

press release

REALTY  INCOME
THE MONTHLY DIVIDEND COMPANY



FOR
IMMEDIATE
RELEASE

REALTY INCOME ANNOUNCES PRICING OF 4.1 MILLION SHARE COMMON STOCK OFFERING

ESCONDIDO, CALIFORNIA, September 8, 2006.... Realty Income Corporation (Realty Income), The Monthly Dividend Company®, (NYSE: O) today announced that a public offering of 4,100,000 shares of the Company's common stock has been priced at \$24.32 per share and is expected to close on September 13, 2006. Gross proceeds from the offering will be approximately \$99.7 million. The net proceeds from this offering will be used for general corporate purposes, which are expected to include funding a portion of the purchase price of a previously announced, pending, acquisition and for the repayment of borrowings under the Company's \$300 million unsecured acquisition credit facility.

All of the shares are being sold by the Company. The underwriters for the offering are: Merrill Lynch & Co. (sole book running manager and co-lead), A.G. Edwards (co-lead manager), Raymond James (co-lead manager), Wachovia Securities (co-lead manager), and Banc of America Securities LLC (senior co-manager), as well as BB&T Capital Markets, JP Morgan, Robert W. Baird & Co., Stifel Nicolaus, and Wells Fargo Securities (co-managers). A copy of the prospectus supplement and the related prospectus pertaining to the offering may be obtained, when available, from Merrill Lynch & Co. at: Prospectus Department, 4 World Financial Center, New York, NY 10080.

These securities are offered pursuant to a Registration Statement that has become effective under the Securities Act. The common stock is only offered by means of the prospectus included in the registration statement and the prospectus supplement related to the offering. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities law of any such state.

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>.