

press release

REALTY  INCOME



FOR
IMMEDIATE
RELEASE

REALTY INCOME UPDATES 2006 AND 2007 EARNINGS ESTIMATES AND 2006 PROPERTY ACQUISITION OUTLOOK

ESCONDIDO, CALIFORNIA, October 18, 2006.... Realty Income Corporation (Realty Income), The Monthly Dividend Company[®], (NYSE: O) today announced that the Company estimates 2006 FFO per common share should range from \$1.70 to \$1.72 per share, an increase of 4.9% to 6.2% in comparison to 2005 FFO per common share of \$1.62. This represents an increase over previous 2006 FFO per share guidance of \$1.69 to \$1.72. FFO for 2006 is based on an estimated 2006 net income per diluted common share range of \$1.10 to \$1.12, adjusted (in accordance with NAREIT's definition of FFO) for estimated real estate depreciation of \$0.65 and potential gain on sales of investment properties of \$0.05 per share.

In addition, Realty Income estimates that 2007 FFO per common share should range from \$1.81 to \$1.85, an increase of 5.2% to 8.8% over projected 2006 FFO per share guidance of \$1.70 to \$1.72 per share. This represents an increase over previous 2007 FFO per share guidance of \$1.80 to \$1.84. FFO for 2007 is based on an estimated 2007 net income per diluted common share range of \$1.15 to \$1.19, adjusted (in accordance with NAREIT's definition of FFO) for estimated real estate depreciation of \$0.70 and potential gain on sales of investment properties of \$0.04 per share.

The Company further disclosed that it anticipates real estate portfolio acquisitions should exceed \$600 million during 2006, based on transactions already closed and anticipated to close before December 31, 2006. This is an increase from the Company's previous guidance of anticipated real estate acquisitions during 2006 of \$575 million. The Company also anticipates that the initial average lease yield on its total real estate investments made during 2006 should be approximately 8.7% and that the long-term, net-lease agreements for acquisitions made during 2006 should have an initial average lease length of approximately 17 years.

Realty Income is The Monthly Dividend Company[®], a New York Stock Exchange real estate company dedicated to providing shareholders with dependable monthly income. To date the Company has declared 435 consecutive monthly dividend payments throughout its 37-year operating history and increased its dividend 41 times since Realty Income's listing on the New York Stock Exchange in 1994. The monthly income is supported by the cash flow from over 1,700 retail properties located in 48 states owned under long-term lease agreements with leading regional and national retail chains. The Company is an active buyer of net-leased retail properties nationwide.

Forward-Looking Statement

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, whether the announced pending acquisitions are completed, general economic conditions, local real estate conditions, the availability of capital to finance planned growth, property acquisitions and the timing of these acquisitions, charges for property impairments, the outcome of any legal proceedings to which the Company is a party, and the profitability of the Company's subsidiary, Crest Net Lease, as described in the Company's filings with the Securities and Exchange Commission. Consequently, such 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.

Note to Editors: Realty Income press releases are available at no charge by calling our toll-free investor hotline number: 888-811-2001, or through the Internet at <http://www.realtyincome.com/Investing/News.html>.

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