

press release

REALTY  INCOME
THE MONTHLY DIVIDEND COMPANY®



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FOR
IMMEDIATE
RELEASE

REALTY INCOME CLOSES PREVIOUSLY ANNOUNCED \$200 MILLION ACQUISITION OF 17 KERASOTES SHOWPLACE THEATRES, LLC

ESCONDIDO, CALIFORNIA, September 28, 2005.... Realty Income Corporation (Realty Income), The Monthly Dividend Company®, (NYSE:O) today announced that the Company has completed the acquisition of 17 Kerasotes Showplace Theatres, under 20-year net-lease agreements, for \$200 million.

Kerasotes Showplace Theatres is the largest motion picture exhibitor in the Midwestern United States and the eighth largest theater chain in the country. Kerasotes Showplace Theatres is headquartered in Chicago, Illinois and operates 77 theaters with a total of 613 screens. Kerasotes is privately owned and controlled by the Kerasotes family and Providence Equity Partners, a private investment firm specializing in communications and media companies around the world. The principals of Providence Equity manage funds with over \$9 billion in equity commitments and portfolio investments including Crown Media International, Kabel Deutschland, Metro-Goldwyn Mayer (MGM) and the Yankee's Entertainment & Sports (YES) Network.

Commenting on the close of the transaction, Peter Wilde, Principal of Providence Equity Partners stated, "We are pleased to have completed this \$200 million sale-leaseback transaction with Realty Income. The Company's management team thoroughly understood our industry, capital structure and requirements resulting in a seamless transaction."

Commenting further on the transaction, Jim DeBruzzi, Chief Financial Officer of Kerasotes Showplace Theaters stated, "Realty Income's knowledge of the theater business and our operating strategy allowed them to move quickly through the due diligence process and close the transaction on time."

Realty Income, The Monthly Dividend Company®, is a real estate company dedicated to providing shareholders with dependable monthly income. To date the Company has paid 422 consecutive monthly dividend payments throughout its 36-year operating history. The monthly dividend is supported by the cash flow from over 1,580 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/Investing/News.html>.