

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
REALTY INCOME CORPORATION		33-0580106	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
	858-284-5000		
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
11995 EL CAMINO REAL		SAN DIEGO, CA 92130	
8 Date of action		9 Classification and description	
SEE ATTACHED EXHIBIT		COMMON STOCK	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
756109-104		O	

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **REALTY INCOME CORPORATION DISTRIBUTED MONTHLY CASH DISTRIBUTIONS TO ITS SHAREHOLDERS FOR THE 2016 TAX YEAR. A PORTION OF THESE DISTRIBUTIONS, EQUALING 21.5054%, REPRESENT A NON-DIVIDEND DISTRIBUTION. SEE THE ATTACHED EXHIBIT FOR A LISTING OF REALTY INCOME'S DISTRIBUTIONS IN 2016 TO ITS COMMON SHAREHOLDERS.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **THE BASIS OF THE SECURITY SHOULD BE REDUCED BY 21.5054% OF THE TOTAL DISTRIBUTIONS RECEIVED IN 2016.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **THE NON-DIVIDEND DISTRIBUTION REPRESENTS DISTRIBUTIONS ASSOCIATED WITH THE 2016 TAX YEAR WHICH ARE IN EXCESS OF THE CURRENT YEAR AND ACCUMULATED EARNINGS AND PROFITS.**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ I.R.C. SECTION 301(c)(2)

18 Can any resulting loss be recognized? ▶ NOT APPLICABLE.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ NOT APPLICABLE.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ /s/ Sean Nugent Date ▶ 1/19/17

Print your name ▶ SEAN NUGENT Title ▶ Senior Vice President, Controller

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	

REALTY INCOME

The Monthly Dividend Company®

COMMON STOCK, SYMBOL "O", TRADED ON THE NYSE

2016 Year-End Tax Reporting Information (**FINAL**)

This information is being provided for tax reporting purposes only

Cusip Number 756109104

FEI 33-0580106

Ex-Dividend Date	Record Date	Payable Date	Total Distribution Per Share	Total Ordinary Dividends (see notes 1, 2 and 3)	Qualified Dividends	Total Capital Gain Distribution	Unrecaptured Section 1250 Gain	Nondividend Distributions (return of capital)	Nondividend Distributions Percentage
12/30/2015	1/4/2016	1/15/2016	\$0.1910000	\$0.1499246	\$0.0000000	\$0.0000000	\$0.0000000	\$0.04107540	21.5054%
1/28/2016	2/1/2016	2/16/2016	\$0.1985000	\$0.1558117	\$0.0000000	\$0.0000000	\$0.0000000	\$0.04268830	21.5054%
2/26/2016	3/1/2016	3/15/2016	\$0.1985000	\$0.1558117	\$0.0000000	\$0.0000000	\$0.0000000	\$0.04268830	21.5054%
3/30/2016	4/1/2016	4/15/2016	\$0.1990000	\$0.1562042	\$0.0000000	\$0.0000000	\$0.0000000	\$0.04279580	21.5054%
4/28/2016	5/2/2016	5/16/2016	\$0.1990000	\$0.1562042	\$0.0000000	\$0.0000000	\$0.0000000	\$0.04279580	21.5054%
5/27/2016	6/1/2016	6/15/2016	\$0.1990000	\$0.1562042	\$0.0000000	\$0.0000000	\$0.0000000	\$0.04279580	21.5054%
6/29/2016	7/1/2016	7/15/2016	\$0.1995000	\$0.1565967	\$0.0000000	\$0.0000000	\$0.0000000	\$0.04290330	21.5054%
7/28/2016	8/1/2016	8/15/2016	\$0.1995000	\$0.1565967	\$0.0000000	\$0.0000000	\$0.0000000	\$0.04290330	21.5054%
8/30/2016	9/1/2016	9/15/2016	\$0.2015000	\$0.1581665	\$0.0000000	\$0.0000000	\$0.0000000	\$0.04333350	21.5054%
9/29/2016	10/3/2016	10/17/2016	\$0.2020000	\$0.1585590	\$0.0000000	\$0.0000000	\$0.0000000	\$0.04344100	21.5054%
10/28/2016	11/1/2016	11/15/2016	\$0.2020000	\$0.1585590	\$0.0000000	\$0.0000000	\$0.0000000	\$0.04344100	21.5054%
11/29/2016	12/1/2016	12/15/2016	\$0.2020000	\$0.1585590	\$0.0000000	\$0.0000000	\$0.0000000	\$0.04344100	21.5054%
TOTALS FOR 2016			\$2.3915000	\$1.8771975	\$0.0000000	\$0.0000000	\$0.0000000	\$0.5143025	21.5054%

Report Date: January 19, 2017

Note 1. There were no section 852(b)(7) split year dividends for 2015 or 2017.

Note 2. Box 6. No foreign tax was paid.

Note 3. Box 8 and 9. No liquidation distributions were paid.

Should you have any questions, please contact Shareowner Services at (800) 656-5432

Only for purposes of calculating alternative minimum taxable (AMT) income under Section 55 of the Internal Revenue Code of 1986, the company apportions \$0.0163394 per common share attributable to AMT depreciation assuming a full year of ownership. Shareholders are encouraged to consult with their tax advisors as to their specific tax treatment of Realty Income Corporation dividends.