

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer			
1 Issuer's name		2 Issuer's employer identification number (EIN)	
REALNETWORKS, INC.		91-1628146	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
Laurie Deitz Blain	(206) 674-2423	LAURIED@REALNETWORKS.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
2601 ELLIOTT AVENUE SUITE 100		SEATTLE, WA 98121	
8 Date of action		9 Classification and description	
AUGUST 23, 2011		NON-DIVIDEND DISTRIBUTION TO SHAREHOLDERS	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
75605L10		RNWK	

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

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On August 23, 2011, RealNetworks, Inc. made a cash distribution of \$1.00 per share for a total of \$136,792,135 to its shareholders of record on August 9, 2011.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ The distribution per share was \$1.00. \$0.312248 per share is estimated to be a taxable dividend (with no effect on basis). The remaining \$0.687752 per share is a reduction in the stock basis in each share. To the extent the tax basis in a share is less than \$0.687752 per share, the excess of \$0.687752 over the basis in that share is recognized as capital gain.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ When a cash distribution (or other distribution of property) is made by a corporation, it is treated as a taxable dividend to the extent of the current and accumulated earnings and profits ("E&P") of that corporation at the date of the distribution or, in certain cases, at the end of the tax year in which the distribution was made. In order to determine what portion of this cash distribution should be treated as a taxable dividend versus return of capital/capital gain, RealNetworks, Inc. completed a computation of E&P as of December 31, 2010 with an estimate of the current E&P for the year ended December 31, 2011. According to this computation, RealNetworks, Inc. had approximately \$0.312248 of E&P per outstanding share of stock. As a result, the distribution of \$1.00 per share resulted in a dividend of \$0.312248 per share (with no effect on basis) and a reduction in basis of up to \$0.687752 per share.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶

Section 316 - Dividend defined

Section 317 - Property defined

Section 301(c) - Distributions of property

Section 312 - Effect on earnings and profits

Reg. Section 1.1502-33 - Earnings and profits (this section applies to taxpayers filing a consolidated Federal corporate income tax return)


Other sections further defining adjustments to E&P that are not contained in section 312

18 Can any resulting loss be recognized? ▶ This distribution would not create a loss.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The adjustment to basis would be taken into account in the tax year of the shareholder during which the distribution was received (e.g., 2011 for calendar year taxpayers).

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


Sign Here

Signature ▶ 

Date ▶ 1/13/2012

Print your name ▶ Michael Eggers

Title ▶ CFO

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Michael Huston		1/13/12		P00634208
	Firm's name ▶ DELOITTE TAX LLP	Firm's address ▶ 111 SOUTH WACKER DRIVE, CHICAGO, IL 60606		Firm's EIN ▶	86-1065772
				Phone no.	312-486-1000

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054