	298,167	563,405	6	
Randolph	NJ 452,629	390,163	None	None	452,629	390,163	842,792	8	
Westfield	NJ 705,337	288,720	None	None	705,337	288,720	994,057	6	
Woodbury	NJ 212,788	320,283	None	None	212,788	320,283	533,071	7	
Las Vegas	NV 326,879	359,101	None	None	326,879	359,101	685,980	8	
Las Vegas	NV 316,441	369,768	None	None	316,441	369,768	686,209	8	
Las Vegas	NV 252,169	562,715	None	None	252,169	562,715	814,884	12	
Sparks	NV 326,813	306,311	None	None	326,813	306,311	633,124	6	
Albion	NY 170,589	317,424	None	None	170,589	317,424	488,013	11	
Dansville	NY 181,664	337,991	None	None	181,664	337,991	519,655	11	
East Amherst	NY 260,708	484,788	None	None	260,708	484,788	745,496	17	
East Syracuse	NY 250,609	466,264	None	None	250,609	466,264	716,873	16	

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Johnson City	NY	242,863	451,877	None	None	242,863	451,877	694,740	15
Wellsville	NY	161,331	300,231	None	None	161,331	300,231	461,562	10
West Amherst	NY	268,692	499,619	None	None	268,692	499,619	768,311	17
Akron	OH	139,126	460,334	None	None	139,126	460,334	599,460	18
Beaver Creek	OH	349,091	251,127	None	None	349,091	251,127	600,218	3
Beavercreek	OH	205,000	492,538	None	None	205,000	492,538	697,538	21
Canal Winchester	OH	443,751	825,491	None	None	443,751	825,491	1,269,242	16
Centerville	OH	305,000	420,448	None	None	305,000	420,448	725,448	19
Cincinnati	OH	293,005	201,340	None	None	293,005	201,340	494,345	8
Cincinnati	OH	211,185	392,210	None	None	211,185	392,210	603,395	6
Cincinnati	OH	305,556	244,662	None	None	305,556	244,662	550,218	3
Cincinnati	OH	589,286	160,932	None	None	589,286	160,932	750,218	2
Cincinnati	OH	159,375	265,842	None	None	159,375	265,842	425,217	3
Cincinnati	OH	350,000	300,217	None	None	350,000	300,217	650,217	3

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Description (Note 1)	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 2, 3, 5, 6, 7 and 8)				Accumulated Depreciation (Note 3)
	Land	Buildings, Improvements and Acquisition Fees	Improvements	Carrying Costs	Land	Buildings, Improvements and Acquisition Fees	Total		
Cleveland	OH 215,111	216,517	None	None	215,111	216,517	431,628	4	
Columbus	OH 245,036	470,468	None	None	245,036	470,468	715,504	22	
Columbus	OH 432,110	386,553	None	None	432,110	386,553	818,663	7	
Columbus	OH 466,696	548,133	None	None	466,696	548,133	1,014,829	10	
Columbus	OH 337,679	272,484	None	None	337,679	272,484	610,163	3	
Columbus	OH 190,000	260,162	None	None	190,000	260,162	450,162	3	
Columbus	OH 371,429	278,734	None	None	371,429	278,734	650,163	3	
Columbus	OH 214,737	85,425	None	None	214,737	85,425	300,162	1	
Columbus	OH 75,761	351,247	None	168	75,761	351,415	427,176	31	
Columbus	OH 71,098	329,627	None	195	71,098	329,822	400,920	30	
Cuyahoga Falls	OH 253,750	271,400	None	None	253,750	271,400	525,150	3	
Dayton	OH 63,996	296,701	5,985	190	63,996	302,876	366,872	27	
Dayton	OH 70,000	324,538	None	271	70,000	324,809	394,809	29	
Dublin	OH 437,887	428,046	None	None	437,887	428,046	865,933	7	
Eastlake	OH 321,347	459,774	None	None	321,347	459,774	781,121	22	
Fairfield	OH 323,408	235,024	None	None	323,408	235,024	558,432	9	
Fairlawn	OH 280,000	270,150	None	None	280,000	270,150	550,150	3	
Findlay	OH 283,515	397,004	None	None	283,515	397,004	680,519	15	
Hamilton	OH 252,608	413,279	None	None	252,608	413,279	665,887	17	
Huber Heights	OH 282,000	449,381	None	None	282,000	449,381	731,381	19	
Lima	OH 241,132	114,085	None	None	241,132	114,085	355,217	1	
Marion	OH 100,000	275,162	None	None	100,000	275,162	375,162	3	
Mason	OH 310,990	405,373	None	None	310,990	405,373	716,363	7	
Middleburg Hghts	OH 317,308	307,842	None	None	317,308	307,842	625,150	4	
Milford	OH 353,324	269,997	None	None	353,324	269,997	623,321	11	
Mt. Vernon	OH 216,115	375,357	None	None	216,115	375,357	591,472	15	
Northwood	OH 65,978	263,912	None	1,179	65,978	265,091	331,069	26	
Norwalk	OH 200,205	366,000	None	None	200,205	366,000	566,205	14	
Parma	OH 268,966	381,184	None	None	268,966	381,184	650,150	5	
Reynoldsburg	OH 267,750	497,371	None	None	267,750	497,371	765,121	6	
Reynoldsburg	OH 374,000	176,162	None	None	374,000	176,162	550,162	2	
S. Euclid	OH 337,593	451,944	None	None	337,593	451,944	789,537	8	
Sandusky	OH 264,708	404,011	None	None	264,708	404,011	668,719	16	
Solon	OH 794,305	222,797	None	None	794,305	222,797	1,017,102	4	
Springboro	OH 191,911	522,902	None	None	191,911	522,902	714,813	22	
Springfield	OH 320,000	280,217	None	None	320,000	280,217	600,217	3	
Springfield	OH 189,091	136,127	None	None	189,091	136,127	325,218	1	

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Stow	OH 310,000	415,150	None	None	310,000	415,150	725,150	5
Toledo	OH 120,000	230,217	None	None	120,000	230,217	350,217	3
Toledo	OH 250,000	175,217	None	None	250,000	175,217	425,217	2
Toledo	OH 320,000	280,217	None	None	320,000	280,217	600,217	3
Toledo	OH 250,000	530,217	None	None	250,000	530,217	780,217	6
Toledo	OH 91,655	366,621	None	1,179	91,655	367,800	459,455	36
Toledo	OH 73,408	293,632	None	1,179	73,408	294,811	368,219	29
West Chester	OH 446,449	768,644	None	None	446,449	768,644	1,215,093	13
Zanesville	OH 125,000	300,162	None	None	125,000	300,162	425,162	3
Midwest City	OK 106,312	333,551	None	None	106,312	333,551	439,863	12
The Village	OK 143,655	295,422	None	None	143,655	295,422	439,077	11
Portland	OR 251,499	345,952	None	None	251,499	345,952	597,451	7
Salem	OR 337,711	253,855	None	None	337,711	253,855	591,566	5
Bethel Park	PA 299,595	331,264	None	None	299,595	331,264	630,859	13

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Description (Note 1)	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 2, 3, 5, 6, 7 and 8)			Accumulated Depreciation (Note 8)	
	Land	Buildings, Improvements and Acquisition Fees	Improvements	Carrying Costs	Land	Buildings, Improvements and Acquisition Fees	Total		
Bethlehem	PA	229,162	310,526	None	None	229,162	310,526	539,688	
Bethlehem	PA	275,328	389,067	None	457	275,328	389,524	664,852	
Bridgeville	PA	275,000	375,150	None	None	275,000	375,150	650,150	
Coraopolis	PA	225,000	375,150	None	None	225,000	375,150	600,150	
Harrisburg	PA	131,529	220,317	-2,515	None	131,529	217,802	349,331	
Monroeville	PA	275,000	250,150	None	None	275,000	250,150	525,150	
Philadelphia	PA	858,500	877,744	None	None	858,500	877,744	1,736,244	
Pittsburgh	PA	378,715	685,374	None	None	378,715	685,374	1,064,089	
Pittsburgh	PA	219,938	408,466	None	None	219,938	408,466	628,404	
Pittsburgh	PA	175,000	300,150	None	None	175,000	300,150	475,150	
Pittsburgh	PA	243,750	406,400	None	None	243,750	406,400	650,150	
Pittsburgh	PA	208,333	416,817	None	None	208,333	416,817	625,150	
Pittsburgh	PA	121,429	303,721	None	None	121,429	303,721	425,150	
Warminster	PA	323,847	216,999	-3,929	None	323,847	213,070	536,917	
Wexford	PA	284,375	240,775	None	None	284,375	240,775	525,150	
York	PA	249,436	347,424	None	None	249,436	347,424	596,860	
Charleston	SC	217,250	294,079	None	151	217,250	294,230	511,480	
Columbia	SC	267,622	298,594	None	7,027	267,622	305,621	573,243	
Greenville	SC	221,946	315,163	None	8,684	221,946	323,847	545,793	
Lexington	SC	241,534	342,182	None	544	241,534	342,726	584,260	
North Charleston	SC	174,980	341,466	None	15,458	174,980	356,924	531,904	
Brentwood	TN	305,546	505,728	None	None	305,546	505,728	811,274	
Hendersonville	TN	175,764	327,096	None	None	175,764	327,096	502,860	
Hermitage	TN	560,443	1,011,799	None	None	560,443	1,011,799	1,572,242	
Hermitage	TN	204,296	172,695	None	None	204,296	172,695	376,991	
Madison	TN	175,769	327,068	None	None	175,769	327,068	502,837	
Memphis	TN	108,094	217,079	None	None	108,094	217,079	325,173	
Memphis	TN	214,110	193,591	None	None	214,110	193,591	407,701	
Memphis	TN	215,017	216,794	None	None	215,017	216,794	431,811	
Murfreesboro	TN	150,411	215,528	None	None	150,411	215,528	365,939	
Nashville	TN	342,960	227,440	None	None	342,960	227,440	570,400	
Carrollton	TX	174,284	98,623	None	None	174,284	98,623	272,907	
Carrollton	TX	177,041	199,088	None	None	177,041	199,088	376,129	
Dallas	TX	234,604	325,951	None	None	234,604	325,951	560,555	
Fort Worth	TX	83,530	111,960	None	None	83,530	111,960	195,490	
Houston	TX	285,000	369,697	None	None	285,000	369,697	654,697	
Humble	TX	257,169	325,652	None	None	257,169	325,652	582,821	
Lake Jackson	TX	197,170	256,376	None	None	197,170	256,376	453,546	
Lewisville	TX	199,942	324,736	None	None	199,942	324,736	524,678	

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Lewisville	TX	130,238	207,683	None	None	130,238	207,683	337,921
San Antonio	TX	198,828	437,422	None	142	198,828	437,564	636,392
Richmond	VA	403,549	876,981	None	None	403,549	876,981	1,280,530
Roanoke	VA	349,628	322,545	None	203	349,628	322,748	672,376
Warrenton	VA	186,723	241,173	None	None	186,723	241,173	427,896
Bremerton	WA	261,172	373,080	None	None	261,172	373,080	634,252
Milwaukee	WI	173,005	499,244	None	None	173,005	499,244	672,249
Milwaukee	WI	152,509	475,480	None	None	152,509	475,480	627,989
New Berlin	WI	188,491	466,268	None	None	188,491	466,268	654,759
Racine	WI	184,002	114,167	None	None	184,002	114,167	298,169

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Description (Note 1)	Initial Cost to Company Buildings, Improvements and		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 2, 3, 5, 6, 7 and 8)			Accumulated Depreciation (Note 8)	
	Land	Acquisition Fees	Improvements	Carrying Costs	Land	Acquisition Fees	Total		
Automotive Tire Services									
Athens	AL	760,031	1,413,494	None	None	760,031	1,413,494	2,173,525	6
Auburn	AL	660,210	1,228,112	None	None	660,210	1,228,112	1,888,322	5
Birmingham	AL	635,111	1,180,909	None	None	635,111	1,180,909	1,816,020	5
Daphne	AL	876,139	1,629,123	None	None	876,139	1,629,123	2,505,262	7
Decatur	AL	635,111	1,181,499	None	None	635,111	1,181,499	1,816,610	5
Foley	AL	870,031	1,617,357	None	None	870,031	1,617,357	2,487,388	7
Gardendale	AL	610,055	1,134,554	None	None	610,055	1,134,554	1,744,609	5
Hoover	AL	504,396	938,299	None	None	504,396	938,299	1,442,695	4
Hoover	AL	620,270	1,153,493	None	None	620,270	1,153,493	1,773,763	5
Huntsville	AL	499,843	929,863	None	None	499,843	929,863	1,429,706	4
Huntsville	AL	635,111	1,181,499	None	None	635,111	1,181,499	1,816,610	5
Madison	AL	635,111	1,181,532	None	None	635,111	1,181,532	1,816,643	5
Mobile	AL	635,111	1,181,499	None	None	635,111	1,181,499	1,816,610	5
Mobile	AL	525,750	977,810	None	None	525,750	977,810	1,503,560	4
Orange Beach	AL	630,244	1,172,036	None	None	630,244	1,172,036	1,802,280	5
Pelham	AL	635,111	1,180,909	None	None	635,111	1,180,909	1,816,020	5
Phenix City	AL	630,244	1,172,024	None	None	630,244	1,172,024	1,802,268	5
Tucson	AZ	178,297	396,004	None	338	178,297	396,342	574,639	27
Arvada	CO	301,489	931,092	None	None	301,489	931,092	1,232,581	20
Aurora	CO	221,691	492,382	None	None	221,691	492,382	714,073	34
Aurora	CO	353,283	1,135,051	None	None	353,283	1,135,051	1,488,334	30
Colorado Springs	CO	280,193	622,317	None	None	280,193	622,317	902,510	43
Colorado Springs	CO	192,988	433,542	None	None	192,988	433,542	626,530	20
Denver	CO	688,292	1,331,224	None	None	688,292	1,331,224	2,019,516	20
Westminster	CO	526,620	1,099,523	None	None	526,620	1,099,523	1,626,143	29
Destin	FL	1,034,411	1,922,591	None	None	1,034,411	1,922,591	2,957,002	8
Ft. Walton Bch	FL	635,111	1,181,032	None	None	635,111	1,181,032	1,816,143	5
Ft. Walton Bch	FL	635,111	1,181,032	None	None	635,111	1,181,032	1,816,143	5
Lakeland	FL	500,000	645,402	None	None	500,000	645,402	1,145,402	24
Milton	FL	635,111	1,181,145	None	None	635,111	1,181,145	1,816,256	5
Niceville	FL	920,803	1,711,621	None	None	920,803	1,711,621	2,632,424	7
Orlando	FL	635,111	1,181,076	None	None	635,111	1,181,076	1,816,187	5
Orlando	FL	630,244	1,172,023	None	None	630,244	1,172,023	1,802,267	5
Oviedo	FL	971,996	1,806,780	None	None	971,996	1,806,780	2,778,776	8

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Pace	FL	630,244	1,171,993	None	None	630,244	1,171,993	1,802,237	5
Panama City	FL	635,111	1,181,076	None	None	635,111	1,181,076	1,816,187	5
Bch									
Pensacola	FL	308,067	573,708	None	None	308,067	573,708	881,775	2
Pensacola	FL	635,111	1,181,063	None	None	635,111	1,181,063	1,816,174	5
Pensacola	FL	588,305	1,094,130	None	None	588,305	1,094,130	1,682,435	4
Sanford	FL	630,244	1,172,023	None	None	630,244	1,172,023	1,802,267	5
St. Cloud	FL	525,207	976,968	None	None	525,207	976,968	1,502,175	4
Tallahassee	FL	419,902	781,405	None	None	419,902	781,405	1,201,307	3
Tallahassee	FL	611,916	1,137,986	None	None	611,916	1,137,986	1,749,902	5
Tampa	FL	427,395	472,030	None	None	427,395	472,030	899,425	17
Union Park	FL	1,004,103	1,866,287	None	None	1,004,103	1,866,287	2,870,390	8
Alpharetta	GA	630,244	1,171,870	None	None	630,244	1,171,870	1,802,114	5
Columbus	GA	630,244	1,171,988	None	None	630,244	1,171,988	1,802,232	5
Conyers	GA	531,935	1,180,296	None	None	531,935	1,180,296	1,712,231	20
Conyers	GA	635,111	1,181,027	None	None	635,111	1,181,027	1,816,138	5

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Description (Note 1)		Initial Cost to Company		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 2, 3, 5, 6, 7 and 8)			Accumulated Depreciation (Note 8)
		Land	Buildings, Improvements and Acquisition Fees	Improvements	Carrying Costs	Land	Buildings, Improvements and Acquisition Fees	Total	
Duluth	GA	638,509	1,186,594	None	None	638,509	1,186,594	1,825,103	
Hiram	GA	635,111	1,181,017	None	None	635,111	1,181,017	1,816,128	
Kennesaw	GA	519,903	967,180	None	None	519,903	967,180	1,487,083	
Lawrenceville	GA	635,111	1,181,137	None	None	635,111	1,181,137	1,816,248	
Marietta	GA	500,293	930,657	None	None	500,293	930,657	1,430,950	
Mcdonough	GA	635,111	1,181,032	None	None	635,111	1,181,032	1,816,143	
Norcross	GA	503,773	937,121	None	None	503,773	937,121	1,440,894	
Peachtree City	GA	625,316	1,162,827	None	None	625,316	1,162,827	1,788,143	
Roswell	GA	515,617	959,138	None	None	515,617	959,138	1,474,755	
Sandy Springs	GA	586,211	1,090,241	None	None	586,211	1,090,241	1,676,452	
Stockbridge	GA	632,128	1,175,478	None	None	632,128	1,175,478	1,807,606	
Aurora	IL	513,204	953,885	None	None	513,204	953,885	1,467,089	
Joliet	IL	452,267	840,716	None	None	452,267	840,716	1,292,983	
Niles	IL	366,969	682,306	None	None	366,969	682,306	1,049,275	
Orland Park	IL	663,087	1,232,240	None	None	663,087	1,232,240	1,895,327	
Vernon Hills	IL	524,948	975,668	None	None	524,948	975,668	1,500,616	
Village of Lombar	IL	428,170	795,965	None	2,000	428,170	797,965	1,226,135	
West Dundee	IL	530,835	986,628	None	None	530,835	986,628	1,517,463	
Overland Park	KS	1,101,841	2,047,067	None	None	1,101,841	2,047,067	3,148,908	
Allston	MA	576,505	1,071,520	None	None	576,505	1,071,520	1,648,025	
Shrewsbury	MA	721,065	1,339,913	None	None	721,065	1,339,913	2,060,978	
Waltham	MA	338,955	630,279	None	None	338,955	630,279	969,234	
Weymouth	MA	752,234	1,397,799	None	None	752,234	1,397,799	2,150,033	
Woburn	MA	676,968	1,258,018	None	None	676,968	1,258,018	1,934,986	
Annapolis	MD	780,806	1,450,860	None	None	780,806	1,450,860	2,231,666	
Bowie	MD	734,558	1,364,970	None	None	734,558	1,364,970	2,099,528	
Capital Heights	MD	701,705	1,303,958	None	None	701,705	1,303,958	2,005,663	
Germantown	MD	808,296	1,501,913	None	None	808,296	1,501,913	2,310,209	
Waldorf	MD	427,033	793,854	None	None	427,033	793,854	1,220,887	
Eagan	MN	902,443	845,536	None	300	902,443	845,836	1,748,279	
Ferguson	MO	386,112	717,856	None	None	386,112	717,856	1,103,968	
Grandview	MO	347,150	711,024	None	None	347,150	711,024	1,058,174	
Independence	MO	721,020	1,339,829	None	None	721,020	1,339,829	2,060,849	
Charlotte	NC	181,662	338,164	None	None	181,662	338,164	519,826	
Clemmons	NC	630,000	1,100,160	None	None	630,000	1,100,160	1,730,160	
Jamestown	NC	650,000	857,823	None	None	650,000	857,823	1,507,823	
Matthews	NC	489,063	909,052	None	None	489,063	909,052	1,398,115	
Omaha	NE	253,128	810,922	None	None	253,128	810,922	1,064,050	

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Manchester	NH	722,532	1,342,636	None	None	722,532	1,342,636	2,065,168
Newington	NH	690,753	1,283,624	None	None	690,753	1,283,624	1,974,377
Salem	NH	597,833	1,111,059	None	None	597,833	1,111,059	1,708,892
Deptford	NJ	619,376	1,151,062	None	None	619,376	1,151,062	1,770,438
Maple Shade	NJ	508,285	944,750	None	None	508,285	944,750	1,453,035
Akron	OH	242,133	450,467	None	None	242,133	450,467	692,600
Cambridge	OH	103,368	192,760	None	7	103,368	192,767	296,135
Canton	OH	337,161	626,948	None	None	337,161	626,948	964,109
Cleveland	OH	582,107	1,081,848	None	None	582,107	1,081,848	1,663,955
Columbus	OH	385,878	717,422	None	None	385,878	717,422	1,103,300
Oklahoma City	OK	509,370	752,691	None	None	509,370	752,691	1,262,061
Oklahoma City	OK	404,815	771,625	None	None	404,815	771,625	1,176,440
Greensburg	PA	594,891	1,105,589	None	None	594,891	1,105,589	1,700,480

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Description (Note 1)		Initial Cost to Company				Cost Capitalized		Gross Amount at Which Carried			Accu- Dep (M)
		Land	Acquisition Fees	Buildings, Improvements and	Improvements	Subsequent to Acquisition	Carrying Costs	Land	Buildings, Improvements and	Total	
Lancaster	PA	431,050	801,313	None	None	None	None	431,050	801,313	1,232,363	
Mechanicsburg	PA	455,854	847,377	None	None	None	None	455,854	847,377	1,303,231	
Monroeville	PA	723,660	1,344,733	None	None	None	None	723,660	1,344,733	2,068,393	
Philadelphia	PA	334,939	622,821	None	None	None	None	334,939	622,821	957,760	
Pittsburgh	PA	384,756	715,339	None	None	None	None	384,756	715,339	1,100,095	
York	PA	389,291	723,760	None	None	None	None	389,291	723,760	1,113,051	
Columbia	SC	343,785	295,001	183,130	25,941	None	None	343,785	504,072	847,857	
Sioux Falls	SD	332,979	498,108	None	None	None	None	332,979	498,108	831,087	
Goodlettsville	TN	601,306	1,117,504	None	None	None	None	601,306	1,117,504	1,718,810	
Arlington	TX	599,558	1,114,256	None	None	None	None	599,558	1,114,256	1,713,814	
Austin	TX	185,454	411,899	None	None	None	None	185,454	411,899	597,353	
Austin	TX	710,485	1,320,293	None	None	None	None	710,485	1,320,293	2,030,778	
Austin	TX	590,828	1,098,073	None	None	None	None	590,828	1,098,073	1,688,901	
Austin	TX	569,909	1,059,195	None	None	None	None	569,909	1,059,195	1,629,104	
Austin	TX	532,497	989,715	None	None	None	None	532,497	989,715	1,522,212	
Carrollton	TX	568,401	1,056,394	None	None	None	None	568,401	1,056,394	1,624,795	
Conroe	TX	396,068	736,346	None	None	None	None	396,068	736,346	1,132,414	
Dallas	TX	191,267	424,811	None	15,209	None	None	191,267	440,020	631,287	
Fort Worth	TX	543,950	1,010,984	None	None	None	None	543,950	1,010,984	1,554,934	
Garland	TX	242,887	539,461	None	None	None	None	242,887	539,461	782,348	
Harlingen	TX	134,599	298,948	None	None	None	None	134,599	298,948	433,547	
Houston	TX	392,113	729,002	None	None	None	None	392,113	729,002	1,121,115	
Houston	TX	1,030,379	1,914,353	None	None	None	None	1,030,379	1,914,353	2,944,732	
Houston	TX	619,101	1,150,551	None	None	None	None	619,101	1,150,551	1,769,652	
Houston	TX	642,495	1,193,997	None	None	None	None	642,495	1,193,997	1,836,492	
Houston	TX	872,866	1,621,829	None	None	None	None	872,866	1,621,829	2,494,695	
Houston	TX	151,018	335,417	None	141	None	None	151,018	335,558	486,576	
Humble	TX	612,414	1,138,132	None	None	None	None	612,414	1,138,132	1,750,546	
Leon Valley	TX	178,221	395,834	None	None	None	None	178,221	395,834	574,055	
Leon Valley	TX	529,967	985,046	None	None	None	None	529,967	985,046	1,515,013	
Mesquite	TX	591,538	1,099,363	None	None	None	None	591,538	1,099,363	1,690,901	
N. Richland Hills	TX	509,861	947,707	None	None	None	None	509,861	947,707	1,457,568	
Pasadena	TX	107,391	238,519	None	141	None	None	107,391	238,660	346,051	
Plano	TX	187,564	417,157	700	None	None	None	187,564	417,857	605,421	
Plano	TX	494,407	918,976	None	None	None	None	494,407	918,976	1,413,383	
Richardson	TX	555,188	1,031,855	None	None	None	None	555,188	1,031,855	1,587,043	
San Antonio	TX	245,164	544,518	None	None	None	None	245,164	544,518	789,682	
San Antonio	TX	688,249	1,278,967	None	None	None	None	688,249	1,278,967	1,967,216	
Stafford	TX	706,786	1,313,395	None	None	None	None	706,786	1,313,395	2,020,181	
Waco	TX	401,999	747,362	None	None	None	None	401,999	747,362	1,149,361	

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Webster	TX	600,261	1,115,563	None	None	600,261	1,115,563	1,715,824
Bountiful	UT	183,750	408,115	None	143	183,750	408,258	592,008
Alexandria	VA	542,791	1,008,832	None	None	542,791	1,008,832	1,551,623
Alexandria	VA	592,698	1,101,517	None	None	592,698	1,101,517	1,694,215
Chesapeake	VA	770,000	1,112,334	None	None	770,000	1,112,334	1,882,334
Lynchburg	VA	342,751	637,329	None	None	342,751	637,329	980,080
Virginia Beach	VA	780,000	1,026,384	None	None	780,000	1,026,384	1,806,384
Woodbridge	VA	774,854	1,439,806	None	None	774,854	1,439,806	2,214,660
Tacoma	WA	187,111	415,579	None	108	187,111	415,687	602,798
Brown Deer	WI	257,408	802,141	None	None	257,408	802,141	1,059,549
Delafield	WI	324,574	772,702	None	None	324,574	772,702	1,097,276

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Description (Note 1)	Initial Cost to Company				Cost Capitalized Subsequent to Acquisition	Gross Amount at Which Carried at Close of Period (Notes 2, 3, 5, 6, 7 and 8)				Accumulated Depreciation (Note 4)
	Land	Buildings, Improvements and Acquisition Fees	Improvements	Carrying Costs	Land	Buildings, Improvements and Acquisition Fees	Total			
Madison	WI	452,630	811,977	None	None	452,630	811,977	1,264,607	299	
Oak Creek	WI	420,465	852,408	None	None	420,465	852,408	1,272,873	314	
Book Stores										
Tampa	FL	998,250	3,696,707	None	None	998,250	3,696,707	4,694,957	1,595	
Matthews	NC	768,222	843,401	21,654	501	768,222	865,556	1,633,778	310	
Business Services										
Jackson	MI	550,162	571,590	None	602	550,162	572,192	1,122,354	203	
Midland	TX	45,500	101,058	None	299	45,500	101,357	146,857	80	
Child Care										
Birmingham	AL	63,800	295,791	None	96	63,800	295,887	359,687	280	
Mobile	AL	78,400	237,671	25,000	411	78,400	263,082	341,482	242	
Avondale	AZ	242,723	1,129,139	None	None	242,723	1,129,139	1,371,862	385	
Chandler	AZ	291,720	647,923	None	102	291,720	648,025	939,745	509	
Chandler	AZ	271,695	603,446	None	114	271,695	603,560	875,255	474	
Mesa	AZ	308,951	1,025,612	None	None	308,951	1,025,612	1,334,563	340	
Peoria	AZ	281,750	625,779	None	141	281,750	625,920	907,670	486	
Phoenix	AZ	264,504	587,471	None	88	264,504	587,559	852,063	404	
Phoenix	AZ	318,500	707,397	None	97	318,500	707,494	1,025,994	535	
Phoenix	AZ	260,719	516,181	None	195	260,719	516,376	777,095	345	
Phoeniz	AZ	115,000	285,172	7,119	11,462	115,000	303,753	418,753	285	
Scottsdale	AZ	291,993	648,529	None	None	291,993	648,529	940,522	510	
Tempe	AZ	292,200	648,989	None	None	292,200	648,989	941,189	504	
Tucson	AZ	283,500	546,878	None	135	283,500	547,013	830,513	414	
Tucson	AZ	304,500	676,303	None	242	304,500	676,545	981,045	512	
Calabasas	CA	156,430	725,248	14,490	474	156,430	740,212	896,642	662	
Carmichael	CA	131,035	607,507	None	127	131,035	607,634	738,669	533	
Chino	CA	155,000	634,071	None	83	155,000	634,154	789,154	634	
Chula Vista	CA	350,563	778,614	None	None	350,563	778,614	1,129,177	617	
Corona	CA	144,856	671,584	None	91	144,856	671,675	816,531	633	
El Cajon	CA	157,804	731,621	None	122	157,804	731,743	889,547	661	
Encinitas	CA	320,000	710,729	None	None	320,000	710,729	1,030,729	559	
Escondido	CA	276,286	613,638	None	14	276,286	613,652	889,938	482	
Folsom	CA	281,563	625,363	None	199	281,563	625,562	907,125	496	
Mission Viejo	CA	353,891	744,367	12,500	20,183	353,891	777,050	1,130,941	484	
	CA	304,489	676,214	None	78	304,489	676,292	980,781	555	

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Moreno
Valley

Oceanside	CA	145,568	674,889	11,000	22,105	145,568	707,994	853,562	620
Palmdale	CA	249,490	554,125	9,864	None	249,490	563,989	813,479	423
Rancho	CA	276,328	613,733	24,967	None	276,328	638,700	915,028	459
Cordova									
Rancho	CA	471,733	1,047,739	None	None	471,733	1,047,739	1,519,472	824
Cucamonga									
Roseville	CA	297,343	660,411	27,496	199	297,343	688,106	985,449	532
Sacramento	CA	290,734	645,732	None	127	290,734	645,859	936,593	512
Santee	CA	248,418	551,748	None	15	248,418	551,763	800,181	443
Simi Valley	CA	208,585	967,055	22,800	75,675	208,585	1,065,530	1,274,115	893
Valencia	CA	301,295	669,185	25,000	None	301,295	694,185	995,480	519
Walnut	CA	217,365	1,007,753	1,200	51,312	217,365	1,060,265	1,277,630	886
Aurora	CO	141,811	657,497	None	146	141,811	657,643	799,454	588
Aurora	CO	287,000	637,440	None	155	287,000	637,595	924,595	501

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Description (Note 1)	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 2, 3, 5, 6, 7 and 8)				Accumulated Depreciation (Note 8)
	Land	Buildings, Improvements and Acquisition Fees	Improvements	Carrying Costs	Land	Buildings, Improvements and Acquisition Fees	Total		
Broomfield	CO	155,306	344,941	25,000	80	155,306	370,021	525,327	27,000
Broomfield	CO	107,000	403,080	16,438	21,163	107,000	440,681	547,681	42,000
Colorado Springs	CO	115,542	535,700	None	146	115,542	535,846	651,388	46,000
Colorado Springs	CO	58,400	271,217	25,000	159	58,400	296,376	354,776	27,000
Englewood	CO	131,216	608,372	None	146	131,216	608,518	739,734	52,000
Fort Collins	CO	117,105	542,950	None	146	117,105	543,096	660,201	48,000
Fort Collins	CO	55,200	256,356	None	3,600	55,200	259,956	315,156	25,000
Fort Collins	CO	137,734	638,593	None	22,196	137,734	660,789	798,523	57,000
Greeley	CO	58,400	270,755	25,000	382	58,400	296,137	354,537	26,000
Littleton	CO	161,617	358,956	None	438	161,617	359,394	521,011	28,000
Longmont	CO	115,592	535,931	None	146	115,592	536,077	651,669	47,000
Louisville	CO	58,089	269,313	None	438	58,089	269,751	327,840	25,000
Parker	CO	153,551	341,042	None	438	153,551	341,480	495,031	27,000
Westminster	CO	306,387	695,737	None	155	306,387	695,892	1,002,279	51,000
Bradenton	FL	160,060	355,501	25,000	134	160,060	380,635	540,695	28,000
Clearwater	FL	42,223	269,380	None	124	42,223	269,504	311,727	26,000
Jacksonville	FL	184,800	410,447	22,872	124	184,800	433,443	618,243	30,000
Jacksonville	FL	48,000	243,060	None	233	48,000	243,293	291,293	24,000
Margate	FL	66,686	309,183	None	184	66,686	309,367	376,053	26,000
Melbourne	FL	256,439	549,345	None	None	256,439	549,345	805,784	33,000
Niceville	FL	73,696	341,688	None	None	73,696	341,688	415,384	29,000
Orlando	FL	190,050	422,107	None	124	190,050	422,231	612,281	31,000
Orlando	FL	68,001	313,922	None	309	68,001	314,231	382,232	28,000
Orlando	FL	159,177	353,538	None	319	159,177	353,857	513,034	28,000
Oviedo	FL	166,409	369,598	None	319	166,409	369,917	536,326	29,000
Panama City	FL	69,500	244,314	14,500	2,113	69,500	260,927	330,427	25,000
Pensacola	FL	147,000	326,492	None	96	147,000	326,588	473,588	24,000
Royal Palm Beach	FL	194,193	431,309	25,000	134	194,193	456,443	650,636	32,000
Spring Hill	FL	146,939	326,356	None	138	146,939	326,494	473,433	25,000
St. Augustine	FL	44,800	213,040	None	134	44,800	213,174	257,974	21,000
Sunrise	FL	245,000	533,280	None	1,338	245,000	534,618	779,618	39,000
Tampa	FL	53,385	199,846	None	134	53,385	199,980	253,365	19,000
Duluth	GA	310,000	1,040,008	None	None	310,000	1,040,008	1,350,008	34,000
Ellenwood	GA	119,678	275,414	None	363	119,678	275,777	395,455	20,000
Lawrenceville	GA	141,449	314,161	3,766	13,877	141,449	331,804	473,253	25,000
Lithia Springs	GA	187,444	363,358	None	240	187,444	363,598	551,042	26,000
Lithonia	GA	239,715	524,459	None	356	239,715	524,815	764,530	36,000

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Marietta	GA	292,250	649,095	None	177	292,250	649,272	941,522	48
Marietta	GA	295,750	596,299	None	177	295,750	596,476	892,226	44
Marietta	GA	301,000	668,529	None	177	301,000	668,706	969,706	49
Marietta	GA	148,620	330,090	25,000	383	148,620	355,473	504,093	25
Smyrna	GA	274,750	610,229	None	100	274,750	610,329	885,079	45
Stockbridge	GA	168,700	374,688	24,894	93	168,700	399,675	568,375	28
Stone Mountain	GA	65,000	301,357	None	729	65,000	302,086	367,086	27
Cedar Rapids	IA	194,950	427,085	None	None	194,950	427,085	622,035	27
Iowa City	IA	186,900	408,910	None	None	186,900	408,910	595,810	26
Johnston	IA	186,996	347,278	None	None	186,996	347,278	534,274	22
Addison	IL	125,780	583,146	None	241	125,780	583,387	709,167	52
Algonquin	IL	241,500	509,629	None	20,382	241,500	530,011	771,511	35
Aurora	IL	468,000	1,259,926	None	None	468,000	1,259,926	1,727,926	40

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Description (Note 1)		Initial Cost to Company				Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 2, 3, 5, 6, 7 and 8)			Accumulated Depreciation (Note 2)
		Land	Buildings, Improvements and	Acquisition Fees	Improvements	Carrying Costs	Land	Buildings, Improvements and	Acquisition Fees	Total	
Aurora	IL	165,679	398,738	6,580	406	165,679	405,724	571,403	29		
Bartlett	IL	120,824	560,166	None	241	120,824	560,407	681,231	50		
Carol Stream	IL	122,831	586,416	None	241	122,831	586,657	709,488	52		
Crystal Lake	IL	400,000	1,259,424	None	None	400,000	1,259,424	1,659,424	40		
Elk Grove Village	IL	126,860	588,175	None	241	126,860	588,416	715,276	52		
Glendale Heights	IL	318,500	707,399	None	None	318,500	707,399	1,025,899	53		
Hoffman Estates	IL	318,500	707,399	None	None	318,500	707,399	1,025,899	52		
Lake in the Hills	IL	375,000	1,127,678	None	None	375,000	1,127,678	1,502,678	36		
Lockport	IL	189,477	442,018	None	557	189,477	442,575	632,052	35		
Naperville	IL	425,000	1,230,654	None	None	425,000	1,230,654	1,655,654	39		
O'Fallon	IL	141,250	313,722	None	468	141,250	314,190	455,440	24		
Oswego	IL	380,000	1,165,818	None	1,182	380,000	1,167,000	1,547,000	38		
Palatine	IL	121,911	565,232	None	241	121,911	565,473	687,384	50		
Roselle	IL	297,541	561,037	None	None	297,541	561,037	858,578	41		
Schaumburg	IL	218,798	485,955	3,130	4,551	218,798	493,636	712,434	38		
Vernon Hills	IL	132,523	614,430	None	241	132,523	614,671	747,194	54		
Westmont	IL	124,742	578,330	None	241	124,742	578,571	703,313	51		
Carmel	IN	217,565	430,742	None	289	217,565	431,031	648,596	28		
Fishers	IN	212,118	419,958	None	453	212,118	420,411	632,529	28		
Highland	IN	220,460	436,476	None	226	220,460	436,702	657,162	29		
Indianapolis	IN	245,000	544,153	None	154	245,000	544,307	789,307	37		
Noblesville	IN	60,000	278,175	None	289	60,000	278,464	338,464	25		
Lenexa	KS	318,500	707,399	14,200	4,208	318,500	725,807	1,044,307	52		
Olathe	KS	304,500	676,308	37,904	9,137	304,500	723,349	1,027,849	51		
Overland Park	KS	357,500	1,115,171	None	None	357,500	1,115,171	1,472,671	36		
Shawnee	KS	288,246	935,875	None	None	288,246	935,875	1,224,121	33		
Shawnee	KS	315,000	699,629	None	200	315,000	699,829	1,014,829	52		
Wichita	KS	108,569	401,829	None	167	108,569	401,996	510,565	33		
Wichita	KS	209,890	415,549	25,699	24,162	209,890	465,410	675,300	28		
Lexington	KY	210,427	420,883	None	None	210,427	420,883	631,310	28		
Acton	MA	315,533	700,813	None	None	315,533	700,813	1,016,346	53		
Marlborough	MA	352,765	776,488	None	387	352,765	776,875	1,129,640	58		
Westborough	MA	359,412	773,877	None	333	359,412	774,210	1,133,622	58		
Ellicott City	MD	219,368	630,839	26,550	None	219,368	657,389	876,757	47		
Frederick	MD	203,352	1,017,109	None	None	203,352	1,017,109	1,220,461	38		

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Olney	MD	342,500	760,701	None	None	342,500	760,701	1,103,201	59
Waldorf	MD	237,207	526,844	None	399	237,207	527,243	764,450	41
Waldorf	MD	130,430	604,702	None	453	130,430	605,155	735,585	57
Canton	MI	55,000	378,848	None	None	55,000	378,848	433,848	37
Apple Valley	MN	113,523	526,319	None	498	113,523	526,817	640,340	47
Brooklyn Park	MN	118,111	547,587	None	498	118,111	548,085	666,196	49
Eagan	MN	112,127	519,845	None	498	112,127	520,343	632,470	46
Eden Prairie	MN	124,286	576,243	None	498	124,286	576,741	701,027	51
Maple Grove	MN	313,250	660,149	None	189	313,250	660,338	973,588	45
Plymouth	MN	134,221	622,350	None	673	134,221	623,023	757,244	54
White Bear Lake	MN	242,165	537,856	None	189	242,165	538,045	780,210	36
Florissant	MO	181,300	402,672	None	230	181,300	402,902	584,202	29
Florissant	MO	318,500	707,399	None	230	318,500	707,629	1,026,129	52
Gladstone	MO	294,000	652,987	None	327	294,000	653,314	947,314	49
Lee's Summit	MO	330,000	993,787	None	None	330,000	993,787	1,323,787	32
Lee's Summit	MO	313,740	939,367	None	None	313,740	939,367	1,253,107	30

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Description (Note 1)	Initial Cost to Company				Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 2, 3, 5, 6, 7 and 8)			Accumul Deprecia (Note
	Land	Buildings, Improvements and	Acquisition Fees	Improvements	Carrying Costs	Land	Buildings, Improvements and	Acquisition Fees	Total	
Lee's Summit	MO	239,627	532,220	None	169	239,627	532,389	772,016	38	
Liberty	MO	65,400	303,211	25,000	169	65,400	328,380	393,780	28	
North Kansas City	MO	307,784	910,401	None	None	307,784	910,401	1,218,185	32	
Pearl	MS	121,801	270,524	18,837	12,287	121,801	301,648	423,449	21	
Cary	NC	75,200	262,973	None	322	75,200	263,295	338,495	26	
Charlotte	NC	134,582	268,222	24,478	297	134,582	292,997	427,579	20	
Charlotte	NC	27,551	247,000	None	367	27,551	247,367	274,918	24	
Concord	NC	32,441	190,859	None	290	32,441	191,149	223,590	19	
Durham	NC	175,700	390,234	26,312	94	175,700	416,640	592,340	29	
Durham	NC	220,728	429,380	None	101	220,728	429,481	650,209	30	
Durham	NC	238,000	471,201	None	232	238,000	471,433	709,433	30	
Kernersville	NC	162,216	316,300	None	93	162,216	316,393	478,609	22	
Bellevue	NE	60,568	280,819	None	167	60,568	280,986	341,554	24	
Omaha	NE	60,500	280,491	None	146	60,500	280,637	341,137	26	
Omaha	NE	53,000	245,720	None	146	53,000	245,866	298,866	23	
Omaha	NE	142,867	317,315	None	312	142,867	317,627	460,494	24	
Londonderry	NH	335,467	745,082	None	54	335,467	745,136	1,080,603	53	
Clementon	NJ	279,851	554,060	None	399	279,851	554,459	834,310	35	
Las Vegas	NV	201,250	446,983	None	None	201,250	446,983	648,233	30	
Sparks	NV	244,752	543,605	13,833	None	244,752	557,438	802,190	42	
Beavercreek	OH	179,552	398,786	None	151	179,552	398,937	578,489	32	
Centerville	OH	174,519	387,613	None	151	174,519	387,764	562,283	31	
Dublin	OH	84,000	389,446	None	176	84,000	389,622	473,622	35	
Englewood	OH	74,000	343,083	None	503	74,000	343,586	417,586	31	
Forest Park	OH	170,778	379,305	None	151	170,778	379,456	550,234	30	
Huber Heights	OH	245,000	544,153	None	222	245,000	544,375	789,375	36	
Loveland	OH	206,136	457,829	None	174	206,136	458,003	664,139	37	
Maineville	OH	173,105	384,468	None	151	173,105	384,619	557,724	31	
Pickerington	OH	87,580	406,055	None	176	87,580	406,231	493,811	35	
Westerville	OH	294,350	646,557	None	115	294,350	646,672	941,022	44	
Westerville	OH	82,000	380,173	None	344	82,000	380,517	462,517	34	
Broken Arrow	OK	78,705	220,434	None	1,700	78,705	222,134	300,839	22	
Midwest City	OK	67,800	314,338	None	403	67,800	314,741	382,541	28	
Oklahoma City	OK	79,000	366,261	17,659	461	79,000	384,381	463,381	35	

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Oklahoma City	OK	50,800	214,474	None	3,013	50,800	217,487	268,287	21
Yukon	OK	61,000	282,812	27,000	379	61,000	310,191	371,191	27
Beaverton	OR	135,148	626,647	None	218	135,148	626,865	762,013	54
Charleston	SC	140,700	312,498	25,000	109	140,700	337,607	478,307	23
Charleston	SC	125,593	278,947	None	290	125,593	279,237	404,830	21
Columbia	SC	58,160	269,643	None	1,435	58,160	271,078	329,238	25
Elgin	SC	160,831	313,600	None	63	160,831	313,663	474,494	22
Goose Creek	SC	61,635	192,905	None	292	61,635	193,197	254,832	19
Mt. Pleasant	SC	40,700	180,400	None	202	40,700	180,602	221,302	18
Summerville	SC	44,400	174,500	None	63	44,400	174,563	218,963	17
Sumter	SC	56,010	268,903	None	1,351	56,010	270,254	326,264	24
Memphis	TN	221,501	491,962	None	344	221,501	492,306	713,807	33
Memphis	TN	238,263	504,897	None	719	238,263	505,616	743,879	38
Memphis	TN	238,000	528,608	None	719	238,000	529,327	767,327	40
Nashville	TN	274,298	609,223	None	96	274,298	609,319	883,617	44
Arlington	TX	195,650	387,355	None	None	195,650	387,355	583,005	25

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Description (Note 1)	Initial Cost to Company				Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 2, 3, 5, 6, 7 and 8)			Accumulated Depreciation (Note 4)
	Land	Acquisition Fees	Buildings, Improvements and	Improvements	Carrying Costs	Land	Acquisition Fees	Buildings, Improvements and	Total	
Arlington TX	82,109	380,677	None	None	54	82,109	380,731	None	462,840	359,
Arlington TX	238,000	528,604	None	None	384	238,000	528,988	None	766,988	400,
Arlington TX	241,500	550,559	None	None	13,389	241,500	563,948	None	805,448	429,
Atascocita TX	278,915	1,034,868	None	None	None	278,915	1,034,868	None	1,313,783	343,
Austin TX	238,000	528,604	None	None	99	238,000	528,703	None	766,703	388,
Austin TX	217,878	483,913	29,469	None	99	217,878	513,481	None	731,359	361,
Austin TX	191,636	425,629	15,530	None	252	191,636	441,411	None	633,047	323,
Austin TX	134,383	623,103	None	None	786	134,383	623,889	None	758,272	540,
Austin TX	88,872	222,684	20,452	None	15,346	88,872	258,482	None	347,354	224,
Austin TX	103,600	230,532	8,750	None	15,557	103,600	254,839	None	358,439	248,
Austin TX	236,733	640,023	36,746	None	24,331	236,733	701,100	None	937,833	430,
Bedford TX	241,500	550,559	None	None	None	241,500	550,559	None	792,059	424,
Carrollton TX	277,850	617,113	None	None	157	277,850	617,270	None	895,120	485,
Cedar Park TX	168,857	375,036	5,200	None	242	168,857	380,478	None	549,335	282,
Colleyville TX	250,000	1,070,360	None	None	None	250,000	1,070,360	None	1,320,360	351,
Converse TX	217,000	481,963	None	None	153	217,000	482,116	None	699,116	364,
Coppell TX	208,641	463,398	None	None	120	208,641	463,518	None	672,159	364,
Corinth TX	285,000	1,041,626	None	None	None	285,000	1,041,626	None	1,326,626	348,
Denton TX	192,777	428,121	None	None	237	192,777	428,358	None	621,135	351,
Duncanville TX	93,000	431,172	28,378	None	11,063	93,000	470,613	None	563,613	414,
Eules TX	234,111	519,962	None	None	144	234,111	520,106	None	754,217	421,
Flower Mound TX	281,735	1,099,726	None	None	None	281,735	1,099,726	None	1,381,461	375,
Flower Mound TX	202,773	442,845	8,877	None	9,358	202,773	461,080	None	663,853	361,
Fort Worth TX	238,000	528,608	None	None	None	238,000	528,608	None	766,608	400,
Fort Worth TX	210,007	444,460	None	None	None	210,007	444,460	None	654,467	313,
Fort Worth TX	216,160	427,962	None	None	None	216,160	427,962	None	644,122	284,
Fort Worth TX	85,518	396,495	24,625	None	116	85,518	421,236	None	506,754	350,
Garland TX	211,050	468,749	None	None	124	211,050	468,873	None	679,923	332,
Grand Prairie TX	167,164	371,276	30,086	None	22,064	167,164	423,426	None	590,590	282,
Houston TX	294,582	919,276	None	None	None	294,582	919,276	None	1,213,858	323,
Houston TX	219,100	486,631	None	None	124	219,100	486,755	None	705,855	368,
Houston TX	219,100	486,628	None	None	141	219,100	486,769	None	705,869	365,
Houston TX	102,000	472,898	None	None	278	102,000	473,176	None	575,176	438,
Houston TX	60,000	278,175	None	None	297	60,000	278,472	None	338,472	258,
Houston TX	139,125	308,997	19,128	None	10,583	139,125	338,708	None	477,833	255,
Houston TX	149,109	323,314	None	None	13,986	149,109	337,300	None	486,409	247,
Houston TX	141,296	313,824	12,442	None	15,893	141,296	342,159	None	483,455	253,

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Katy	TX	309,898	983,041	None	None	309,898	983,041	1,292,939	352,
Mansfield	TX	181,375	402,839	None	124	181,375	402,963	584,338	285,
Mesquite	TX	139,466	326,525	None	89	139,466	326,614	466,080	219,
Mesquite	TX	85,000	394,079	None	141	85,000	394,220	479,220	373,
Pasadena	TX	60,000	278,173	None	295	60,000	278,468	338,468	264,
Plano	TX	250,514	556,399	None	None	250,514	556,399	806,913	437,
Plano	TX	259,000	575,246	None	240	259,000	575,486	834,486	435,
Plano	TX	261,912	581,658	10,338	9,279	261,912	601,275	863,187	479,
Round Rock	TX	186,380	413,957	30,800	99	186,380	444,856	631,236	312,
Round Rock	TX	80,525	373,347	None	441	80,525	373,788	454,313	323,
San Antonio	TX	182,868	406,155	18,940	110	182,868	425,205	608,073	311,
San Antonio	TX	130,833	606,596	None	139	130,833	606,735	737,568	542,
San Antonio	TX	81,530	378,007	None	139	81,530	378,146	459,676	327,
San Antonio	TX	217,000	481,967	None	261	217,000	482,228	699,228	363,

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Description (Note 1)	Initial Cost to Company				Cost Capitalized	Gross Amount at Which Carried				Accumulated Depreciation (Note 2)
	Land	Buildings, Improvements and Acquisition Fees	Improvements	Carrying Costs	Subsequent to Acquisition	Land	Buildings, Improvements and Acquisition Fees	Total		
San Antonio TX	220,500	447,108	None	261		220,500	447,369	667,869	3	
San Antonio TX	102,512	475,288	None	443		102,512	475,731	578,243	4	
San Antonio TX	139,125	308,997	None	543		139,125	309,540	448,665	2	
San Antonio TX	181,412	402,923	None	644		181,412	403,567	584,979	3	
San Antonio TX	234,500	520,831	None	644		234,500	521,475	755,975	4	
Southlake TX	228,279	511,750	None	None		228,279	511,750	740,029	3	
Sugar Land TX	339,310	1,000,876	None	None		339,310	1,000,876	1,340,186	3	
Layton UT	136,574	269,008	None	143		136,574	269,151	405,725	1	
Sandy UT	168,089	373,330	None	143		168,089	373,473	541,562	2	
Centreville VA	371,000	824,003	None	94		371,000	824,097	1,195,097	5	
Chesapeake VA	190,050	422,107	24,568	94		190,050	446,769	636,819	3	
Glen Allen VA	74,643	346,060	None	94		74,643	346,154	420,797	3	
Portsmouth VA	171,575	381,073	24,932	203		171,575	406,208	577,783	2	
Richmond VA	269,500	598,567	None	296		269,500	598,863	868,363	4	
Richmond VA	71,001	327,771	None	7,947		71,001	335,718	406,719	3	
Virginia Beach VA	69,080	320,270	None	952		69,080	321,222	390,302	3	
Woodbridge VA	358,050	795,239	None	None		358,050	795,239	1,153,289	6	
Federal Way WA	261,943	581,782	27,500	None		261,943	609,282	871,225	4	
Federal Way WA	150,785	699,101	None	225		150,785	699,326	850,111	6	
Kent WA	140,763	678,809	None	225		140,763	679,034	819,797	5	
Kent WA	128,300	539,141	None	22,213		128,300	561,354	689,654	5	
Kirkland WA	301,000	668,534	None	108		301,000	668,642	969,642	5	
Puyallup WA	195,552	434,327	27,000	None		195,552	461,327	656,879	3	
Redmond WA	279,830	621,513	None	225		279,830	621,738	901,568	4	
Renton WA	111,183	515,490	None	108		111,183	515,598	626,781	4	
Appleton WI	196,000	424,038	None	182		196,000	424,220	620,220	2	
Waukesha WI	233,100	461,500	None	182		233,100	461,682	694,782	3	
Waukesha WI	215,950	427,546	None	182		215,950	427,728	643,678	2	
Consumer Electronics										
Mary Esther FL	149,696	363,263	None	134		149,696	363,397	513,093	1	
Melbourne FL	269,697	522,414	None	1,639		269,697	524,053	793,750	2	
Merritt Island FL	309,652	482,459	None	134		309,652	482,593	792,245	2	
Ocala FL	339,690	543,504	None	134		339,690	543,638	883,328	2	
Tallahassee FL	319,807	502,697	None	1,634		319,807	504,331	824,138	2	
Smyrna GA	1,094,058	3,090,236	None	411		1,094,058	3,090,647	4,184,705	1,3	
Richmond IN	93,999	193,753	None	136		93,999	193,889	287,888		
Gulfport MS	299,464	502,326	None	275		299,464	502,601	802,065	2	

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Jackson	MS	405,360	656,296	-138,000	292	405,360	518,588	923,948	2
Tupelo	MS	121,697	637,691	None	290	121,697	637,981	759,678	2
Pineville	NC	567,864	840,284	None	36,277	567,864	876,561	1,444,425	3
Lakewood	NY	144,859	526,301	None	422	144,859	526,723	671,582	2
Westbury	NY	6,333,590	3,952,773	4,073	None	6,333,590	3,956,846	10,290,436	1,6
Defiance	OH	97,978	601,863	None	168	97,978	602,031	700,009	2
Vienna	WV	324,797	526,670	10,493	812	324,797	537,975	862,772	2

Convenience
Stores

Daphne	AL	140,000	391,637	None	None	140,000	391,637	531,637	
Mobile	AL	190,000	301,637	None	None	190,000	301,637	491,637	
Mobile	AL	180,000	421,637	None	None	180,000	421,637	601,637	

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Description (Note 1)	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 2, 3, 5, 6, 7 and 8)			Accumulated Depreciation (Note 4)
	Land	Buildings, Improvements and Acquisition Fees	Improvements	Carrying Costs	Land	Buildings, Improvements and Acquisition Fees	Total	
Florence	AZ 150,000	371,637	None	None	150,000	371,637	521,637	56,000
Gilbert	AZ 680,000	1,111,637	None	None	680,000	1,111,637	1,791,637	168,000
Litchfield Park	AZ 610,000	531,637	None	None	610,000	531,637	1,141,637	80,000
Marana	AZ 180,000	331,637	None	None	180,000	331,637	511,637	50,000
Marana	AZ 330,000	911,637	None	None	330,000	911,637	1,241,637	138,000
Maricopa	AZ 170,000	361,637	None	None	170,000	361,637	531,637	54,000
Mesa	AZ 560,000	821,637	None	None	560,000	821,637	1,381,637	124,000
Mesa	AZ 750,000	1,071,637	None	None	750,000	1,071,637	1,821,637	162,000
Mesa	AZ 810,000	1,061,637	None	None	810,000	1,061,637	1,871,637	161,000
Mesa	AZ 890,000	1,081,637	None	None	890,000	1,081,637	1,971,637	164,000
Mesa	AZ 780,000	1,071,637	None	None	780,000	1,071,637	1,851,637	162,000
Mesa	AZ 900,000	1,191,637	None	None	900,000	1,191,637	2,091,637	180,000
Payson	AZ 210,000	351,637	None	None	210,000	351,637	561,637	53,000
Payson	AZ 260,000	311,637	None	None	260,000	311,637	571,637	47,000
Peoria	AZ 520,000	751,637	None	None	520,000	751,637	1,271,637	113,000
Phoenix	AZ 440,000	511,637	None	None	440,000	511,637	951,637	77,000
Phoenix	AZ 360,000	421,637	None	None	360,000	421,637	781,637	63,000
Phoenix	AZ 710,000	591,637	None	None	710,000	591,637	1,301,637	89,000
Phoenix	AZ 320,000	661,637	None	None	320,000	661,637	981,637	100,000
Phoenix	AZ 450,000	651,637	None	None	450,000	651,637	1,101,637	98,000
Phoenix	AZ 430,000	711,637	None	None	430,000	711,637	1,141,637	107,000
Phoenix	AZ 730,000	931,637	None	None	730,000	931,637	1,661,637	141,000
Phoenix	AZ 400,000	931,637	None	None	400,000	931,637	1,331,637	141,000
Phoenix	AZ 790,000	1,051,637	None	None	790,000	1,051,637	1,841,637	159,000
Pinetop	AZ 170,000	311,637	None	None	170,000	311,637	481,637	47,000
Queen Creek	AZ 520,000	891,637	None	None	520,000	891,637	1,411,637	135,000
Scottsdale	AZ 210,000	201,637	None	None	210,000	201,637	411,637	30,000
Scottsdale	AZ 660,000	1,031,637	None	None	660,000	1,031,637	1,691,637	156,000
Sierra Vista	AZ 110,000	301,637	None	None	110,000	301,637	411,637	45,000
Tempe	AZ 620,000	1,071,637	None	None	620,000	1,071,637	1,691,637	162,000
Tempe	AZ 270,000	461,637	None	None	270,000	461,637	731,637	70,000
Tolleson	AZ 460,000	1,231,637	None	None	460,000	1,231,637	1,691,637	186,000
Tombstone	AZ 110,000	381,637	None	None	110,000	381,637	491,637	57,000
Tucson	AZ 220,000	311,637	None	None	220,000	311,637	531,637	47,000
Tucson	AZ 240,000	341,637	None	None	240,000	341,637	581,637	51,000
Tucson	AZ 550,000	511,637	None	None	550,000	511,637	1,061,637	77,000
Tucson	AZ 126,000	234,565	None	None	126,000	234,565	360,565	34,000
Wellton	AZ 120,000	291,637	None	None	120,000	291,637	411,637	44,000

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Wickenburg AZ	150,000	291,637	None	None	150,000	291,637	441,637	44
Manchester CT	118,262	305,510	None	None	118,262	305,510	423,772	156
Vernon CT	179,646	319,372	None	None	179,646	319,372	499,018	163
Westbrook CT	98,247	373,340	None	None	98,247	373,340	471,587	191
Camden DE	113,811	174,435	None	None	113,811	174,435	288,246	33
Camden DE	250,528	379,165	None	None	250,528	379,165	629,693	72
Dewey DE	147,465	224,665	None	None	147,465	224,665	372,130	43
Dover DE	278,804	421,707	None	None	278,804	421,707	700,511	80
Dover DE	367,137	554,207	None	None	367,137	554,207	921,344	106
Dover DE	367,425	554,884	None	None	367,425	554,884	922,309	106
Felton DE	307,260	464,391	None	None	307,260	464,391	771,651	89
Greenwood DE	632,303	1,176,618	None	None	632,303	1,176,618	1,808,921	5
Harrington DE	563,812	849,220	None	None	563,812	849,220	1,413,032	162

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Description (Note 1)	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 2, 3, 5, 6, 7 and 8)			Accumulated Depreciation (Note 4)
	Land	Buildings, Improvements and Acquisition Fees	Improvements	Carrying Costs	Land	Buildings, Improvements and Acquisition Fees	Total	
Milford	DE 310,049	468,575	None	None	310,049	468,575	778,624	89,000
Newcastle	DE 589,325	887,488	None	None	589,325	887,488	1,476,813	170,000
Smyrna	DE 121,774	186,436	None	None	121,774	186,436	308,210	35,000
Smyrna	DE 401,135	605,332	None	None	401,135	605,332	1,006,467	116,000
Townsend	DE 241,416	365,749	None	None	241,416	365,749	607,165	70,000
Wilmington	DE 280,682	424,525	None	None	280,682	424,525	705,207	81,000
Archer	FL 296,238	578,145	None	51	296,238	578,196	874,434	199,000
Bushnell	FL 130,000	291,637	None	None	130,000	291,637	421,637	44,000
Clearwater	FL 359,792	311,845	None	None	359,792	311,845	671,637	47,000
Cocoa	FL 323,827	287,810	None	None	323,827	287,810	611,637	43,000
Deltona	FL 140,000	321,637	None	None	140,000	321,637	461,637	48,000
Ellenton	FL 250,000	261,637	None	None	250,000	261,637	511,637	39,000
Englewood	FL 270,000	331,637	None	None	270,000	331,637	601,637	50,000
Gainesville	FL 515,834	873,187	None	None	515,834	873,187	1,389,021	301,000
Gainesville	FL 480,318	600,633	None	None	480,318	600,633	1,080,951	207,000
Gainesville	FL 347,310	694,859	None	None	347,310	694,859	1,042,169	239,000
Gainesville	FL 339,263	658,807	None	None	339,263	658,807	998,070	227,000
Gainesville	FL 351,921	552,557	None	None	351,921	552,557	904,478	190,000
Gainesville	FL 500,032	850,291	None	None	500,032	850,291	1,350,323	293,000
Homosassa Springs	FL 740,000	621,637	None	None	740,000	621,637	1,361,637	94,000
Hudson	FL 300,000	351,637	None	None	300,000	351,637	651,637	53,000
Intercession City	FL 161,776	319,861	None	None	161,776	319,861	481,637	48,000
Jacksonville	FL 266,111	494,206	None	None	266,111	494,206	760,317	73,000
Jacksonville	FL 522,188	371,885	None	None	522,188	371,885	894,073	128,000
Bch								
Key West	FL 873,700	627,937	None	None	873,700	627,937	1,501,637	95,000
Key West	FL 492,785	208,852	None	None	492,785	208,852	701,637	31,000
Lakeland	FL 527,076	464,561	None	None	527,076	464,561	991,637	70,000
Lakeland	FL 300,000	321,637	None	None	300,000	321,637	621,637	48,000
Lakeport	FL 180,342	331,295	None	None	180,342	331,295	511,637	50,000
Land	FL 120,000	361,637	None	None	120,000	361,637	481,637	54,000
O'Lakes								
Lutz	FL 480,000	421,637	None	None	480,000	421,637	901,637	63,000
Naples	FL 150,000	301,637	None	None	150,000	301,637	451,637	45,000
Naples	FL 620,000	381,637	None	None	620,000	381,637	1,001,637	57,000
New Port	FL 190,000	601,637	None	None	190,000	601,637	791,637	91,000
Richey	FL 140,000	281,637	None	None	140,000	281,637	421,637	42,000

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North Fort Meyers								
Okeechobee	FL 195,075	346,562	None	None	195,075	346,562	541,637	52,
Orlando	FL 240,000	301,637	None	None	240,000	301,637	541,637	45,
Palm Bay	FL 230,880	300,757	None	None	230,880	300,757	531,637	45,
Palm Harbor	FL 510,000	381,637	None	None	510,000	381,637	891,637	57,
Panama City	FL 210,000	431,637	None	None	210,000	431,637	641,637	65,
Pensacola	FL 168,000	312,727	None	None	168,000	312,727	480,727	46,
Port Charlotte	FL 170,000	311,637	None	None	170,000	311,637	481,637	47,
Port Orange	FL 609,438	512,199	None	None	609,438	512,199	1,121,637	77,
Pt Charlotte	FL 200,000	356,637	None	None	200,000	356,637	556,637	54,
Punta Gorda	FL 400,000	511,637	None	None	400,000	511,637	911,637	77,
Tallahassee	FL 600,000	341,637	None	None	600,000	341,637	941,637	51,
Tampa	FL 300,000	301,637	None	None	300,000	301,637	601,637	45,
Tampa	FL 380,000	361,637	None	None	380,000	361,637	741,637	54,
Tampa	FL 320,000	591,637	None	None	320,000	591,637	911,637	89,
Webster	FL 640,000	1,071,637	None	None	640,000	1,071,637	1,711,637	162,
Winter Springs	FL 150,000	291,637	None	None	150,000	291,637	441,637	44,

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Description (Note 1)	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 2, 3, 5, 6, 7 and 8)			Accumul Depreci (Note	
	Land	Buildings, Improvements and Acquisition Fees	Improvements	Carrying Costs	Land	Buildings, Improvements and Acquisition Fees	Total		
Augusta	GA	620,000	383,232	None	None	620,000	383,232	1,003,232	12
Augusta	GA	540,000	337,853	None	None	540,000	337,853	877,853	11
Augusta	GA	510,000	392,929	None	None	510,000	392,929	902,929	13
Augusta	GA	180,000	422,020	None	None	180,000	422,020	602,020	14
Augusta	GA	260,000	392,171	None	None	260,000	392,171	652,171	13
Augusta	GA	240,000	451,637	None	None	240,000	451,637	691,637	6
Cahutta	GA	437,500	813,742	None	None	437,500	813,742	1,251,242	13
Calhoun	GA	122,500	228,742	None	None	122,500	228,742	351,242	3
Calhoun	GA	262,500	488,742	None	None	262,500	488,742	751,242	8
Chatsworth	GA	140,000	261,242	None	None	140,000	261,242	401,242	4
Chatsworth	GA	140,000	261,242	None	None	140,000	261,242	401,242	4
Chatsworth	GA	140,000	261,242	None	None	140,000	261,242	401,242	4
Chickamauga	GA	181,731	338,742	None	None	181,731	338,742	520,473	5
Dalton	GA	171,500	319,742	None	None	171,500	319,742	491,242	5
Dalton	GA	87,500	163,742	None	None	87,500	163,742	251,242	2
Dalton	GA	485,650	903,162	None	None	485,650	903,162	1,388,812	15
Dalton	GA	146,000	272,385	None	None	146,000	272,385	418,385	4
Dalton	GA	420,000	781,242	None	None	420,000	781,242	1,201,242	13
Dalton	GA	210,000	391,242	None	None	210,000	391,242	601,242	6
Dalton	GA	332,500	618,742	None	None	332,500	618,742	951,242	10
Dunwoody	GA	545,462	724,254	None	None	545,462	724,254	1,269,716	30
Euharlee	GA	262,500	488,742	None	None	262,500	488,742	751,242	8
Flintstone	GA	157,500	293,742	None	None	157,500	293,742	451,242	4
Lafayette	GA	122,500	228,742	None	None	122,500	228,742	351,242	3
Lithonia	GA	386,784	776,436	None	None	386,784	776,436	1,163,220	32
Mableton	GA	491,069	355,957	None	None	491,069	355,957	847,026	15
Martinez	GA	450,000	402,777	None	None	450,000	402,777	852,777	13
Martinez	GA	830,000	871,637	None	None	830,000	871,637	1,701,637	13
Norcross	GA	384,162	651,273	None	None	384,162	651,273	1,035,435	27
Ringgold	GA	350,000	651,242	None	None	350,000	651,242	1,001,242	10
Ringgold	GA	234,500	1,168,914	None	None	234,500	1,168,914	1,403,414	14
Ringgold	GA	385,000	716,242	-21,175	None	385,000	695,067	1,080,067	12
Ringgold	GA	482,251	896,851	None	None	482,251	896,851	1,379,102	15
Rocky Face	GA	164,231	306,241	None	None	164,231	306,241	470,472	5
Rome	GA	210,000	391,242	None	None	210,000	391,242	601,242	6
Rome	GA	199,199	371,183	None	None	199,199	371,183	570,382	6
Rome	GA	201,791	375,997	None	None	201,791	375,997	577,788	6
Rome	GA	315,000	586,242	None	None	315,000	586,242	901,242	9
Rossville	GA	157,500	293,742	None	None	157,500	293,742	451,242	4
		GA 529,383	532,429	None	None	529,383	532,429	1,061,812	22

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Stone

Mountain

Summerville	GA	66,231	124,242	None	None	66,231	124,242	190,473	2
Trenton	GA	129,231	241,242	None	None	129,231	241,242	370,473	4
Godfrey	IL	374,586	733,190	None	None	374,586	733,190	1,107,776	30
Granite City	IL	362,287	737,255	None	None	362,287	737,255	1,099,542	31
Love's Park	IL	547,582	1,016,143	1,500	None	547,582	1,017,643	1,565,225	
Madison	IL	173,812	625,030	None	None	173,812	625,030	798,842	26
Rochelle	IL	607,418	1,127,766	1,000	None	607,418	1,128,766	1,736,184	
Albany	IN	427,437	794,632	2,000	None	427,437	796,632	1,224,069	1
Alexandria	IN	139,219	259,369	None	None	139,219	259,369	398,588	
Anderson	IN	147,263	274,307	None	None	147,263	274,307	421,570	
Anderson	IN	283,430	527,190	2,000	None	283,430	529,190	812,620	1

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Description (Note 1)		Initial Cost to Company		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 2, 3, 5, 6, 7 and 8)			Accumulated Depreciation (Note 8)
		Land	Buildings, Improvements and Acquisition Fees	Improvements	Carrying Costs	Land	Buildings, Improvements and Acquisition Fees	Total	
Elkhart	IN	495,914	922,471	1,500	None	495,914	923,971	1,419,885	
Frankfort	IN	208,666	388,345	2,000	None	208,666	390,345	599,011	
Greenwood	IN	173,250	323,022	None	None	173,250	323,022	496,272	
Hartford City	IN	250,310	465,702	2,000	None	250,310	467,702	718,012	
Indianapolis	IN	129,938	242,134	None	None	129,938	242,134	372,072	
Indianapolis	IN	269,294	500,939	1,500	None	269,294	502,439	771,733	
Indianapolis	IN	318,432	592,193	1,500	None	318,432	593,693	912,125	
Knox	IN	341,250	633,499	1,500	None	341,250	634,999	976,249	
Lafayette	IN	147,263	274,309	None	None	147,263	274,309	421,572	
Lafayette	IN	112,613	209,959	None	None	112,613	209,959	322,572	
Marion	IN	209,196	389,995	1,500	None	209,196	391,495	600,691	
Michigan City	IN	227,500	422,249	1,500	None	227,500	423,749	651,249	
Mishawaka	IN	123,983	231,743	2,000	None	123,983	233,743	357,726	
Morristown	IN	366,590	682,082	2,000	None	366,590	684,082	1,050,672	
Muncie	IN	103,950	193,870	None	None	103,950	193,870	297,820	
Muncie	IN	184,237	342,974	2,000	None	184,237	344,974	529,211	
New Albany	IN	181,459	289,353	None	None	181,459	289,353	470,812	1
New Albany	IN	262,465	331,796	None	None	262,465	331,796	594,261	1
New Castle	IN	138,600	258,672	None	None	138,600	258,672	397,272	
New Castle	IN	79,854	149,572	1,000	None	79,854	150,572	230,426	
New Castle	IN	203,941	380,019	1,500	None	203,941	381,519	585,460	
Richmond	IN	281,248	523,589	1,500	None	281,248	525,089	806,337	
Richmond	IN	255,908	476,528	2,000	None	255,908	478,528	734,436	
Rushville	IN	138,600	258,672	None	None	138,600	258,672	397,272	
Rushville	IN	121,275	226,497	None	None	121,275	226,497	347,772	
South Bend	IN	372,387	693,064	2,000	None	372,387	695,064	1,067,451	
Wabash	IN	430,437	800,871	2,000	None	430,437	802,871	1,233,308	
Wabash	IN	334,923	623,488	1,500	None	334,923	624,988	959,911	
Warsaw	IN	415,275	772,713	1,500	None	415,275	774,213	1,189,488	
West Lafayette	IN	0	1,335,355	2,000	None	-	1,337,355	1,337,355	
Zionsville	IN	910,595	1,691,926	2,000	None	910,595	1,693,926	2,604,521	4
Berea	KY	252,077	360,815	None	None	252,077	360,815	612,892	1
Elizabethtown	KY	286,106	286,106	None	None	286,106	286,106	572,212	1
Lebanon	KY	158,052	316,105	None	None	158,052	316,105	474,157	1
Louisville	KY	198,926	368,014	None	None	198,926	368,014	566,940	1
Louisville	KY	216,849	605,697	None	None	216,849	605,697	822,546	2
Mt. Washington	KY	327,245	479,593	None	None	327,245	479,593	806,838	2
Owensboro	KY	360,000	590,000	None	None	360,000	590,000	950,000	2

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Alexandria	LA	170,000	371,637	None	None	170,000	371,637	541,637
Baton Rouge	LA	500,000	521,637	None	None	500,000	521,637	1,021,637
Baton Rouge	LA	210,000	361,637	None	None	210,000	361,637	571,637
Bossier City	LA	230,000	431,637	None	None	230,000	431,637	661,637
Destrehan	LA	200,000	411,637	None	None	200,000	411,637	611,637
Lafayette	LA	240,000	391,637	None	None	240,000	391,637	631,637
Shreveport	LA	192,500	358,227	None	None	192,500	358,227	550,727
Amherst	MA	110,969	639,806	None	None	110,969	639,806	750,775
North Reading	MA	574,601	756,174	None	None	574,601	756,174	1,330,775
Seekonk	MA	298,354	268,518	None	None	298,354	268,518	566,872
Berlin	MD	255,951	387,395	None	None	255,951	387,395	643,346
Crisfield	MD	219,704	333,024	None	None	219,704	333,024	552,728
Hebron	MD	376,251	567,844	None	None	376,251	567,844	944,095

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Description (Note 1)	Initial Cost to Company Buildings, Improvements and		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 2, 3, 5, 6, 7 and 8) Buildings, Improvements and			Accrued Depreciation (N	
	Land	Acquisition Fees	Improvements	Carrying Costs	Land	Acquisition Fees	Total		
La Plata	MD	1,017,544	2,706,729	None	None	1,017,544	2,706,729	3,724,273	
Mechanicsville	MD	1,540,335	2,860,928	None	None	1,540,335	2,860,928	4,401,263	
Millersville	MD	830,737	2,696,245	None	None	830,737	2,696,245	3,526,982	
Breckenridge	MI	437,500	811,968	1,500	None	437,500	813,468	1,250,968	
Carson City	MI	262,500	486,468	2,000	None	262,500	488,468	750,968	
Charlevoix	MI	385,000	713,013	2,500	None	385,000	715,513	1,100,513	
Cheboygan	MI	280,000	518,013	2,500	None	280,000	520,513	800,513	
Clare	MI	306,250	567,718	2,000	None	306,250	569,718	875,968	
Clare	MI	229,250	426,218	500	None	229,250	426,718	655,968	
Comstock	MI	315,000	583,749	2,500	None	315,000	586,249	901,249	
Farwell	MI	437,500	811,468	2,000	None	437,500	813,468	1,250,968	
Flint	MI	194,492	476,504	None	None	194,492	476,504	670,996	
Gladwin	MI	140,000	259,013	1,500	None	140,000	260,513	400,513	
Grand Rapids	MI	437,500	812,249	1,500	None	437,500	813,749	1,251,249	
Kalamazoo	MI	238,000	442,249	1,000	None	238,000	443,249	681,249	
Kalkaska	MI	437,500	809,513	3,500	None	437,500	813,013	1,250,513	
Lake City	MI	115,500	213,513	1,500	None	115,500	215,013	330,513	
Lakeview	MI	96,250	177,718	2,000	None	96,250	179,718	275,968	
Mackinaw City	MI	455,000	844,513	1,000	None	455,000	845,513	1,300,513	
Mecosta	MI	122,500	227,468	1,000	None	122,500	228,468	350,968	
Midland	MI	437,500	811,013	2,000	None	437,500	813,013	1,250,513	
Mount Pleasant	MI	162,750	300,718	2,500	None	162,750	303,218	465,968	
Mount Pleasant	MI	463,750	860,718	1,500	None	463,750	862,218	1,325,968	
Mount Pleasant	MI	210,000	388,968	2,000	None	210,000	390,968	600,968	
Mount Pleasant	MI	437,500	810,968	2,500	None	437,500	813,468	1,250,968	
Mount Pleasant	MI	350,000	649,468	1,500	None	350,000	650,968	1,000,968	
Mount Pleasant	MI	175,000	324,468	1,500	None	175,000	325,968	500,968	
Petoskey	MI	490,000	909,513	1,000	None	490,000	910,513	1,400,513	
Prudenville	MI	133,000	245,013	2,500	None	133,000	247,513	380,513	
Saginaw	MI	262,500	486,513	1,500	None	262,500	488,013	750,513	
Standish	MI	92,750	171,263	1,500	None	92,750	172,763	265,513	
Traverse City	MI	210,000	389,002	2,000	None	210,000	391,002	601,002	
Walker	MI	586,250	1,088,499	1,500	None	586,250	1,089,999	1,676,249	
Brandon	MS	671,486	1,247,588	None	None	671,486	1,247,588	1,919,074	
Flowood	MS	437,926	813,832	None	None	437,926	813,832	1,251,758	

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Flowood	MS	399,972	743,347	None	None	399,972	743,347	1,143,319
Jackson	MS	329,904	613,221	None	None	329,904	613,221	943,125
Jackson	MS	540,108	1,003,600	None	None	540,108	1,003,600	1,543,708
Marion	MS	350,341	651,013	None	None	350,341	651,013	1,001,354
Meridian	MS	437,926	813,671	None	None	437,926	813,671	1,251,597
Meridian	MS	405,811	754,030	None	None	405,811	754,030	1,159,841
Meridian	MS	145,975	271,478	None	None	145,975	271,478	417,453
Meridian	MS	280,273	520,887	None	None	280,273	520,887	801,160
Meridian	MS	321,146	596,794	None	None	321,146	596,794	917,940
Newton	MS	467,121	867,891	None	None	467,121	867,891	1,335,012
Pearl	MS	544,488	1,011,733	None	None	544,488	1,011,733	1,556,221
Philadelphia	MS	472,960	878,735	None	None	472,960	878,735	1,351,695
Southaven	MS	310,000	641,637	None	None	310,000	641,637	951,637
Terry	MS	583,901	1,084,930	None	None	583,901	1,084,930	1,668,831
Waveland	MS	180,000	331,637	None	None	180,000	331,637	511,637
Aberdeen	NC	600,000	300,625	None	None	600,000	300,625	900,625

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Description (Note 1)		Initial Cost to Company				Cost Capitalized	Gross Amount at Which Carried			Acc Dep (
		Land	Acquisition Fees	Buildings, Improvements and	Improvements	Subsequent to Acquisition	at Close of Period (Notes 2, 3, 5, 6, 7 and 8)	Buildings, Improvements and	Total	
					Carrying Costs	Land	Acquisition Fees			
Archdale	NC	410,000	731,637	None	None	410,000	731,637		1,141,637	
Charlotte	NC	300,000	291,637	None	None	300,000	291,637		591,637	
Charlotte	NC	640,000	581,637	None	None	640,000	581,637		1,221,637	
Durham	NC	720,000	851,637	None	None	720,000	851,637		1,571,637	
Goldsboro	NC	460,000	740,625	None	None	460,000	740,625		1,200,625	
Greensboro	NC	700,000	655,000	None	None	700,000	655,000		1,355,000	
Greenville	NC	330,000	515,000	None	None	330,000	515,000		845,000	
Jacksonville	NC	150,000	530,000	None	None	150,000	530,000		680,000	
Jacksonville	NC	180,000	371,637	None	None	180,000	371,637		551,637	
Jacksonville	NC	140,000	260,727	None	None	140,000	260,727		400,727	
Kinston	NC	550,000	1,057,833	None	None	550,000	1,057,833		1,607,833	
Raleigh	NC	740,000	791,637	None	None	740,000	791,637		1,531,637	
Roxboro	NC	243,112	368,107	None	None	243,112	368,107		611,219	
Winston-Salem	NC	320,000	311,637	None	None	320,000	311,637		631,637	
Galloway	NJ	1,367,872	2,540,604	None	None	1,367,872	2,540,604		3,908,476	
Hamilton	NJ	1,539,117	2,858,630	None	None	1,539,117	2,858,630		4,397,747	
Millville	NJ	953,891	1,771,782	None	None	953,891	1,771,782		2,725,673	
Toms River	NJ	1,265,861	2,351,154	None	None	1,265,861	2,351,154		3,617,015	
Toms River	NJ	982,526	1,824,961	None	None	982,526	1,824,961		2,807,487	
Wall	NJ	1,459,957	2,712,264	None	None	1,459,957	2,712,264		4,172,221	
Albuquerque	NM	200,000	271,637	None	None	200,000	271,637		471,637	
Kingston	NY	257,763	456,042	None	None	257,763	456,042		713,805	
Atwater	OH	118,555	266,748	None	None	118,555	266,748		385,303	
Columbus	OH	147,296	304,411	None	None	147,296	304,411		451,707	
Columbus	OH	273,085	471,693	None	None	273,085	471,693		744,778	
Cuyahoga Falls	OH	321,792	1,144,619	None	None	321,792	1,144,619		1,466,411	
Eaton	OH	164,588	306,934	None	None	164,588	306,934		471,522	
Galion	OH	138,981	327,597	None	7	138,981	327,604		466,585	
Groveport	OH	277,198	445,497	None	None	277,198	445,497		722,695	
Perrysburg	OH	211,678	390,680	None	None	211,678	390,680		602,358	
Streetsboro	OH	402,988	533,349	None	None	402,988	533,349		936,337	
Tipp City	OH	355,009	588,111	None	None	355,009	588,111		943,120	
Triffin	OH	117,017	273,040	None	None	117,017	273,040		390,057	
Wadsworth	OH	266,507	496,917	None	None	266,507	496,917		763,424	
Tulsa	OK	126,545	508,266	None	None	126,545	508,266		634,811	
Aliquippa	PA	226,195	452,631	None	None	226,195	452,631		678,826	
Beaver	PA	95,626	223,368	None	None	95,626	223,368		318,994	
Beaver Falls	PA	92,207	230,758	None	None	92,207	230,758		322,965	
Cornwells	PA	569,763	387,611	None	None	569,763	387,611		957,374	
Heights										
Doylestown	PA	800,134	1,226,452	None	None	800,134	1,226,452		2,026,586	

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East Caln	PA	1,722,222	576	None	None	1,722,222	576	1,722,798
Lansdale	PA	1,356,324	385,761	None	None	1,356,324	385,761	1,742,085
Penndel	PA	739,487	1,003,809	None	None	739,487	1,003,809	1,743,296
Perryopolis	PA	148,953	134,299	None	None	148,953	134,299	283,252
Philadelphia	PA	808,681	256,843	None	None	808,681	256,843	1,065,524
Philadelphia	PA	425,928	167,147	None	None	425,928	167,147	593,075
Philadelphia	PA	390,342	226,919	None	None	390,342	226,919	617,261
Philadelphia	PA	541,792	236,049	None	None	541,792	236,049	777,841
Philadelphia	PA	530,018	214,977	None	None	530,018	214,977	744,995
Philadelphia	PA	614,101	277,277	None	None	614,101	277,277	891,378
Philadelphia	PA	1,011,389	491,302	None	None	1,011,389	491,302	1,502,691

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Description (Note 1)	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 2, 3, 5, 6, 7 and 8)			Accumula Deprecia (Note 4)
	Land	Buildings, Improvements and Acquisition Fees	Improvements	Carrying Costs	Land	Buildings, Improvements and Acquisition Fees	Total	
Philadelphia PA	935,672	448,426	None	None	935,672	448,426	1,384,098	82
Philadelphia PA	689,172	426,596	None	None	689,172	426,596	1,115,768	78
Philadelphia PA	349,294	134,485	None	None	349,294	134,485	483,779	24
Philadelphia PA	557,515	244,121	None	None	557,515	244,121	801,636	41
Pittsburgh PA	497,668	320,170	None	None	497,668	320,170	817,838	50
Pittsburgh PA	296,277	287,540	None	None	296,277	287,540	583,817	45
Pittsburgh PA	395,417	474,741	None	None	395,417	474,741	870,158	75
Pittsburgh PA	118,118	231,108	None	None	118,118	231,108	349,226	36
South Park PA	252,247	435,985	None	None	252,247	435,985	688,232	69
Southampton PA	783,279	163,721	None	None	783,279	163,721	947,000	30
Valencia PA	440,565	278,492	None	None	440,565	278,492	719,057	44
Verona PA	171,411	257,358	None	None	171,411	257,358	428,769	40
Willow Grove PA	329,934	73,123	None	None	329,934	73,123	403,057	13
Aiken SC	320,000	432,527	None	None	320,000	432,527	752,527	146
Aiken SC	330,000	472,679	None	None	330,000	472,679	802,679	159
Aiken SC	560,000	543,588	None	None	560,000	543,588	1,103,588	183
Aiken SC	360,000	542,982	None	None	360,000	542,982	902,982	183
Aiken SC	540,000	388,058	None	None	540,000	388,058	928,058	131
Aiken SC	250,000	251,770	None	None	250,000	251,770	501,770	85
Belvedere SC	490,000	463,080	None	None	490,000	463,080	953,080	156
Columbia SC	150,000	450,000	None	None	150,000	450,000	600,000	222
Columbia SC	520,000	471,637	None	None	520,000	471,637	991,637	71
Goose Creek SC	150,000	241,637	None	None	150,000	241,637	391,637	36
Greenville SC	390,000	462,847	None	None	390,000	462,847	852,847	156
Greenville SC	300,000	402,392	None	None	300,000	402,392	702,392	136
Greenville SC	370,000	432,695	None	None	370,000	432,695	802,695	146
Greenville SC	620,000	483,604	None	None	620,000	483,604	1,103,604	163
Greenville SC	680,000	423,604	None	None	680,000	423,604	1,103,604	143
Greer SC	400,000	502,879	None	None	400,000	502,879	902,879	170
Hilton Head SC	500,000	691,637	None	None	500,000	691,637	1,191,637	104
Hilton Head SC	185,500	344,510	None	None	185,500	344,510	530,010	51
Irmo SC	690,000	461,637	None	None	690,000	461,637	1,151,637	70
Jackson SC	170,000	632,626	None	None	170,000	632,626	802,626	214
John's Isle SC	170,000	350,000	None	None	170,000	350,000	520,000	173
Lexington SC	255,000	545,000	None	None	255,000	545,000	800,000	269
Lexington SC	640,000	563,891	None	None	640,000	563,891	1,203,891	190
Lexington SC	540,000	563,588	None	None	540,000	563,588	1,103,588	190
Lexington SC	360,000	843,891	None	None	360,000	843,891	1,203,891	285
Lexington SC	400,000	452,777	None	None	400,000	452,777	852,777	153

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North Augusta									
North	SC 330,000	481,637	None	None	330,000	481,637	811,637	73	
Augusta									
North	SC 490,000	1,221,637	None	None	490,000	1,221,637	1,711,637	185	
Augusta									
North	SC 400,000	650,000	None	None	400,000	650,000	1,050,000	321	
Charleston									
Orangeburg	SC 320,000	691,637	None	None	320,000	691,637	1,011,637	104	
Simpsonville	SC 530,000	573,485	None	None	530,000	573,485	1,103,485	194	
Spartanburg	SC 470,000	432,879	None	None	470,000	432,879	902,879	146	
Summerville	SC 115,000	515,000	None	None	115,000	515,000	630,000	254	
Summerville	SC 297,500	553,227	None	None	297,500	553,227	850,727	82	
West Aiken	SC 400,000	402,665	None	None	400,000	402,665	802,665	136	
West	SC 410,000	693,574	None	None	410,000	693,574	1,103,574	234	
Columbia									
West	SC 336,000	624,727	None	None	336,000	624,727	960,727	92	
Columbia									
Arrington	TN 385,000	716,242	None	None	385,000	716,242	1,101,242	120	

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Description (Note 1)	Initial Cost to Company				Gross Amount at Which Carried at Close of Period (Notes 2, 3, 5, 6, 7 and 8)				Accumul Deprecia (Note
	Land	Acquisition Fees	Buildings, Improvements and	Cost Capitalized Subsequent to Acquisition	Carrying Costs	Land	Acquisition Fees	Buildings, Improvements and	
Athens	TN 175,000	326,242	None	None	None	175,000	326,242	501,242	5
Athens	TN 124,179	231,860	None	None	None	124,179	231,860	356,039	3
Benton	TN 192,500	358,742	None	None	None	192,500	358,742	551,242	6
Chattanooga	TN 181,731	338,741	None	None	None	181,731	338,741	520,472	5
Chattanooga	TN 168,000	313,242	None	None	None	168,000	313,242	481,242	5
Chattanooga	TN 175,000	326,242	-79,571	None	None	175,000	246,671	421,671	4
Chattanooga	TN 159,979	298,346	None	None	None	159,979	298,346	458,325	5
Chattanooga	TN 105,000	196,242	None	None	None	105,000	196,242	301,242	3
Chattanooga	TN 245,000	456,242	None	None	None	245,000	456,242	701,242	7
Chattanooga	TN 297,500	553,742	None	None	None	297,500	553,742	851,242	9
Chattanooga	TN 323,750	822,529	None	None	None	323,750	822,529	1,146,279	11
Chattanooga	TN 280,000	521,242	None	None	None	280,000	521,242	801,242	8
Chattanooga	TN 257,250	478,992	None	None	None	257,250	478,992	736,242	8
Chattanooga	TN 283,209	527,201	None	None	None	283,209	527,201	810,410	8
Chattanooga	TN 542,500	1,008,742	None	None	None	542,500	1,008,742	1,551,242	16
Chattanooga	TN 332,500	618,742	None	None	None	332,500	618,742	951,242	10
Chattanooga	TN 175,000	326,242	None	None	None	175,000	326,242	501,242	5
Cleveland	TN 110,009	205,545	None	None	None	110,009	205,545	315,554	3
Cleveland	TN 227,500	423,742	None	None	None	227,500	423,742	651,242	7
Cleveland	TN 280,000	521,242	None	None	None	280,000	521,242	801,242	8
Cleveland	TN 245,000	456,242	None	None	None	245,000	456,242	701,242	7
Cleveland	TN 157,500	293,742	None	None	None	157,500	293,742	451,242	4
Cleveland	TN 122,500	228,742	None	None	None	122,500	228,742	351,242	3
Cleveland	TN 300,373	559,077	None	None	None	300,373	559,077	859,450	9
Dayton	TN 262,500	488,742	None	None	None	262,500	488,742	751,242	8
Decatur	TN 181,731	338,742	None	None	None	181,731	338,742	520,473	5
Dunlap	TN 315,000	586,242	None	None	None	315,000	586,242	901,242	9
Etowah	TN 192,500	358,742	None	None	None	192,500	358,742	551,242	6
Gallatin	TN 525,000	976,242	None	None	None	525,000	976,242	1,501,242	16
Gray	TN 191,151	355,337	None	None	None	191,151	355,337	546,488	
Harrison	TN 484,313	900,680	None	None	None	484,313	900,680	1,384,993	15
Hixson	TN 271,250	504,992	None	None	None	271,250	504,992	776,242	8
Hixson	TN 513,215	954,355	None	None	None	513,215	954,355	1,467,570	16
Hixson	TN 94,500	176,742	None	None	None	94,500	176,742	271,242	2
Hixson	TN 300,373	559,077	None	None	None	300,373	559,077	859,450	9
Kimball	TN 332,500	618,742	None	None	None	332,500	618,742	951,242	10
Kingsport	TN 155,603	289,319	None	None	None	155,603	289,319	444,922	
Kingsport	TN 310,303	576,618	None	None	None	310,303	576,618	886,921	
La Vergne	TN 340,000	650,000	None	None	None	340,000	650,000	990,000	32
Le Vergne	TN 577,500	1,073,742	-15,745	None	None	577,500	1,057,997	1,635,497	18

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Manchester	TN	266,119	495,463	None	None	266,119	495,463	761,582	8
Manchester	TN	281,675	524,352	None	None	281,675	524,352	806,027	8
Manchester	TN	319,846	595,242	None	None	319,846	595,242	915,088	10
Monteagle	TN	271,173	504,849	None	None	271,173	504,849	776,022	8
Mt. Juliet	TN	397,128	738,764	None	None	397,128	738,764	1,135,892	12
Murfreesboro	TN	549,500	1,021,742	None	None	549,500	1,021,742	1,571,242	17
Murfreesboro	TN	467,810	870,032	None	None	467,810	870,032	1,337,842	14
Murfreesboro	TN	300,373	559,077	None	None	300,373	559,077	859,450	9
Nashville	TN	498,628	927,264	None	None	498,628	927,264	1,425,892	15
Ocoee	TN	119,792	223,713	-11,239	None	119,792	212,474	332,266	3
Ooltewah	TN	234,231	436,241	None	None	234,231	436,241	670,472	7

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Description (Note 1)		Initial Cost to Company		Cost Capitalized		Gross Amount at Which Carried			Accumulated Depreciation (Note 1)
		Land	Buildings, Improvements and Acquisition Fees	Subsequent to Acquisition Improvements	Carrying Costs	Land	Buildings, Improvements and Acquisition Fees	Total	
Ooltewah	TN	700,000	1,301,242	-190,623	None	700,000	1,110,619	1,810,619	20
Ooltewah	TN	105,000	196,242	None	None	105,000	196,242	301,242	3
Red Bank	TN	350,000	651,242	None	None	350,000	651,242	1,001,242	10
Red Bank	TN	300,373	559,077	-39,679	None	300,373	519,398	819,771	9
Roan Mountain	TN	286,303	532,047	None	None	286,303	532,047	818,350	
Royal	TN	320,229	595,953	None	None	320,229	595,953	916,182	10
Smyrna	TN	426,466	793,251	None	None	426,466	793,251	1,219,717	13
Smyrna	TN	630,000	1,170,036	None	None	630,000	1,170,036	1,800,036	6
Soddy Daisy	TN	297,500	553,732	None	None	297,500	553,732	851,232	9
Soddy Daisy	TN	350,000	651,242	None	None	350,000	651,242	1,001,242	10
Soddy Daisy	TN	245,000	456,242	None	None	245,000	456,242	701,242	7
Sweetwater	TN	122,500	228,742	None	None	122,500	228,742	351,242	3
Sweetwater	TN	339,231	1,131,287	None	None	339,231	1,131,287	1,470,518	11
Sweetwater	TN	133,000	248,242	None	None	133,000	248,242	381,242	4
Abingdon	VA	57,847	107,770	None	None	57,847	107,770	165,617	
Big Stone Gap	VA	527,303	979,634	None	None	527,303	979,634	1,506,937	
Bristol	VA	213,369	396,597	None	None	213,369	396,597	609,966	
Bristol	VA	268,303	498,618	None	None	268,303	498,618	766,921	
Bristol	VA	171,156	318,201	None	None	171,156	318,201	489,357	
Castlewood	VA	387,303	720,081	None	None	387,303	720,081	1,107,384	
Cedar Bluff	VA	492,303	915,081	None	None	492,303	915,081	1,407,384	
Chatham	VA	347,728	525,031	None	None	347,728	525,031	872,759	10
Chesapeake	VA	225,000	400,366	None	None	225,000	400,366	625,366	3
Clintwood	VA	378,553	703,384	None	None	378,553	703,384	1,081,937	
Coeburn	VA	168,934	314,538	None	None	168,934	314,538	483,472	
Coeburn	VA	312,303	580,795	None	None	312,303	580,795	893,098	
Coeburn	VA	282,303	525,081	None	None	282,303	525,081	807,384	
Collinsville	VA	84,465	130,137	None	None	84,465	130,137	214,602	2
Danville	VA	149,276	227,333	None	None	149,276	227,333	376,609	4
Danville	VA	83,644	128,884	None	None	83,644	128,884	212,528	2
Danville	VA	266,722	403,501	None	None	266,722	403,501	670,223	7
Franklin	VA	536,667	863,699	None	None	536,667	863,699	1,400,366	8
Gate City	VA	422,303	784,618	None	None	422,303	784,618	1,206,921	
Hampton	VA	433,985	459,108	None	168	433,985	459,276	893,261	17
Highland Springs	VA	396,720	598,547	None	None	396,720	598,547	995,267	11

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Honaker	VA	492,303	915,081	None	None	492,303	915,081	1,407,384	
Martinsville	VA	246,820	373,653	None	None	246,820	373,653	620,473	7
Martinsville	VA	83,521	128,706	None	None	83,521	128,706	212,227	2
Midlothian	VA	325,000	302,872	None	None	325,000	302,872	627,872	12
Newport	VA	490,616	605,304	None	168	490,616	605,472	1,096,088	20
News									
Norton	VA	157,826	293,461	None	None	157,826	293,461	451,287	
Norton	VA	457,303	849,634	None	None	457,303	849,634	1,306,937	
Norton	VA	222,256	413,117	None	None	222,256	413,117	635,373	
Pound	VA	256,170	476,100	None	None	256,170	476,100	732,270	
Pound	VA	276,303	513,491	None	None	276,303	513,491	789,794	
Richlands	VA	140,051	260,898	None	None	140,051	260,898	400,949	
Richmond	VA	1,144,841	3,371,146	None	None	1,144,841	3,371,146	4,515,987	72
Richmond	VA	298,227	451,014	None	None	298,227	451,014	749,241	8
Richmond	VA	329,698	498,015	None	None	329,698	498,015	827,713	9
Richmond	VA	213,982	324,659	None	None	213,982	324,659	538,641	6
Richmond	VA	482,735	727,776	None	None	482,735	727,776	1,210,511	13

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Description (Note 1)		Initial Cost to Company		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 2, 3, 5, 6, 7 and 8)			Accumulated Depreciation (Note 8)
		Land	Buildings, Improvements and Acquisition Fees	Improvements	Carrying Costs	Land	Buildings, Improvements and Acquisition Fees	Total	
Richmond	VA	350,453	529,365	None	None	350,453	529,365	879,818	
Richmond	VA	323,496	488,918	None	None	323,496	488,918	812,414	
Richmond	VA	278,443	421,584	None	None	278,443	421,584	700,027	
Richmond	VA	700,000	400,740	None	168	700,000	400,908	1,100,908	
Richmond	VA	700,000	440,965	None	168	700,000	441,133	1,141,133	
Richmond	VA	400,000	250,875	None	168	400,000	251,043	651,043	
Richmond	VA	1,000,000	740	None	168	1,000,000	908	1,000,908	
Richmond	VA	700,000	100,695	None	168	700,000	100,863	800,863	
Roanoke	VA	325,000	575,366	None	None	325,000	575,366	900,366	
Rosedale	VA	211,147	392,934	None	None	211,147	392,934	604,081	
Sandston	VA	152,535	232,528	None	None	152,535	232,528	385,063	
South Boston	VA	160,893	244,778	None	None	160,893	244,778	405,671	
St. Paul	VA	334,803	622,581	None	None	334,803	622,581	957,384	
St. Paul	VA	422,303	785,081	None	None	422,303	785,081	1,207,384	
Stafford	VA	271,865	601,997	None	None	271,865	601,997	873,862	
Staunton	VA	675,000	1,000,366	None	None	675,000	1,000,366	1,675,366	
Suffolk	VA	700,000	1,000,366	None	None	700,000	1,000,366	1,700,366	
Tazewell	VA	153,382	285,655	None	None	153,382	285,655	439,037	
Troutville	VA	575,000	975,366	None	None	575,000	975,366	1,550,366	
Virginia Beach	VA	1,194,560	2,218,773	None	None	1,194,560	2,218,773	3,413,333	
Warrenton	VA	515,971	649,125	None	None	515,971	649,125	1,165,096	
Weber City	VA	369,803	687,118	None	None	369,803	687,118	1,056,921	
Williamsburg	VA	838,172	1,556,910	None	None	838,172	1,556,910	2,395,082	
Wise	VA	334,803	622,134	None	None	334,803	622,134	956,937	
Wise	VA	66,733	124,290	None	None	66,733	124,290	191,023	
Wise	VA	527,303	979,634	None	None	527,303	979,634	1,506,937	
Wytheville	VA	1,222,535	1,577,830	None	None	1,222,535	1,577,830	2,800,365	
Yorktown	VA	309,435	447,144	None	168	309,435	447,312	756,747	
Craft and Novelty									
Cutler Ridge	FL	743,498	657,485	68,215	35,192	743,498	760,892	1,504,390	
Rockford	IL	159,587	618,398	None	22,550	159,587	640,948	800,535	
Stony Brook	NY	980,000	1,801,586	None	None	980,000	1,801,586	2,781,586	
Pleasant Hills	PA	631,084	1,172,563	None	None	631,084	1,172,563	1,803,647	
Distribution and Office									
Escondido	CA	1,949,375	12,990,164	None	None	1,949,375	12,990,164	14,939,539	
Lenexa	KS	3,688,591	6,850,770	None	None	3,688,591	6,850,770	10,539,361	

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Wilbraham	MA	9,626,112	17,877,542	2,500	None	9,626,112	17,880,042	27,506,154
Drug Stores								
Montgomery	AL	1,150,000	1,479,627	None	None	1,150,000	1,479,627	2,629,627
Tracy	CA	2,467,993	4,584,194	None	None	2,467,993	4,584,194	7,052,187
Colorado	CO	1,025,000	1,645,371	None	None	1,025,000	1,645,371	2,670,371
Springs								
Fort Collins	CO	1,100,000	1,385,014	None	None	1,100,000	1,385,014	2,485,014
Casselberry	FL	1,075,020	1,664,284	None	None	1,075,020	1,664,284	2,739,304
Adel	GA	500,000	1,056,116	None	None	500,000	1,056,116	1,556,116
Blackshear	GA	430,000	1,005,393	None	None	430,000	1,005,393	1,435,393
Bowdon	GA	410,000	1,010,615	None	None	410,000	1,010,615	1,420,615
Cairo	GA	330,000	1,152,243	None	None	330,000	1,152,243	1,482,243

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Description (Note 1)		Initial Cost to Company		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 2, 3, 5, 6, 7 and 8)			Accu- Depr (N
		Land	Buildings, Improvements and Acquisition Fees	Improvements	Carrying Costs	Land	Buildings, Improvements and Acquisition Fees	Total	
Quitman	GA	730,000	856,586	None	None	730,000	856,586	1,586,586	
Woodstock	GA	930,000	1,035,544	None	None	930,000	1,035,544	1,965,544	
Blackfoot	ID	560,000	1,932,186	None	None	560,000	1,932,186	2,492,186	
Burley	ID	700,000	2,011,543	None	None	700,000	2,011,543	2,711,543	
Chubbuck	ID	890,000	1,267,183	None	None	890,000	1,267,183	2,157,183	
Salem	IN	0	2,351,296	None	None	-	2,351,296	2,351,296	
Laurel	MD	0	2,400,696	None	None	-	2,400,696	2,400,696	
Portland	ME	2,100,849	3,902,326	None	None	2,100,849	3,902,326	6,003,175	
Metamora	MI	859,139	2,291,557	None	None	859,139	2,291,557	3,150,696	
Carson City	NV	800,000	2,770,950	None	None	800,000	2,770,950	3,570,950	
Reno	NV	1,100,000	2,602,911	None	None	1,100,000	2,602,911	3,702,911	
Reno	NV	850,000	2,306,647	None	None	850,000	2,306,647	3,156,647	
Sparks	NV	1,000,000	2,271,513	None	None	1,000,000	2,271,513	3,271,513	
Sun Valley	NV	550,000	2,678,380	None	None	550,000	2,678,380	3,228,380	
Cortland	OH	1,440,000	1,364,725	None	None	1,440,000	1,364,725	2,804,725	
Madison	OH	580,000	1,272,742	None	None	580,000	1,272,742	1,852,742	
Warren	OH	960,000	1,326,083	None	None	960,000	1,326,083	2,286,083	
Warren	OH	800,000	1,241,503	None	None	800,000	1,241,503	2,041,503	
Willowick	OH	530,000	1,241,308	None	None	530,000	1,241,308	1,771,308	
Beaver	PA	0	3,003,109	None	None	-	3,003,109	3,003,109	
Delmont	PA	720,000	1,246,023	None	None	720,000	1,246,023	1,966,023	
Gettysburg	PA	0	2,500,750	None	None	-	2,500,750	2,500,750	
Girard	PA	0	1,651,511	None	None	-	1,651,511	1,651,511	
Johnstown	PA	250,000	2,593,436	None	None	250,000	2,593,436	2,843,436	
Johnstown	PA	600,000	2,010,255	None	None	600,000	2,010,255	2,610,255	
Murrysville	PA	710,000	1,666,912	None	None	710,000	1,666,912	2,376,912	
Oakdale	PA	1,255,750	2,995,001	None	None	1,255,750	2,995,001	4,250,751	
Saint Marys	PA	1,663,632	3,090,352	None	None	1,663,632	3,090,352	4,753,984	
Slippery Rock	PA	0	1,637,177	None	None	-	1,637,177	1,637,177	
Yeadon	PA	0	3,253,234	None	None	-	3,253,234	3,253,234	
Entertainment									
Riverside	CA	4,000,000	130	-213,838	None	4,000,000	(213,708)	3,786,292	
Vista	CA	2,300,000	22	None	None	2,300,000	22	2,300,022	
Dania	FL	8,272,080	1,713	None	None	8,272,080	1,713	8,273,793	
Marietta	GA	1,500,000	768	None	None	1,500,000	768	1,500,768	
Norcross	GA	1,600,000	768	None	None	1,600,000	768	1,600,768	
Greensboro	NC	7,800,000	463	None	None	7,800,000	463	7,800,463	
Brookhaven	NY	1,500,000	745	None	None	1,500,000	745	1,500,745	
Riverhead	NY	6,200,000	744	None	None	6,200,000	744	6,200,744	

Equipment Rental
Services

Lake Worth	FL	679,079	1,262,568	None	None	679,079	1,262,568	1,941,647
Lewisville	TX	1,010,134	1,877,384	None	None	1,010,134	1,877,384	2,887,518

Financial
Services

Canon City	CO	66,500	147,699	None	146	66,500	147,845	214,345
Colorado Springs	CO	313,250	695,730	40,500	47,692	313,250	783,922	1,097,172
Clearwater	FL	476,179	725,023	6,500	45,395	476,179	776,918	1,253,097
Orlando	FL	532,556	940,177	None	None	532,556	940,177	1,472,733

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Description (Note 1)		Initial Cost to Company		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 2, 3, 5, 6, 7 and 8)			A Dep (M
		Land	Buildings, Improvements and Acquisition Fees	Improvements	Carrying Costs	Land	Buildings, Improvements and Acquisition Fees	Total	
Couer D'Alene	ID	165,900	368,468	None	None	165,900	368,468	534,368	
Blue Springs	MO	222,569	494,333	None	93	222,569	494,426	716,995	
Albuquerque	NM	80,500	178,794	None	299	80,500	179,093	259,593	
Santa Fe	NM	70,000	155,473	None	327	70,000	155,800	225,800	
General Merchandise									
Canon City	CO	339,045	630,531	None	None	339,045	630,531	969,576	
Monte Vista	CO	47,652	582,159	None	None	47,652	582,159	629,811	
Groveland	FL	101,782	189,258	None	None	101,782	189,258	291,040	
Clarinda	IA	439,267	816,010	None	None	439,267	816,010	1,255,277	
Garnett	KS	59,690	518,121	None	None	59,690	518,121	577,811	
Hillsboro	KS	335,292	622,914	None	None	335,292	622,914	958,206	
Phillipsburg	KS	423,725	787,146	None	None	423,725	787,146	1,210,871	
Caledonia	MN	89,723	559,300	None	None	89,723	559,300	649,023	
Long Prarie	MN	88,892	553,997	None	None	88,892	553,997	642,889	
Paynesvile	MN	49,483	525,406	None	None	49,483	525,406	574,889	
Spring Valley	MN	69,785	579,238	None	None	69,785	579,238	649,023	
Warroad	MN	70,000	580,000	None	None	70,000	580,000	650,000	
Willow Springs	MO	416,494	773,718	None	None	416,494	773,718	1,190,212	
Mayville	ND	59,333	565,562	None	None	59,333	565,562	624,895	
Ainsworth	NE	362,675	673,768	None	None	362,675	673,768	1,036,443	
Imperial	NE	388,599	721,914	None	None	388,599	721,914	1,110,513	
Bloomfield	NM	59,559	616,252	None	None	59,559	616,252	675,811	
Coleman	TX	243,060	451,661	None	None	243,060	451,661	694,721	
Colorado City	TX	92,535	505,276	None	None	92,535	505,276	597,811	
Devine	TX	212,408	394,735	None	None	212,408	394,735	607,143	
Midland	TX	544,075	1,322,431	None	None	544,075	1,322,431	1,866,506	
Presidio	TX	407,657	757,362	None	None	407,657	757,362	1,165,019	
Winnsboro	TX	79,280	1,299,056	None	None	79,280	1,299,056	1,378,336	
Yoakum	TX	390,147	724,821	None	None	390,147	724,821	1,114,968	
Provo	UT	125,395	278,507	4,568	4,128	125,395	287,203	412,598	
Grocery Stores									
Cloverdale	CA	1,505,000	2,795,321	None	None	1,505,000	2,795,321	4,300,321	
Fortuna	CA	1,190,000	2,210,308	None	None	1,190,000	2,210,308	3,400,308	
Boulder	CO	426,675	1,199,508	None	91,660	426,675	1,291,168	1,717,843	

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Council Bluffs	IA	255,217	117,792	47,188	16,846	255,217	181,826	437,043
Warsaw	IN	2,140,000	4,689,646	None	None	2,140,000	4,689,646	6,829,646
Central Point	OR	840,000	1,560,308	None	None	840,000	1,560,308	2,400,308
Phoenix	OR	840,000	1,560,308	None	None	840,000	1,560,308	2,400,308
Sheboygan	WI	1,513,216	4,427,968	7,220	11,845	1,513,216	4,447,033	5,960,249
Health and Fitness								
Paradise Valley	AZ	2,608,389	3,418,783	None	None	2,608,389	3,418,783	6,027,172
Diamond Bar	CA	3,038,879	4,338,722	None	None	3,038,879	4,338,722	7,377,601
Norco	CA	1,247,243	3,807,569	None	None	1,247,243	3,807,569	5,054,812
Casselberry	FL	1,979,598	8,256,394	14,554	287,166	1,979,598	8,558,114	10,537,712
Coral Springs	FL	891,496	2,798,204	None	25	891,496	2,798,229	3,689,725
Hialeah	FL	2,104,393	3,910,471	None	None	2,104,393	3,910,471	6,014,864
Miami	FL	3,115,101	4,439,526	None	25	3,115,101	4,439,551	7,554,652

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Description (Note 1)	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 2, 3, 5, 6, 7 and 8)			Accumulated Depreciation (Note 8)	
	Land	Buildings, Improvements and Fees	Improvements	Carrying Costs	Land	Buildings, Improvements and Fees	Total		
Oakland Park	FL	2,800,000	2,196,480	None	None	2,800,000	2,196,480	4,996,480	4
Orlando	FL	2,144,778	3,755,905	None	None	2,144,778	3,755,905	5,900,683	6
Pembroke Pines	FL	1,714,388	4,387,824	None	25	1,714,388	4,387,849	6,102,237	1,2
Bolinbrook	IL	3,010,512	7,676,347	None	None	3,010,512	7,676,347	10,686,859	4
Glendale Heights	IL	1,213,770	2,255,063	None	None	1,213,770	2,255,063	3,468,833	7
Indianapolis	IN	3,008,186	6,341,334	None	None	3,008,186	6,341,334	9,349,520	1
Southport	IN	2,121,873	5,606,807	None	None	2,121,873	5,606,807	7,728,680	1
Nottingham	MD	3,055,453	5,675,230	None	None	3,055,453	5,675,230	8,730,683	1
Roseville	MN	3,611,925	8,239,246	None	None	3,611,925	8,239,246	11,851,171	1
East Brunswick	NJ	1,654,529	3,073,905	None	None	1,654,529	3,073,905	4,728,434	1
Yonkers	NY	1,488,894	2,765,875	None	None	1,488,894	2,765,875	4,254,769	3
Beachwood	OH	1,504,354	2,794,299	None	None	1,504,354	2,794,299	4,298,653	9
Philadelphia	PA	2,254,830	4,188,718	None	None	2,254,830	4,188,718	6,443,548	1
Cypress	TX	1,417,377	5,696,789	None	None	1,417,377	5,696,789	7,114,166	3
Dallas	TX	5,293,733	6,555,637	None	None	5,293,733	6,555,637	11,849,370	3
Fort Worth	TX	1,445,901	5,277,886	None	None	1,445,901	5,277,886	6,723,787	1,5
Keller	TX	1,478,222	5,679,604	None	None	1,478,222	5,679,604	7,157,826	4
McKinney	TX	1,805,460	5,972,111	None	None	1,805,460	5,972,111	7,777,571	4
Plano	TX	3,178,115	5,832,224	None	None	3,178,115	5,832,224	9,010,339	4
Home Furnishings									
Danbury	CT	630,171	3,621,163	41,456	172	630,171	3,662,791	4,292,962	1,5
Brandon	FL	430,000	1,020,608	None	None	430,000	1,020,608	1,450,608	3
Deerfield Beach	FL	475,000	871,738	None	48,623	475,000	920,361	1,395,361	3
Jupiter	FL	1,698,316	3,209,801	None	None	1,698,316	3,209,801	4,908,117	9
Tampa	FL	685,000	885,624	None	None	685,000	885,624	1,570,624	3
Tampa	FL	494,763	767,737	71,880	1,870	494,763	841,487	1,336,250	3
Titusville	FL	176,459	579,793	None	22,652	176,459	602,445	778,904	2
West Palm Beach	FL	347,651	706,081	69,111	32,441	347,651	807,633	1,155,284	2
Rome	GA	254,902	486,812	None	136	254,902	486,948	741,850	2
Davenport	IA	270,000	930,689	None	146	270,000	930,835	1,200,835	3
Joilet	IL	440,000	910,689	None	None	440,000	910,689	1,350,689	3
Anderson	IN	180,628	653,162	100,170	16,122	180,628	769,454	950,082	2
Wichita	KS	430,000	740,725	None	146	430,000	740,871	1,170,871	2

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Alexandria	LA	400,000	810,608	None	None	400,000	810,608	1,210,608	3
Monroe	LA	450,000	835,608	None	None	450,000	835,608	1,285,608	3
Shreveport	LA	525,000	725,642	None	None	525,000	725,642	1,250,642	2
Battle Creek	MI	485,000	895,689	None	None	485,000	895,689	1,380,689	3
Eden Prairie	MN	500,502	1,055,244	None	None	500,502	1,055,244	1,555,746	3
Hattiesburg	MS	300,000	660,608	None	None	300,000	660,608	960,608	2
Hattiesburg	MS	198,659	457,379	None	2,682	198,659	460,061	658,720	2
Ridgeland	MS	281,867	769,890	None	211	281,867	770,101	1,051,968	3
Omaha	NE	1,956,296	3,949,402	None	None	1,956,296	3,949,402	5,905,698	1,6
Henderson	NV	1,268,655	3,109,995	None	None	1,268,655	3,109,995	4,378,650	1,2
Staten Island	NY	3,190,883	2,569,802	None	862	3,190,883	2,570,664	5,761,547	1,0
Lancaster	OH	250,000	830,689	None	None	250,000	830,689	1,080,689	3
Altoona	PA	455,000	745,694	None	None	455,000	745,694	1,200,694	2
Erie	PA	510,000	900,689	None	None	510,000	900,689	1,410,689	3
Muncy	PA	315,000	835,648	None	None	315,000	835,648	1,150,648	3
Whitehall	PA	515,525	1,146,868	None	457	515,525	1,147,325	1,662,850	4

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Description (Note 1)		Initial Cost to Company		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 2, 3, 5, 6, 7 and 8)			Accrued Depreciation (N)
		Land	Buildings, Improvements and Acquisition Fees	Improvements	Carrying Costs	Land	Buildings, Improvements and Acquisition Fees	Total	
Columbia	SC	600,000	900,725	None	205	600,000	900,930	1,500,930	
Jackson	TN	380,000	750,608	None	None	380,000	750,608	1,130,608	
Memphis	TN	804,262	1,432,520	None	648	804,262	1,433,168	2,237,430	
Abilene	TX	400,000	680,616	None	None	400,000	680,616	1,080,616	
Arlington	TX	475,069	1,374,167	None	2,861	475,069	1,377,028	1,852,097	
Cedar Park	TX	253,591	827,237	None	2,929	253,591	830,166	1,083,757	
Houston	TX	867,767	687,042	None	2,044	867,767	689,086	1,556,853	
Plainview	TX	125,000	734,558	40,000	21,682	125,000	796,240	921,240	
San Antonio	TX	323,451	637,991	47,914	34,151	323,451	720,056	1,043,507	
Spring	TX	1,794,872	1,810,069	None	None	1,794,872	1,810,069	3,604,941	
Webster	TX	283,604	538,002	2,470	144	283,604	540,616	824,220	
Lacey	WA	171,150	380,125	21,071	117	171,150	401,313	572,463	
Eau Claire	WI	260,000	820,689	None	146	260,000	820,835	1,080,835	
La Crosse	WI	372,883	877,812	None	146	372,883	877,958	1,250,841	
Home Improvements									
Lawndale	CA	667,007	1,238,841	None	None	667,007	1,238,841	1,905,848	
Los Angeles	CA	902,494	1,676,204	None	None	902,494	1,676,204	2,578,698	
Los Angeles	CA	163,668	304,097	None	78	163,668	304,175	467,843	
Van Nuys	CA	750,293	1,393,545	None	None	750,293	1,393,545	2,143,838	
West Covina	CA	311,040	577,733	None	None	311,040	577,733	888,773	
Orange Park	FL	478,314	618,348	None	280	478,314	618,628	1,096,942	
Pensacola	FL	419,842	1,899,287	58,581	34,745	419,842	1,992,613	2,412,455	
Des Moines	IA	225,771	682,604	None	None	225,771	682,604	908,375	
Broadview	IL	345,166	641,739	None	None	345,166	641,739	986,905	
Springfield	IL	219,859	630,595	15,058	32,081	219,859	677,734	897,593	
Lenexa	KS	1,051,077	1,952,233	None	None	1,051,077	1,952,233	3,003,310	
Baltimore	MD	171,320	318,882	None	None	171,320	318,882	490,202	
Blue Springs	MO	870,071	1,616,080	None	None	870,071	1,616,080	2,486,151	
Chillicothe	MO	804,948	1,495,138	None	None	804,948	1,495,138	2,300,086	
Columbia	MO	2,039,436	3,787,757	None	None	2,039,436	3,787,757	5,827,193	
Columbia,	MO	1,080,521	2,006,915	None	None	1,080,521	2,006,915	3,087,436	
Fulton	MO	791,603	1,470,353	None	None	791,603	1,470,353	2,261,956	
Jefferson City	MO	1,481,299	2,751,217	None	None	1,481,299	2,751,217	4,232,516	
Kirksville	MO	1,421,788	2,640,696	None	None	1,421,788	2,640,696	4,062,484	
Macon	MO	493,394	916,537	None	None	493,394	916,537	1,409,931	
Moberly	MO	1,293,387	2,402,283	None	None	1,293,387	2,402,283	3,695,670	
Omaha	NE	1,515,773	2,816,678	None	None	1,515,773	2,816,678	4,332,451	
Rochester	NY	158,168	294,456	None	None	158,168	294,456	452,624	
Carrollton	TX	201,569	374,342	None	None	201,569	374,342	575,911	

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Mesquite	TX	1,049,287	1,949,085	134,528	75,903	1,049,287	2,159,516	3,208,803
Midland	TX	1,590,052	2,953,473	None	None	1,590,052	2,953,473	4,543,525
Odessa	TX	1,346,834	2,501,783	None	None	1,346,834	2,501,783	3,848,617
Pasadena	TX	147,535	274,521	None	None	147,535	274,521	422,056
Plano	TX	363,851	676,249	None	None	363,851	676,249	1,040,100
San Antonio	TX	367,890	683,750	None	None	367,890	683,750	1,051,640
Chesapeake	VA	144,014	649,869	None	11,754	144,014	661,623	805,637
Spokane	WA	66,150	146,921	None	242	66,150	147,163	213,313

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Description (Note 1)	Initial Cost to Company Buildings, Improvements and		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 2, 3, 5, 6, 7 and 8)			Accrued Depreciation (N
	Land	Acquisition Fees	Improvements	Carrying Costs	Land	Acquisition Fees	Total	
Motor Vehicle Dealerships								
Robertsdale	AL	3,026,015	6,117,490	None	None	3,026,015	6,117,490	9,143,505
Golden	CO	4,004,339	1,602,070	None	None	4,004,339	1,602,070	5,606,409
Longmont	CO	2,502,092	6,906,609	None	None	2,502,092	6,906,609	9,408,701
Gulf Breeze	FL	3,518,413	905,480	None	None	3,518,413	905,480	4,423,893
Pooler	GA	1,339,957	1,831,350	None	None	1,339,957	1,831,350	3,171,307
Snellville	GA	1,137,266	3,221,767	None	None	1,137,266	3,221,767	4,359,033
Woodstock	GA	2,509,102	2,509,993	None	None	2,509,102	2,509,993	5,019,095
Island Lake	IL	2,107,134	6,278,642	None	None	2,107,134	6,278,642	8,385,776
Colfax	NC	1,125,979	2,196,033	None	None	1,125,979	2,196,033	3,322,012
Statesville	NC	2,353,825	4,159,653	None	None	2,353,825	4,159,653	6,513,478
Chichester	NH	578,314	4,546,307	None	None	578,314	4,546,307	5,124,621
Churchville	NY	1,000,000	5,755,166	None	None	1,000,000	5,755,166	6,755,166
Green	OH	715,953	554,589	None	None	715,953	554,589	1,270,542
Hillsboro	OR	1,611,084	1,936,755	None	None	1,611,084	1,936,755	3,547,839
Woods Village	OR	3,822,277	5,644,214	None	None	3,822,277	5,644,214	9,466,491
Connellsville	PA	264,670	587,843	None	1,523	264,670	589,366	854,036
Columbia	SC	1,145,120	2,718,011	None	None	1,145,120	2,718,011	3,863,131
Myrtle Beach	SC	4,099,824	2,081,652	-1,800,804	None	4,099,824	280,848	4,380,672
Spartanburg	SC	1,234,815	3,111,921	-428,405	None	1,234,815	2,683,516	3,918,331
Katy	TX	1,347,454	8,564,135	None	None	1,347,454	8,564,135	9,911,589
Office Supplies								
Lakewood	CA	1,398,387	3,098,607	None	None	1,398,387	3,098,607	4,496,994
Riverside	CA	1,410,177	1,659,850	None	None	1,410,177	1,659,850	3,070,027
Casselberry	FL	0	1,277,112	None	None	-	1,277,112	1,277,112
Hutchinson	KS	269,964	1,704,013	None	None	269,964	1,704,013	1,973,977
Salina	KS	240,423	1,829,837	22,720	None	240,423	1,852,557	2,092,980
Sikeston	MO	409,114	2,005,416	None	None	409,114	2,005,416	2,414,530
Helena	MT	564,241	1,503,118	14,233	None	564,241	1,517,351	2,081,592
Asheboro	NC	465,557	2,176,416	21,418	None	465,557	2,197,834	2,663,391
Westbury	NY	3,808,076	2,377,932	None	None	3,808,076	2,377,932	6,186,008
New Philiadelphia	OH	726,636	1,650,672	7,960	None	726,636	1,658,632	2,385,268
Pet Supplies and Services								
Tampa	FL	347,794	905,248	46,000	14,357	347,794	965,605	1,313,399
Duluth	GA	361,058	1,591,629	None	None	361,058	1,591,629	1,952,687

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Marietta	GA	495,412	1,526,370	None	None	495,412	1,526,370	2,021,782	
Indianapolis	IN	427,000	1,296,901	None	None	427,000	1,296,901	1,723,901	
Sudbury	MA	543,038	2,477,213	None	None	543,038	2,477,213	3,020,251	
Tyngsborough	MA	312,204	1,222,522	None	None	312,204	1,222,522	1,534,726	
Matthews	NC	610,177	1,394,743	None	None	610,177	1,394,743	2,004,920	
North Plainfield	NJ	985,430	1,590,447	None	17	985,430	1,590,464	2,575,894	
Albuquerque	NM	684,036	874,914	300,000	42,875	684,036	1,217,789	1,901,825	
Dickson City	PA	659,790	1,880,722	2,496	None	659,790	1,883,218	2,543,008	
Clarksville	TN	290,775	395,870	None	109	290,775	395,979	686,754	
Private Education									
Coconut Creek	FL	310,111	1,243,682	None	None	310,111	1,243,682	1,553,793	
Las Vegas	NV	1,080,444	3,346,772	None	None	1,080,444	3,346,772	4,427,216	
Missouri City	TX	221,025	437,593	2,202	21,608	221,025	461,403	682,428	

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Description (Note 1)		Initial Cost to Company		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 2, 3, 5, 6, 7 and 8)			Accumulated Depreciation (Note 3)
		Land	Buildings, Improvements and Acquisition Fees	Improvements	Carrying Costs	Land	Buildings, Improvements and Acquisition Fees	Total	
Sugar Land	TX	1,600,000	6,300,995	None	None	1,600,000	6,300,995	7,900,995	3
Chantilly	VA	688,917	3,208,607	None	None	688,917	3,208,607	3,897,524	1,0
Kingstowne	VA	300,000	1,191,396	None	None	300,000	1,191,396	1,491,396	3
Restaurants									
Alabaster	AL	335,197	622,697	None	None	335,197	622,697	957,894	
Andalusia	AL	252,403	468,949	None	None	252,403	468,949	721,352	
Atmore	AL	272,044	505,636	None	None	272,044	505,636	777,680	1
Attalla	AL	148,993	276,890	None	None	148,993	276,890	425,883	
Bessemer	AL	172,438	320,429	None	None	172,438	320,429	492,867	
Boaz	AL	829,001	1,541,245	None	None	829,001	1,541,245	2,370,246	
Brent	AL	134,432	249,846	None	None	134,432	249,846	384,278	
Clanton	AL	230,036	427,391	None	None	230,036	427,391	657,427	1
Demopolis	AL	251,349	466,972	None	None	251,349	466,972	718,321	1
Enterprise	AL	840,946	1,563,474	None	None	840,946	1,563,474	2,404,420	
Evergreen	AL	148,982	276,881	None	None	148,982	276,881	425,863	
Fort Payne	AL	303,056	563,001	None	None	303,056	563,001	866,057	1
Fort Payne	AL	814,113	1,513,596	None	None	814,113	1,513,596	2,327,709	
Gadsden	AL	242,194	449,977	None	None	242,194	449,977	692,171	
Gadsden	AL	851,124	1,582,332	None	None	851,124	1,582,332	2,433,456	
Gardendale	AL	398,669	740,568	None	None	398,669	740,568	1,139,237	1
Greenville	AL	226,108	420,117	None	None	226,108	420,117	646,225	
Haleyville	AL	262,500	488,059	None	None	262,500	488,059	750,559	
Hamilton	AL	214,198	397,991	None	None	214,198	397,991	612,189	
Hoover	AL	251,434	467,185	None	None	251,434	467,185	718,619	1
Hueytown	AL	281,422	522,828	None	None	281,422	522,828	804,250	
Huntsville	AL	826,840	1,537,233	None	None	826,840	1,537,233	2,364,073	
Huntsville	AL	811,599	1,508,927	None	None	811,599	1,508,927	2,320,526	
Leeds	AL	171,145	318,028	None	None	171,145	318,028	489,173	
Mobile	AL	286,333	531,950	None	None	286,333	531,950	818,283	
Montgomery	AL	143,693	267,060	None	None	143,693	267,060	410,753	
Montgomery	AL	145,206	269,870	None	None	145,206	269,870	415,076	
Montgomery	AL	380,468	706,777	None	None	380,468	706,777	1,087,245	
Opp	AL	160,778	298,782	None	None	160,778	298,782	459,560	
Prattville	AL	254,278	472,432	None	None	254,278	472,432	726,710	
Sylacauga	AL	801,413	1,490,012	None	None	801,413	1,490,012	2,291,425	
Trussville	AL	256,485	476,510	None	None	256,485	476,510	732,995	
Warrior	AL	159,109	295,676	None	None	159,109	295,676	454,785	
Arkadelphia	AR	248,868	462,744	None	None	248,868	462,744	711,612	
Bentonville	AR	377,086	700,582	None	None	377,086	700,582	1,077,668	1
Conway	AR	941,465	1,750,100	None	None	941,465	1,750,100	2,691,565	

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El Dorado	AR	907,534	1,687,608	None	None	907,534	1,687,608	2,595,142	
Hope	AR	288,643	536,715	None	None	288,643	536,715	825,358	1
Jacksonville	AR	267,376	497,124	None	None	267,376	497,124	764,500	
Jonesboro	AR	173,984	323,371	None	None	173,984	323,371	497,355	
Little Rock	AR	317,000	589,377	None	None	317,000	589,377	906,377	1
Little Rock	AR	216,570	402,459	None	None	216,570	402,459	619,029	
Malvern	AR	219,703	408,588	None	None	219,703	408,588	628,291	
North Little Rock	AR	376,320	699,138	None	None	376,320	699,138	1,075,458	
Pocahontas	AR	241,128	447,988	None	None	241,128	447,988	689,116	

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Description (Note 1)		Initial Cost to Company		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 2, 3, 5, 6, 7 and 8)			Accum Depre (No
		Land	Buildings, Improvements and Acquisition Fees	Improvements	Carrying Costs	Land	Buildings, Improvements and Acquisition Fees	Total	
Russellville	AR	864,497	1,607,158	None	None	864,497	1,607,158	2,471,655	
Siloam	AR	190,000	352,808	None	None	190,000	352,808	542,808	1
Springs									
Glendale	AZ	1,511,430	3,264,231	None	None	1,511,430	3,264,231	4,775,661	1
Glendale	AZ	740,707	1,376,143	None	None	740,707	1,376,143	2,116,850	
Glendale	AZ	624,761	895,976	None	100	624,761	896,076	1,520,837	4
Goodyear	AZ	794,360	1,274,425	None	None	794,360	1,274,425	2,068,785	
Phoenix	AZ	704,014	1,307,998	None	None	704,014	1,307,998	2,012,012	
Phoenix	AZ	766,680	1,424,378	None	None	766,680	1,424,378	2,191,058	
Phoenix	AZ	813,750	1,511,928	None	None	813,750	1,511,928	2,325,678	
Surprise	AZ	681,288	1,008,310	None	None	681,288	1,008,310	1,689,598	1
Tempe	AZ	525,463	976,404	None	None	525,463	976,404	1,501,867	
Tucson	AZ	463,231	860,982	None	None	463,231	860,982	1,324,213	
Tucson	AZ	496,194	922,053	None	None	496,194	922,053	1,418,247	
Tucson	AZ	107,393	500,154	None	308	107,393	500,462	607,855	4
Yuma	AZ	236,121	541,651	None	None	236,121	541,651	777,772	2
Barstow	CA	689,842	690,204	None	None	689,842	690,204	1,380,046	2
Fresno	CA	561,502	1,043,688	None	None	561,502	1,043,688	1,605,190	
Livermore	CA	662,161	823,242	None	None	662,161	823,242	1,485,403	3
Northridge	CA	0	0	None	102	-	102	102	
Rancho	CA	95,192	441,334	None	129	95,192	441,463	536,655	3
Cucamonga									
Riverside	CA	90,000	170,394	135,301	55	90,000	305,750	395,750	2
Sacramento	CA	386,793	417,290	None	127	386,793	417,417	804,210	1
San Dimas	CA	240,562	445,521	46,026	None	240,562	491,547	732,109	4
San Ramon	CA	406,000	1,126,930	None	None	406,000	1,126,930	1,532,930	1,
Aurora	CO	288,558	537,263	None	None	288,558	537,263	825,821	
Colorado	CO	152,000	704,736	None	262	152,000	704,998	856,998	6
Springs									
Denver	CO	540,250	1,132,450	None	None	540,250	1,132,450	1,672,700	1
Lakewood	CO	1,606,511	5,865	None	None	1,606,511	5,865	1,612,376	
Littleton	CO	700,000	1,301,370	None	None	700,000	1,301,370	2,001,370	
Parker	CO	778,054	1,148,443	None	None	778,054	1,148,443	1,926,497	1
Westminster	CO	261,466	487,102	None	None	261,466	487,102	748,568	
Cromwell	CT	531,861	989,059	None	None	531,861	989,059	1,520,920	
Danbury	CT	548,459	284,639	None	None	548,459	284,639	833,098	
East	CT	0	1,234,705	None	None	-	1,234,705	1,234,705	
Windsor									
Glastonbury	CT	452,291	293,214	None	None	452,291	293,214	745,505	
Manchester	CT	458,386	458,639	None	None	458,386	458,639	917,025	1
Manchester	CT	0	1,353,298	None	None	-	1,353,298	1,353,298	

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Meriden	CT	369,482	687,116	None	None	369,482	687,116	1,056,598
New Milford	CT	0	704,698	None	None	-	704,698	704,698
Norwich	CT	644,000	1,198,504	None	None	644,000	1,198,504	1,842,504
Plainville	CT	0	1,452,504	None	None	-	1,452,504	1,452,504
Torrington	CT	504,167	938,814	None	None	504,167	938,814	1,442,981
Unionville	CT	167,740	316,672	None	None	167,740	316,672	484,412
Waterbury	CT	521,021	705,163	None	None	521,021	705,163	1,226,184
West Haven	CT	540,663	1,006,592	None	None	540,663	1,006,592	1,547,255
Windsor Locks	CT	844,967	1,571,728	None	None	844,967	1,571,728	2,416,695
Newark	DE	647,500	1,203,300	None	None	647,500	1,203,300	1,850,800
Casselberry	FL	403,900	897,075	None	134	403,900	897,209	1,301,109
ChIPLEY	FL	270,439	502,655	None	None	270,439	502,655	773,094
Clearwater	FL	484,090	899,658	None	None	484,090	899,658	1,383,748
Cutler Bay	FL	962,500	1,788,329	None	None	962,500	1,788,329	2,750,829

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Description (Note 1)		Initial Cost to Company		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 2, 3, 5, 6, 7 and 8)			Accumulated Depreciation (Note 3)
		Land	Buildings, Improvements and Acquisition Fees	Improvements	Carrying Costs	Land	Buildings, Improvements and Acquisition Fees	Total	
DeFuniak	FL	269,554	501,010	None	None	269,554	501,010	770,564	12,000
Jacksonville	FL	150,210	693,445	None	None	150,210	693,445	843,655	63,000
Jacksonville	FL	143,299	664,373	None	None	143,299	664,373	807,672	60,000
Jacksonville	FL	1,451,180	658,461	None	None	1,451,180	658,461	2,109,641	30,000
Lake Mary	FL	774,043	1,438,141	None	None	774,043	1,438,141	2,212,184	20,000
Lutz	FL	770,136	1,190,937	None	None	770,136	1,190,937	1,961,073	9,000
Margate	FL	688,583	1,279,430	None	None	688,583	1,279,430	1,968,013	1,000
Melbourne	FL	0	789,654	500	None	-	790,154	790,154	1,000
Miami	FL	962,500	1,788,139	None	None	962,500	1,788,139	2,750,639	20,000
Miami Beach	FL	786,510	1,461,294	None	None	786,510	1,461,294	2,247,804	20,000
New Port Ritchey	FL	929,402	1,459,392	None	None	929,402	1,459,392	2,388,794	5,000
North Miami Bch.	FL	505,870	940,302	None	None	505,870	940,302	1,446,172	1,000
Orlando	FL	600,000	949,489	None	None	600,000	949,489	1,549,489	32,000
Orlando	FL	1,135,310	1,306,940	None	None	1,135,310	1,306,940	2,442,250	4,000
Orlando	FL	735,000	1,367,654	None	None	735,000	1,367,654	2,102,654	2,000
Orlando	FL	0	790,154	None	None	-	790,154	790,154	1,000
Orlando	FL	230,000	1,066,339	None	461	230,000	1,066,800	1,296,800	96,000
Orlando	FL	209,800	972,679	None	463	209,800	973,142	1,182,942	85,000
Oviedo	FL	204,200	911,338	None	None	204,200	911,338	1,115,538	28,000
Oviedo	FL	456,108	847,515	None	None	456,108	847,515	1,303,623	7,000
Oviedo	FL	465,993	866,048	None	None	465,993	866,048	1,332,041	1,000
Palm Bay	FL	330,000	556,668	None	None	330,000	556,668	886,668	19,000
Panama City	FL	202,047	375,424	None	None	202,047	375,424	577,471	1,000
Pembroke Pines	FL	741,074	1,376,913	None	None	741,074	1,376,913	2,117,987	2,000
St. Petersburg	FL	379,455	705,487	None	None	379,455	705,487	1,084,942	1,000
Tallahassee	FL	385,000	715,559	None	None	385,000	715,559	1,100,559	0
Tallahassee	FL	175,000	325,559	None	None	175,000	325,559	500,559	0
Tampa	FL	962,500	1,788,133	None	None	962,500	1,788,133	2,750,633	2,000
Tampa	FL	700,000	1,300,785	None	None	700,000	1,300,785	2,000,785	1,000
Tampa	FL	545,211	1,013,321	None	None	545,211	1,013,321	1,558,532	1,000
Albany	GA	326,690	607,247	None	None	326,690	607,247	933,937	4,000
Americus	GA	709,624	1,319,578	None	None	709,624	1,319,578	2,029,202	5,000
Augusta	GA	827,895	1,539,237	None	None	827,895	1,539,237	2,367,132	6,000
Cairo	GA	210,000	390,559	None	None	210,000	390,559	600,559	0
Duluth	GA	536,205	996,521	None	None	536,205	996,521	1,532,726	1,000

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Gainesville	GA	952,660	1,770,931	None	None	952,660	1,770,931	2,723,591	7
Garden City	GA	197,225	438,043	32,125	11,203	197,225	481,371	678,596	33
Hinesville	GA	172,611	383,376	None	3,845	172,611	387,221	559,832	30
Lagrange	GA	853,599	1,586,959	None	None	853,599	1,586,959	2,440,558	7
Lilburn	GA	237,822	442,387	None	None	237,822	442,387	680,209	
Lithonia	GA	89,220	413,647	None	1,243	89,220	414,890	504,110	39
Marietta	GA	423,132	786,530	None	None	423,132	786,530	1,209,662	1
Norcross	GA	827,707	1,538,875	None	None	827,707	1,538,875	2,366,582	6
Roswell	GA	310,767	578,047	None	None	310,767	578,047	888,814	
Savannah	GA	719,188	1,337,352	None	None	719,188	1,337,352	2,056,540	6
Snellville	GA	710,600	1,321,389	None	None	710,600	1,321,389	2,031,989	5
Statesboro	GA	926,462	1,722,290	None	None	926,462	1,722,290	2,648,752	7
Statesboro	GA	201,250	446,983	None	3,503	201,250	450,486	651,736	31
Stone Mountain	GA	215,940	1,001,188	51,876	1,889	215,940	1,054,953	1,270,893	92
Thomasville	GA	300,211	558,074	None	None	300,211	558,074	858,285	4
Thomasville	GA	894,504	1,662,939	None	None	894,504	1,662,939	2,557,443	7

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Description (Note 1)		Initial Cost to Company Buildings, Improvements and		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 2, 3, 5, 6, 7 and 8)			Accumulated Depreciation (Note 3)
		Land	Acquisition Fees	Improvements	Carrying Costs	Land	Acquisition Fees	Total	
Valdosta	GA	901,658	1,676,225	None	None	901,658	1,676,225	2,577,883	7
Warner	GA	896,841	1,667,267	None	None	896,841	1,667,267	2,564,108	7
Robins									
Washington	GA	292,628	543,862	None	None	292,628	543,862	836,490	13
Waycross	GA	223,475	415,563	None	None	223,475	415,563	639,038	3
Waycross	GA	956,765	1,778,566	None	None	956,765	1,778,566	2,735,331	8
Altoona	IA	654,179	1,285,639	None	None	654,179	1,285,639	1,939,818	12
Ankeny	IA	100,000	349,218	25,075	555	100,000	374,848	474,848	36
Burlington	IA	653,057	1,214,571	None	None	653,057	1,214,571	1,867,628	5
Cedar Falls	IA	208,411	387,971	None	None	208,411	387,971	596,382	3
Cedar Falls	IA	187,250	347,824	None	None	187,250	347,824	535,074	
Cedar	IA	125,076	233,206	None	None	125,076	233,206	358,282	1
Rapids									
Cedar	IA	822,331	1,528,939	None	None	822,331	1,528,939	2,351,270	6
Rapids									
Clive	IA	840,697	1,563,046	None	None	840,697	1,563,046	2,403,743	7
Fort Dodge	IA	388,815	722,573	None	None	388,815	722,573	1,111,388	3
Oelwein	IA	84,244	157,375	None	None	84,244	157,375	241,619	1
Urbandale	IA	395,896	735,724	None	None	395,896	735,724	1,131,620	3
Waterloo	IA	263,555	490,374	None	None	263,555	490,374	753,929	3
Boise	ID	190,894	423,981	None	378	190,894	424,359	615,253	32
Boise	ID	161,352	334,041	None	378	161,352	334,419	495,771	25
Nampa	ID	74,156	343,820	None	378	74,156	344,198	418,354	29
Rexburg	ID	90,760	420,787	None	11,524	90,760	432,311	523,071	38
Alton	IL	225,785	419,315	None	747	225,785	420,062	645,847	31
Buffalo	IL	306,250	569,693	None	None	306,250	569,693	875,943	
Grove									
Centralia	IL	225,966	420,573	None	None	225,966	420,573	646,539	3
Champaign	IL	805,888	1,498,402	None	None	805,888	1,498,402	2,304,290	6
Countryside	IL	301,000	559,747	None	None	301,000	559,747	860,747	
Effingham	IL	783,528	1,456,874	None	None	783,528	1,456,874	2,240,402	6
Elgin	IL	700,000	1,300,943	None	None	700,000	1,300,943	2,000,943	1
Fairview	IL	660,652	1,227,321	None	None	660,652	1,227,321	1,887,973	10
Heights									
Gurnee	IL	735,000	1,365,747	None	None	735,000	1,365,747	2,100,747	2
Joliet	IL	280,903	522,424	None	None	280,903	522,424	803,327	
Lincoln	IL	206,532	383,970	None	None	206,532	383,970	590,502	9
Marion	IL	831,323	1,545,566	None	None	831,323	1,545,566	2,376,889	6
Moline	IL	781,044	1,452,262	None	None	781,044	1,452,262	2,233,306	6
Mt Vernon	IL	883,110	1,641,741	None	None	883,110	1,641,741	2,524,851	7
Oswego	IL	953,394	1,208,677	None	None	953,394	1,208,677	2,162,071	9

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Peoria	IL	662,460	1,060,577	None	None	662,460	1,060,577	1,723,037	12
Rock Island	IL	138,463	258,066	None	None	138,463	258,066	396,529	2
Springfield	IL	846,830	1,574,436	None	None	846,830	1,574,436	2,421,266	7
Swansea	IL	890,625	1,655,705	None	None	890,625	1,655,705	2,546,330	7
Waukegan	IL	496,908	923,576	None	None	496,908	923,576	1,420,484	1
Waukegan	IL	1,330,000	2,470,792	None	None	1,330,000	2,470,792	3,800,792	
Westmont	IL	475,300	883,447	None	None	475,300	883,447	1,358,747	1
Anderson	IN	831,077	1,545,131	None	None	831,077	1,545,131	2,376,208	6
Elkhart	IN	496,306	922,168	None	None	496,306	922,168	1,418,474	7
Elkhart	IN	835,890	1,554,487	None	None	835,890	1,554,487	2,390,377	6
Evansville	IN	136,738	254,864	None	None	136,738	254,864	391,602	2
Indianapolis	IN	437,500	813,225	None	None	437,500	813,225	1,250,725	1
Jasper	IN	129,919	242,199	None	None	129,919	242,199	372,118	1
Kokomo	IN	417,330	775,555	None	None	417,330	775,555	1,192,885	5
Marion	IN	426,384	792,314	None	None	426,384	792,314	1,218,698	6

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Description (Note 1)		Initial Cost to Company				Cost Capitalized		Gross Amount at Which Carried			Accumulated Depreciation (Note 2)
		Land	Acquisition Fees	Buildings, Improvements and	Improvements	Subsequent to Acquisition	Carrying Costs	at Close of Period (Notes 2, 3, 5, 6, 7 and 8)	Buildings, Improvements and	Total	
Marion	IN	685,194	1,274,206		None	None	685,194	1,274,206	1,959,400		
Michigan City	IN	840,998	1,563,545		None	None	840,998	1,563,545	2,404,543		
Muncie	IN	644,177	1,196,786		None	None	644,177	1,196,786	1,840,963	1	
Muncie	IN	67,156	149,157	8,000		158	67,156	157,315	224,471	1	
Muncie	IN	136,400	632,380	8,000	13,335		136,400	653,715	790,115	5	
Munster	IN	560,000	1,040,943		None	None	560,000	1,040,943	1,600,943		
New Castle	IN	246,192	320,572	3,684	163		246,192	324,419	570,611	2	
Newburgh	IN	161,193	300,280		None	None	161,193	300,280	461,473		
South Bend	IN	133,200	617,545		None	19,347	133,200	636,892	770,092	5	
Terre Haute	IN	767,189	1,426,532		None	None	767,189	1,426,532	2,193,721		
Valparaiso	IN	365,612	679,507		None	None	365,612	679,507	1,045,119		
Washington	IN	155,856	290,368		None	None	155,856	290,368	446,224		
Westfield	IN	213,341	477,300		None	None	213,341	477,300	690,641	3	
Chanute	KS	330,852	615,008		None	None	330,852	615,008	945,860		
Derby	KS	96,060	445,359		None	None	96,060	445,359	541,419	4	
El Dorado	KS	87,400	405,206		None	7,558	87,400	412,764	500,164	3	
Fort Scott	KS	269,301	500,698		None	None	269,301	500,698	769,999		
Overland Park	KS	408,578	759,513		None	None	408,578	759,513	1,168,091		
Overland Park	KS	754,020	1,401,047		None	None	754,020	1,401,047	2,155,067		
Parsons	KS	318,516	592,099		None	None	318,516	592,099	910,615		
Shawnee	KS	953,916	1,773,245		None	None	953,916	1,773,245	2,727,161		
Topeka	KS	232,146	431,853		None	None	232,146	431,853	663,999		
Wichita	KS	787,377	1,463,936		None	None	787,377	1,463,936	2,251,313		
Wichita	KS	98,000	454,350	2,816	241		98,000	457,407	555,407	3	
Bowling Green	KY	685,246	1,273,002		None	None	685,246	1,273,002	1,958,248	1	
Hazard	KY	243,836	453,025		None	None	243,836	453,025	696,861		
Hopkinsville	KY	801,532	1,490,241		None	None	801,532	1,490,241	2,291,773		
Lexington	KY	655,085	1,216,983		None	None	655,085	1,216,983	1,872,068	1	
Lexington	KY	122,200	1,400		None	31,495	122,200	32,895	155,095		
Louisville	KY	821,990	1,528,282		None	None	821,990	1,528,282	2,350,272		
Madisonville	KY	422,501	784,831		None	None	422,501	784,831	1,207,332		
Middlesboro	KY	859,709	1,598,332		None	None	859,709	1,598,332	2,458,041		
Murray	KY	831,246	1,545,422		None	None	831,246	1,545,422	2,376,668		
Paducah	KY	673,551	1,251,276		None	None	673,551	1,251,276	1,924,827	1	
Richmond	KY	913,770	1,698,726		None	None	913,770	1,698,726	2,612,496		
Alexandria	LA	1,270,223	2,361,174		None	None	1,270,223	2,361,174	3,631,397	1	
Alexandria	LA	143,000	662,985		None	15,164	143,000	678,149	821,149	6	

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Bossier City	LA	172,269	320,497	None	None	172,269	320,497	492,766
Deridder	LA	371,127	690,819	None	None	371,127	690,819	1,061,946
Hammond	LA	1,011,084	1,879,972	None	None	1,011,084	1,879,972	2,891,056
Houma	LA	1,061,671	1,973,864	None	None	1,061,671	1,973,864	3,035,535
Jennings	LA	107,120	496,636	None	156	107,120	496,792	603,912
Jonesboro	LA	163,651	304,492	None	None	163,651	304,492	468,143
Morgan City	LA	832,895	1,548,993	None	None	832,895	1,548,993	2,381,888
Natchitoches	LA	291,675	541,890	None	None	291,675	541,890	833,565
New Iberia	LA	917,582	1,706,269	None	None	917,582	1,706,269	2,623,851
Opelousas	LA	949,157	1,764,908	None	None	949,157	1,764,908	2,714,065
Pineville	LA	1,136,612	2,113,040	None	None	1,136,612	2,113,040	3,249,652
Ruston	LA	170,274	316,792	None	None	170,274	316,792	487,066
Ruston	LA	982,427	1,826,696	None	None	982,427	1,826,696	2,809,123
Shreveport	LA	359,268	667,417	None	None	359,268	667,417	1,026,685

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Description (Note 1)	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 2, 3, 5, 6, 7 and 8)			Accumulated Depreciation (Notes 2, 3, 5, 6, 7 and 8)
	Land	Buildings, Improvements and Acquisition Fees	Improvements	Carrying Costs	Land	Buildings, Improvements and Acquisition Fees	Total	
Shreveport	LA	154,671	287,815	None	None	154,671	287,815	442,486
Shreveport	LA	200,033	372,059	None	None	200,033	372,059	572,092
Shreveport	LA	259,987	483,401	None	None	259,987	483,401	743,388
Shreveport	LA	269,130	500,382	None	None	269,130	500,382	769,512
Vivian	LA	135,568	252,338	None	None	135,568	252,338	387,906
Winnfield	LA	145,973	271,661	None	None	145,973	271,661	417,634
Zachary	LA	898,306	1,670,527	None	None	898,306	1,670,527	2,568,833
Amesbury	MA	0	790,065	None	None	-	790,065	790,065
Attleboro	MA	369,815	693,655	None	None	369,815	693,655	1,063,470
Auburn	MA	418,250	779,386	500	None	418,250	779,886	1,198,136
Billerica	MA	398,292	739,870	None	None	398,292	739,870	1,138,162
Brockton	MA	298,359	272,297	None	None	298,359	272,297	570,656
Chicopee	MA	761,606	1,417,387	None	None	761,606	1,417,387	2,178,993
Chicopee Falls	MA	302,982	565,657	None	None	302,982	565,657	868,639
East Longmeadow	MA	614,319	1,143,890	None	None	614,319	1,143,890	1,758,209
Fall River	MA	962,500	1,787,831	None	None	962,500	1,787,831	2,750,331
Gardner	MA	0	828,136	None	None	-	828,136	828,136
Great Barrington	MA	422,625	787,851	None	None	422,625	787,851	1,210,476
Greenfield	MA	389,436	726,215	None	None	389,436	726,215	1,115,651
Greenfield	MA	761,417	1,417,036	None	None	761,417	1,417,036	2,178,453
Hanover	MA	397,203	281,202	None	None	397,203	281,202	678,405
Haverhill	MA	568,635	1,058,578	None	None	568,635	1,058,578	1,627,213
Holyoke	MA	577,667	1,075,786	None	None	577,667	1,075,786	1,653,453
Hyannis	MA	687,917	1,280,530	None	None	687,917	1,280,530	1,968,447
Lawrence	MA	910,000	1,690,800	None	None	910,000	1,690,800	2,600,800
Lee	MA	540,506	1,006,773	None	None	540,506	1,006,773	1,547,279
North Adams	MA	377,300	703,676	None	None	377,300	703,676	1,080,976
Norwood	MA	840,616	1,563,686	None	None	840,616	1,563,686	2,404,302
Palmer	MA	141,524	598,480	None	None	141,524	598,480	740,004
Peabody	MA	529,555	222,590	None	None	529,555	222,590	752,145
Pittsfield	MA	286,241	950,022	None	None	286,241	950,022	1,236,263
Quincy	MA	289,121	539,482	None	None	289,121	539,482	828,603
Raynham	MA	761,417	1,417,030	None	None	761,417	1,417,030	2,178,447
Sagamore Beach	MA	620,188	1,154,770	None	None	620,188	1,154,770	1,774,958
Saugus	MA	0	737,543	None	None	-	737,543	737,543
Seekonk	MA	614,417	1,144,030	None	None	614,417	1,144,030	1,758,447

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South Dartmouth	MA 379,217	707,255	None	None	379,217	707,255	1,086,472	
South Weymouth	MA 351,472	296,284	None	None	351,472	296,284	647,756	
Springfield	MA 280,920	337,325	None	None	280,920	337,325	618,245	
Springfield	MA 230,030	865,572	None	None	230,030	865,572	1,095,602	2
Springfield	MA 227,207	958,444	None	None	227,207	958,444	1,185,651	2
Stoneham	MA 397,544	191,717	None	None	397,544	191,717	589,261	4
Sudbury	MA 0	633,136	None	None	-	633,136	633,136	
Swansea	MA 173,853	488,699	None	None	173,853	488,699	662,552	1
Tewksbury	MA 392,079	730,690	None	None	392,079	730,690	1,122,769	
Ware	MA 220,457	411,896	500	None	220,457	412,396	632,853	
West Springfield	MA 243,556	455,295	None	None	243,556	455,295	698,851	
West Springfield	MA 761,417	1,417,036	None	None	761,417	1,417,036	2,178,453	1
Westboro	MA 335,191	424,534	None	None	335,191	424,534	759,725	10
Weymouth	MA 360,727	194,556	None	None	360,727	194,556	555,283	4
Wollaston	MA 411,366	766,508	None	None	411,366	766,508	1,177,874	

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Description (Note 1)	Initial Cost to Company				Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 2, 3, 5, 6, 7 and 8)			Accumulated Depreciation (Note 4)
	Land	Buildings, Improvements and Acquisition Fees	Improvements	Carrying Costs	Land	Buildings, Improvements and Acquisition Fees	Total			
Worcester MA	578,336	1,077,188	None	None	578,336	1,077,188	1,655,524	16		
Hagerstown MD	499,396	928,250	None	None	499,396	928,250	1,427,646	13		
La Plata MD	120,140	557,000	39,549	26,770	120,140	623,319	743,459	511		
Waterville ME	0	717,224	None	None	-	717,224	717,224	10		
Windham ME	0	830,872	1,000	None	-	831,872	831,872	12		
Canton MI	279,923	521,223	None	None	279,923	521,223	801,146	7		
Comstock Park MI	810,477	1,506,864	None	None	810,477	1,506,864	2,317,341	67		
Flint MI	827,853	0	None	None	827,853	-	827,853			
Flint MI	885,144	1,645,531	None	None	885,144	1,645,531	2,530,675	74		
Lansing MI	873,536	1,623,973	None	None	873,536	1,623,973	2,497,509	73		
Livonia MI	350,000	651,446	None	None	350,000	651,446	1,001,446	9		
Saginaw MI	766,531	1,425,263	None	None	766,531	1,425,263	2,191,794	64		
Taylor MI	847,070	1,574,821	None	None	847,070	1,574,821	2,421,891	70		
Westland MI	869,530	1,616,568	None	None	869,530	1,616,568	2,486,098	72		
Roseville MN	281,600	1,305,560	None	189	281,600	1,305,749	1,587,349	1,231		
Belton MO	89,328	418,187	22,270	15,404	89,328	455,861	545,189	413		
Bolivar MO	237,094	440,596	None	None	237,094	440,596	677,690	112		
Bridgeton MO	743,559	1,382,610	None	None	743,559	1,382,610	2,126,169	62		
Buffalo MO	159,346	296,519	None	None	159,346	296,519	455,865	15		
Cape Girardeau MO	450,078	836,372	None	None	450,078	836,372	1,286,450	65		
Cape Girardeau MO	745,915	1,386,950	None	None	745,915	1,386,950	2,132,865	62		
Carthage MO	85,020	394,175	None	321	85,020	394,496	479,516	356		
Farmington MO	780,812	1,451,767	None	None	780,812	1,451,767	2,232,579	65		
Festus MO	808,595	1,503,364	None	None	808,595	1,503,364	2,311,959	67		
Fulton MO	210,199	466,861	None	179	210,199	467,040	677,239	375		
Hazelwood MO	157,117	725,327	-104,329	25,367	157,117	646,365	803,482	638		
Jefferson City MO	713,088	1,325,993	None	None	713,088	1,325,993	2,039,081	59		
Joplin MO	301,207	559,953	None	None	301,207	559,953	861,160	28		
Joplin MO	281,001	522,428	None	None	281,001	522,428	803,429	26		
Kansas City MO	315,334	586,346	None	None	315,334	586,346	901,680	8		
Mountain Grove MO	219,704	408,591	None	None	219,704	408,591	628,295	21		
Mt. Vernon MO	160,000	282,586	None	None	160,000	282,586	442,586	114		
Nevada MO	290,795	540,616	None	None	290,795	540,616	831,411	27		
Nevada MO	222,552	494,296	None	1,780	222,552	496,076	718,628	399		
Nixa MO	251,387	467,430	None	None	251,387	467,430	718,817	24		

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Ozark	MO	140,000	292,482	None	None	140,000	292,482	432,482	118
Poplar Bluff	MO	774,256	1,439,603	None	None	774,256	1,439,603	2,213,859	64
Raymore	MO	726,583	1,351,055	None	None	726,583	1,351,055	2,077,638	60
Sedalia	MO	269,798	599,231	11,556	None	269,798	610,787	880,585	439
Sedalia	MO	696,604	1,295,380	None	None	696,604	1,295,380	1,991,984	58
Springfield	MO	251,381	467,418	None	None	251,381	467,418	718,799	24
Springfield	MO	225,939	420,162	None	None	225,939	420,162	646,101	20
St. Charles	MO	695,121	1,001,878	None	1,338	695,121	1,003,216	1,698,337	482
St. Charles	MO	175,413	809,791	None	10,384	175,413	820,175	995,588	751
St. Joseph	MO	960,412	1,785,308	None	None	960,412	1,785,308	2,745,720	80
St. Robert	MO	329,242	611,728	None	None	329,242	611,728	940,970	155
St. Robert	MO	744,158	1,383,694	None	None	744,158	1,383,694	2,127,852	62
Sullivan	MO	85,500	396,400	-40,743	14,003	85,500	369,660	455,160	350
Webb City	MO	337,647	627,628	None	None	337,647	627,628	965,275	32
Biloxi	MS	414,902	770,725	None	None	414,902	770,725	1,185,627	39
Canton	MS	163,193	303,268	None	None	163,193	303,268	466,461	15

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Description (Note 1)	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 2, 3, 5, 6, 7 and 8)			Accrued Depreciation (Note 8)
	Land	Buildings, Improvements and Acquisition Fees	Improvements	Carrying Costs	Land	Buildings, Improvements and Acquisition Fees	Total	
Carthage	MS 157,803	293,257	None	None	157,803	293,257	451,060	
Columbus	MS 128,409	238,775	None	None	128,409	238,775	367,184	
Columbus	MS 117,411	218,350	None	None	117,411	218,350	335,761	
Columbus	MS 720,310	1,339,963	None	None	720,310	1,339,963	2,060,273	
Corinth	MS 285,607	530,598	None	None	285,607	530,598	816,205	
Corinth	MS 867,086	1,612,029	None	None	867,086	1,612,029	2,479,115	
Flowood	MS 154,733	287,549	None	None	154,733	287,549	442,282	
Forest	MS 106,457	198,007	None	None	106,457	198,007	304,464	
Fulton	MS 239,686	445,337	None	None	239,686	445,337	685,023	
Gautier	MS 241,995	449,607	None	None	241,995	449,607	691,602	
Greenville	MS 311,324	578,378	None	None	311,324	578,378	889,702	
Greenwood	MS 177,329	329,520	None	None	177,329	329,520	506,849	
Hattiesburg	MS 856,070	1,592,088	None	None	856,070	1,592,088	2,448,158	
Hernando	MS 137,898	256,282	None	None	137,898	256,282	394,180	
Houston	MS 226,962	421,695	None	None	226,962	421,695	648,657	
Indianola	MS 270,639	502,822	None	None	270,639	502,822	773,461	
Iuka	MS 139,243	258,779	None	None	139,243	258,779	398,022	
Jackson	MS 237,982	442,154	None	None	237,982	442,154	680,136	
Jackson	MS 352,003	653,900	None	None	352,003	653,900	1,005,903	
Kosciusko	MS 311,422	578,550	None	None	311,422	578,550	889,972	
Laurel	MS 778,938	1,448,844	None	None	778,938	1,448,844	2,227,782	
Magee	MS 264,395	491,206	None	None	264,395	491,206	755,601	
Meridian	MS 0	2,481,172	None	None	-	2,481,172	2,481,172	
Moss Point	MS 287,821	534,713	None	None	287,821	534,713	822,534	
Natchez	MS 402,589	747,934	None	None	402,589	747,934	1,150,523	
Newton	MS 284,350	528,311	None	None	284,350	528,311	812,661	
Olive Branch	MS 332,234	617,192	None	None	332,234	617,192	949,426	
Olive Branch	MS 362,276	673,055	None	None	362,276	673,055	1,035,331	
Oxford	MS 164,058	304,873	None	None	164,058	304,873	468,931	
Oxford	MS 297,182	552,097	None	None	297,182	552,097	849,279	
Pearl	MS 334,822	621,994	None	None	334,822	621,994	956,816	
Philadelphia	MS 292,868	543,912	None	None	292,868	543,912	836,780	
Pontotoc	MS 285,006	529,492	None	None	285,006	529,492	814,498	
Southaven	MS 498,426	925,905	None	None	498,426	925,905	1,424,331	
Starkville	MS 175,436	326,005	None	None	175,436	326,005	501,441	
Tupelo	MS 166,869	310,095	None	None	166,869	310,095	476,964	
Tupelo	MS 225,934	419,857	None	None	225,934	419,857	645,791	
Vicksburg	MS 275,895	512,632	None	None	275,895	512,632	788,527	
Vicksburg	MS 698,189	1,298,881	None	None	698,189	1,298,881	1,997,070	

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West Point	MS	87,859	163,468	None	None	87,859	163,468	251,327
Wiggins	MS	268,104	498,095	None	None	268,104	498,095	766,199
Albemarle	NC	721,392	1,341,825	None	None	721,392	1,341,825	2,063,217
Asheville	NC	838,421	1,558,792	None	None	838,421	1,558,792	2,397,213
Asheville	NC	264,226	491,419	None	None	264,226	491,419	755,645
Fayetteville	NC	116,240	590,854	None	317	116,240	591,171	707,411
Forest City	NC	872,424	1,621,940	None	None	872,424	1,621,940	2,494,364
Goldsboro	NC	811,502	1,509,029	None	None	811,502	1,509,029	2,320,531
Kernersville	NC	836,896	1,556,334	None	None	836,896	1,556,334	2,393,230
Roanoke	NC	834,223	1,551,226	None	None	834,223	1,551,226	2,385,449
Rapids								
Salisbury	NC	777,412	1,445,863	None	None	777,412	1,445,863	2,223,275
Sylva	NC	919,724	1,709,783	None	None	919,724	1,709,783	2,629,507

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Description (Note 1)	Initial Cost to Company Buildings, Improvements and				Cost Capitalized Subsequent to Acquisition	Gross Amount at Which Carried at Close of Period (Notes 2, 3, 5, 6, 7 and 8)			Accum Depre (No
	Land	Acquisition Fees	Improvements	Carrying Costs	Land	Acquisition Fees	Total		
Wilkesboro	NC 183,050	406,562	None	139	183,050	406,701	589,751	3	
Winston Salem	NC 126,423	235,323	None	None	126,423	235,323	361,746		
Winston-Salem	NC 353,239	656,427	None	None	353,239	656,427	1,009,666	1	
Devils Lake	ND 150,390	279,798	None	None	150,390	279,798	430,188		
Fargo	ND 217,057	403,609	None	None	217,057	403,609	620,666		
Jamestown	ND 136,523	254,045	None	None	136,523	254,045	390,568		
Minot	ND 153,870	286,260	None	None	153,870	286,260	440,130		
Bellevue	NE 0	1,004,384	None	None	-	1,004,384	1,004,384		
Omaha	NE 592,716	1,009,253	None	None	592,716	1,009,253	1,601,969		
Omaha	NE 444,460	825,938	None	None	444,460	825,938	1,270,398		
Omaha	NE 350,000	650,877	None	None	350,000	650,877	1,000,877		
Papillion	NE 654,788	908,685	None	None	654,788	908,685	1,563,473		
Concord	NH 577,667	1,075,391	None	None	577,667	1,075,391	1,653,058		
Concord	NH 849,884	1,580,938	None	None	849,884	1,580,938	2,430,822		
Dover	NH 687,917	1,280,141	None	None	687,917	1,280,141	1,968,058		
Keene	NH 253,769	310,470	None	None	253,769	310,470	564,239		
Laconia	NH								