

press release

REALTY  INCOME



FOR
IMMEDIATE
RELEASE

REALTY INCOME COMPLETES \$348 MILLION SALE-LEASEBACK TRANSACTION WITH BUFFETS/RYAN'S RESTAURANT PROPERTIES

ESCONDIDO, CALIFORNIA, November 1, 2006....Realty Income Corporation (Realty Income), The Monthly Dividend Company®, (NYSE:O) announced today that it has completed its previously announced acquisition of 144 Buffets/Ryan's restaurant properties in connection with a transaction with affiliates of Fortress Investment Group, LLC for approximately \$348 million. The properties are being leased to subsidiaries of Buffets, Inc. and guaranteed by Buffets, Inc. under an average of 20-year, net-lease agreements.

The Company further disclosed that the restaurants have, on average, approximately 10,300 leasable square feet and are situated on an average lot size of approximately 2.86 acres. In general, the properties are existing locations that, on average, have been in business for 11 years and exhibit solid, store level cash-flow coverages of rent. The properties are located in 21 states throughout the Midwest and the South, including properties in Alabama, Arkansas, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Michigan, Mississippi, Missouri, North Carolina, Ohio, Oklahoma, Pennsylvania, South Carolina, Tennessee, Texas, Virginia and West Virginia. The Company also stated that it plans to hold 116 of the properties in its core portfolio as long-term investments and will place the remaining properties in its Crest Net Lease, Inc. subsidiary for future sale.

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 paid 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 1,800 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.

Consistent with Realty Income's disclosure policy, the Company does not disclose the lease rate on an individual tenant transaction. Lease rates, terms, and conditions are competitive in nature and are a major component of the Company's business development program. The Company believes the disclosure of individual rate negotiations would be damaging to its competitive position and its ability to complete new property acquisitions. In addition, the Company has signed non-disclosure agreements with many of its tenants pertaining to its transactions. As in the past, Realty Income will announce its blended lease rate and lease terms on a cumulative basis in the Company's quarterly press release on operations.

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, whether 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>.