

# press release

REALTY  INCOME  
THE MONTHLY DIVIDEND COMPANY®



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FOR  
IMMEDIATE **REALTY INCOME ANNOUNCES FINAL 2005 COMMON STOCK DIVIDEND TAX ALLOCATION**  
RELEASE

ESCONDIDO, CALIFORNIA January 27, 2006....Realty Income Corporation (Realty Income), The Monthly Dividend Company®, (NYSE:O) today announced the final calculation of the dividend tax status for its 2005 common stock dividends. A portion of the common stock dividend is considered a non-taxable distribution. There are no capital gains associated with these common stock dividend distributions. The information below supersedes previous estimates provided on January 18, 2006.

Total Common Dividends Paid in 2005	\$1.346250
Ordinary Income Portion of Dividend	\$1.210091 (89.89%)
Non-taxable Distribution (return of capital)	\$0.136159 (10.11%)
Capital Gain	\$0.000000

The Company also announced that the preferred stock dividends paid during 2005 are taxable as ordinary dividends with no return of capital.

In addition, under the 2003 Jobs and Growth Tax Relief Reconciliation Act, qualifying dividend income will be taxed at a maximum rate of 15% for most non-corporate taxpayers who meet certain holding period requirements. Of Realty Income's 2005 ordinary dividends to common shareholders, \$0.015947 per share are considered qualifying dividends. Of the Class D preferred stock dividends, \$0.024300 per share are qualifying dividends. For additional information regarding the tax status of Realty Income dividends, please visit the Company's web site at [www.realtyincome.com/investing/dividends.html](http://www.realtyincome.com/investing/dividends.html).

Shareholders are encouraged to consult with their personal tax advisors as to their specific tax treatment of any Realty Income dividends received.

Realty Income, The Monthly Dividend Company®, is a New York Stock Exchange real estate company dedicated to providing shareholders with dependable monthly income. To date the Company has declared 427 consecutive monthly dividends throughout its 37-year operating history. The monthly income is supported by the cash flow from over 1,600 retail properties 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.

**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>.