

Press Release



REALTHY INCOME ANNOUNCES CLOSING OF £429 MILLION SALE-LEASEBACK TRANSACTION WITH SAINSBURY'S

SAN DIEGO, CALIFORNIA, May 23, 2019....Realty Income Corporation (Realty Income, NYSE: O), The Monthly Dividend Company®, today announced it has closed on the previously announced acquisition of 12 properties located in the United Kingdom for £429 million under long-term net lease agreements with Sainsbury's. The transaction is Realty Income's first international real estate acquisition.

The sale-leaseback transaction with Sainsbury's is executed at a 5.31% GBP initial cap rate, includes annual rent increases over the duration of the lease term, and carries a weighted average lease term of approximately 15 years. The transaction is partially funded with proceeds from the private placement of £315 million senior unsecured notes due 2034 with a fixed interest rate of 2.73%. The balance of the purchase price, as well as the majority of net cash flow generated from the transaction, is hedged through a 15-year cross currency swap, which minimizes the company's exposure to foreign exchange rate fluctuations.

Forward-Looking Statements

Statements in this press release that are not strictly historical are "forward-looking" statements. Forward-looking statements involve known and unknown risks, which may cause the company's actual future results to differ materially from expected results. These risks include, among others, general economic conditions, local and foreign real estate conditions, tenant financial health, the availability of capital to finance planned growth, continued volatility and uncertainty in the credit markets and broader financial markets, property acquisitions and the timing of these acquisitions, charges for property impairments, and the outcome of any legal proceedings to which the company is a party, as described in the company's filings with the Securities and Exchange Commission. Consequently, forward-looking statements should be regarded solely as reflections of the company's current operating plans and estimates. Actual operating results may differ materially from what is expressed or forecast in this press release. The company undertakes 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 these statements were made.

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