

July 1, 2016



Tanger Acquires Partners' Ownership Interests in Tanger Outlets Westgate Located in the Greater Phoenix Market

GREENSBORO, N.C., July 1, 2016 /PRNewswire/ -- Tanger Factory Outlet Centers, Inc. (NYSE: SKT) (the "Company"), now owns 100% of Tanger Outlets Westgate after completing the acquisition of its partners' ownership interests on June 30, 2016. Serving the greater Phoenix market since November 2012, Tanger Outlets Westgate is an upscale outlet shopping destination featuring 95 brand name and designer outlet stores, located in Glendale, Arizona within the Westgate Entertainment District. Other components of the District include University of Phoenix Stadium, home of the NFL's Arizona Cardinals, Gila River Arena, home of the NHL's Arizona Coyotes, 23 restaurants and night life venues, and three hotels.

"We are pleased to complete this privately negotiated transaction and to now own 100% of Tanger Outlets Westgate. The property is currently 97% occupied. Westgate is among the strongest in our portfolio in terms of total traffic and traffic growth and generates tenant sales per square foot slightly above our consolidated portfolio average," said Steven B. Tanger, President and Chief Executive Officer.

The partners received cash consideration of approximately \$41.0 million for their 42% stake in the joint venture, which Tanger funded with borrowings under its unsecured lines of credit. The property is subject to an existing \$62.0 million mortgage loan, which bears interest at 175 basis points over LIBOR and matures in June 2017. This transaction implies a total value of \$159.5 million for the property, which Tanger estimates is equivalent to a capitalization rate of approximately 6.27% on the Company's forecasted 2016 property level net operating income (excluding termination fees and non-cash adjustments including straight-line rent and net above and below market rent amortization).

Prior to this transaction, Tanger owned a 58% interest in the joint venture since its formation and accounted for it under the equity method of accounting. The joint venture is now wholly-owned and will be consolidated in the Company's financial results as of the acquisition date. 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 second quarter earnings release once the acquisition accounting required by generally accepted accounting principles is completed. Tanger expects the transaction to be modestly accretive to 2016 funds from operations (FFO) per share, excluding acquisition costs, based on in-place financing. The Company is currently evaluating various long-term financing alternatives with the objective of extending the average term of its debt, further reducing its floating rate debt exposure, and expanding its unencumbered asset pool. Some financing alternatives, if executed, may be slightly dilutive to 2016 FFO per share.

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.tangeroutlet.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, long-term financing objectives, 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.

Contact:
Cyndi Holt
Vice President of Investor Relations
336-834-6892
cyndi.holt@tangeroutlets.com

Jim Williams
SVP and CFO
336-834-6800
jim.williams@tangeroutlets.com

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