

FAST FACTS

What can a sale-leaseback do for you?

- **Mergers and acquisitions:** Retailers, private equity firms and investment banks seeking to acquire companies with substantial property assets can finance 100% of the real-estate related purchase costs.
- **Refinancing/recapitalization:** Companies with maturing debt or real estate loans can ease the financial pressure by selling their property and leasing it back on a long-term basis. The same strategy can be used by private equity firms that own companies with maturing debt or real estate loans.
- **Capitalize existing buildings:** Retailers can open new stores and expand their business without investing a substantial amount of capital when Realty Income purchases existing buildings in a sale-leaseback transaction.
- **Build to suit:** Retailers looking to build new locations from the ground up can fund land and 100% of the construction financing through sale-leaseback financing.
- **Forward commitments:** Retailers, developers and investors can obtain forward commitments for lenders who require detailed exit strategies.

In each of these cases, companies that take advantage of sale-leasebacks benefit from:

- **100% advance rates**
- **long-term structures**
- **off-balance-sheet reporting**
- **low after-tax lease payments**
- **no equity requirements.**

All closing costs can be capitalized into the agreed-upon acquisition price, and there are no legal fees or financial covenants.

Through a sale-leaseback that culminates in a new long-term lease, retailers gain financing that matches the long-term nature of the asset and offers much-needed freedom and flexibility. What’s more, control of the entire site – buildings and grounds alike – stays with the retailer occupying the space, right down to the right of substitution. The biggest change you’ll notice is the substantially higher balance in the bank account.

All of which make sale-leasebacks a truly capital idea.



Realty Income (NYSE: O): experts at “asset activation”

As a publicly traded real estate investment trust (REIT) that acquires freestanding, single-tenant retail properties, Realty Income invests in the places where America does business every day: restaurants, convenience stores, automotive parts and service, and 24 other retail industries. Our properties are typically located on busy street corners, or on separate parcels in large shopping centers.

Today, Realty Income is traded on the New York Stock Exchange under the ticker symbol “O” and has ongoing access to the capital markets. With investment-grade credit ratings and a \$300 million acquisition credit facility, **we have considerable financial means to fund property acquisitions.**

OUR CURRENT HOLDINGS AT A GLANCE:

\$4.6 billion capitalization

2,270 properties encompassing more than 18.5 million square feet

Holdings in 49 states

115 regional and national retailers in a total of 30 distinct retail segments

The art of the [done] deal.

When deals of any size are pending, companies need reliable sources of capital they can take to the bank. And that means they look for firms with sufficient available resources and experience to handle complex transactions under strict closing deadlines.

RECENT TRANSACTIONS

Theater Industry

\$200,000,000
Sale leaseback of 17 properties

Auto Service Corporate Acquisition

\$134,000,000
Sale leaseback of 86 properties

Health and Fitness Industry

\$106,400,000
Development leaseback of 15 properties

Convenience Store Corporate Acquisition

\$100,500,000
Sale leaseback of 112 properties

Convenience Store Corporate Acquisition

\$94,500,000
Sale leaseback of 114 properties

Drug Store Industry

\$85,400,000
Purchase from developer of 33 properties

Home Improvement Corporate Acquisition

\$63,000,000
Sale leaseback of 16 properties

Sporting Goods Industry

\$58,000,000
Sale leaseback of 12 properties

Restaurant Industry

\$48,950,000
Development leaseback of 26 properties

Automotive Parts and Service Industry

\$42,700,000
Sale leaseback of 78 properties

Restaurant Industry Management Buyout

\$39,200,000
Sale leaseback of 45 properties

Restaurant Chain Recapitalization

\$35,200,000
Sale leaseback of 45 properties

THE REALTY INCOME DEAL-SEALING DIFFERENCE:

Cash available for quick closing

100% development financing programs

No financing contingencies

No fees or points

Streamlined approval process

Experienced in-house legal counsel

Flexible lease terms; no covenants



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