

REALTY INCOME CORP  
Form 424B5  
September 16, 2014

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Filed Pursuant to Rule 424(b)(5)  
Reg. Statement No. 333-186788

**The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any state or other jurisdiction where the offer or sale is not permitted.**

**Subject to Completion  
Preliminary Prospectus Supplement dated September 16, 2014**

PROSPECTUS SUPPLEMENT  
(To prospectus dated February 22, 2013)

\$

### **% Notes due 2026**

We are offering \$ aggregate principal amount of our % Notes due 2026 (the "notes"). The notes will mature on , 2026. We will pay interest on the notes on and of each year, commencing , 2015. Interest on the notes will accrue from and including September , 2014. We may redeem the notes at any time in whole, or from time to time in part, at the redemption prices described in this prospectus supplement under the caption "Description of Notes Optional Redemption." The notes will be our senior unsecured obligations.

Realty Income Corporation, The Monthly Dividend Company®, is a publicly traded real estate company with the primary business objective of generating dependable monthly cash dividends from a consistent and predictable level of cash flow from operations. Our monthly dividends are supported by the cash flow from our portfolio of properties leased to commercial tenants. We have in-house acquisition, portfolio management, asset management, credit research, real estate research, legal, finance and accounting, and capital markets expertise. As of June 30, 2014, we owned a diversified portfolio of 4,263 properties located in 49 states and Puerto Rico, with over 69.1 million square feet of leasable space leased to 228 different commercial tenants doing business in 47 separate industries. We are organized to operate as an equity real estate investment trust, commonly referred to as a REIT.

**Investing in the notes involves risks. See "Risk Factors" beginning on page S-7 of this prospectus supplement.**

Per Note Total

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Public offering price(1)	%	\$
Underwriting discount	%	\$
Proceeds, before expenses, to Realty Income Corporation(1)	%	\$

(1) Plus accrued interest, if any, from September , 2014, if settlement occurs after that date.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.**

Delivery of the notes will be made only in book-entry form through the facilities of The Depository Trust Company on or about September , 2014.



*Joint Book-Running Managers*

**Citigroup      BofA Merrill Lynch      BNY Mellon Capital Markets, LLC      J.P. Morgan**

**RBC Capital Markets      Regions Securities LLC      US Bancorp      Wells Fargo Securities**

The date of this prospectus supplement is September , 2014.



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You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus and, if applicable, any free writing prospectus we may provide you in connection with this offering. We have not, and the underwriters have not, authorized any person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities or soliciting an offer to buy these securities in any jurisdiction where the offer or sale of these securities is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus, the documents incorporated by reference herein or therein and, if applicable, any free writing prospectus we may provide you in connection with this offering is accurate only as of those documents' respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

This document is in two parts. The first part is this prospectus supplement, which adds to and updates information contained in the accompanying prospectus. The second part, the prospectus, provides more general information, some of which may not apply to this offering. Generally, when we refer to this prospectus, we are referring to both parts of this document combined. To the extent there is a conflict between the information contained in this prospectus supplement and the information contained in the accompanying prospectus, you should rely on the information in this prospectus supplement.

Before purchasing any securities, you should carefully read both this prospectus supplement and the accompanying prospectus, together with the incorporated documents described under the headings "Incorporation by Reference" in this prospectus supplement and the accompanying prospectus, and any free writing prospectus we may provide to you in connection with this offering. The descriptions of certain provisions of any instrument, agreement or other document appearing in this prospectus supplement, the accompanying prospectus or any document incorporated or deemed to be incorporated by reference therein (including, without limitation, the descriptions of certain provisions of our \$1.5 billion acquisition credit facility and \$70.0 million term loan facility and the indenture pursuant to which the notes will be issued) are not complete and are subject to, and qualified in their entirety by reference to, the terms and provisions of those instruments, agreements and other documents. You should carefully review such instruments, agreements and other documents in their entirety for complete information on the terms and provisions thereof. See "Where You Can Find More Information" in the accompanying prospectus for information on how you can obtain copies of such instruments, agreements and other documents.

No action has been or will be taken in any jurisdiction by us or by any underwriter that would permit a public offering of these securities or possession or distribution of this prospectus supplement, the accompanying prospectus or any related free writing prospectus where action for that purpose is required, other than in the United States. Unless otherwise expressly stated or the context otherwise requires, references to "dollars" and "\$" in this prospectus supplement, the accompanying prospectus and any related free writing prospectus are to United States dollars.

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**PROSPECTUS SUPPLEMENT SUMMARY**

*This summary does not contain all the information that may be important to you. You should read the entire prospectus supplement and the accompanying prospectus and the documents incorporated and deemed to be incorporated by reference herein and therein, including the financial statements and related notes, and, if applicable, any free writing prospectus we may provide you in connection with this offering before making an investment decision. Unless this prospectus supplement otherwise indicates or the context otherwise requires, the terms "Realty Income," "our," "us" and "we" as used in this prospectus supplement refer to Realty Income Corporation and its subsidiaries on a consolidated basis. Unless otherwise expressly stated or the context otherwise requires, all information in this prospectus supplement relating to our properties excludes properties owned by our wholly-owned subsidiary Crest Net Lease, Inc., which we refer to as Crest.*

*In this prospectus supplement, we sometimes refer to our 7.375% Monthly Income Class D Cumulative Redeemable Preferred Stock, which was redeemed by us on March 1, 2012, our outstanding shares of 6.75% Monthly Income Class E Cumulative Redeemable Preferred Stock and our outstanding shares of 6.625% Monthly Income Class F Cumulative Redeemable Preferred Stock as Class D preferred stock, Class E preferred stock and Class F preferred stock, respectively.*

**Realty Income**

We are The Monthly Dividend Company®. We are a publicly traded real estate company with the primary business objective of generating dependable monthly cash dividends from a consistent and predictable level of cash flow from operations. Our monthly dividends are supported by the cash flow from our portfolio of properties leased to commercial tenants. We seek to increase earnings and dividends to stockholders through both active portfolio management and the acquisition of additional properties.

We have in-house acquisition, portfolio management, asset management, credit research, real estate research, legal, finance and accounting, and capital markets expertise. As of June 30, 2014, we owned a diversified portfolio of 4,263 properties located in 49 states and Puerto Rico, with over 69.1 million square feet of leasable space leased to 228 different commercial tenants doing business in 47 separate industries. Of the 4,263 properties in the portfolio at that date, 4,242, or 99.5%, were single-tenant properties, and the remaining 21 were multi-tenant properties. At June 30, 2014, of the 4,242 single-tenant properties, 4,169 were leased with a weighted average remaining lease term (excluding rights to extend a lease at the option of the tenant) of approximately 10.6 years.

We are organized to operate as an equity real estate investment trust, commonly referred to as a REIT. Our principal executive offices are located at 600 La Terraza Boulevard, Escondido, California 92025-3873 and our telephone number is (760) 741-2111.

**Recent Developments**

**Acquisitions During the First Six Months of 2014**

During the first six months of 2014, we invested \$1.06 billion in 402 new properties and properties under development or expansion with an estimated initial weighted average contractual lease rate of 7.1%. The 402 new properties and properties under development or expansion, are located in 39 states, will contain over 6.9 million leasable square feet and are 100% leased with a weighted average lease term (excluding rights to extend a lease at the option of the tenant) of 12.8 years.

The estimated initial weighted average contractual lease rate for a property is generally computed as estimated contractual net operating income (which, in the case of a net leased property, is equal to the estimated aggregate base rent under the lease for the first full year of the lease) divided by the total cost of the property. Since it is possible that a tenant could default on the payment of contractual

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rent, we cannot provide assurance that the actual return on the funds invested will not be lower than the percentage listed above.

**Note Issuance**

In June 2014, we issued \$350 million of 3.875% senior unsecured notes due July 2024, or the 2024 Notes. The price to the investors for the 2024 Notes was 99.956% of the principal amount for an effective yield of 3.88% per annum. The total net proceeds of approximately \$346.6 million from this offering were used to repay a portion of the outstanding borrowings under our acquisition credit facility and for other general corporate purposes and working capital. Interest is paid semiannually on the 2024 Notes.

**Issuance of Common Stock**

In April 2014, we issued 13,800,000 shares of common stock, including 1,800,000 shares purchased by the underwriters upon the exercise of their option to purchase additional shares. After underwriting discounts and other offering costs of \$22.8 million, the net proceeds of \$528.6 million were used to repay borrowings under our acquisition credit facility.

**Key Financial Covenants**

The notes will require that we comply with certain financial covenants described in this prospectus supplement under "The Offering Limitations on Incurrence of Debt" and "Description of Notes Additional Covenants of Realty Income." In general and subject to exceptions, these covenants provide: (i) that we may not incur any Debt (as defined below) if, on a pro forma basis, our total Debt would exceed 60% of our Adjusted Total Assets (as defined below), (ii) that we may not incur any Debt if, on a pro forma basis, our debt service coverage ratio (calculated as described below under "Description of Notes Additional Covenants of Realty Income Debt Service Coverage") would be less than 1.5 to 1.0, (iii) that we may not incur any Secured Debt (as defined below) if, on a pro forma basis, our total Secured Debt would exceed 40% of our Adjusted Total Assets, and (iv) that we must maintain at all times Total Unencumbered Assets (as defined below) of not less than 150% of our total outstanding Unsecured Debt (as defined below). The following table shows the foregoing percentages and ratio as required by those covenants as well as our actual percentages and ratio calculated on an historical basis as of or, in the case of the debt service coverage ratio, for the four quarters ended June 30, 2014. These calculations, which are not based on generally accepted accounting principles, are presented to show our ability to incur additional debt under those covenants and do not purport to reflect our liquidity, actual ability to incur or service debt or our future performance. These calculations do not reflect the impact of, among other things, the issuance and sale of the notes offered hereby and, as a result, our actual percentages and ratios after giving effect to this offering will differ, perhaps significantly, from those set forth below. Moreover, the foregoing is a very general overview of some of the terms of those covenants and those covenants are subject to a number of important exceptions and limitations and you should carefully review the information, including the definitions of some of the capitalized terms used above, appearing under "Description of Notes Additional Covenants of Realty Income," as well as the indenture under which the notes will be issued, for more information. In addition, as required by the debt service coverage covenant referred to above, our debt service coverage ratio for the four quarters ended June 30, 2014 as set forth under the caption "Actual" in the following table has been calculated on a pro forma basis on the assumption that (1) the incurrence of any Debt incurred by us since the first day of such four-quarter period and the application of the proceeds therefrom (including to refinance other Debt since the first day of such four-quarter period), (2) the repayment or retirement of any of our other Debt since the first day of such four-quarter period and (3) any acquisition or disposition by us of any asset or group of assets since the first day of such four-quarter period (including by merger, stock purchase or sale or asset purchase or sale), had in

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each case occurred on July 1, 2013 and subject to certain additional adjustments. Such pro forma ratio has been prepared on the basis required by that debt service coverage covenant, reflects various estimates and assumptions and is subject to other uncertainties and therefore does not purport to reflect what our actual debt service coverage ratio would have been had transactions referred to in clauses (1), (2) and (3) of the preceding sentence occurred as of July 1, 2013 nor does it purport to reflect our debt service coverage ratio for any future period. In addition, as noted above, the debt service coverage ratio set forth under the caption "Actual" in the following table does not give effect to the issuance of the notes offered by this prospectus supplement or the application of the estimated net proceeds therefrom. See "Description of Notes Additional Covenants of Realty Income Debt Service Coverage" for additional information on how this pro forma ratio was computed.

<b>Note Covenants</b>	<b>Required</b>	<b>Actual</b>
Limitation on incurrence of total Debt	≤ 60% of Adjusted Total Assets	42.0%
Debt service coverage ratio	≥ 1.5x	3.7x(1)
Limitation on incurrence of Secured Debt	≤ 40% of Adjusted Total Assets	8.4%
Maintenance of Total Unencumbered Assets	≥ 150% of Unsecured Debt	250.7%

- (1) The notes will require that the debt service coverage ratio be computed for a period of four consecutive fiscal quarters. The debt service coverage ratio set forth under the caption "Actual" is for the four quarters ended June 30, 2014. This ratio has been calculated on a pro forma basis as described in the paragraph immediately preceding this table and is subject to the assumptions and uncertainties described in such paragraph. For additional information, see "Description of Notes Additional Covenants of Realty Income Debt Service Coverage."

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**The Offering**

For a more complete description of the terms of the notes specified in the following summary, see "Description of Notes" in this prospectus supplement and "Description of Debt Securities" in the accompanying prospectus.

Issuer	Realty Income Corporation
Securities We Are Offering	\$ aggregate principal amount of % Notes due 2026.
Maturity	, 2026
Interest Rate	% per annum, accruing from September , 2014
Interest Payment Dates	Semi-annually in arrears on and , commencing , 2015.
Ranking	The notes will be our senior unsecured obligations. The notes are not obligations of any of our subsidiaries and none of our subsidiaries has guaranteed the notes. The notes will be effectively subordinated to all indebtedness, guarantees and other liabilities of our subsidiaries from time to time outstanding and will be subordinated to our secured indebtedness to the extent of the value of the assets securing that indebtedness. In addition, certain of our subsidiaries are currently required to guarantee borrowings under our \$1.5 billion acquisition credit facility and the notes will also be effectively subordinated to our borrowings under our acquisition credit facility to the extent that those borrowings are guaranteed by those subsidiaries and any other subsidiaries of ours that in the future may be required to guarantee borrowings under our acquisition credit facility. See "Risk Factors" Although these notes are referred to as "senior" notes, they will be effectively subordinated to all liabilities of our subsidiaries and to our indebtedness that has been guaranteed by our subsidiaries, and will be subordinated to our secured indebtedness to the extent of the assets securing that indebtedness."
Use of Proceeds	From the net proceeds of this offering, we intend to use approximately \$220.0 million plus the amount necessary to pay accrued but unpaid dividends on our Class E preferred stock to redeem all of our outstanding shares of Class E preferred stock. We intend to use the remaining net proceeds to repay a portion of the borrowings outstanding under our acquisition credit facility and, to the extent not used for the foregoing purposes, for other general corporate purposes and working capital, which may include acquisitions. On September 15, 2014, we had approximately \$232.3 million of outstanding borrowings under our acquisition credit facility and we anticipate that approximately \$ million of borrowings will be outstanding under such facility on the closing date of this offering. Borrowings under the acquisition credit facility are generally used to acquire properties.



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Limitations on Incurrence of Debt

The notes will require that we comply with various covenants, including the following:

We will not be permitted to incur any Debt (other than Intercompany Debt) if, immediately after giving effect to the incurrence of such Debt and the application of the proceeds therefrom on a pro forma basis, the aggregate principal amount of all of our Debt on a consolidated basis is greater than 60% of the sum of (1) our Total Assets as of the end of the fiscal quarter covered by our most recent report on Form 10-K or Form 10-Q, as the case may be, and (2) the increase in our Total Assets from the end of that quarter including any increase in Total Assets caused by the application of the proceeds of that additional Debt (that increase together with our Total Assets are referred to as "Adjusted Total Assets").

We will not be permitted to incur any Debt (other than Intercompany Debt) if the ratio of our Consolidated Income Available for Debt Service to our Annual Debt Service Charge for the period consisting of the four consecutive fiscal quarters most recently ended prior to the date on which such additional Debt is to be incurred is less than 1.5 to 1.0, on a pro forma basis after giving effect to the incurrence of such additional Debt and the application of the proceeds therefrom, and calculated on the assumption that (1) the incurrence of such Debt and any other Debt incurred by us since the first day of such four-quarter period and the application of the proceeds therefrom (including to refinance other Debt since the first day of such four-quarter period), (2) the repayment or retirement of any of our other Debt since the first day of such four-quarter period and (3) any acquisition or disposition by us of any asset or group of assets since the first day of such four-quarter period (including by merger, stock purchase or sale or asset purchase or sale) had in each case occurred on the first day of such four-quarter period and subject to certain additional adjustments.

We will not be permitted to incur any Secured Debt (other than Intercompany Debt) if, immediately after giving effect to the incurrence of such Secured Debt and the application of the proceeds therefrom on a pro forma basis, the aggregate principal amount of all of our Secured Debt on a consolidated basis is greater than 40% of our Adjusted Total Assets.

We will be required to maintain Total Unencumbered Assets of not less than 150% of the aggregate outstanding principal amount of our Unsecured Debt, computed on a consolidated basis.

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	<p>The foregoing summary of certain covenants applicable to the notes is not complete, such covenants are subject to a number of important exceptions and limitations and you should carefully review the information, including the definitions of some of the capitalized terms used above, appearing in this prospectus supplement under "Description of Notes" and in the accompanying prospectus under "Description of Debt Securities," as well as the indenture under which the notes will be issued, for more information.</p>
Sinking Fund	<p>The notes will not be entitled to the benefit of any sinking fund payments.</p>
Optional Redemption	<p>Prior to      , 2026, the notes will be redeemable at any time in whole or from time to time in part at our option at a redemption price equal to the greater of:</p> <ul style="list-style-type: none"><li>(a) 100% of the principal amount of the notes to be redeemed, and</li><li>(b) the sum of the present values of the remaining scheduled payments of principal of and interest on the notes to be redeemed (exclusive of interest accrued to the applicable redemption date) discounted to such redemption date on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (as defined) plus      basis points, plus, in the case of both clauses (a) and (b) above, accrued and unpaid interest on the principal amount of the notes being redeemed to such redemption date.</li></ul> <p>On and after      , 2026, the notes will be redeemable at any time in whole or from time to time in part at our option at a redemption price equal to 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest on the principal amount of the notes being redeemed to the applicable redemption date.</p>
Risk Factors	<p>For additional information and the definition of "Treasury Rate" and other relevant definitions, see "Description of Notes Optional Redemption" in this prospectus supplement.</p> <p>An investment in the notes involves various risks and prospective investors should carefully consider the matters discussed under "Risk Factors" in this prospectus supplement, as well as the other risks described in this prospectus supplement, the accompanying prospectus and the documents incorporated and deemed to be incorporated by reference therein, before making a decision to invest in the notes.</p>

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**RISK FACTORS**

*In evaluating an investment in the notes, you should carefully consider the following risk factors and the risk factors described under the captions "Forward-Looking Statements" in this prospectus supplement and "Risk Factors" in the accompanying prospectus and our Annual Report on Form 10-K for the year ended December 31, 2013, which is incorporated by reference in the accompanying prospectus, in addition to the other risks and uncertainties described in this prospectus supplement, the accompanying prospectus, the documents incorporated by reference therein and, if applicable, any free writing prospectus we may provide you in connection with this offering. As used under the captions "Risk Factors" in this prospectus supplement and in our Annual Report on Form 10-K for the year ended December 31, 2013, references to our capital stock include both our common stock and any class or series of our preferred stock, references to our stockholders include holders of our common stock and any class or series of our preferred stock, references to our debt securities include the notes offered hereby and references to holders of our debt securities include holders of the notes offered hereby, in each case unless otherwise expressly stated or the context otherwise requires.*

***Our business operations may not generate the cash needed to make distributions on our capital stock or to service our indebtedness.***

Our ability to make distributions on our common stock and preferred stock and payments on our indebtedness, including the notes offered hereby, and to fund planned acquisitions and capital expenditures will depend on our ability to generate cash in the future. We cannot assure you that our business will generate sufficient cash flow from operations or that future borrowings will be available to us in an amount sufficient to enable us to make distributions on our common stock and preferred stock, to pay our indebtedness, including the notes, or to fund our other liquidity needs.

***We are subject to risks associated with debt and capital stock financing.***

We intend to incur additional indebtedness in the future, including borrowings under our \$1.5 billion acquisition credit facility. At September 15, 2014, we had approximately \$232.3 million of outstanding borrowings under our acquisition credit facility, a total of \$3.55 billion of outstanding unsecured senior debt securities (excluding unamortized original issuance discounts of \$13.8 million), \$70.0 million of borrowings outstanding under a senior term loan and approximately \$843.6 million of outstanding mortgage debt (excluding net unamortized premiums totaling \$19.0 million on this mortgage debt). See "Use of Proceeds" for information as to the approximate amount of borrowings that we expect will be outstanding under our acquisition credit facility on the closing date of this offering. To the extent that new indebtedness is added to our current debt levels, the related risks that we now face would increase. As a result, we are and will be subject to risks associated with debt financing, including the risk that our cash flow could be insufficient to make required payments on our debt. We also face variable interest rate risk as the interest rates on our acquisition credit facility, our term loan and some of our mortgage debt are variable and could therefore increase over time. We also face the risk that we may be unable to refinance or repay our debt as it comes due. Given past disruptions in the financial markets and ongoing global financial uncertainties, we also face the risk that one or more of the participants in our acquisition credit facility may not be able to lend us money.

In addition, our acquisition credit facility, term loan facility and mortgage loan documents contain provisions that could limit or, in certain cases, prohibit the payment of dividends and other distributions on our common stock and preferred stock. In particular, our acquisition credit facility provides that, if an event of default (as defined in the credit facility) exists, neither we nor any of our subsidiaries may make any dividends or other distributions on (except distributions payable in shares of a given class of our stock to the stockholders of that class), or repurchase or redeem, among other

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things, any shares of our common stock or preferred stock, during any period of four consecutive fiscal quarters in an aggregate amount in excess of the greater of:

the sum of (a) 95% of our adjusted funds from operations (as defined in the credit facility) for that period plus (b) the aggregate amount of cash distributions on our preferred stock for that period, and

the minimum amount of cash distributions required to be made to our stockholders in order to maintain our status as a REIT for federal income tax purposes,

except that we may repurchase or redeem shares of our preferred stock with the net proceeds from the issuance of shares of our common stock or preferred stock. The acquisition credit facility further provides that, in the event of a failure to pay principal, interest or any other amount payable thereunder when due or upon the occurrence of certain events of bankruptcy, insolvency or reorganization with respect to us or with respect to any of our subsidiaries that has guaranteed amounts payable under the credit facility or that meets a significance test set forth in the credit facility, we and our subsidiaries may not pay any dividends or other distributions on (except distributions payable in shares of a given class of our stock to the stockholders of that class), or repurchase or redeem, among other things, any shares of our common stock or preferred stock. If any such event of default under our acquisition credit facility were to occur, it would likely have a material adverse effect on the market price of our outstanding common and preferred stock and on the market value of our debt securities, including the notes offered hereby, could limit the amount of dividends and other distributions we are able to pay on our common stock and preferred stock and the amount of interest and principal we are able to pay on our indebtedness, including the notes, or prevent us from paying those dividends, other distributions, interest or principal altogether, and may adversely affect our ability to qualify, or prevent us from qualifying, as a REIT. Likewise, one of our subsidiaries is the borrower under our \$70.0 million term loan facility and that facility requires that this subsidiary maintain its consolidated tangible net worth (as defined in the term loan facility) above a certain minimum dollar amount and comply with certain other financial covenants. This minimum consolidated tangible net worth covenant may limit the ability of this subsidiary, as well as other subsidiaries that are owned by this subsidiary, to provide funds to us in order to pay dividends and other distributions on our common stock and preferred stock and amounts due on our indebtedness, including the notes offered hereby. Any failure by this subsidiary to comply with these financial covenants will, and any failure by this subsidiary to comply with other covenants in the term loan facility may, result in an event of default under that facility, which could have adverse consequences similar to those that may result from an event of default under our acquisition credit facility as described above.

Our indebtedness could also have other important consequences to holders of our common stock, preferred stock and debt securities, including the notes offered hereby, including:

Increasing our vulnerability to general adverse economic and industry conditions;

Limiting our ability to obtain additional financing to fund future working capital, acquisitions, capital expenditures and other general corporate requirements;

Requiring the use of a substantial portion of our cash flow from operations for the payment of principal and interest on our indebtedness, thereby reducing our ability to use our cash flow to fund working capital, acquisitions, capital expenditures and general corporate requirements;

Limiting our flexibility in planning for, or reacting to, changes in our business and our industry; and

Putting us at a disadvantage compared to our competitors with less indebtedness.

If we default under a loan agreement or other debt instrument, the lenders will generally have the right to demand immediate repayment of the principal of and interest on all of their loans and, in the

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case of secured indebtedness, to exercise their rights to seize and sell the collateral. Moreover, a default under a single loan or debt instrument may trigger cross-default or cross-acceleration provisions in other indebtedness and debt instruments, giving the holders of such other indebtedness and debt instruments similar rights to demand immediate repayment and seize and sell any collateral.

In addition, we have 8,800,000 shares of Class E preferred stock and 16,350,000 shares of Class F preferred stock outstanding, the holders of which are entitled to receive, before any dividends are paid on our common stock, monthly dividends, when, as and if authorized by our board of directors, at the rates of \$1.6875 per annum per share and \$1.65625 per annum per share, respectively. As a result, although we intend to redeem all of the outstanding shares of the Class E preferred stock as described under "Use Of Proceeds," we are, and after such redemption will remain, subject to risks associated with preferred stock financing, including the risk that our cash flow will be insufficient to pay dividends on our preferred stock.

***Although these notes are referred to as "senior" notes, they will be effectively subordinated to all liabilities of our subsidiaries and to our indebtedness that has been guaranteed by our subsidiaries, and will be subordinated to our secured indebtedness to the extent of the assets securing that indebtedness.***

The notes offered hereby will be our obligations exclusively and will not be the obligations of any of our subsidiaries. In that regard, while certain of our subsidiaries are currently required to guarantee, and other subsidiaries may in the future be required to guarantee, our indebtedness under our \$1.5 billion acquisition credit facility, none of our subsidiaries has guaranteed the notes and the notes do not include any covenants that could require any of our subsidiaries to guarantee the notes in the future. As a result, the notes will be effectively subordinated to all existing and future indebtedness and other liabilities, including guarantees, of our subsidiaries. In the event of a bankruptcy, liquidation or similar proceedings involving any of our subsidiaries, the creditors of that subsidiary (including, in the case of any subsidiary that has guaranteed any indebtedness outstanding under our acquisition credit facility, the lenders under that facility) will generally be entitled to payment of their claims from the assets of that subsidiary before any of those assets are made available for distribution to us, except to the extent that we may also have a claim as a creditor of that subsidiary, in which case our claims would still be subordinated to any security interests or mortgages on the assets of that subsidiary and would be subordinate to any indebtedness of the subsidiary senior to that held by us. The notes will also be effectively subordinated to all of our existing and future indebtedness (including indebtedness under our acquisition credit facility) that is guaranteed by our subsidiaries to the extent of those guarantees. In the event of a bankruptcy, liquidation or similar proceeding involving us, the holders of any such guaranteed indebtedness (including the lenders under our acquisition credit facility) would be entitled to require the subsidiary guarantors to pay that indebtedness, while holders of the notes would not have any similar rights against those subsidiary guarantors. As of June 30, 2014, our subsidiaries had approximately \$1.1 billion of total indebtedness and other liabilities (excluding liabilities owed to us and other intercompany liabilities and subsidiary guarantees of borrowings outstanding under our acquisition credit facility) and, as of September 15, 2014, we had approximately \$232.3 million of borrowings outstanding under our acquisition credit facility, which borrowings are currently required to be guaranteed by certain of our subsidiaries, although other subsidiaries of ours may in the future also be required to guarantee borrowings under that facility. See "Use of Proceeds" for information as to the approximate amount of borrowings that we expect will be outstanding under our acquisition credit facility on the closing date of this offering. In addition, one of our subsidiaries is the borrower under our \$70.0 million term loan facility and borrowings under that facility are guaranteed by Realty Income Corporation. Although the indenture under which the notes will be issued and other debt instruments to which we are a party limit our ability and the ability of our subsidiaries to incur additional indebtedness, both we and our subsidiaries have the right to incur substantial additional secured and unsecured indebtedness.

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The notes are unsecured and therefore will be subordinated to all existing and future secured indebtedness of us and our subsidiaries to the extent of the value of the assets securing such indebtedness. In the event of a bankruptcy, liquidation or similar proceeding involving us, our assets which serve as collateral for our secured indebtedness must first be applied to repay our secured indebtedness before being applied to pay any of our other indebtedness or liabilities, including the notes. Likewise, in the event of a bankruptcy, liquidation or similar proceeding involving any of our subsidiaries, any assets of that subsidiary that serve as collateral for its secured indebtedness must first be applied to repay such secured indebtedness before being applied to pay any of its other indebtedness or liabilities or, if applicable, being provided to us. As of September 15, 2014, we (including our subsidiaries) had approximately \$843.6 million of secured indebtedness outstanding. Further, we may be required, under certain limited circumstances, to post cash collateral under our acquisition credit facility. Our acquisition credit facility includes a facility for the issuance of standby letters of credit for our account, which letters of credit are to be issued by Wells Fargo Bank, National Association, or the Issuing Bank. Each lender which is a party to the acquisition credit facility is obligated to reimburse the Issuing Bank if letters of credit are drawn upon, in an amount that is proportional to its commitment, or the L/C Reimbursement Amount. If any lender defaults in any funding obligation it has under the acquisition credit facility or becomes subject to a bankruptcy or insolvency proceeding, then we are required to immediately put up cash collateral in an amount equal to the L/C Reimbursement Amount of that lender. In addition, we may be required to put up cash collateral if we extend the term of letters of credit available under our acquisition credit facility beyond the facility's expiration date.

***An active trading market may not develop for the notes.***

The notes are a new issue of securities with no established trading market. Although the underwriters may make a market for the notes after we complete the offering, they have no obligation to do so and may discontinue making a market at any time without notice. We do not intend to apply for listing of the notes on any securities exchange.

The liquidity of any market for the notes that may develop will depend on a number of factors, including prevailing interest rates, our financial condition and operating results, the number of holders of the notes, the market for similar securities and the interest of securities dealers in making a market in the notes. We cannot assure you that a trading market for the notes will develop or, if developed, that it will continue, or as to the liquidity of any trading market for the notes that may develop.

***The market value of the notes could be substantially affected by various factors.***

The market value of the notes will depend on many factors, which may change from time to time, including:

Prevailing interest rates, increases in which may have an adverse effect on the market value of the notes;

The market for similar securities issued by other REITs;

General economic and financial market conditions;

The financial condition, performance and prospects of us, our tenants and our competitors;

Changes in financial estimates or recommendations by securities analysts with respect to us, our competitors or our industry;

Changes in our credit ratings; and

Actual or anticipated variations in quarterly operating results of us and our competitors.

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In addition, over the last several years, prices of common stock and debt securities in the U.S. trading markets have been experiencing extreme price fluctuations, and the market values of our common stock and debt securities have also fluctuated significantly during this period. As a result of these and other factors, investors who purchase the notes in this offering may experience a decrease, which could be substantial and rapid, in the market value of those notes, including decreases unrelated to our operating performance or prospects.

*Negative market conditions or adverse events affecting our existing or potential tenants, or the industries in which they operate, could have an adverse impact on our ability to attract new tenants, re-lease space, collect rent or renew leases, which could adversely affect our cash flow from operations and inhibit growth.*

Cash flow from operations depends in part on the ability to lease space to tenants on economically favorable terms. We could be adversely affected by various facts and events over which we have limited or no control, such as:

Lack of demand in areas where our properties are located;

Inability to retain existing tenants and attract new tenants;

Takeover activity involving our tenants;

Oversupply of space and changes in market rental rates;

Declines in our tenants' creditworthiness and ability to pay rent, which may be affected by their operations, the current economic situation and competition within their industries from other operators;

Defaults by and bankruptcies of tenants, failure of tenants to pay rent on a timely basis, or failure of tenants to comply with their contractual obligations;

Economic or physical decline of the areas where the properties are located; and

Deterioration of physical condition of our properties.

At any time, any tenant may experience a downturn in its business that may weaken its operating results or overall financial condition. As a result, a tenant may delay lease commencement, fail to make rental payments when due, decline to extend a lease upon its expiration, become insolvent or declare bankruptcy. Any tenant bankruptcy or insolvency, leasing delay or failure to make rental payments when due could result in the termination of the tenant's lease and material losses to us.

If tenants do not renew their leases as they expire, we may not be able to rent or sell the properties. Furthermore, leases that are renewed, and some new leases for properties that are re-leased, may have terms that are less economically favorable than expiring lease terms, or may require us to incur significant costs, such as renovations, tenant improvements or lease transaction costs. Negative market conditions may cause us to sell vacant properties for less than their carrying value, which could result in impairments. Any of these events could adversely affect our cash flow from operations and our ability to make distributions to stockholders and service indebtedness, including the notes. A significant portion of the costs of owning property, such as real estate taxes, insurance and maintenance, are not necessarily reduced when circumstances cause a decrease in rental revenue from the properties. In a weakened financial condition, tenants may not be able to pay these costs of ownership and we may be unable to recover these operating expenses from them.

Further, the occurrence of a tenant bankruptcy or insolvency could diminish the income we receive from the tenant's lease or leases. In addition, a bankruptcy court might authorize the tenant to terminate its leases with us. If that happens, our claim against the bankrupt tenant for unpaid future rent would be subject to statutory limitations that most likely would result in rent payments that would be substantially less than the remaining rent we are owed under the leases or we may elect not to





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pursue claims against a tenant for terminated leases. In addition, any claim we have for unpaid past rent, if any, may not be paid in full, or at all. Moreover, in the case of a tenant's leases that are not terminated as the result of its bankruptcy, we may be required or elect to reduce the rent payable under those leases or provide other concessions, reducing amounts we receive under those leases. As a result, tenant bankruptcies may have a material adverse effect on our results of operations. Any of these events could adversely affect our cash flow from operations and our ability to make distributions to stockholders and service our indebtedness, including the notes.

Seventy-four of our properties were available for lease or sale at June 30, 2014, all but one of which were single-tenant properties. At June 30, 2014, 34 of our properties under lease were unoccupied and available for sublease by the tenants, all of which were current with their rent and other obligations. During the first six months of 2014, none of our tenants accounted for 10% or more of our rental revenue.

For the quarter ended June 30, 2014, our tenants in the "convenience store" industry accounted for approximately 10.2% of our rental revenue. A downturn in this industry, whether nationwide or limited to specific sectors of the United States, could adversely affect tenants in this industry, which in turn could have a material adverse effect on our financial position, results of operations and our ability to pay the principal of and interest on our debt securities and other indebtedness, including the notes offered hereby, and to make distributions on our common stock and preferred stock.

Individually, each of the other industries in our property portfolio accounted for less than 10% of our rental revenue for the first six months of 2014. Nevertheless, downturns in these other industries could also adversely affect our tenants, which in turn could also have a material adverse effect on our financial position, results of operations and our ability to pay the principal of and interest on our debt securities and other indebtedness, including the notes offered hereby, and to make distributions on our common and preferred stock. In addition, we may in the future make additional investments in the "convenience store" industry, which would increase this industry's percentage of our rental revenues, thereby increasing the effect that such a downturn in this industry would have on us.

In addition, a substantial number of our properties are leased to middle-market commercial tenants that generally have more limited financial and other resources than certain upper-market commercial tenants, and therefore, they are more likely to be adversely affected by a downturn in their respective businesses or in the regional, national or international economy.

Furthermore, we have made and may continue to make selected acquisitions of properties that fall outside our historical focus on freestanding, single-tenant, net-lease retail locations in the United States. We may be exposed to a variety of new risks by expanding into new property types and/or new jurisdictions outside the United States and properties leased to tenants engaged in non-retail businesses. For example, our acquisition of American Realty Capital Trust, Inc., or ARCT, in January 2013 included tenants in the aerospace, financial services, freight, governmental services, healthcare, home maintenance, manufacturing, pharmacy, retail banking, technology and telecommunications businesses, some of which are non-retail businesses and none of which was in an industry segment that was within our property portfolio prior to our acquisition of ARCT. These risks may include a limited knowledge and understanding of the industry in which the tenant operates, limited experience in managing certain types of new properties, new types of real estate locations and lease structures, and the laws and culture of any non-U.S. jurisdiction.

***Disruptions in the financial markets could affect our ability to obtain financing on reasonable terms and have other adverse effects on us and the market price of our common stock, preferred stock and debt securities, including the notes.***

Over the last several years, the United States stock and credit markets have experienced significant price volatility, dislocations and liquidity disruptions, which have caused market prices of many stocks

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and debt securities to fluctuate substantially and the spreads on debt financings to widen considerably. In addition, the ongoing global financial crisis has had a similar effect. These circumstances have materially impacted liquidity in the financial markets, making terms for certain financings less attractive, and in certain cases have resulted in the unavailability of certain types of financing. Unrest in certain Middle Eastern countries and the resultant increase in petroleum prices, as well as recent events in Crimea and Iraq, have added to the uncertainty in the capital markets. Continued uncertainty in the stock and credit markets may negatively impact our ability to access additional financing at reasonable terms, which may negatively affect our ability to make acquisitions. A prolonged downturn in the stock or credit markets may cause us to seek alternative sources of potentially less attractive financing, and may require us to adjust our business plan accordingly. In addition, these factors may make it more difficult for us to sell properties or may adversely affect the price we receive for properties that we do sell, as prospective buyers may experience increased costs of financing or difficulties in obtaining financing. These events in the stock and credit markets may make it more difficult or costly for us to raise capital through the issuance of our common stock, preferred stock or debt securities. These disruptions in the financial markets may have a material adverse effect on the market value of our common stock, preferred stock and debt securities, including the notes offered hereby, the income we receive from our properties and the lease rates we can charge for our properties, as well as other unknown adverse effects on us or the economy in general.

***Our business could be negatively affected as a result of actions of activist stockholders and shareholder advisory firms.***

Campaigns by stockholders to effect changes at publicly traded companies are sometimes led by investors seeking to increase short-term stockholder value through actions such as financial restructuring, increased debt, special dividends, stock repurchases or sales of assets or the entire company. If we become engaged in a process or proxy contest with an activist stockholder in the future, our business could be adversely affected, as such activities could be costly and time-consuming, disrupt our operations and divert the attention of management and our employees from executing our business plan. Additionally, perceived uncertainties as to our future direction as a result of stockholder activism or actual or potential changes to the composition of our board of directors or management team may lead to the perception of a change in the direction of our business, instability or lack of continuity, which may be exploited by our competitors, cause concern to current or potential sellers of properties, tenants and financing sources, and make it more difficult to attract and retain qualified personnel. If potential or existing sellers of properties, tenants or financing sources choose to delay, defer or reduce transactions with us or transact with our competitors instead of us because of any such issues, then our results of operations could be adversely affected. Similarly, we may suffer damage to our reputation (for example, regarding our corporate governance or stockholder relations) or brand by way of actions taken or statements made by outside constituents, including activist investors and shareholder advisory firms, which could adversely affect the market price of our common stock and preferred stock and the value of our debt securities, including the notes, resulting in significant loss of value, which could impact our ability to access capital, increase our cost of capital, and decrease our ability to acquire properties on attractive terms.

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**FORWARD-LOOKING STATEMENTS**

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference therein contain, and any free writing prospectus we may provide you in connection with this offering may contain, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). When used in this prospectus supplement, the accompanying prospectus, the documents incorporated by reference therein and any free writing prospectus we may provide you in connection with this offering, the words "estimated," "anticipated," "expect," "believe," "intend" and similar expressions are intended to identify forward-looking statements. Forward-looking statements include, without limitation, discussions of strategy, plans and intentions and statements regarding estimated or future results of operations (including, without limitation, estimated and future normalized and adjusted funds from operations and net income). Forward-looking statements are subject to risks, uncertainties and assumptions about us, including, among other things:

our anticipated growth strategies;

our intention to acquire additional properties and the timing of these acquisitions;

our intention to sell properties and the timing of these property sales;

our intention to re-lease vacant properties;

anticipated trends in our business, including trends in the market for long-term net-leases of freestanding, single-tenant properties; and

future expenditures for development projects.

Future events and actual results, financial and otherwise, may differ materially from the results discussed in or implied by the forward-looking statements. In particular, forward-looking statements regarding estimated or future results of operations are based upon numerous assumptions and estimates and are inherently subject to substantial uncertainties and actual results of operations may differ materially from those expressed or implied in the forward- looking statements, particularly if actual events differ from those reflected in the estimates and assumptions upon which such forward-looking statements are based. Some of the factors that could cause actual results to differ materially are:

our continued qualification as a REIT;

general business and economic conditions;

competition;

fluctuating interest rates;

access to debt and equity capital markets;

continued volatility and uncertainty in the credit markets and broader financial markets;

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other risks inherent in the real estate business, including tenant defaults, potential liability relating to environmental matters, illiquidity of real estate investments and potential damages from natural disasters;

impairments in the value of our real estate assets;

changes in the tax laws of the United States of America;

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the outcome of any legal proceedings to which we are a party or which may occur in the future; and

acts of terrorism and war.

Additional factors that may cause risks and uncertainties include those discussed in the section "Risk Factors" in this prospectus supplement and the sections entitled "Business," "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our most recent Annual Report on Form 10-K and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our subsequent Quarterly Reports on Form 10-Q and also include risks and other information discussed in other documents that are incorporated by reference in the accompanying prospectus.

You are cautioned not to place undue reliance on forward-looking statements contained in this prospectus supplement, the accompanying prospectus, the documents incorporated by reference therein and any free writing prospectus we may provide you in connection with this offering. Those forward-looking statements speak only as of the respective dates of those documents, are not guarantees of future performance and we undertake no obligation to update any information contained in this prospectus supplement, the accompanying prospectus, the documents incorporated by reference therein and any free writing prospectus we may provide you in connection with this offering or to publicly release the results of any revisions to these forward-looking statements that may be made to reflect events or circumstances after the respective dates of those documents or to reflect the occurrence of unanticipated events. In light of these risks and uncertainties, the forward-looking events discussed in this prospectus supplement, the accompanying prospectus, the documents incorporated by reference therein and any free writing prospectus we may provide you in connection with this offering might not occur.

Table of Contents**RATIOS OF EARNINGS FROM CONTINUING OPERATIONS TO FIXED CHARGES AND  
COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS**

The following table sets forth the ratios of earnings from continuing operations to fixed charges and the ratios of earnings from continuing operations to combined fixed charges and preferred stock dividends for the periods shown. The ratios of earnings from continuing operations to fixed charges were computed by dividing our earnings from continuing operations by our fixed charges. For this purpose, earnings from continuing operations consist of income from continuing operations before interest expense. Fixed charges consist of interest costs (including capitalized interest) and the amortization of debt issuance costs. In computing the ratios of earnings from continuing operations to combined fixed charges and preferred stock dividends, preferred stock dividends consist of dividends on our Class D preferred stock, Class E preferred stock, and Class F preferred stock, as applicable. On May 27, 2004 and October 19, 2004, we issued 4,000,000 shares and 1,100,000 shares, respectively, of our Class D preferred stock and, on March 1, 2012, we redeemed all of our outstanding shares of Class D preferred stock. On December 7, 2006, we issued 8,800,000 shares of our Class E preferred stock. On February 7, 2012 and April 19, 2012, we issued 14,950,000 and 1,400,000 shares, respectively, of our Class F preferred stock. All of these shares of Class E preferred stock and Class F preferred stock were outstanding during the periods set forth below.

	<b>Six Months Ended June 30, 2014</b>	<b>2013</b>	<b>Year Ended December 31,</b>			
			<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
Ratio of Earnings from Continuing Operations to Fixed Charges	2.1x	2.0x	2.1x	2.3x	2.2x	2.3x
Ratio of Earnings from Continuing Operations to Combined Fixed Charges and Preferred Stock Dividends	1.8x	1.6x	1.6x	1.9x	1.8x	1.8x

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**USE OF PROCEEDS**

We estimate the net proceeds from the sale of the notes offered by this prospectus supplement, after deducting the underwriting discount but before deducting other estimated expenses payable by us, will be approximately \$ \_\_\_\_\_ million.

We intend to use approximately \$220.0 million of the net proceeds from this offering, plus the amount necessary to pay accrued but unpaid dividends on our Class E preferred stock to redeem all of our outstanding shares of Class E preferred stock. We intend to use the remaining net proceeds to repay a portion of the borrowings outstanding under our acquisition credit facility and, to the extent not used for the foregoing purposes, for other general corporate purposes and working capital, which may include acquisitions. At September 15, 2014, we had approximately \$232.3 million of outstanding borrowings under our acquisition credit facility and anticipate that approximately \$ \_\_\_\_\_ million of borrowings will be outstanding under such facility on the closing date of this offering. Borrowings under the acquisition credit facility are generally used to acquire properties. Our acquisition credit facility terminates in May 2016, unless extended, and, as of September 15, 2014, the weighted average interest rate on borrowings under the acquisition credit facility was approximately 1.2% per annum.

Pending application of the net proceeds for the purposes described above, we may temporarily invest the net proceeds in short-term government securities, short-term money market funds and/or bank certificates of deposit.

Our \$1.5 billion acquisition credit facility is a revolving credit facility that allows us to make and repay borrowings thereunder from time to time, subject to customary conditions, and we expect to make further borrowings under our acquisition credit facility in the future. The interest rates under our acquisition credit facility are equal to a base interest rate (which is variable) plus a spread that is determined on the basis of the ratings assigned to our senior unsecured debt securities by credit rating agencies. Based on our current ratings, the current interest rate under our acquisition credit facility is equal to the London Interbank Borrowing rate, or LIBOR, plus a spread of 1.075% with a facility commitment fee of 0.175%, for all-in drawn pricing of 1.25% over LIBOR. The acquisition credit facility provides that the interest rate can range between (i) LIBOR plus a spread of 1.85% if our credit rating is lower than BBB-/Baa3 and (ii) LIBOR plus a spread of 1.00% if our credit rating is A-/A3 or higher. In addition, our acquisition credit facility provides for a facility commitment fee based on our credit ratings, which range from (i) 0.45% for a rating lower than BBB-/Baa3, to (ii) 0.15% for a credit rating of A-/A3 or higher. The interest rate on borrowings under our \$70 million term loan facility is also subject to adjustment based on changes in our credit ratings. We are currently assigned the following investment grade corporate credit ratings on our senior unsecured notes and bonds: Fitch Ratings has assigned a rating of BBB+ with a "stable" outlook, Moody's Investors Service, Inc. has assigned a rating of Baa1 with a "stable" outlook, and Standard & Poor's Ratings Services has assigned a rating of BBB+ with a "stable" outlook. We also issue senior debt securities from time to time and our credit ratings can impact the interest rates on these debt securities. If our credit ratings or credit ratings outlook change, the interest rate under our credit facilities and any other debt financing could increase or decrease. Likewise, the interest rates on our acquisition credit facility, our \$70.0 million term loan and some of our mortgage indebtedness are variable and changes in prevailing interest rates will result in changes in the interest rates under those borrowings, as well as the interest rates on debt securities we may issue and other borrowings we may make from time to time.

The credit ratings assigned to us could change based upon, among other things, our results of operations and financial condition. These ratings are subject to ongoing evaluation by credit rating agencies and we cannot assure you that our ratings will not be changed or withdrawn by a rating agency in the future if, in its judgment, circumstances warrant. Moreover, a rating is not a

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recommendation to buy, sell or hold our debt securities, including the notes offered hereby, preferred stock or common stock.

Affiliates of some or all of the underwriters participating in this offering are lenders and, in certain cases, agents, arrangers and/or book-runners under our acquisition credit facility and, accordingly, they will receive net proceeds from this offering through the repayment of borrowings under that facility. See "Underwriting (Conflicts of Interest) Other Relationships."



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**DESCRIPTION OF NOTES**

A general description of some of the terms of the notes offered hereby appears in the accompanying prospectus. The following description of some of the particular terms of the notes offered by this prospectus supplement supplements and, to the extent inconsistent with the accompanying prospectus, replaces the description of the general terms and provisions of the debt securities set forth in the accompanying prospectus. The following statements relating to the notes and the Indenture (as defined below) are summaries of provisions contained in the notes and the Indenture and do not purport to be complete. These statements are qualified in their entirety by reference to the provisions of the notes and the Indenture, including the definitions in the notes and Indenture of certain terms. Unless otherwise expressly stated or the context otherwise requires, all references to the "Company," "Realty Income," "our," "we," and "us" appearing under this caption "Description of Notes" and under the caption "Description of Debt Securities" in the accompanying prospectus mean Realty Income Corporation excluding its subsidiaries. Other capitalized terms used under this caption, but not otherwise defined, shall have the meanings given to them in the accompanying prospectus or, if not defined in the accompanying prospectus, in the Indenture.

The notes will constitute a series of debt securities (which are more fully described in the accompanying prospectus) to be issued pursuant to an indenture dated as of October 28, 1998 (the "Indenture") between Realty Income and The Bank of New York Mellon Trust Company, N.A. (successor trustee to The Bank of New York), as trustee (the "Trustee"). The terms of the notes include those provisions contained in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (the "TIA"). The notes are subject to all those terms, and investors are referred to the Indenture and the TIA for a statement of those terms.

**General**

The notes will be a separate series of debt securities under the Indenture, limited initially in aggregate principal amount to \$ . The Indenture does not limit the amount of debt securities that we may issue under the Indenture, and we may from time to time issue debt securities in one or more series up to the aggregate amount authorized by us for each series. We may, without the consent of the holders of the notes, re-open this series of notes and issue additional notes of this series under the Indenture in addition to the notes offered pursuant to this prospectus supplement, and any such additional notes shall be part of the same series of debt securities under the Indenture as the notes offered by this prospectus supplement.

The notes will be issued only in fully registered form, without interest coupons, in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. The principal of, and premium, if any, and interest on, the notes will be payable in U.S. dollars. The notes will be evidenced by one or more global notes (collectively, the "Global Note") in book-entry form, except under the limited circumstances described below under " Book-Entry System." Notices or demands to or upon Realty Income in respect of the notes and the Indenture may be served and, if notes are issued in definitive certificated form, such notes may be surrendered for payment, registration of transfer or exchange, at the office or agency of Realty Income maintained for such purpose in Los Angeles, California, which shall initially be the office of the Trustee, which on the date of this prospectus supplement is located at The Bank of New York Mellon Trust Company, N.A., Attention: Corporate Trust Administration, 400 South Hope Street, Suite 400, Los Angeles, California 90071.

Reference is made to the section titled "Description of Debt Securities Certain Covenants" in the accompanying prospectus and " Additional Covenants of Realty Income" below for a description of certain covenants applicable to the notes. Compliance with these covenants generally may be waived, insofar as concerns the notes, if the holders of a majority in principal amount of the outstanding notes consent to such waiver. In addition, the discharge, defeasance and covenant defeasance provisions of

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the Indenture described under "Description of Debt Securities Discharge, Defeasance and Covenant Defeasance" in the accompanying prospectus will apply to the notes; covenant defeasance will be applicable, insofar as concerns the notes, with respect to the covenants described in the accompanying prospectus under "Description of Debt Securities Certain Covenants" (except the covenant requiring Realty Income to preserve and keep in full force and effect its corporate existence) and the covenants described below under " Additional Covenants of Realty Income."

Except to the limited extent described under "Description of Debt Securities Merger, Consolidation or Sale of Assets" in the accompanying prospectus or " Additional Covenants of Realty Income" below, the Indenture does not contain any provisions that would afford holders of the notes protection in the event of (1) a highly leveraged or similar transaction involving Realty Income, (2) a change of control or management of Realty Income, or (3) a reorganization, restructuring, merger or similar transaction involving Realty Income that may adversely affect the holders of the notes. In addition, subject to the limitations set forth under "Description of Debt Securities Merger, Consolidation or Sale of Assets" in the accompanying prospectus, Realty Income may, in the future, enter into certain transactions such as the sale of all or substantially all of its assets or the merger or consolidation of Realty Income with another entity that would increase the amount of Realty Income's indebtedness or substantially reduce Realty Income's assets, which may have an adverse effect on Realty Income's ability to service its indebtedness, including the notes.

**Ranking**

The notes will be our senior unsecured obligations and will rank equally with all of our other existing and future senior unsecured indebtedness, except that, as described below, the notes will be effectively subordinated to all of our existing and future indebtedness that is guaranteed by our subsidiaries to the extent of those guarantees.

The notes will be effectively subordinated to all existing and future indebtedness, guarantees and other liabilities of our subsidiaries from time to time outstanding, will be effectively subordinated to all of our existing and future indebtedness (including borrowings under our \$1.5 billion acquisition credit facility) that is guaranteed by any of our subsidiaries to the extent of those guarantees, and will also be subordinated to all existing and future secured indebtedness of us and our subsidiaries to the extent of the collateral pledged as security therefor. As of June 30, 2014, our subsidiaries had outstanding indebtedness and other liabilities (excluding liabilities owed to us and other intercompany liabilities and subsidiary guarantees of borrowings outstanding under our acquisition credit facility) aggregating approximately \$1.1 billion and, as of September 15, 2014, there were approximately \$232.3 million of borrowings outstanding under our acquisition credit facility (borrowings under that credit facility are currently required to be guaranteed by certain of our subsidiaries and other subsidiaries of ours may in the future also be required to guarantee borrowings outstanding under that facility) and we and our subsidiaries had approximately \$843.6 million of secured indebtedness outstanding. See "Risk Factors Although these notes are referred to as "senior" notes, they will be effectively subordinated to all liabilities of our subsidiaries and to our indebtedness that has been guaranteed by our subsidiaries, and will be subordinated to our secured indebtedness to the extent of the assets securing that indebtedness." See, also, "Use of Proceeds" for information as to the approximate amount of borrowings that we expect will be outstanding under our acquisition credit facility on the closing date of this offering. Although the Indenture and other debt instruments to which we are a party limit our ability and the ability of our subsidiaries to incur additional indebtedness, both we and our subsidiaries have the right to incur substantial additional secured and unsecured indebtedness.

**Interest and Maturity**

The notes will mature on \_\_\_\_\_, 2026. The notes are not entitled to the benefit of any sinking fund payments. The notes are subject to redemption at Realty Income's option and are not

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subject to repayment or repurchase by Realty Income at the option of the Holders (as defined below). See " Optional Redemption" below. As used herein, "Holder" means the person in whose name a note is registered in the security register maintained by the Trustee.

The notes will bear interest at the rate of % per annum from September , 2014 or from the most recent interest payment date (as defined below) to which interest has been paid on the notes, payable semi-annually in arrears on and of each year (the "interest payment dates"), commencing , 2015, to the persons in whose names the notes are registered in the security register applicable to the notes at the close of business on or (the "regular record dates"), as the case may be, immediately before the applicable interest payment dates. Interest on the notes will be computed on the basis of a 360-day year of twelve 30-day months.

If any interest payment date, the maturity date, any date fixed for redemption or any other day on which the principal of, premium, if any, or interest on a note becomes due and payable falls on a day that is not a Business Day (as defined in the Indenture), the required payment shall be made on the next Business Day as if it were made on the date the payment was due and no interest will accrue on the amount so payable for the period from and after such interest payment date, maturity date, redemption date or other date, as the case may be.

**Additional Covenants of Realty Income**

Reference is made to the section titled "Description of Debt Securities Certain Covenants" in the accompanying prospectus for a description of certain covenants applicable to the notes. In addition to the foregoing, the following covenants of Realty Income will apply to the notes for the benefit of the Holders of the notes:

*Limitation on Incurrence of Total Debt.* Realty Income will not, and will not permit any Subsidiary to, incur any Debt, other than Intercompany Debt, if, immediately after giving effect to the incurrence of such additional Debt and the application of the proceeds therefrom on a pro forma basis, the aggregate principal amount of all outstanding Debt of Realty Income and its Subsidiaries on a consolidated basis determined in accordance with GAAP is greater than 60% of the sum of (1) Realty Income's Total Assets as of the end of the latest fiscal quarter covered in Realty Income's Annual Report on Form 10-K or Quarterly Report on Form 10-Q, as the case may be, most recently filed with the Securities and Exchange Commission (or, if such filing is not required under the Exchange Act, with the Trustee) prior to the incurrence of such additional Debt and (2) the increase, if any, in Total Assets from the end of such quarter including, without limitation, any increase in Total Assets caused by the application of the proceeds of such additional Debt (such increase together with Realty Income's Total Assets are referred to as the "Adjusted Total Assets").

*Limitation on Incurrence of Secured Debt.* Realty Income will not, and will not permit any Subsidiary to, incur any Secured Debt, other than Intercompany Debt, if, immediately after giving effect to the incurrence of such additional Secured Debt and the application of the proceeds therefrom on a pro forma basis, the aggregate principal amount of all outstanding Secured Debt of Realty Income and its Subsidiaries on a consolidated basis determined in accordance with GAAP is greater than 40% of Realty Income's Adjusted Total Assets.

*Debt Service Coverage.* Realty Income will not, and will not permit any Subsidiary to, incur any Debt, other than Intercompany Debt, if the ratio of Consolidated Income Available for Debt Service to the Annual Debt Service Charge for the period consisting of the four consecutive fiscal quarters most recently ended prior to the date on which such additional Debt is to be incurred is less than 1.5 to 1.0, on a pro forma basis after giving effect to the incurrence of such Debt and the application of the proceeds therefrom, and calculated on the assumption that (1) such Debt and any other Debt incurred by Realty Income or any of its Subsidiaries since the first day of such four-quarter period and the

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application of the proceeds therefrom (including to refinance other Debt since the first day of such four-quarter period) had occurred on the first day of such period, (2) the repayment or retirement of any other Debt of Realty Income or any of its Subsidiaries since the first day of such four-quarter period had occurred on the first day of such period (except that, in making such computation, the amount of Debt under any revolving credit facility, line of credit or similar facility shall be computed based upon the average daily balance of such Debt during such period), and (3) in the case of any acquisition or disposition by Realty Income or any Subsidiary of any asset or group of assets since the first day of such four-quarter period, including, without limitation, by merger, stock purchase or sale, or asset purchase or sale, such acquisition or disposition had occurred on the first day of such period with the appropriate adjustments with respect to such acquisition or disposition being included in such pro forma calculation. If the Debt giving rise to the need to make the foregoing calculation or any other Debt incurred after the first day of the relevant four-quarter period bears interest at a floating rate then, for purposes of calculating the Annual Debt Service Charge, the interest rate on such Debt shall be computed on a pro forma basis as if the average interest rate which would have been in effect during the entire such four-quarter period had been the applicable rate for the entire such period.

*Maintenance of Total Unencumbered Assets.* Realty Income will maintain at all times Total Unencumbered Assets of not less than 150% of the aggregate outstanding principal amount of the Unsecured Debt of Realty Income and its Subsidiaries, computed on a consolidated basis in accordance with GAAP.

As used herein:

"Annual Debt Service Charge" as of any date means the amount which is expensed in any 12-month period for interest on Debt of Realty Income and its Subsidiaries.

"Consolidated Income Available for Debt Service" for any period means Consolidated Net Income plus, without duplication, amounts which have been deducted in determining Consolidated Net Income during such period for (1) Consolidated Interest Expense, (2) provisions for taxes of Realty Income and its Subsidiaries based on income, (3) amortization (other than amortization of debt discount) and depreciation, (4) provisions for losses from sales or joint ventures, (5) provisions for impairment losses, (6) increases in deferred taxes and other non-cash charges, (7) charges resulting from a change in accounting principles, and (8) charges for early extinguishment of debt, and less, without duplication, amounts which have been added in determining Consolidated Net Income during such period for (a) provisions for gains from sales or joint ventures, and (b) decreases in deferred taxes and other non-cash items.

"Consolidated Interest Expense" for any period, and without duplication, means all interest (including the interest component of rentals on capitalized leases, letter of credit fees, commitment fees and other like financial charges) and all amortization of debt discount on all Debt (including, without limitation, payment-in-kind, zero coupon and other like securities) but excluding legal fees, title insurance charges, other out-of-pocket fees and expenses incurred in connection with the issuance of Debt and the amortization of any such debt issuance costs that are capitalized, all determined for Realty Income and its Subsidiaries on a consolidated basis in accordance with GAAP.

"Consolidated Net Income" for any period means the amount of consolidated net income (or loss) of Realty Income and its Subsidiaries for such period determined on a consolidated basis in accordance with GAAP.

"Debt" means any indebtedness of Realty Income or any Subsidiary, whether or not contingent, in respect of (1) money borrowed or evidenced by bonds, notes, debentures or similar instruments, (2) indebtedness secured by any mortgage, pledge, lien, charge, encumbrance, trust deed, deed of trust, deed to secure debt, security agreement or any security interest existing on property owned by Realty Income or any Subsidiary, (3) letters of credit or amounts representing the balance deferred and

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unpaid of the purchase price of any property except any such balance that constitutes an accrued expense or trade payable or (4) any lease of property by Realty Income or any Subsidiary as lessee that is reflected on Realty Income's consolidated balance sheet as a capitalized lease in accordance with GAAP, in the case of items of indebtedness under (1) through (3) above to the extent that any such items (other than letters of credit) would appear as liabilities on Realty Income's consolidated balance sheet in accordance with GAAP, and also includes, to the extent not otherwise included, any obligation of Realty Income or any Subsidiary to be liable for, or to pay, as obligor, guarantor or otherwise (other than for purposes of collection in the ordinary course of business), indebtedness of another person (other than Realty Income or any Subsidiary) of the type referred to in (1), (2), (3) or (4) above (it being understood that Debt shall be deemed to be incurred by Realty Income or any Subsidiary whenever Realty Income or such Subsidiary shall create, assume, guarantee or otherwise become liable in respect thereof).

"Executive Group" means, collectively, those individuals holding the offices of Chairman, Vice Chairman, Chief Executive Officer, President, Chief Operating Officer, or any Vice President of Realty Income.

"GAAP" means generally accepted accounting principles, as in effect from time to time, as used in the United States applied on a consistent basis.

"Intercompany Debt" means indebtedness owed by Realty Income or any Subsidiary solely to Realty Income or any Subsidiary.

"Secured Debt" means Debt secured by any mortgage, lien, charge, encumbrance, trust deed, deed of trust, deed to secure debt, security agreement, pledge, conditional sale or other title retention agreement, capitalized lease, or other security interest or agreement granting or conveying security title to or a security interest in real property or other tangible assets.

"Subsidiary" means (1) any corporation, partnership, joint venture, limited liability company or other entity the majority of the shares, if any, of the non-voting capital stock or other equivalent ownership interests of which (except directors' qualifying shares) are at the time directly or indirectly owned by Realty Income, and the majority of the shares of the voting capital stock or other equivalent ownership interests of which (except for directors' qualifying shares) are at the time directly or indirectly owned by Realty Income, any other Subsidiary or Subsidiaries, and/or one or more individuals of the Executive Group (or, in the event of death or disability of any of such individuals, his/her respective legal representative(s), or such individuals' successors in office as an officer of Realty Income), and (2) any other entity the accounts of which are consolidated with the accounts of Realty Income. The foregoing definition of "Subsidiary" shall only be applicable with respect to the covenants and other definitions set forth herein under this caption "Additional Covenants of Realty Income" and, insofar as the provisions described in the accompanying prospectus under "Description of Debt Securities Merger, Consolidation or Sale of Assets" apply to the notes, the term "Subsidiary," as that term is used under the caption "Description of Debt Securities Merger, Consolidation or Sale of Assets," shall have the meaning set forth in this definition (instead of the meaning set forth in the accompanying prospectus).

"Total Assets" as of any date means the sum of (1) Undepreciated Real Estate Assets and (2) all other assets of Realty Income and its Subsidiaries determined on a consolidated basis in accordance with GAAP (but excluding accounts receivable and intangibles).

"Total Unencumbered Assets" as of any date means Total Assets minus the value of any properties of Realty Income and its Subsidiaries that are encumbered by any mortgage, charge, pledge, lien, security interest, trust deed, deed of trust, deed to secure debt, security agreement, or other encumbrance of any kind (other than those relating to Intercompany Debt), including the value of any stock of any Subsidiary that is so encumbered, determined on a consolidated basis in accordance with

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GAAP; provided, however, that, in determining Total Unencumbered Assets as a percentage of outstanding Unsecured Debt for purposes of the covenant set forth above under "Maintenance of Total Unencumbered Assets," all investments in any person that is not consolidated with Realty Income for financial reporting purposes in accordance with GAAP shall be excluded from Total Unencumbered Assets to the extent that such investment would otherwise have been included. For purposes of this definition, the value of each property shall be equal to the purchase price or cost of each such property and the value of any stock subject to any encumbrance shall be determined by reference to the value of the properties owned by the issuer of such stock as aforesaid.

"Undepreciated Real Estate Assets" as of any date means the amount of real estate assets of Realty Income and its Subsidiaries on such date, before depreciation and amortization, determined on a consolidated basis in accordance with GAAP.

"Unsecured Debt" means Debt of Realty Income or any Subsidiary that is not Secured Debt.

**Optional Redemption**

Prior to \_\_\_\_\_, 2026, the notes will be redeemable at any time in whole or from time to time in part at the option of Realty Income at a redemption price equal to the greater of:

- (a) 100% of the principal amount of the notes to be redeemed, and
- (b) the sum of the present values of the remaining scheduled payments of principal of and interest on the notes to be redeemed (exclusive of interest accrued to the applicable redemption date) discounted to such redemption date on a semiannual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate plus \_\_\_\_\_ basis points,

plus, in the case of both clauses (a) and (b) above, accrued and unpaid interest on the principal amount of the notes being redeemed to such redemption date.

On and after \_\_\_\_\_, 2026, the notes will be redeemable at any time in whole or from time to time in part at the option of Realty Income at a redemption price equal to 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest on the principal amount of the notes being redeemed to the applicable redemption date.

Notwithstanding the foregoing, installments of interest on notes that are due and payable on an interest payment date falling on or prior to a redemption date will be payable to the persons who were the Holders of the notes (or one or more predecessor notes) registered as such at the close of business on the relevant regular record dates according to their terms and the provisions of the Indenture.

"Treasury Rate" means, with respect to any redemption date for the notes:

- (a) the yield, under the heading that represents the average for the immediately preceding week, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption "Treasury Constant Maturities," for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after the Final Maturity Date of the notes, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Treasury Rate shall be interpolated or extrapolated from such yields on a straight-line basis, rounding to the nearest month) or
- (b) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semiannual

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equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

The Treasury Rate shall be calculated on the third New York Business Day preceding the applicable redemption date.

"Comparable Treasury Issue" means, with respect to any redemption date for the notes, the United States Treasury security selected by the Independent Investment Banker as having a maturity comparable to the remaining term of the notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the notes to be redeemed.

"Independent Investment Banker" means, with respect to any redemption date for the notes, Citigroup Global Markets Inc. and its successors, Merrill Lynch, Pierce, Fenner & Smith Incorporated and its successors, RBC Capital Markets, LLC and its successors, U.S. Bancorp Investments, Inc. and its successors or Wells Fargo Securities, LLC and its successors (whichever shall be appointed by Realty Income) or, if all such firms or the respective successors, if any, to such firms, as the case may be, are unwilling or unable to select the Comparable Treasury Issue, an independent investment banking institution of national standing appointed by Realty Income.

"Comparable Treasury Price" means, with respect to any redemption date for the notes:

- (a) if Realty Income obtains four or five Reference Treasury Dealer Quotations for such redemption date, the average of such Reference Treasury Dealer Quotations after excluding the highest and lowest such Reference Treasury Dealer Quotations, or
- (b) if Realty Income obtains fewer than four but more than one such Reference Treasury Dealer Quotations for such redemption date, the average of all such Reference Treasury Dealer Quotations, or
- (c) if Realty Income obtains only one such Reference Treasury Dealer Quotation for such redemption date, that Reference Treasury Dealer Quotation.

"New York Business Day" means any day, other than a Saturday or a Sunday, that is not a day on which banking institutions in The City of New York are authorized or required by law, regulation or executive order to close.

"Reference Treasury Dealer" means with respect to any redemption date for the notes, (i) Citigroup Global Markets Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and RBC Capital Markets, LLC and their respective successors (provided, however, that if any such firm or any such successor, as the case may be, ceases to be a primary U.S. Government securities dealer in The City of New York (a "Primary Treasury Dealer"), Realty Income shall substitute therefor another Primary Treasury Dealer), (ii) one other Primary Treasury Dealer selected by U.S. Bancorp Investments, Inc. or its successor after consultation with Realty Income and (iii) one other Primary Treasury Dealer selected by Wells Fargo Securities, LLC or its successor after consultation with Realty Income.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date for the notes, the average, as determined by Realty Income, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to Realty Income by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third New York Business Day preceding such redemption date.

"Final Maturity Date" means \_\_\_\_\_, 2026.

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Notice of any redemption by Realty Income will be mailed at least 30 days but not more than 60 days before any redemption date to each holder of notes to be redeemed. If less than all of the outstanding notes are to be redeemed, the notes to be redeemed shall be selected, so long as the notes are in book-entry form, in accordance with the applicable procedures of DTC (as defined below) or, if the notes are issued in definitive certificated form under the limited circumstances described below under " Book-Entry System," by such method as the Trustee shall deem fair and appropriate.

Unless Realty Income defaults in payment of the redemption price, on and after any redemption date interest will cease to accrue on the notes or portions thereof called for redemption.

**Book-Entry System**

The following are summaries of certain rules and operating procedures of The Depository Trust Company, or DTC, that affect the payment of principal, premium, if any, and interest and transfers of interests in the Global Note. Upon issuance, the notes will only be issued in the form of a Global Note which will be held by DTC or the Trustee as custodian for DTC and registered in the name of Cede & Co., as nominee of DTC. Unless and until it is exchanged in whole or in part for notes in definitive form under the limited circumstances described below, a Global Note may not be transferred except as a whole (1) by DTC to a nominee of DTC, (2) by a nominee of DTC to DTC or another nominee of DTC or (3) by DTC or any such nominee to a successor of DTC or a nominee of such successor.

Ownership of beneficial interests in a Global Note will be limited to persons that have accounts with DTC ("participants") or persons that may hold interests through participants. Upon the issuance of a Global Note, DTC will credit, on its book-entry registration and transfer system, the participants' accounts with the respective principal amounts of the notes represented by such Global Note beneficially owned by participants. Ownership of beneficial interests in the Global Note will be shown on, and the transfer of such ownership interests will be effected only through, records maintained by DTC (with respect to interests of participants) and on the records of participants (with respect to interests of persons holding through participants). The laws of some states may require that certain purchasers of securities take physical delivery of the securities in definitive form. These laws may limit or impair the ability to own, transfer or pledge beneficial interests in the Global Note.

So long as DTC or its nominee is the registered owner of a Global Note, DTC or its nominee, as the case may be, will be considered the sole owner or Holder of the notes represented by such Global Note for all purposes under the Indenture. Except under the limited circumstances set forth below, owners of beneficial interests in a Global Note will not be entitled to have notes represented by such Global Note registered in their names, will not receive or be entitled to receive physical delivery of such notes in certificated form and will not be considered the registered owners or Holders of such notes under the Indenture. Accordingly, each person owning a beneficial interest in a Global Note must rely on the procedures of DTC and, if such person is not a participant, on the procedures of the participant through which such person owns its interest, to exercise any rights of a Holder of notes under the Indenture. Realty Income understands that under existing industry practices, if Realty Income requests any action of Holders of notes or if an owner of a beneficial interest in a Global Note desires to give or take any action that a Holder of notes is entitled to give or take under the Indenture, DTC would authorize the participants holding the relevant beneficial interests to give or take such action, and such participants would authorize beneficial owners owning through such participants to give or take such action or would otherwise act upon the instructions of beneficial owners holding through them.

Principal, premium, if any, and interest payments on a Global Note will be made to DTC or its nominee, as the case may be, as the registered owner of such Global Note. None of Realty Income, the Trustee or any other agent of Realty Income or agent of the Trustee will have any responsibility or



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liability for any aspect of the records relating to or payments made on account of beneficial ownership of interests in the Global Note or for maintaining, supervising or reviewing any records relating to beneficial ownership interests. Realty Income expects that DTC, upon receipt of any payment of principal, premium, if any, or interest in respect of a Global Note, will credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in such Global Note as shown on the records of DTC. Realty Income also expects that payments by participants to owners of beneficial interests in the Global Note held through such participants will be governed by standing customer instructions and customary practice, as is now the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such participants

The Indenture provides that if (1) DTC notifies Realty Income that it is unwilling or unable to continue as depository or if DTC ceases to be a clearing agency registered as such under the Exchange Act at any time when the depository is required to be so registered in order to act as depository for the notes and a successor depository is not appointed within 90 days after Realty Income receives such notice or learns of such ineligibility, (2) Realty Income determines that the notes shall no longer be represented by a Global Note and executes and delivers to the Trustee an officers' certificate to that effect or (3) an event of default (as defined in the accompanying prospectus under "Description of Debt Securities Events of Default, Notice and Waiver") with respect to the notes has occurred and is continuing and beneficial owners representing a majority in aggregate principal amount of the outstanding notes advise DTC to cease acting as depository for the notes, Realty Income will issue notes in definitive form in exchange for interests in all outstanding Global Notes. Any notes issued in definitive form in exchange for interests in a Global Note will be registered in such name or names, and will be issued in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof, as DTC shall instruct the Trustee. It is expected that such instructions will be based upon directions received by DTC from participants with respect to ownership of beneficial interests in a Global Note.

DTC has advised Realty Income that DTC is a limited-purpose trust company organized under the Banking Law of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities of its participants and to facilitate the clearance and settlement of transactions among its participants in these securities through electronic book-entry changes in accounts of the participants, thereby eliminating the need for physical movement of securities certificates. DTC's participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations, some of which (and/or their representatives) own DTC. Access to the DTC book-entry system is also available to others, such as banks, brokers and dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly.

**Same-Day Settlement and Payment**

Settlement for the notes will be made by the underwriters in immediately available funds. All payments of principal, premium, if any, and interest in respect of the Global Note will be made by Realty Income by wire transfer of immediately available funds to an account maintained in the United States.

If notes are issued in definitive certificated form under the limited circumstances described above, payments of interest on the certificated notes may be made, at our option, by check mailed to the addresses of the persons entitled thereto, as such addresses appear in the register for the notes, or by wire transfer to accounts maintained by the payees in the United States; provided, however, that a Holder of \$5 million or more in aggregate principal amount of notes in definitive certificated form will be entitled to receive payments of interest due on any interest payment date by wire transfer of immediately available funds to an account maintained by such Holder in the United States so long as

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such Holder has given appropriate wire transfer instructions to the Trustee or a paying agent at least 15 calendar days prior to the applicable interest payment date. Any such wire transfer instructions will remain in effect until revoked by such Holder or until such person ceases to be a Holder of \$5 million or more in aggregate principal amount of notes in definitive certificated form.

Payments of principal of and premium, if any, and interest on notes in definitive certificated form that are due and payable on the maturity date of the notes, any redemption date or any other date on which principal of the notes is due and payable will be made by wire transfer of immediately available funds to accounts maintained by the Holders thereof in the United States, so long as such Holders have given appropriate wire transfer instructions to the Trustee or a paying agent, against surrender of such notes to the Trustee or a paying agent; provided that installments of interest that are due and payable on any interest payment date falling on or prior to such maturity date, redemption date or other date on which principal of such notes is payable will be paid in the manner described in the preceding paragraph to the persons who were the Holders of the notes (or one or more predecessor notes) registered as such at the close of business on the relevant regular record dates according to the terms and provisions of the Indenture.

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**UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS FOR HOLDERS OF THE NOTES**

For a general summary of certain United States federal income tax considerations related to the acquisition ownership and disposition of the notes offered by this prospectus supplement, please see "United States Federal Income Tax Considerations" in the attached prospectus, as supplemented by the information appearing in Item 8.01 of our Current Report on Form 8-K, dated October 21, 2013. The information appearing under Item 8.01 of such Form 8-K (and only the information appearing under Item 8.01 of such Form 8-K) is incorporated by reference into the attached prospectus. Prospective investors in the notes should consult their tax advisors regarding the United States federal income and other tax considerations to them of the acquisition, ownership and disposition of the notes offered by this prospectus supplement.

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**UNDERWRITING (CONFLICTS OF INTEREST)**

Subject to the terms and conditions contained in a purchase agreement between us and each of the underwriters named below, for whom Citigroup Global Markets Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, RBC Capital Markets, LLC, U.S. Bancorp Investments, Inc. and Wells Fargo Securities, LLC are acting as representatives, or the representatives, the underwriters have severally agreed to purchase from us, and we have agreed to sell, the respective principal amounts of notes listed opposite their names below.

Underwriter	Principal Amount of Notes
Citigroup Global Markets Inc.	\$
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
BNY Mellon Capital Markets, LLC	
J.P. Morgan Securities LLC	
RBC Capital Markets, LLC	
Regions Securities LLC	
U.S. Bancorp Investments, Inc.	
Wells Fargo Securities, LLC	
<b>Total</b>	<b>\$</b>

The purchase agreement provides that the obligations of the several underwriters to purchase the notes offered hereby are subject to certain conditions and that the underwriters will purchase all of the notes offered by this prospectus supplement if any of these notes are purchased. If an underwriter defaults, the purchase agreement provides that the purchase commitments of the non-defaulting underwriters may be increased or the purchase agreement may be terminated.

The underwriters are offering the notes, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of certain legal matters by their counsel and other conditions contained in the purchase agreement. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act or to contribute to payments the underwriters may be required to make in respect of any of these liabilities.

**Commissions and Discounts**

The representatives of the underwriters have advised us that the underwriters propose initially to offer the notes to the public at the public offering price listed on the cover page of this prospectus supplement and may offer the notes to dealers at that price less a concession not in excess of % of the principal amount of the notes. The underwriters may allow, and the dealers may reallow, a discount not in excess of % of the principal amount of the notes to other dealers. After the initial public offering, the public offering price, concession and discount may be changed.

The following table shows the underwriting discount to be paid to the underwriters by Realty Income Corporation.

	Per Note	Total
Underwriting discount	% \$	

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The expenses of this offering, not including the underwriting discount, are estimated at \$800,000 and are payable by Realty Income.

**No Prior Market for the Notes**

The notes are a new issue of securities with no established trading market. The notes will not be listed on any securities exchange or on any automated dealer quotation system. The underwriters may make a market for the notes after completion of the offering, but will not be obligated to do so and may discontinue any market-making activities at any time without notice. No assurance can be given as to the liquidity of the trading market for the notes or that an active trading market for the notes will develop. If an active trading market for the notes does not develop, the market price and liquidity of the notes may be adversely affected.

**Price Stabilization and Short Positions**

In connection with the offering of the notes, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the market price of the notes. Specifically, the underwriters may overallocate in connection with the offering, creating a short position. In addition, the underwriters may bid for, and purchase, the notes in the open market to cover short positions or to stabilize the price of the notes. Any of these activities may stabilize or maintain the market price of the notes above independent market levels, but no representation is made hereby that the underwriters will engage in any of those transactions or of the magnitude of any effect that the transactions described above, if commenced, may have on the market price of the notes. The underwriters will not be required to engage in these activities, and if they engage in these activities, they may end any of these activities at any time without notice.

**Delayed Settlement**

We expect that the delivery of the notes will be made against payment therefor on or about the closing date specified on the cover page of this prospectus supplement, which will be the fifth business day following the date of this prospectus supplement. Under rules of the SEC, trades in the secondary market generally are required to settle in three business days, unless the parties to that trade expressly agree otherwise. Accordingly, purchasers who wish to trade the notes before the third business day prior to the closing date specified on the cover page of this prospectus supplement will be required, by virtue of the fact that the normal settlement date for that trade would occur prior to the closing date for the issuance of the notes, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement, and should consult their own advisors with respect to these matters.

**Other Relationships**

Some or all of the underwriters and/or their affiliates have provided and in the future may provide investment banking, commercial banking and/or other financial services, including the provision of credit facilities, to us in the ordinary course of business for which they have received and may in the future receive compensation. In particular, affiliates of some or all of the underwriters participating in this offering are lenders and, in certain cases, agents, arrangers and/or bookrunners under our \$1.5 billion acquisition credit facility and affiliates of some of the underwriters are lenders and agents, arrangers and/or bookrunners under our \$70 million term loan facility. Because we intend to use net proceeds from this offering to repay borrowings outstanding under our acquisition credit facility, lenders affiliated with underwriters of this offering will receive net proceeds from this offering through the repayment of those borrowings under that facility. Moreover, an affiliate of Wells Fargo Securities, LLC has acted, and may in the future act, as broker in connection with purchases of certain real estate assets by us, including assets which may have been or may be purchased with borrowings under our acquisition credit facility, which borrowings may be repaid with net proceeds from this

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offering. Upon consummation of these purchases, such affiliate has received and in the future may receive customary brokerage fees paid by the seller. An affiliate of BNY Mellon Capital Markets, LLC, one of the underwriters, is the trustee under the indenture for the notes.

In addition, in the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and instruments of ours or our affiliates. If any of the underwriters or their affiliates has a lending relationship with us, certain of those underwriters or their affiliates routinely hedge, and certain other of those underwriters may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, these underwriters and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the notes offered hereby. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

**LEGAL MATTERS**

The validity of the notes offered hereby will be passed upon for us by Venable LLP, Baltimore, Maryland. Certain legal matters relating to this offering will be passed upon for us by Latham & Watkins LLP, Costa Mesa, California. Sidley Austin LLP, San Francisco, California will act as counsel for the underwriters. William J. Cernius, a partner of Latham & Watkins LLP, beneficially owns 6,887 shares of our common stock. Eric S. Haueter, a partner of Sidley Austin LLP, beneficially owns approximately 8,321 shares of our common stock.

**EXPERTS**

The consolidated balance sheets of Realty Income Corporation and subsidiaries as of December 31, 2013 and 2012, and the related consolidated statements of income, equity, and cash flows for each of the years in the three-year period ended December 31, 2013, and the related financial statement schedule III, and management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2013, have been incorporated by reference in the accompanying prospectus in reliance upon the reports of KPMG LLP, independent registered public accounting firm, incorporated by reference therein, and upon the authority of said firm as experts in accounting and auditing.

**INCORPORATION BY REFERENCE**

As described in the accompanying prospectus under the caption "Incorporation by Reference," we have incorporated by reference in the accompanying prospectus specified documents that we have filed or may file with the Securities and Exchange Commission, or the SEC, under the Exchange Act. However, no document, exhibit or information or portion thereof that we have "furnished" or may in the future "furnish" to (rather than "file" with) the SEC shall be incorporated by reference into this prospectus supplement or the accompanying prospectus.

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**PROSPECTUS**

**REALTY INCOME CORPORATION**

**Debt Securities, Common Stock, Preferred Stock, Depositary Shares and Warrants**

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Realty Income Corporation, a Maryland corporation, may from time to time offer in one or more series or classes (1) our debt securities, (2) shares of our common stock, \$0.01 par value per share, (3) shares or fractional shares of our preferred stock, \$0.01 par value per share, (4) depositary shares representing fractional interests in shares of our preferred stock or (5) warrants to purchase our debt securities, common stock, preferred stock or depositary shares, on terms to be determined at the time of the offering. Our debt securities, our common stock, our preferred stock, our depositary shares and our warrants (collectively referred to as our securities), may be offered, separately or together, in separate series or classes, in amounts, at prices and on terms that will be set forth in one or more prospectus supplements to this prospectus or other offering materials.

The specific terms of the securities with respect to which this prospectus is being delivered will be set forth in the applicable prospectus supplement or other offering materials and will include, where applicable:

in the case of our debt securities, the specific title, aggregate principal amount, currency, form (which may be registered, bearer, certificated or global), authorized denominations, maturity, rate (or manner of calculating the rate) and time of payment of interest, terms for redemption at our option or repayment at the holder's option, terms for sinking fund payments, terms for conversion into shares of our common stock or preferred stock, covenants and any initial public offering price;

in the case of our common stock, any initial public offering price;

in the case of our preferred stock, the specific designation, preferences, conversion and other rights, voting powers, restrictions, limitations as to transferability, dividends and other distributions and terms and conditions of redemption and any initial public offering price;

in the case of depositary shares, the fraction of a share of preferred stock represented by each such depositary share and any initial public offering price; and

in the case of warrants, whether such warrants will be exercisable for our debt securities, common stock, preferred stock or depositary shares and the duration, exercise price and any initial public offering price.

In addition, the specific terms may include limitations on actual, beneficial or constructive ownership and restrictions on transfer of the securities, in each case as may be appropriate, among other purposes, to preserve our status as a real estate investment trust, or REIT, for United States federal income tax purposes. The applicable prospectus supplement or other offering materials may also contain information, where applicable, about United States federal income tax considerations relevant to, and any exchange listing of, the securities covered by the prospectus supplement or other offering materials, as the case may be.

**Investing in our securities involves risks. See "Risk Factors" on page 4 of this prospectus.**

## Edgar Filing: REALTY INCOME CORP - Form 424B5

Our common stock is traded on the New York Stock Exchange under the symbol "O." On February 21, 2013, the last reported sale price of the common stock on the New York Stock Exchange was \$44.30 per share.

Our securities may be offered directly, through agents designated from time to time by us, or to or through underwriters or dealers. If any agents or underwriters are involved in the sale of any of our securities, their names, and any applicable purchase price, fee, commission or discount arrangement between or among them, will be set forth, or will be calculable from the information set forth, in the applicable prospectus supplement or other offering materials. This prospectus may not be used to consummate sales of the offered securities unless it is accompanied by a prospectus supplement describing the method and terms of the offering of those offered securities.

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**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

The date of this prospectus is February 22, 2013.

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**ABOUT THIS PROSPECTUS**

*Unless this prospectus otherwise indicates or the context otherwise requires, all references to "Realty Income," "our," "us" and "we" in this prospectus mean Realty Income Corporation and its subsidiaries on a consolidated basis.*

This prospectus is part of an automatic shelf registration statement that we filed with the Securities and Exchange Commission, or the SEC, as a "well-known seasoned issuer" as defined in Rule 405 under the Securities Act of 1933, as amended, or the Securities Act, utilizing a "shelf" registration process for the delayed offering and sale of securities pursuant to Rule 415 under the Securities Act. Under this shelf registration process, we may, from time to time, sell any of the securities, or any combination of the securities, described in this prospectus in one or more offerings. This prospectus only provides you with a general description of the securities that we may offer. Each time we sell securities, we will provide a prospectus supplement or other offering materials that will contain specific information about the terms of that offering. The prospectus supplement or other offering materials may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement or other offering materials together with additional information described under the headings "Where You Can Find More Information" and "Incorporation by Reference." If there is any inconsistency between the information in this prospectus and any applicable prospectus supplement or other offering materials, you should rely on the information in the applicable prospectus supplement or other offering materials.

As allowed by SEC rules, this prospectus does not contain all the information you can find in the registration statement or the exhibits to the registration statement. For further information, we refer you to the registration statement, including its exhibits and schedules. Statements contained in this prospectus about the provisions or contents of any contract, agreement or any other document referred to are not necessarily complete. For each of these contracts, agreements or documents filed as an exhibit to the registration statement, we refer you to the actual exhibit for a more complete description of the matters involved. You should rely only on the information contained or incorporated by

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reference in this prospectus and in any supplement to this prospectus or, if applicable, any other offering materials we may provide you. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should assume that the information appearing in this prospectus, the accompanying prospectus supplement or any other offering materials is accurate only as of the date on their respective covers, and you should assume that the information appearing in any document incorporated or deemed to be incorporated by reference in this prospectus or any accompanying prospectus supplement is accurate only as of the date that document was filed with the SEC. Our business, financial condition, results of operations and prospects may have changed since those dates.

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**THE COMPANY**

Realty Income Corporation, The Monthly Dividend Company®, is a publicly traded real estate company with the primary business objective of generating dependable monthly cash dividends from a consistent and predictable level of cash flow from operations. Our monthly dividends are supported by the cash flow from our portfolio of properties leased to commercial enterprises. We have in-house acquisition, leasing, legal, credit research, real estate research, portfolio management, and capital markets expertise. Over the past 44 years, Realty Income and its predecessors have been acquiring and owning freestanding commercial properties that generate rental revenue under long-term lease agreements.

In 1994, Realty Income was listed upon the New York Stock Exchange and we elected to be taxed as a real estate investment trust, or REIT, requiring us to distribute dividends to our stockholders aggregating at least 90% of our taxable income (excluding net capital gains).

We seek to increase distributions to common stockholders and FFO per share through both active portfolio management and the acquisition of additional properties.

Generally, our portfolio management efforts seek to achieve:

Contractual rent increases on existing leases;

Rent increases at the termination of existing leases, when market conditions permit; and

The active management of our property portfolio, including re-leasing vacant properties, and selectively selling properties, thereby mitigating our exposure to certain tenants and markets.

In acquiring additional properties, our strategy is primarily to acquire properties that are:

Freestanding, single-tenant locations;

Leased to regional and national commercial enterprises; and

Leased under long-term, net-lease agreements.

At December 31, 2012, we owned a diversified portfolio:

Of 3,013 properties;

With an occupancy rate of 97.2%, or 2,929 properties leased and only 84 properties available for lease;

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