

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

1 Issuer's name <b>Realty Income Corporation</b>		2 Issuer's employer identification number (EIN) <b>33-0580106</b>	
3 Name of contact for additional information	4 Telephone No. of contact <b>760-741-2111</b>	5 Email address of contact	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact <b>600 La Terraza Blvd</b>		7 City, town, or post office, state, and Zip code of contact <b>Escondido, CA 92025-3873</b>	
8 Date of action		9 Classification and description <b>Common Stock</b>	
See attached exhibit			
10 CUSIP number <b>756109-104</b>	11 Serial number(s)	12 Ticker symbol <b>O</b>	13 Account number(s)

**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 a monthly cash distributions on January 17, 2012 and February 15, 2012 to it's common shareholders. A portion of this distribution, estimated to be 18%, represent a non-dividend distribution.**

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 an estimate of 18% of the January 2012 and February 2012 distributions received. This non-dividend distribution percentage is an estimate and the actual non-dividend distribution percentage will not be know until the end of 2012.**

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 2012 tax year which are in excess of estimated 2012 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 ▶ *Greg Fahey* Date ▶ 2-24-2012  
Print your name ▶ Greg Fahey Title ▶ 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.