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Tanger Acquires 100% Ownership of Tanger Outlets Located in the Greater Savannah, Georgia Market

GREENSBORO, N.C., Aug. 15, 2016 /PRNewswire/ -- Tanger Factory Outlet Centers, Inc. (NYSE: SKT) (the "Company"), now owns 100% of Tanger Outlets Savannah after the redemption of its partner's ownership interest on August 12, 2016. Serving the greater Savannah market since April 2015, Tanger Outlets Savannah is an upscale 420,000 square foot outlet shopping destination featuring more than 90 brand name and designer outlet stores, located in Pooler, Georgia adjacent to the Savannah International Airport.

"We are pleased to add Tanger Outlets Savannah to our wholly-owned portfolio. The center is currently 99% occupied and is now undergoing a second expansion to accommodate retailer demand for space," said Steven B. Tanger, President and Chief Executive Officer.

The joint venture distributed all outparcels along with \$15 million in cash consideration to the other partner in exchange for the partner's ownership interest. Tanger paid a capitalization rate of approximately 5.9% based on a valuation of \$197 million for the outlet center and the Company's forecasted 2017 property level net operating income (excluding termination fees and non-cash adjustments including straight-line rent and net above and below market rent amortization). The property is subject to a mortgage loan with the ability to borrow up to \$100.9 million, of which \$96.9 million was outstanding as of August 12, 2016. The loan bears interest at 165 basis points over LIBOR. The loan initially matures in May 2017 and can be extended to May 2019 at the borrower's option. Tanger contributed the \$15 million in cash consideration to the joint venture with borrowings under its unsecured lines of credit.

The joint venture is now wholly-owned and will be consolidated in the Company's financial results as of the acquisition date. Prior to this transaction, Tanger owned a 50% legal interest in the joint venture since its formation and accounted for it under the equity method of accounting. However, due to preferred equity contributions Tanger made to the joint venture, and the returns earned on those contributions, Tanger's estimated economic interest in the book value of the assets was approximately 98%. Therefore, substantially all of the earnings of the joint venture were recognized by Tanger as equity in earnings of unconsolidated joint ventures. The Company plans to provide more details on the expected impact on earnings per share, including the gain to be recognized on its previously held interest, in connection with its third quarter earnings release once the acquisition accounting required by generally accepted accounting principles is completed. Tanger expects the transaction to be approximately neutral to 2016 funds from operations (FFO) per share, excluding acquisition costs, based on in-place financing.

Tanger[®]Outlets

About Tanger Factory Outlet Centers, Inc.

Tanger Factory Outlet Centers, Inc. is a publicly-traded REIT headquartered in Greensboro, North Carolina that presently operates and owns, or has an ownership interest in, a portfolio of 43 upscale outlet shopping centers and one additional center currently under construction. Tanger's operating properties are located in 21 states coast to coast and in Canada, totaling approximately 14.7 million square feet, leased to over 3,100 stores which are operated by more than 490 different brand name companies. The Company has more than 35 years of experience in the outlet industry. Tanger Outlet Centers continue to attract more than 185 million shoppers annually. For more information on Tanger Outlet Centers, call 1-800-4TANGER or visit the Company's web site at www.tangeroutlets.com.

This news release contains forward-looking statements within the meaning of federal securities laws. These statements may include, but are not limited to, the acquisition's projected impact on 2016 earnings per share and FFO per share, retailer demand for space in the Savannah outlet center, as well as management's beliefs, expectations, plans, intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. These forward-looking statements are subject to risks and uncertainties. Actual results could differ materially from those projected due to various factors including, but not limited to the risks associated with interest rate fluctuations, general economic and local real estate conditions in the United States and Canada, the Company's ability to meet its obligations on existing indebtedness or refinance existing indebtedness on favorable terms, the availability and cost of capital, the Company's ability to lease its properties, the Company's inability to collect rent due to the bankruptcy or insolvency of tenants or otherwise, and competition. For a more detailed discussion of the factors that may affect our operating results, interested parties should review the Tanger Factory Outlet Centers, Inc. Annual Report on Form 10-K for the fiscal year ended December 31, 2015.

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