2018 ANNUAL REPORT

POSITIONED » PREPARED

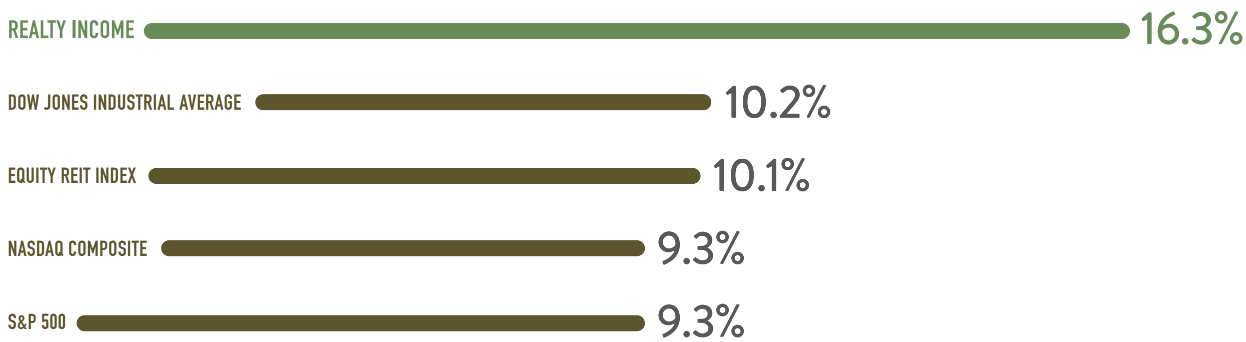
REALTY INCOME

The Monthly Dividend Company®

COMPANY PERFORMANCE

COMPOUND AVERAGE ANNUAL TOTAL SHAREHOLDER RETURN SINCE 1994 NYSE LISTING

(AS OF DECEMBER 31, 2018)



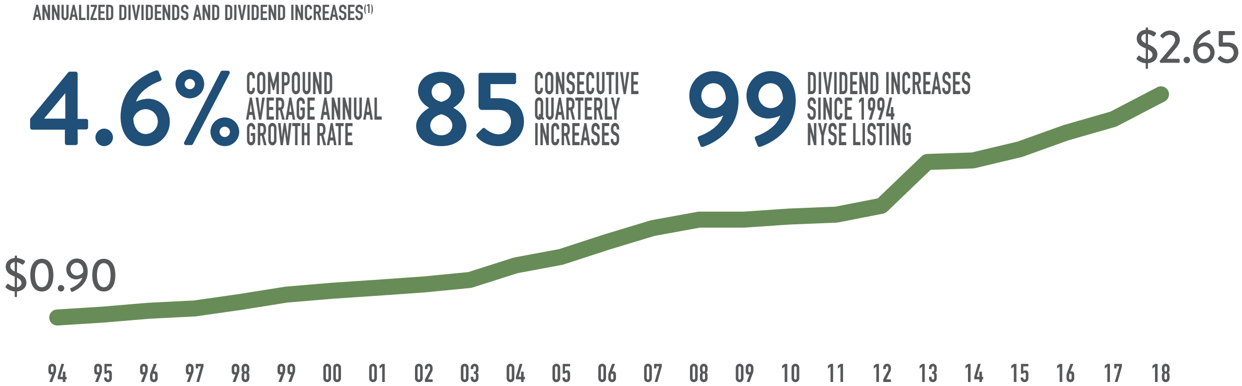
SUPPORTED BY CONSISTENT DIVIDEND GROWTH

ANNUALIZED DIVIDENDS AND DIVIDEND INCREASES[1]

4.6% COMPOUND AVERAGE ANNUAL GROWTH RATE

85 CONSECUTIVE QUARTERLY INCREASES

99 DIVIDEND INCREASES SINCE 1994 NYSE LISTING



[1] Annualized dividend amount reflects the December declared dividend rate per share multiplied by 12. All information as of December 31, 2018.

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2018 PERFORMANCE HIGHLIGHTS

4.2%
AFFO PER SHARE GROWTH

4.1%
DIVIDEND PER SHARE GROWTH

15.9%
TOTAL SHAREHOLDER RETURN

$1.28
BILLION RENTAL REVENUE

$1.80
BILLION INVESTMENT VOLUME

$1.89
BILLION ATTRACTIVELY PRICED CAPITAL RAISED

98.6%
PORTFOLIO OCCUPANCY

103.3%
RECAPTURE RATE ON EXPIRING LEASES

HISTORICAL FINANCIAL PERFORMANCE

(UNAUDITED; DOLLARS IN MILLIONS, EXCEPT PER SHARE DATA)

For the Years Ended December 31,	2018	2017	2016	2015	2014	2013	2012	2011	2010
Total revenue[1]	**$1,281**	**$1,170**	**$1,060**	**$980**	**$895**	**$760**	**$484**	**$422**	**$346**
Net income available to common stockholders	$364	$302	$288	$257	$228	$204	$115	$133	$107
Funds from operations (“FFO”)[2]	$903	$773	$735	$652	$563	$462	$269	$249	$194
Adjusted funds from operations (“AFFO”)[2]	$925	$839	$736	$647	$562	$463	$274	$253	$197
Dividends paid to common stockholders	$762	$689	$611	$533	$479	$409	$236	$219	$183
AT YEAR END									
Real estate at cost, before accumulated depreciation[3]	$16,541	$15,016	$13,864	$12,297	$11,154	$9,899	$5,921	$4,972	$4,113
Number of properties	5,797	5,172	4,944	4,538	4,327	3,896	3,013	2,634	2,496
Gross leasable square feet (millions)	93	90	83	76	71	63	38	27	21
Properties acquired[4]	764	303	505	286	506	974	423	164	186
Cost of properties acquired[4]	**$1,797**	**$1,519**	**$1,859**	**$1,259**	**$1,402**	**$4,670**	**$1,165**	**$1,016**	**$714**
Property dispositions	128	59	77	38	46	75	44	26	28
Net proceeds from property dispositions	$142	$167	$91	$66	$107	$134	$51	$24	$27
Number of commercial tenants[5]	262	249	248	240	234	205	150	136	122
Number of industries	48	47	47	47	47	47	44	38	32
Number of states	49	49	49	49	49	49	49	49	49
Portfolio occupancy rate	**98.6%**	**98.4%**	**98.3%**	**98.4%**	**98.4%**	**98.2%**	**97.2%**	**96.7%**	**96.6%**
Remaining weighted average lease term (years)	9.2	9.5	9.8	10.0	10.2	10.8	11.0	11.3	11.4
PER COMMON SHARE DATA[6]									
Net income (diluted)	**$1.26**	**$1.10**	**$1.13**	**$1.09**	**$1.04**	**$1.06**	**$0.86**	**$1.05**	**$1.01**
Funds from operations (“FFO”)[2]	$3.12	$2.82	$2.88	$2.77	$2.58	$2.41	$2.02	$1.98	$1.83
Adjusted funds from operations (“AFFO”)[2]	**$3.19**	**$3.06**	**$2.88**	**$2.74**	**$2.57**	**$2.41**	**$2.06**	**$2.01**	**$1.86**
Dividends paid	**$2.631**	**$2.527**	**$2.392**	**$2.271**	**$2.192**	**$2.147**	**$1.772**	**$1.737**	**$1.722**
Annualized dividend amount[7]	$2.65	$2.55	$2.43	$2.29	$2.20	$2.19	$1.82	$1.75	$1.73
Common shares outstanding (millions)	304	284	260	250	225	207	133	133	118
INVESTMENT RESULTS									
Closing price on December 31,	$63.04	$57.02	$57.48	$51.63	$47.71	$37.33	$40.21	$34.96	$34.20
Dividend yield[8][9]	4.2%	4.5%	4.6%	4.4%	5.9%	5.3%	5.1%	5.1%	6.6%
Total return to stockholders[10]	**15.2%**	**3.6%**	**16.0%**	**13.0%**	**33.7%**	**(1.8%)**	**20.1%**	**7.3%**	**38.6%**

(1) For years prior to 2016, total revenue includes amounts reclassified to income from discontinued operations, but excludes gain on sales, tenant reimbursements, and revenue from Crest Net Lease, a subsidiary of Realty Income. Consistent with Realty Income’s financial reporting methodology changes, total revenue for 2016 and later includes revenue from Crest Net Lease

(2) Refer to Management’s Discussion and Analysis for FFO and AFFO definition and reconciliation to net income available to common stockholders in the 2018 Form 10-K. For 2012 and 2013, FFO has been adjusted to add back American Realty Capital Trust merger-related costs

(3) Does not include properties held for sale

(4) Includes new properties acquired by Realty Income and Crest Net Lease and properties under development, redevelopment, or expansion

(5) Commercial tenants are defined as retailers with over 50 locations and non-retailers with over $500 million in annual revenues

2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
$329	**$331**	**$296**	**$241**	**$198**	**$178**	**$150**	**$138**	**$121**	**$116**	**$105**	**$85**	**$68**	**$57**	**$52**	**$49**
$107	$108	$116	$99	$90	$90	$77	$69	$58	$45	$41	$41	$35	$32	$26	$15
$191	$186	$190	$156	$130	$121	$105	$95	$78	$67	$66	$63	$52	$48	$40	$39
$193	$192	$193	$159	$131	$126	$107	$96	$79	$68	$66	$62	$52	$47	$40	$39
$178	$170	$158	$130	$109	$97	$84	$78	$65	$58	$56	$52	$44	$43	$37	$39
$3,439	$3,409	$3,239	$2,744	$2,096	$1,691	$1,533	$1,286	$1,178	$1,074	$1,017	$890	$700	$565	$515	$451
2,339	2,348	2,270	1,955	1,646	1,533	1,404	1,197	1,124	1,068	1,076	970	826	740	685	630
19	19	19	17	13	12	11	10	10	9	9	8	6	5	5	4
16	108	357	378	156	194	302	111	117	22	110	149	96	62	58	4
$58	**$190**	**$534**	**$770**	**$487**	**$215**	**$372**	**$139**	**$156**	**$99**	**$181**	**$193**	**$142**	**$56**	**$65**	**$3**
25	29	10	13	23	43	35	35	35	21	3	5	10	7	3	5
$20	$28	$7	$11	$23	$35	$23	$20	$40	$45	$9	$3	$4	$4	$1	$4
118	119	115	103	101	93	85	79	78	72	72	65	40	24	22	23
30	30	30	29	29	30	28	26	25	24	24	22	14	8	7	5
49	49	49	48	48	48	48	48	48	46	45	45	43	42	42	41
96.8%	**97.0%**	**97.9%**	**98.7%**	**98.5%**	**97.9%**	**98.1%**	**97.7%**	**98.2%**	**97.7%**	**98.4%**	**99.5%**	**99.2%**	**99.1%**	**99.3%**	**99.4%**
11.2	11.9	13.0	12.9	12.4	12.0	11.8	10.9	10.4	9.8	10.7	10.2	9.8	9.5	9.2	9.5
$1.03	**$1.06**	**$1.16**	**$1.11**	**$1.12**	**$1.15**	**$1.08**	**$1.01**	**$0.99**	**$0.84**	**$0.76**	**$0.78**	**$0.74**	**$0.70**	**$0.63**	**$0.39**
$1.84	$1.83	$1.89	$1.73	$1.62	$1.53	$1.47	$1.40	$1.33	$1.26	$1.23	$1.18	$1.11	$1.04	$1.00	$0.98
$1.86	**$1.90**	**$1.92**	**$1.77**	**$1.63**	**$1.61**	**$1.50**	**$1.41**	**$1.34**	**$1.27**	**$1.24**	**$1.17**	**$1.10**	**$1.03**	**$0.98**	**$0.98**
$1.707	**$1.662**	**$1.560**	**$1.437**	**$1.346**	**$1.241**	**$1.181**	**$1.151**	**$1.121**	**$1.091**	**$1.043**	**$0.983**	**$0.946**	**$0.931**	**$0.913**	**$0.300**
$1.72	$1.70	$1.64	$1.52	$1.40	$1.32	$1.20	$1.17	$1.14	$1.11	$1.08	$1.02	$0.96	$0.95	$0.93	$0.90
104	104	101	101	84	79	76	70	66	53	54	54	51	46	46	39
$25.91	$23.15	$27.02	$27.70	$21.62	$25.29	$20.00	$17.50	$14.70	$12.44	$10.31	$12.44	$12.72	$11.94	$11.25	$8.56
7.4%	6.1%	5.6%	6.7%	5.3%	6.2%	6.7%	7.8%	9.0%	10.6%	8.4%	7.7%	7.9%	8.3%	10.7%	9.9%
19.3%	**(8.2%)**	**3.2%**	**34.8%**	**(9.2%)**	**32.7%**	**21.0%**	**26.9%**	**27.2%**	**31.2%**	**(8.7%)**	**5.5%**	**14.5%**	**15.4%**	**42.0%**	**28.5%**

(6) All share and per share amounts reflect the 2-for-1 stock split that occurred on December 31, 2004

(7) Annualized dividend amount reflects the December declared dividend rate per share multiplied by 12

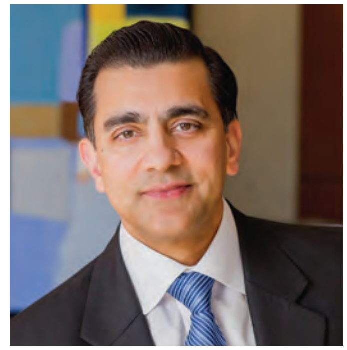
(8) Dividend yield was calculated by dividing the dividend paid per share, during the year, by the closing share price on December 31 or the last trading day of the preceding year. Dividend yield excludes special dividends

(9) The 1994 dividend yield is based on the annualized dividends for the period from August 15, 1994 (the date of the consolidation of the predecessors to the Company) to December 31, 1994. The 1994 total return is based on the price change from the opening on October 18, 1994 (the Company's first day of trading) to December 31, 1994 plus the annualized dividend yield

(10) Total return calculated as the difference between the closing stock price as of period end less the closing stock price as of previous period, plus dividends paid in period, divided by closing stock price as of end of previous period. Does not include reinvestment of dividends

DEAR FELLOW SHAREHOLDERS,

I am humbled and privileged to write to you for the first time as Realty Income's Chief Executive Officer and am proud of our team's many accomplishments in 2018. We are confident that we have never been better *positioned* and *prepared* to drive favorable risk-adjusted returns during the company's next chapter.



This year was transformative in many ways. We remain committed to the quality of our real estate portfolio, the safety of our balance sheet, and providing our shareholders with dependable monthly dividends that increase over time. The breadth, depth, and experience of our team are essential to the realization of our mission and execution of our strategy. I have witnessed firsthand the strength of our team throughout my eight-year tenure with the company, serving most recently as President and Chief Operating Officer. I would like to thank our Board of Directors for providing me with the opportunity to lead our well-established team, and I look forward to continuing to work with the Board to execute and evolve the company's strategy. I would also like to take this opportunity to thank John Case, our former CEO, for his contributions toward the success of the company. Our team looks forward to continuing to build upon our positive momentum.

We were pleased to welcome Gerardo Lopez and Reginald Gilyard to our Board of Directors in 2018. Gerry and Reggie together bring over 50 years of leadership experience in retail, real estate and consulting, and their skills and expertise have further enhanced the existing capabilities of our Board. During the year, S&P Global, a major credit rating agency, upgraded our credit rating to 'A-,' making us one of only a handful of REITs with two 'A' credit ratings. We realized the benefits of our credit rating upgrade in 2018, as we recast and expanded our unsecured credit facility to $3.25 billion at favorable pricing. These milestones, in concurrence with robust investment activities, strong portfolio metrics, and a conservative balance sheet, position the company well for 2019 and beyond.

2018 RESULTS

Shareholder Returns

Our focus on providing dependable monthly dividends that increase over time helps drive total shareholder returns. In 2018, the shareholders who owned our common stock for the full calendar year realized a total return of 15.9%, which captures changes to our stock price as well as the dividends paid throughout the year, assuming reinvestment of dividends. These results compared favorably to broader market indices, including the MSCI US REIT Index and S&P 500, which recorded negative 2018 total shareholder returns of 4.6% and 4.4%, respectively. Accordingly, we were pleased that our 2018 total shareholder return was the highest among S&P 500 REITs and ranked in the 96th percentile among REITs in the MSCI US REIT Index.

> “We are One Team, and the strength of our team fundamentally enables us to successfully execute our mission of maintaining and growing a real estate portfolio that supports stability and growth in earnings and dividends”
>
> **Sumit Roy**
> President & Chief Executive Officer

REALTY INCOME PERFORMANCE VS. MAJOR STOCK INDICES

	Realty Income		Equity REIT Index[1]		Dow Jones Industrial Average		S&P 500		NASDAQ Composite	
	DIVIDEND YIELD	TOTAL RETURN[2]	DIVIDEND YIELD	TOTAL RETURN[3]	DIVIDEND YIELD	TOTAL RETURN[3]	DIVIDEND YIELD	TOTAL RETURN[3]	DIVIDEND YIELD	TOTAL RETURN[4]
10/18-12/31 1994	10.5%	10.8%	7.7%	0.0%	2.9%	(1.6%)	2.9%	(1.2%)	0.5%	(1.7%)
1995	8.3%	42.0%	7.4%	15.3%	2.4%	36.9%	2.3%	37.6%	0.6%	39.9%
1996	7.9%	15.4%	6.1%	35.3%	2.2%	28.9%	2.0%	23.0%	0.2%	22.7%
1997	7.5%	14.5%	5.5%	20.3%	1.8%	24.9%	1.6%	33.4%	0.5%	21.6%
1998	8.2%	5.5%	7.5%	(17.5%)	1.7%	18.1%	1.3%	28.6%	0.3%	39.6%
1999	10.5%	(8.7%)	8.7%	(4.6%)	1.3%	27.2%	1.1%	21.0%	0.2%	85.6%
2000	8.9%	31.2%	7.5%	26.4%	1.5%	(4.7%)	1.2%	(9.1%)	0.3%	(39.3%)
2001	7.8%	27.2%	7.1%	13.9%	1.9%	(5.5%)	1.4%	(11.9%)	0.3%	(21.1%)
2002	6.7%	26.9%	7.1%	3.8%	2.6%	(15.0%)	1.9%	(22.1%)	0.5%	(31.5%)
2003	6.0%	21.0%	5.5%	37.1%	2.3%	28.3%	1.8%	28.7%	0.6%	50.0%
2004	5.2%	32.7%	4.7%	31.6%	2.2%	5.6%	1.8%	10.9%	0.6%	8.6%
2005	6.5%	(9.2%)	4.6%	12.2%	2.6%	1.7%	1.9%	4.9%	0.9%	1.4%
2006	5.5%	34.8%	3.7%	35.1%	2.5%	19.0%	1.9%	15.8%	0.8%	9.5%
2007	6.1%	3.2%	4.9%	(15.7%)	2.7%	8.8%	2.1%	5.5%	0.8%	9.8%
2008	7.3%	(8.2%)	7.6%	(37.7%)	3.6%	(31.8%)	3.2%	(37.0%)	1.3%	(40.5%)
2009	6.6%	19.3%	3.7%	28.0%	2.6%	22.6%	2.0%	26.5%	1.0%	43.9%
2010	5.1%	38.6%	3.5%	27.9%	2.6%	14.0%	1.9%	15.1%	1.2%	16.9%
2011	5.0%	7.3%	3.8%	8.3%	2.8%	8.3%	2.3%	2.1%	1.3%	(1.8%)
2012	4.5%	20.1%	3.5%	19.7%	3.0%	10.2%	2.5%	16.0%	2.6%	15.9%
2013	5.8%	(1.8%)	3.9%	2.9%	2.3%	29.6%	2.0%	32.4%	1.4%	38.3%
2014	4.6%	33.7%	3.6%	28.0%	2.3%	10.0%	2.0%	13.7%	1.3%	13.4%
2015	4.4%	13.0%	3.9%	2.8%	2.6%	0.2%	2.2%	1.4%	1.4%	5.7%
2016	4.2%	16.0%	4.0%	8.6%	2.5%	16.5%	2.1%	12.0%	1.4%	7.5%
2017	4.5%	3.6%	3.9%	8.7%	2.2%	28.1%	1.9%	21.8%	1.1%	28.2%
2018	4.2%	15.2%	4.4%	(4.0%)	2.6%	(3.5%)	2.2%	(4.4%)	1.4%	(3.9%)
COMPOUND AVERAGE ANNUAL TOTAL RETURN[5]		16.3%		10.1%		10.2%		9.3%		9.3%

Note: All of these dividend yields are calculated as annualized dividends based on the last dividend paid in applicable time period divided by the closing price as of period end. Dividend yield sources: NAREIT website and Bloomberg, except for the 1994 NASDAQ dividend yield which was sourced from Datastream / Thomson Financial.

[1] FTSE NAREIT US Equity REIT Index, as per NAREIT website

[2] Calculated as the difference between the closing stock price as of period end less the closing stock price as of previous period, plus dividends paid in period, divided by closing stock price as of end of previous period. Does not include reinvestment of dividends for the annual percentages

[3] Includes reinvestment of dividends. Source: NAREIT website and Factset

[4] Price only index, does not include dividends as NASDAQ did not report total return metrics for the entirety of the measurement period. Source: Factset

[5] All of these Compound Average Annual Total Return rates are calculated in the same manner: from Realty Income's NYSE listing on October 18, 1994 through December 31, 2018, and (except for NASDAQ) assuming reinvestment of dividends. Past performance does not guarantee future performance. Realty Income presents this data for informational purposes only and makes no representation about its future performance or how it will compare in performance to other indices in the future

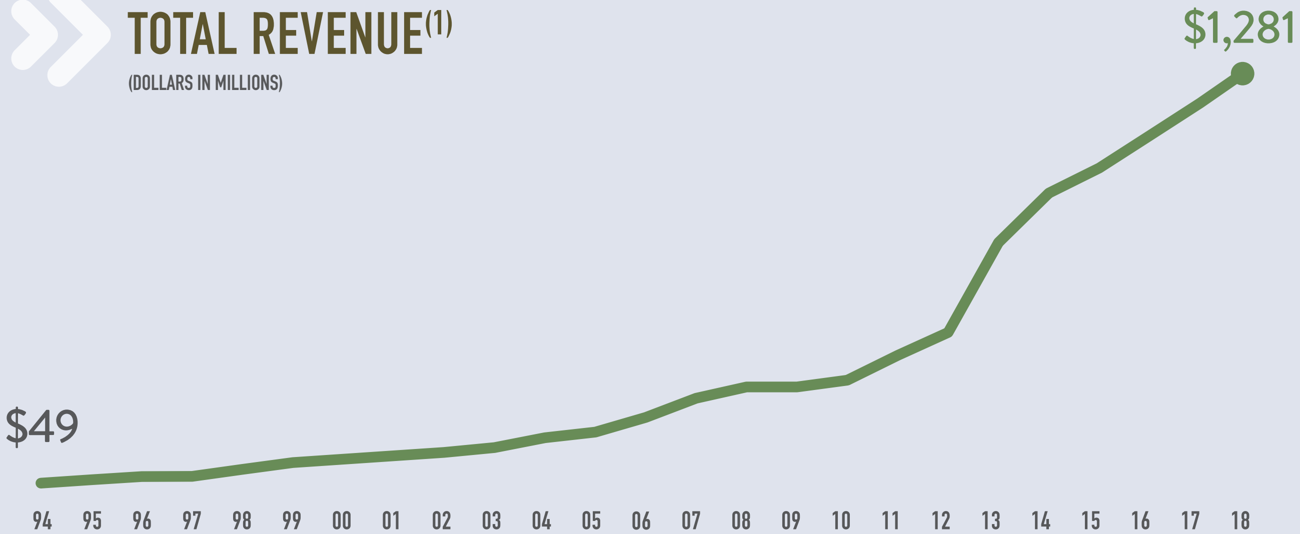
We always like to remind our shareholders that our company's total return results do not always move in parallel with our operating performance in any given year. Other factors beyond our operating performance can impact the price of our shares including, but not limited to, macroeconomic events, interest rate trends, and conditions in the broader stock market.

Investment Activity

Conservatively underwritten investments position our real estate portfolio to generate consistent earnings regardless of macroeconomic conditions. During 2018, we invested $1.8 billion in high-quality real estate, acquiring only 5.6% of the $32 billion in potential real estate transactions generated and reviewed. The average initial yield of our acquisitions was 6.4%, which resulted in investment spreads relative to our first-year nominal weighted average cost of capital greater than our historical averages. These investment spreads reflect our favorable funding costs, as well as the quality of the

TOTAL REVENUE[1]

(DOLLARS IN MILLIONS)



[1] See page 2, footnote 1, for the definition of total revenue

properties acquired during the year. The 764 properties acquired in 2018 are located in 39 states and are leased to tenants that operate in 21 different industries. Retail acquisitions and development were our principal investment type and comprised 96% of total 2018 investment activity as a percentage of rental revenue, with the balance represented by industrial properties.

Asset Management and Real Estate Operations

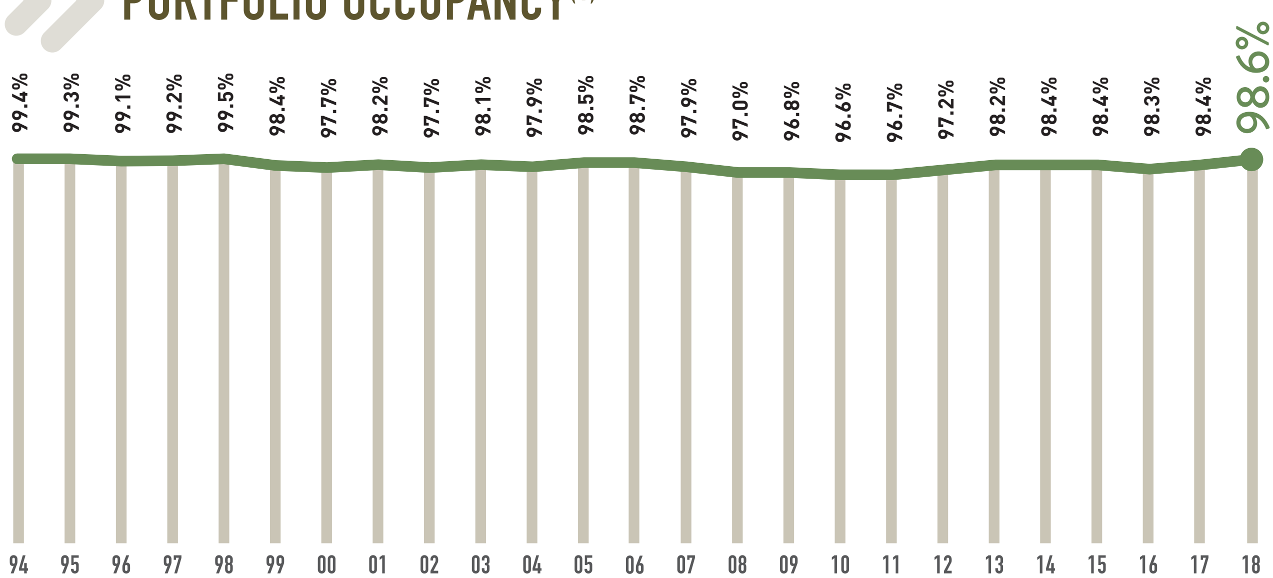
The company continues to generate additional portfolio value through active asset management. By proactively addressing operational risks and executing on organic growth opportunities, we position the portfolio for consistent performance through all economic conditions. We believe that high occupancy, positive re-leasing results, and the sale of non-strategic assets at attractive returns are essential to maintaining healthy internal earnings growth. At year-end 2018, our portfolio of 5,797 properties was 98.6% occupied, our highest year-end occupancy rate since 2006. During the year we re-leased 228 properties to existing or new tenants, achieving rental rates that were approximately 103.3% of the expiring rent.

We believe that anticipating future risks in our portfolio and divesting of certain assets also help drive favorable long-term value. In 2018, we sold 127 properties for net proceeds of $139.5 million and realized an unlevered internal rate of return of 8.1% on these investments. By selectively selling non-strategic assets at attractive returns, we can redeploy the proceeds into properties that better meet our investment strategy. Active capital recycling through the sale of non-core properties enables us to maintain the quality of our portfolio and supports the stability and growth in earnings and dividends.

Capital Markets

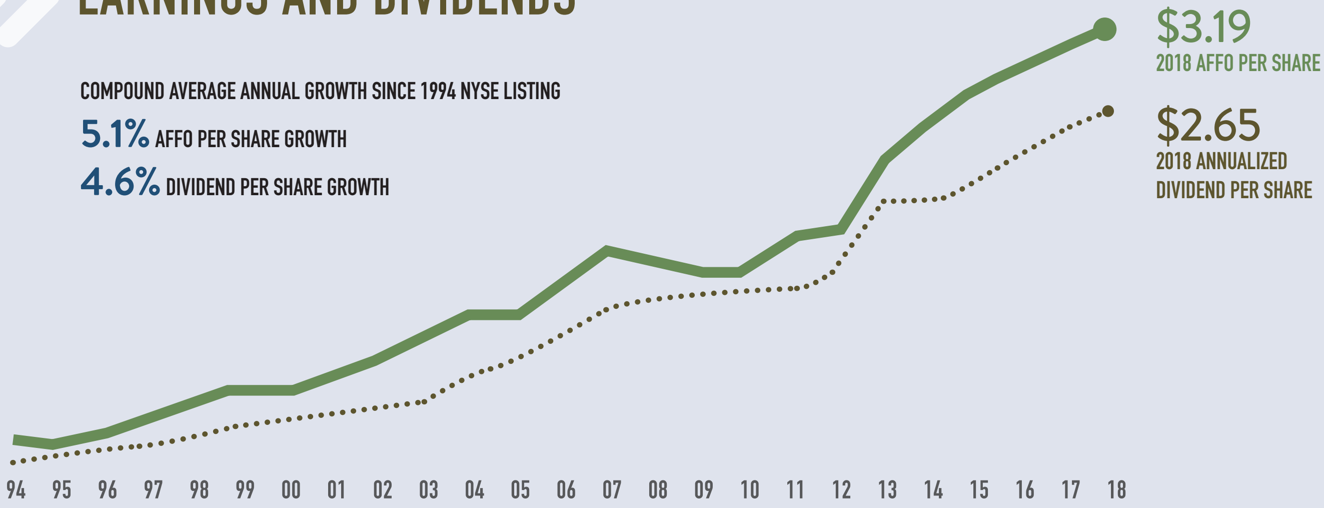
Given the extensive capital requirements associated with our business, efficient capital raising and prudent balance sheet management are essential to the company's success. As previously mentioned, during 2018 we received

PORTFOLIO OCCUPANCY[1]



[1] Calculated at the end of each year by the number of properties

EARNINGS AND DIVIDENDS



our second 'A' credit rating, and we recast and expanded our credit facility to $3.25 billion, which provides ample liquidity and flexibility to grow our portfolio while maintaining a conservative leverage profile.

We ended 2018 with a Debt-to-Adjusted EBITDA*re* ratio of 5.3x and a fixed charge coverage ratio of 4.4x. We continue to be conservatively capitalized with 74.6% of our total market capitalization represented by common equity. During the year, we raised over $1.1 billion in common equity capital at an average price of approximately $59 per share and issued $750 million of fixed-rate unsecured debt at favorable pricing. At year-end, the company's outstanding notes and bonds had a weighted average remaining term to maturity of 8.7 years and a weighted average yield of 4.0%. We continue to manage our balance sheet in a conservative manner, and our capital activity throughout 2018 has positioned us well to effectively pursue additional growth moving forward.

Earnings and Dividends

The culmination of our disciplined execution across all areas of our business is healthy earnings and dividend growth. In 2018, we grew our AFFO per share, or the cash earnings available to pay dividends to our shareholders, by 4.2% to $3.19. This allowed us to increase the dividend five times throughout the year, increasing dividends paid in 2018 by 4.1% over the prior year. The continued strength of our operations allowed us to increase the dividend while achieving an AFFO payout ratio of 82.5% in 2018, providing a comfortable margin of safety for our shareholders.

OUR TEAM

Realty Income's most valuable assets are its people, who perennially position our company to excel and drive the company's strong corporate culture. Our team consists of 165 dedicated team members across 11 departments whose talent and commitment drive the company's success. We are proud to have a team that is world-class across every aspect of our business; and as CEO, I intend to maintain close connectivity with each function. Our collective achievements are made possible through the guidance of the independent members of our Board of Directors, who provide deep experience, diverse perspectives, and strong engagement.

One of our primary advantages as a company is the scalability of our business model. Accordingly, our goal is always to maximize our operational efficiency by ensuring that we have the right people, processes, and systems in place. In anticipation of continued scalability and growth, we completed the implementation of our new ERP software system this year, which has advanced and developed efficiencies. In 2018, our normalized general and administrative expenses as a percentage of revenue were the lowest among our peers in the net lease REIT sector. The efficiency and scalability of our business are further illustrated through our AFFO per employee, which has increased 124% since 2010 from $2.5 million to $5.6 million, while maintaining a conservative balance sheet.

We have maintained a significant presence in San Diego County since our founding in 1969 and believe it is important for us to continue to positively impact our local community as a responsible corporate citizen. As part of our Corporate Responsibility Program, we devoted 810 employee volunteer hours and issued corporate donations to various charitable organizations. We also remain dedicated to operating our business in a socially and environmentally responsible manner, and we are constantly evaluating new initiatives to further these efforts. An important component of our social initiatives is continuing to promote a culture of communication and collaboration among our entire team through emphasizing diversity, inclusion, and employee development. Additional information on our social and environmental initiatives can be found on pages 22–23 of this report.

MACROECONOMIC ENVIRONMENT AND OUR POSITION

Our business is designed to deliver favorable risk-adjusted returns in a variety of economic environments. Although we believe our portfolio and investment strategies are well-positioned for favorable operating performance across any economic backdrop, our team diligently monitors and analyzes macroeconomic factors and their potential impact on our business. Considerations that affect market sentiment, among other factors, include interest rate trends, the geopolitical climate, global trade, and evolving consumer behavior. As macroeconomic uncertainty

increased in 2018, we believe we benefited from the "flight-to-quality" trade as investors rotated their capital into predictable business models that carry lower inherent cash flow volatility. We believe the premium the market has generally placed on our stock throughout these periods of uncertainty is a testament to our core operating principles, which demonstrate the significant value we place on being prudent stewards of your capital.

Although we manage our business to be prepared for an economic downturn, we do not subscribe to the notion that a severe recession is imminent. Rather, we expect stable but slow economic growth and modest inflation to keep interest rates mostly range-bound throughout 2019. Our base-case economic forecast contemplates a deceleration of U.S. GDP growth as the tailwinds from the government's fiscal stimulus package in 2018 fade. As of this writing, the U.S. trade war with China, tepid global growth, and slowing gains in the domestic housing market all present ongoing challenges to economic growth in 2019, which could impact consumer sentiment. However, we believe that the systemic risks that materialized during the prior recession are largely absent from current economic conditions. Contrary to the prior cycle, consumer balance sheets generally appear to be healthy, the balance sheets of top financial institutions appear to be well-capitalized, and enhanced banking regulations appear to have mitigated the credit risks that contributed to the 2008 mortgage crisis.

The defensive nature of our business has been illustrated through multiple economic cycles, as we were one of only a handful of REITs that continued raising the dividend throughout the Great Recession. At year-end 2018, we had paid 581 consecutive monthly dividends, and we remain a proud member of the S&P High Yield Dividend Aristocrats® index for having raised our dividend every year for 24 consecutive years. While we are pleased with our current positioning, we seek to avoid complacency by continuing to refine both our portfolio and our overall strategies, including investments, to grow and further enhance the stability of our cash flows. At year-end 2018, over half of our rental revenue was generated from tenants with an investment-grade credit rating. Additionally, 95% of our retail rental revenue was generated from tenants with a service, non-discretionary, and/or low price point component to their business. We believe these characteristics allow our tenants to operate effectively in a variety of economic environments and to compete effectively with e-commerce.

OUTLOOK

We are excited about the current trajectory of the company. As we enter 2019, we are well-positioned with a conservatively capitalized balance sheet with strong liquidity, a propitious investment pipeline of opportunities that meet our investment parameters, and an experienced team prepared to execute on opportunistic growth initiatives. Though we believe we have sufficient runway to continue growing our business through our current verticals, we also believe expanding the addressable market will be essential to the long-term success of the company.

Several of our inherent advantages as a company include our size and scale, cost of capital, and relationships. Our size and scale provide us both significant access to well-priced capital as well as the ability to execute large-scale sale-leaseback transactions without creating tenant or industry concentration issues. Our cost of capital, developed through our track record of performance and loyal shareholder support, affords us the ability to pursue high-quality transactions while generating meaningful earnings growth. Finally, our relationships provide the company with distinct investment opportunities unavailable to competitors in our industry. These advantages are evidenced through our high-quality investment activity in 2018, as we were able to complete approximately $870 million in sale-leaseback transactions with 7-Eleven, a leading investment-grade rated convenience store operator, at pricing that helped drive meaningful earnings accretion. We intend to continue to capitalize on these competitive advantages to seek to create long-term value for shareholders and minimize risk.

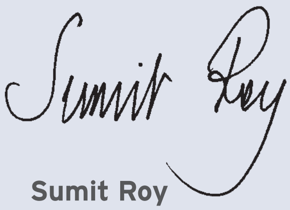
CONCLUSION

Our team has the fundamental responsibility to ensure the company is positioned and prepared to create shareholder value, as well as to continue providing shareholders with dependable monthly dividends that grow over time. While the strategy and tactics may evolve, the commitment to our mission is steadfast. We are proud that 2019 marks the 50th anniversary of our company's founding and the 25th anniversary of our public listing, and we remain cognizant of the values which have dictated our prior successes.

We are pleased to have successfully executed on all aspects of our strategy in 2018, and we remain committed to managing the business with a long-term and disciplined approach as we enter 2019 and beyond. While we remain confident in our ability to operate the company in a manner that supports our mission, we cannot guarantee that we will be as successful in 2019 as we have been in the past. Therefore, we always remind our shareholders how important it is to rely on Realty Income for only a portion of their income needs.

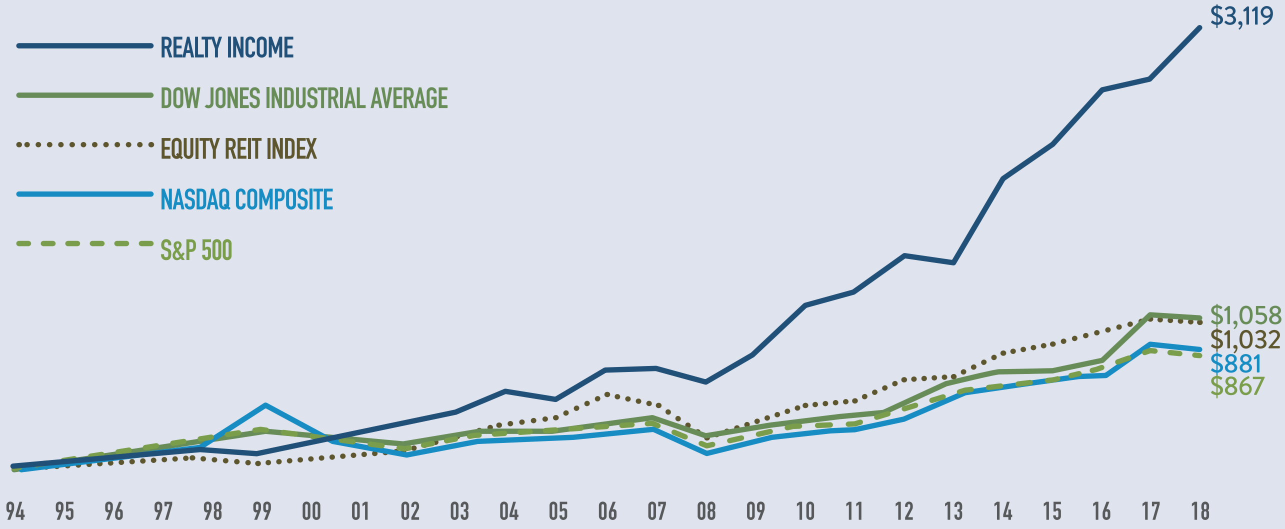
I am truly honored to lead this very storied company through the next chapter of its evolution, and we will be sure to keep you apprised of our progress throughout the year. Thank you for your continued support.

Sincerely,



Sumit Roy
President &
Chief Executive Officer

COMPARISON OF $100 INVESTED IN REALTY INCOME IN 1994 VS. MAJOR STOCK INDICES



WELL-POSITIONED PORTFOLIO

Our real estate portfolio of 5,797 properties primarily consists of freestanding, single-tenant commercial properties that are diversified by tenant, industry, geography, and to a certain extent, property type. At the end of 2018, our properties were leased to 262 commercial tenants operating across 48 industries and located in 49 states and Puerto Rico. The majority of our properties continue to be retail, with the largest component outside of retail being industrial properties. Our tenant base remains healthy with approximately 51% of the revenue generated from properties leased to tenants with investment-grade credit ratings. Maintaining a diversified portfolio of quality real estate leased to strong tenants helps ensure the stability of our revenue that supports the payment of monthly dividends.

PROPERTY TYPE DIVERSIFICATION

Property Type	Number of Properties	% of Revenue[1]
Retail	5,623	81.7%
Industrial	117	12.1%
Office	42	4.2%
Agriculture	15	2.0%

[1] Based on rental revenue for the quarter ended 12/31/18

The strength of our portfolio is further enhanced by the experience of our Asset Management and Real Estate Operations team in maximizing the revenue generated from our properties. As one of the most seasoned net lease companies, we have re-leased or sold over 2,800 properties with expiring leases throughout our history as a public company. This is unprecedented in our industry and, as a result, we have achieved stable occupancy that has never been below 96% at year-end while achieving a long-term average rent recapture rate above 100% on re-leasing activity.

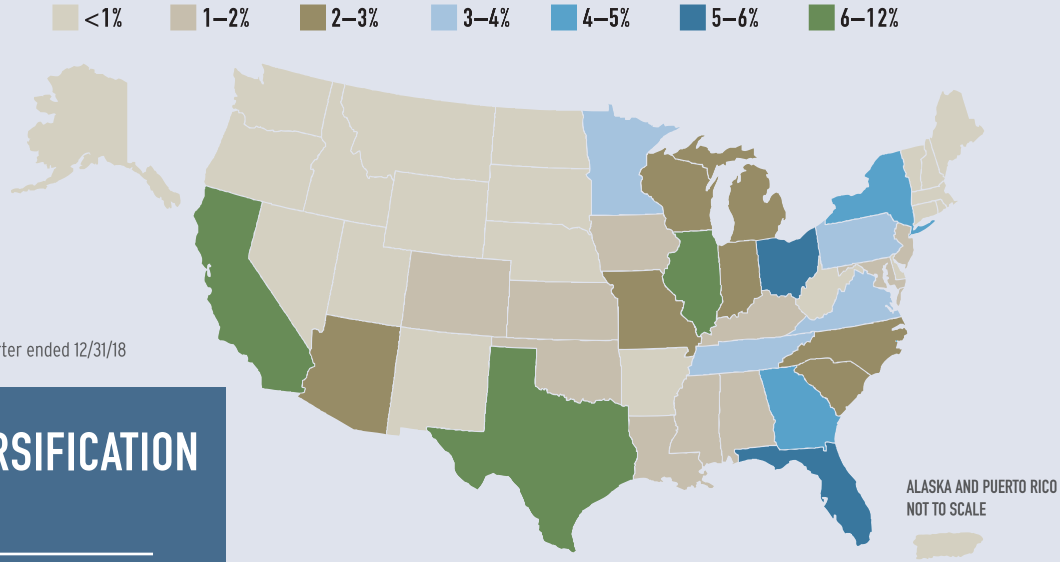
"Our Asset Management and Real Estate Operations team generates long-term value in the portfolio through active asset management, driving internal growth and positioning the portfolio for stability through any economic environment."

Benjamin Fox
Executive Vice President, Asset Management & Real Estate Operations

GEOGRAPHIC DIVERSIFICATION

AS A % OF REVENUE[1]

TEXAS **11.5%**
CALIFORNIA **8.8%**
ILLINOIS **6.0%**
FLORIDA **5.7%**
OHIO **5.3%**
NEW YORK **4.8%**



[1] Based on rental revenue for the quarter ended 12/31/18

INDUSTRY DIVERSIFICATION

% of Revenue[1]	Industry
12.4%	Convenience Stores
9.8%	Drug Stores
7.4%	Dollar Stores
7.2%	Health & Fitness
6.2%	Restaurants – Quick Service
5.4%	Theaters
4.9%	Grocery Stores
4.8%	Transportation Services
3.4%	Restaurants – Casual Dining
2.9%	Home Improvement

[1] Based on rental revenue for the quarter ended 12/31/18

TENANT DIVERSIFICATION

% of Revenue[1]	Number of Leases	Tenant
6.3%	219	Walgreens*
5.5%	398	7-Eleven*
4.8%	42	FedEx*
3.9%	576	Dollar General*
3.7%	54	LA Fitness
3.4%	468	Dollar Tree / Family Dollar*
3.3%	32	AMC Theatres
2.8%	51	Walmart / Sam's Club*
2.3%	297	Circle K (Couche-Tard)*
2.0%	15	BJ's Wholesale Clubs
1.9%	17	Treasury Wine Estates
1.9%	85	CVS Pharmacy*
1.9%	11	Life Time Fitness
1.7%	24	Regal Cinemas
1.6%	210	GPM Investments / Fas Mart
1.6%	132	Super America (Marathon)*
1.4%	159	TBC Corp (Sumitomo)*
1.4%	17	Kroger*
1.2%	51	Rite Aid
1.2%	15	Home Depot*

[1] Based on annualized rental revenue as of 12/31/18
*Investment-grade rated

DISCIPLINED INVESTMENT PROCESS

We focus on acquiring freestanding, single-tenant commercial properties leased to high-quality tenants under long-term, net lease agreements, typically in excess of 10 years. During 2018, we reviewed approximately $32 billion of investment opportunities that generally satisfied one or more of these criteria. These opportunities underwent a rigorous, multi-step internal underwriting and legal diligence process, resulting in the selection of $1.8 billion of real estate investments completed during the year.

The process begins with a review of the real estate. We target properties located in significant markets or strategic locations critical to generating revenue for the tenant. We examine the property-level attributes such as access and signage, demographic trends relative to the property's intended use, potential alternative uses, and overall viability of the market.

In addition to the real estate, we also carefully review the characteristics, credit, and overall financial strength of the tenant and its industry. Our team of research professionals conducts a thorough financial review and analysis of the tenant, including an assessment of the store-level performance of the retail operations to ensure we own the tenant's highest-performing locations. Our team stays abreast of trends in the various industries and frequently meets with management representatives within these industries to better understand our tenants' operations.

"Our Acquisitions Department establishes and maintains strong relationships with tenants, property owners, developers, brokers, and advisors. Our stringent underwriting guidelines consistently position us to achieve favorable risk-adjusted investment returns."

Mark Hagan
Executive Vice President,
Chief Investment Officer

The information gathered on the real estate, tenant, and industry determines the appropriate price for an investment. We ensure the real estate is appropriately priced relative to replacement cost and leased at rental rates that are generally in line with market rent in order to support strong long-term investment returns generated by each asset. Our Investment Committee collectively reviews these characteristics and metrics to make investment decisions. This rigorous selection process maintains the quality of our investment portfolio and supports the stability of our cash flow over time.

"Our Research and Strategy Department contributes to the stability and growth in earnings and dividends through ensuring rigorous underwriting standards are met, completing extensive industry and tenant research, and exploring strategic growth initiatives."

Neil Abraham
Executive Vice President,
Chief Strategy Officer

ACQUISITIONS SELECTIVITY

(DOLLARS IN BILLIONS)

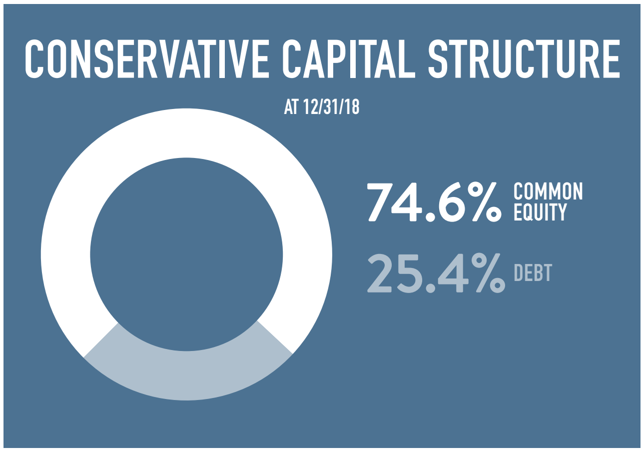
Year	Amount Sourced	Amount Acquired	Selectivity[1]
2010	$5.7	$0.71	12%
2011	$13.3	$1.02	8%
2012	$17.0	$1.16	7%
2013	$39.4	$4.67	12%
2014	$24.3	$1.40	6%
2015	$31.7	$1.26	4%
2016	$28.5	$1.86	7%
2017	$30.4	$1.52	5%
2018	$32.1	$1.80	6%

[1] Selectivity is calculated as the amount of acquisitions acquired divided by the amount of acquisitions sourced

CONSERVATIVE CAPITAL STRUCTURE

Our commitment to the dividend is demonstrated by the way we manage our balance sheet. We believe it is important to maintain a conservative capital structure that is primarily equity-focused in order to protect the dividend. At the end of 2018, our total market capitalization was $25.7 billion, of which $19.2 billion, or 74.6%, was common equity.

When we use debt to fund our growth, we structure it in a conservative manner. Currently, 100% of our outstanding bonds are fixed rate and unsecured with a weighted average term to maturity of 8.7 years. As of December 31, 2018, our Debt-to-Adjusted EBITDA*re* ratio was a healthy 5.3x. We maintain a $3.25 billion unsecured credit facility, which provides us flexibility to close on acquisitions quickly and then opportunistically raise equity and/or long-term debt when capital market dynamics are most favorable to us. Our investment-grade credit ratings of A3/A-/BBB+ (Moody's/S&P/Fitch) continue to provide us with a low cost of public unsecured debt.



> "We have always believed a conservative capital structure protects us during difficult economic climates, yet also positions us well to fund growth opportunities when they arise."

Paul Meurer
Executive Vice President,
Chief Financial Officer and Treasurer

POSITIONED FOR DEPENDABLE MONTHLY DIVIDENDS

As The Monthly Dividend Company®, we remain committed to operating our company in a manner that provides our shareholders with dependable monthly dividends that increase over time. At the core of every business decision we make is the focus on positioning and preparing our portfolio and balance sheet to continue generating predictable cash flow. Our commitment is evidenced by our track record of dividend performance. Since our company's listing on the NYSE in 1994, we have increased the dividend every year at a compound average annual growth rate of approximately 4.6% and have never cut the dividend. We are one of only five REITs in the S&P High Yield Dividend Aristocrats® index, which includes companies that have increased their dividend every year for at least 20 years.

"The culmination of the team's collective discipline and conservatism is reflected by our dividend track record. We are proud that our predictable cash flow stream has made our stock a core holding in yield-oriented investor portfolios for 25 years."

Jonathan Pong
Senior Vice President, Capital Markets and Investor Relations

581
CONSECUTIVE MONTHLY DIVIDENDS DECLARED

$5.8
BILLION IN DIVIDENDS PAID

99
DIVIDEND INCREASES SINCE 1994 NYSE LISTING

0
DIVIDEND REDUCTIONS

DATA AS OF 12/31/18

CORPORATE RESPONSIBILITY

Our company is committed to being socially and environmentally responsible, and to conducting our business according to the highest ethical standards. Our employees are our most important asset and having a good corporate culture drives the decisions we make. Our employees are awarded compensation that is in line with those of our peers and competitors, including generous healthcare benefits for employees and their families, participation in a 401(k) plan with a matching contribution by Realty Income, competitive paid time-off benefits, and an infant-at-work program for new parents.

We play an active role in supporting the community through civic involvement with charitable organizations and through corporate donations. In addition to having our employees participate in a service day with San Diego Habitat for Humanity, we make a financial commitment to Habitat and incentivize our employees to make both financial and time commitments to charitable causes through our corporate donation matching program.

Managing our business with an emphasis on social responsibility is essential to our continued success. Our values reflect a commitment to maintaining a diverse workforce and encouraging a culture of inclusion, collaboration, transparency, humility, integrity, and respect. Our commitment to these values helps ensure Realty Income remains a safe, welcoming, and productive workplace.

> “Realty Income is committed to our company culture and social responsibility. We are dedicated to increased community volunteerism as one of many ways to give back to our community and promote our core values.”
>
> **Shannon Kehle**
> Senior Vice President, Human Resources

In addition, we focus on environmentally conscious and sustainable practices at our corporate headquarters. At our headquarters, we promote energy efficiency and encourage practices such as powering down office equipment at the end of the day, implementing file-sharing technology, adopting an electronic approval system, carpooling to our headquarters, and recycling disposable waste. Our employees created a Green Team that encourages environmentally smart choices at our headquarters to further reduce our environmental impact as a company and to support sustainability initiatives in our surrounding community. Given the net lease nature of our leases, we also encourage our tenants to institute environmentally conscious practices in their day-to-day operations at our properties.

2018 ACHIEVEMENTS

DONATED TO
44
CHARITIES

CONTRIBUTED
810+
VOLUNTEER WORK HOURS

RECYCLED
28,500
POUNDS OF PAPER

> "We manage and operate the company with an emphasis on environmental responsibility, particularly as it pertains to our day-to-day activities at our headquarters. We want to be a leader in the net lease sector relating to sustainability and environmental considerations."

Mike Pfeiffer
Executive Vice President, Chief Administrative Officer, General Counsel and Secretary

REALTY INCOME CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

At December 31, 2018 and 2017

(Dollars in thousands, except share data)

	2018	2017
ASSETS		
Real estate, at cost:		
Land	$ 4,682,660	$ 4,080,400
Buildings and improvements	11,858,806	10,936,069
Total real estate, at cost	16,541,466	15,016,469
Less accumulated depreciation and amortization	(2,714,534)	(2,346,644)
Net real estate held for investment	13,826,932	12,669,825
Real estate held for sale, net	16,585	6,674
Net real estate	13,843,517	12,676,499
Cash and cash equivalents	10,387	6,898
Accounts receivable, net	144,991	119,533
Lease intangible assets, net	1,199,597	1,194,930
Goodwill	14,630	14,970
Other assets, net	47,361	45,336
Total assets	$ 15,260,483	$ 14,058,166
LIABILITIES AND EQUITY		
Distributions payable	$ 67,789	$ 60,799
Accounts payable and accrued expenses	133,765	109,523
Lease intangible liabilities, net	310,866	268,796
Other liabilities	127,109	116,869
Line of credit payable	252,000	110,000
Term loans, net	568,610	445,286
Mortgages payable, net	302,569	325,941
Notes payable, net	5,376,797	5,230,244
Total liabilities	7,139,505	6,667,458
Commitments and contingencies		
Stockholders' equity:		
Common stock and paid in capital, par value $0.01 per share, 370,100,000 shares authorized, 303,742,090 shares issued and outstanding as of December 31, 2018 and 284,213,685 shares issued and outstanding as of December 31, 2017	10,754,495	9,624,264
Distributions in excess of net income	(2,657,655)	(2,252,763)
Accumulated other comprehensive loss	(8,098)	–
Total stockholders' equity	8,088,742	7,371,501
Noncontrolling interests	32,236	19,207
Total equity	8,120,978	7,390,708
Total liabilities and equity	$15,260,483	$14,058,166

The accompanying notes to consolidated financial statements are an integral part of these audited statements and may be found in the company's 2018 Form 10-K.

REALTY INCOME CORPORATION AND SUBSIDIARIES

Consolidated Statements of Income and Comprehensive Income

Years ended December 31, 2018, 2017 and 2016

(Dollars in thousands, except per share data)

	2018	2017	2016
REVENUE			
Rental	$ 1,274,596	$ 1,166,224	$ 1,057,413
Tenant reimbursements	46,950	46,082	43,104
Other	6,292	3,462	2,655
Total revenue	$ 1,327,838	$ 1,215,768	$ 1,103,172
EXPENSES			
Depreciation and amortization	539,780	498,788	449,943
Interest	266,020	247,413	219,974
General and administrative	84,148	58,446	51,966
Property (including reimbursable)	66,326	69,480	62,865
Income taxes	5,340	6,044	3,262
Provisions for impairment	26,269	14,751	20,664
Total expenses	$ 987,883	$ 894,922	$ 808,674
Gain on sales of real estate	24,643	40,898	21,979
Loss on extinguishment of debt	–	(42,426)	–
Net income	364,598	319,318	316,477
Net income attributable to noncontrolling interests	(984)	(520)	(906)
Net income attributable to the Company	$ 363,614	$ 318,798	$ 315,571
Preferred stock dividends	–	(3,911)	(27,080)
Excess of redemption value over carrying value of preferred shares redeemed	–	(13,373)	–
Net income available to common stockholders	$ 363,614	$ 301,514	$ 288,491
Amounts available to common stockholders per common share:			
Net income, basic and diluted	$ 1.26	$ 1.10	$ 1.13
Weighted average common shares outstanding:			
Basic	289,427,430	273,465,680	255,066,500
Diluted	289,923,984	273,936,752	255,624,250
Other comprehensive income:			
Net income attributable to the Company	$ 363,614	$ 318,798	$ 315,571
Change in fair value of interest rate swaps	(8,618)	–	–
Amortization of interest rate hedges	520	–	–
Comprehensive income attributable to the Company	$ 355,516	$ 318,798	$ 315,571

The accompanying notes to consolidated financial statements are an integral part of these audited statements and may be found in the company's 2018 Form 10-K.

REALTY INCOME CORPORATION AND SUBSIDIARIES

Consolidated Statements of Equity

Years ended December 31, 2018, 2017 and 2016

(Dollars in thousands)

	Shares of preferred stock	Shares of common stock	Preferred stock and paid in capital	Common stock and paid in capital	Distributions in excess of net income	Accumulated other comprehensive loss	Total stockholders' equity	Noncontrolling interests	Total equity
Balance, December 31, 2015	16,350,000	250,416,757	$ 395,378	$ 7,666,428	$ (1,530,210)	$ –	$ 6,531,596	$ 21,737	$ 6,553,333
Net income	–	–	–	–	315,571	–	315,571	906	316,477
Distributions paid and payable	–	–	–	–	(642,529)	–	(642,529)	(12,682)	(655,211)
Share issuances, net of costs	–	9,449,167	–	557,636	–	–	557,636	–	557,636
Contributions by noncontrolling interests	–	–	–	–	–	–	–	15,906	15,906
Redemption of common units	–	103,182	–	(2,865)	–	–	(2,865)	(6,161)	(9,026)
Reallocation of equity	–	–	–	(543)	–	–	(543)	543	–
Share–based compensation, net	–	199,153	–	7,938	–	–	7,938	–	7,938
Balance, December 31, 2016	16,350,000	260,168,259	$ 395,378	$ 8,228,594	$ (1,857,168)	$ –	$ 6,766,804	$ 20,249	$ 6,787,053
Net income	–	–	–	–	318,798	–	318,798	520	319,318
Distributions paid and payable	–	–	–	–	(701,020)	–	(701,020)	(2,047)	(703,067)
Share issuances, net of costs	–	23,957,741	–	1,388,080	–	–	1,388,080	–	1,388,080
Contributions by noncontrolling interests	–	–	–	–	–	–	–	–	–
Preferred shares redeemed	(16,350,000)	–	(395,378)	–	(13,373)	–	(408,751)	–	(408,751)
Reallocation of equity	–	–	–	(485)	–	–	(485)	485	–
Share–based compensation, net	–	87,685	–	8,075	–	–	8,075	–	$8,075
Balance, December 31, 2017	–	284,213,685	$ –	$ 9,624,264	$ (2,252,763)	$ –	$ 7,371,501	$ 19,207	$ 7,390,708
Net income	–	–	–	–	363,614	–	363,614	984	364,598
Other comprehensive loss	–	–	–	–	–	(8,098)	(8,098)	–	(8,098)
Distributions paid and payable	–	–	–	–	(768,506)	–	(768,506)	(1,996)	(770,502)
Share issuances, net of costs	–	19,304,878	–	1,119,297	–		1,119,297	–	1,119,297
Contributions by noncontrolling interests	–	–	–	–	–	–	–	18,848	18,848
Redemption of common units	–	88,182	–	2,829	–	–	2,829	(5,581)	(2,752)
Reallocation of equity	–	–	–	(774)	–	–	(774)	774	–
Share–based compensation, net	–	135,345	–	8,879	–	–	8,879	–	8,879
Balance, December 31, 2018	–	303,742,090	$ –	$ 10,754,495	$ (2,657,655)	$ (8,098)	$ 8,088,742	$ 32,236	$ 8,120,978

The accompanying notes to consolidated financial statements are an integral part of these audited statements and may be found in the company's 2018 Form 10-K.

REALTY INCOME CORPORATION AND SUBSIDIARIES

Consolidated Cash Flows

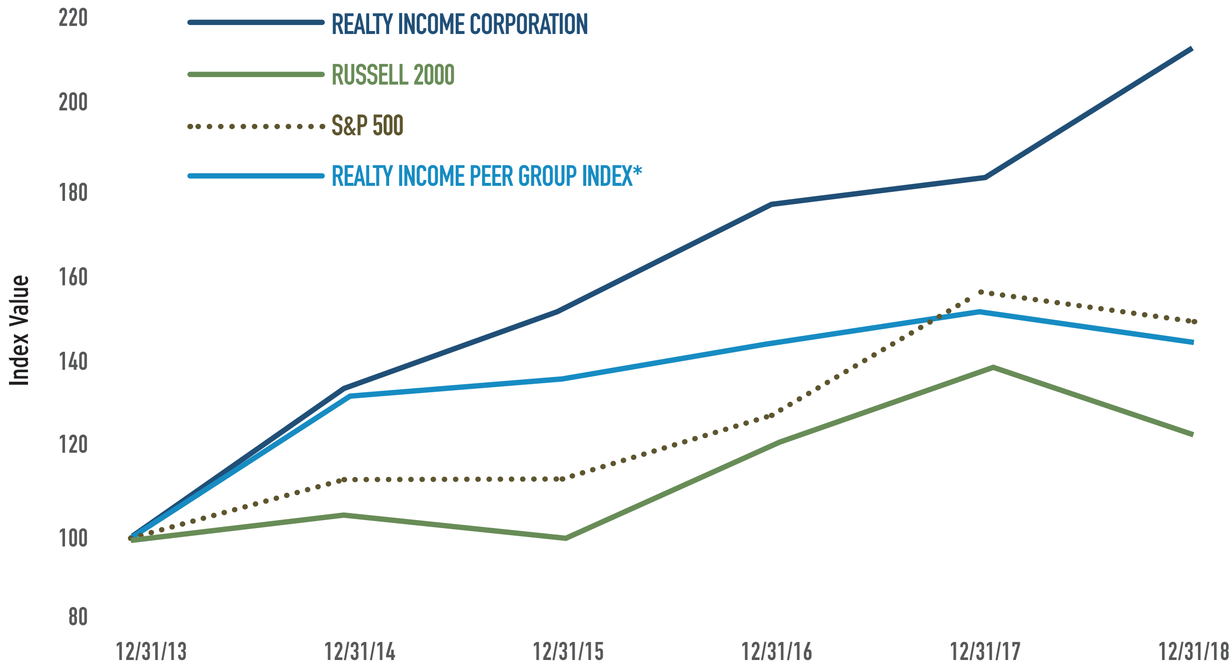
Years ended December 31, 2018, 2017 and 2016

(Dollars in thousands)

	2018	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$364,598	$319,318	$316,477
Adjustments to net income:			
Depreciation and amortization	539,780	498,788	449,943
Loss on extinguishment of debt	–	42,426	–
Amortization of share–based compensation	27,267	13,946	12,007
Non–cash revenue adjustments	(7,835)	(3,927)	(10,154)
Amortization of net premiums on mortgages payable	(1,520)	(466)	(3,414)
Amortization of net (premiums) discounts on notes payable	(1,256)	884	1,470
Amortization of deferred financing costs	9,021	8,274	7,434
Gain on interest rate swaps	(2,733)	(3,250)	(1,639)
Gain on sales of real estate	(24,643)	(40,898)	(21,979)
Provisions for impairment on real estate	26,269	14,751	20,664
Change in assets and liabilities			
Accounts receivable and other assets	(6,901)	(92)	(5,414)
Accounts payable, accrued expenses and other liabilities	18,695	26,096	34,468
Net cash provided by operating activities	940,742	875,850	799,863
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment in real estate	(1,769,335)	(1,413,270)	(1,798,892)
Improvements to real estate, including leasing costs	(25,350)	(15,247)	(13,426)
Proceeds from sales of real estate	142,286	166,976	99,096
Insurance and other proceeds received	7,648	14,411	–
Collection of loans receivable	5,267	123	12,515
Non–refundable escrow deposits for pending acquisitions	(200)	(7,500)	–
Net cash used in investing activities	(1,639,684)	(1,254,507)	(1,700,707)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash distributions to common stockholders	(761,582)	(689,294)	(610,516)
Cash dividends to preferred stockholders	–	(6,168)	(27,080)
Borrowings on line of credit	1,774,000	1,465,000	3,879,000
Payments on line of credit	(1,632,000)	(2,475,000)	(2,997,000)
Principal payment on term loan	(125,866)	–	–
Proceeds from notes and bonds payable issued	497,500	2,033,041	592,026
Principal payment on notes payable	(350,000)	(725,000)	(275,000)
Proceeds from term loan	250,000	–	–
Proceeds from mortgages payable	–	–	9,963
Payments upon extinguishment of debt	–	(41,643)	–
Principal payments on mortgages payable	(21,905)	(139,725)	(231,743)
Redemption of preferred stock	–	(408,750)	–
Proceeds from common stock offerings, net	–	704,938	383,572
Proceeds from dividend reinvestment and stock purchase plan	9,114	69,931	10,252
Proceeds from At–the–Market (ATM) program	1,125,364	621,697	166,781
Redemption of common units	(2,752)	–	(9,026)
Distributions to noncontrolling interests	(1,930)	(2,043)	(12,725)
Debt issuance costs	(18,685)	(17,510)	(5,274)
Other items, including shares withheld upon vesting	(33,387)	(14,356)	(7,038)
Net cash provided by financing activities	707,871	375,118	866,192
Net increase (decrease) in cash, cash equivalents and restricted cash	8,929	(3,539)	(34,652)
Cash, cash equivalents and restricted cash, beginning of period	12,142	15,681	50,333
Cash, cash equivalents and restricted cash, end of period	$21,071	$12,142	$15,681

The accompanying notes to consolidated financial statements are an integral part of these audited statements and may be found in the company's 2018 Form 10-K.

TOTAL RETURN PERFORMANCE



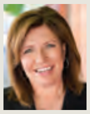
	Period Ending					
Index	12/31/13	12/31/14	12/31/15	12/31/16	12/31/17	12/31/18
Realty Income Corporation	100.00	134.34	152.32	176.36	182.86	211.99
Russell 2000	100.00	104.89	100.26	121.63	139.44	124.09
S&P 500	100.00	113.69	115.26	129.05	157.22	150.33
Realty Income Peer Group Index*	100.00	132.53	135.42	144.38	150.99	144.88

*Realty Income Peer Group index consists of 18 companies with an implied market capitalization between $3.0 billion and $28.5 billion as of December 31, 2018.

COMPANY INFORMATION

DIRECTORS


Michael D. McKee
Non-Executive Chairman,
Principal, The Contrarian Group

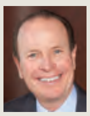

Kathleen R. Allen, Ph.D.
Founding Director, Center for Technology Commercialization,
University of Southern California


A. Larry Chapman
Retired, Executive Vice President,
Head of Commercial Real Estate,
Wells Fargo Bank

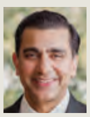

Reginald H. Gilyard
Senior Advisor, Boston Consulting Group, Inc.


Priya Cherian Huskins
Partner, Woodruff-Sawyer & Co.


Gerardo I. Lopez
Operating Partner, SoftBank Group


Gregory T. McLaughlin
Chief Executive Officer,
World Golf Foundation
President, The First Tee


Ronald L. Merriman
Retired Vice Chair, KPMG LLP


Sumit Roy
President &
Chief Executive Officer


Stephen E. Sterrett
Retired, Senior Executive Vice President,
Chief Financial Officer,
Simon Property Group, Inc.

EXECUTIVE OFFICERS

Top row left to right: Neil Abraham, Sumit Roy, Michael Pfeiffer | Bottom row left to right: Mark Hagan, Paul Meurer, Benjamin Fox

Sumit Roy
President &
Chief Executive Officer

Michael R. Pfeiffer
Executive Vice President,
Chief Administrative Officer,
General Counsel and Secretary

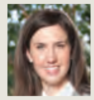
Mark E. Hagan
Executive Vice President,
Chief Investment Officer

Paul M. Meurer
Executive Vice President,
Chief Financial Officer
and Treasurer

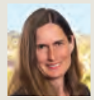
Neil Abraham
Executive Vice President,
Chief Strategy Officer

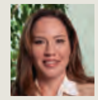
Benjamin N. Fox
Executive Vice President,
Asset Management & Real Estate Operations

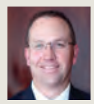
ADDITIONAL OFFICERS

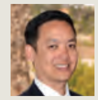

Janeen S. Bedard
Senior Vice President,
Development

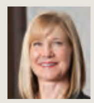

TJ Chun
Senior Vice President,
Investments & Head of Asset Management

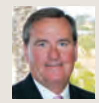

Shannon Jensen
Senior Vice President,
Associate General Counsel
and Assistant Secretary

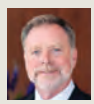

Shannon Kehle
Senior Vice President,
Human Resources


Sean Nugent
Senior Vice President,
Controller

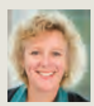

Jonathan Pong
Senior Vice President,
Head of Capital Markets
and Investor Relations

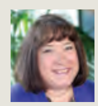

Lori Satterfield
Senior Vice President, Associate General Counsel, Asset Management
and Real Estate Operations


Cary Wenthur
Senior Vice President,
Managing Director, Acquisitions

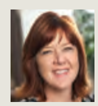

Stephen Burchett
Vice President,
Senior Legal Counsel

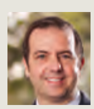

Kyle Campbell
Vice President,
Senior Legal Counsel,
Risk Management


Elizabeth Cate
Vice President,
Asset Management

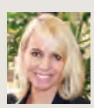

Jill Cossaboom
Vice President,
Assistant Controller,
Systems

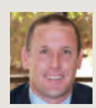

Ross Edwards
Vice President,
Leasing and Real Estate Operations


Kristin Ferrell
Vice President,
Head of Lease Administration

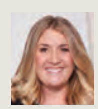

Scott Kohnen
Vice President,
Research


Jonathan Kresser
Vice President,
Head of Internal Audit


April Little
Vice President,
Acquisitions


Garret Pavelko
Vice President,
Asset Management,
Office & Industrial


Matt Renner
Vice President,
Assistant Controller,
Corporate Accounting


Ashley Wells
Vice President,
Research

Transfer Agent
For shareholder administration and account information, please visit Computershare's website at www.computershare.com or call toll-free at 1-877-218-2434.

Independent Registered Public Accounting Firm
KPMG LLP
San Diego, CA

For Additional Corporate Information
Visit the Realty Income corporate website at www.realtyincome.com

Contact your financial advisor, or contact Realty Income at:
Telephone: 858-284-5000, Email: ir@realtyincome.com

Copies of Realty Income's Annual Report on Form 10-K are available upon written request to:
REALTY INCOME CORPORATION
Attention: Investor Relations
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San Diego, CA 92130

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