



**Tanger Factory Outlet Centers, Inc.**

**Supplemental Operating and Financial Data**

**March 31, 2018**

Supplemental Operating and Financial Data for the  
Quarter Ended 3/31/2018



## Notice

*For a more detailed discussion of the factors that 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, 2017.*

*This Supplemental Portfolio and Financial Data is not an offer to sell or a solicitation to buy any securities of the Company. Any offers to sell or solicitations to buy any securities of the Company shall be made only by means of a prospectus.*

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**Geographic Diversification**  
**As of March 31, 2018**  
**Consolidated Properties**

State	# of Centers	GLA	% of GLA
South Carolina	5	1,599,032	12%
New York	2	1,469,865	11%
Georgia	3	1,121,579	9%
Texas	3	1,001,357	8%
Pennsylvania	3	997,441	8%
Michigan	2	671,539	5%
Delaware	1	557,353	4%
Alabama	1	556,677	4%
North Carolina	3	505,056	4%
New Jersey	1	489,706	4%
Tennessee	1	448,150	3%
Ohio	1	411,793	3%
Arizona	1	410,783	3%
Florida	1	351,721	3%
Missouri	1	329,861	3%
Louisiana	1	321,066	3%
Mississippi	1	320,348	3%
Utah	1	319,661	2%
Connecticut	1	311,616	2%
Iowa	1	276,331	2%
New Hampshire	1	250,107	2%
Maryland	1	199,425	2%
<b>Total</b>	<b>36</b>	<b>12,920,467</b>	<b>100%</b>

**Unconsolidated Joint Venture Properties**

	# of Centers	GLA	Ownership %
Charlotte, NC	1	397,857	50.00%
Columbus, OH	1	355,245	50.00%
Ottawa, ON	1	354,978	50.00%
Texas City, TX	1	352,705	50.00%
National Harbor, MD	1	341,156	50.00%
Cookstown, ON	1	307,779	50.00%
Bromont, QC	1	161,307	50.00%
Saint-Sauveur, QC	1	99,405	50.00%
<b>Total</b>	<b>8</b>	<b>2,370,432</b>	
<b>Grand Total</b>	<b>44</b>	<b>15,290,899</b>	

**Property Summary - Occupancy at End of Each Period Shown**  
**Consolidated properties**

Location	Total GLA 3/31/18	% Occupied 3/31/18	% Occupied 12/31/17	% Occupied 3/31/17
Deer Park, NY	740,159	95%	95%	96%
Riverhead, NY	729,706	95%	99%	98%
Rehoboth Beach, DE	557,353	97%	98%	98%
Foley, AL	556,677	96%	99%	99%
Atlantic City, NJ	489,706	89%	88%	89%
San Marcos, TX	471,816	97%	99%	96%
Sevierville, TN	448,150	100%	100%	100%
Savannah, GA	429,089	96%	98%	97%
Myrtle Beach Hwy 501, SC	425,334	88%	94%	95%
Jeffersonville, OH	411,793	89%	95%	89%
Glendale, AZ (Westgate)	410,783	97%	99%	96%
Myrtle Beach Hwy 17, SC	403,347	99%	100%	97%
Charleston, SC	382,117	98%	98%	97%
Lancaster, PA	376,997	95%	95%	95%
Pittsburgh, PA	372,944	99%	99%	99%
Commerce, GA	371,408	99%	98%	97%
Grand Rapids, MI	357,080	94%	96%	95%
Fort Worth, TX	351,741	94%	94%	N/A
Daytona Beach, FL	351,721	99%	100%	96%
Branson, MO	329,861	100%	100%	100%
Locust Grove, GA	321,082	100%	99%	98%
Gonzales, LA	321,066	97%	99%	100%
Southaven, MS	320,348	95%	99%	96%
Park City, UT	319,661	96%	98%	97%
Mebane, NC	318,886	100%	100%	98%
Howell, MI	314,459	94%	98%	90%
Mashantucket, CT (Foxwoods)	311,616	95%	94%	94%
Williamsburg, IA	276,331	95%	96%	98%
Tilton, NH	250,107	94%	93%	96%
Hershey, PA	247,500	99%	100%	99%
Hilton Head II, SC	206,564	94%	94%	100%
Ocean City, MD	199,425	96%	98%	82%
Hilton Head I, SC	181,670	98%	99%	100%
Terrell, TX	177,800	96%	96%	96%
Blowing Rock, NC	104,009	96%	98%	98%
Nags Head, NC	82,161	98%	97%	96%
Westbrook, CT <sup>(1)</sup>	N/A	N/A	N/A	90%
<b>Total</b>	<b>12,920,467</b>	<b>96%</b> <sup>(2)</sup>	<b>97%</b> <sup>(3)</sup>	<b>96%</b> <sup>(4)</sup>

(1) Sold Westbrook outlet center in May 2017.

(2) Excludes the occupancy rate at our Fort Worth outlet center which opened during the fourth quarter of 2017 and has not yet stabilized.

(3) Excludes the occupancy rate at our Fort Worth and Daytona Beach outlet centers which opened during the fourth quarter of 2017 and 2016, respectively, and have not yet stabilized.

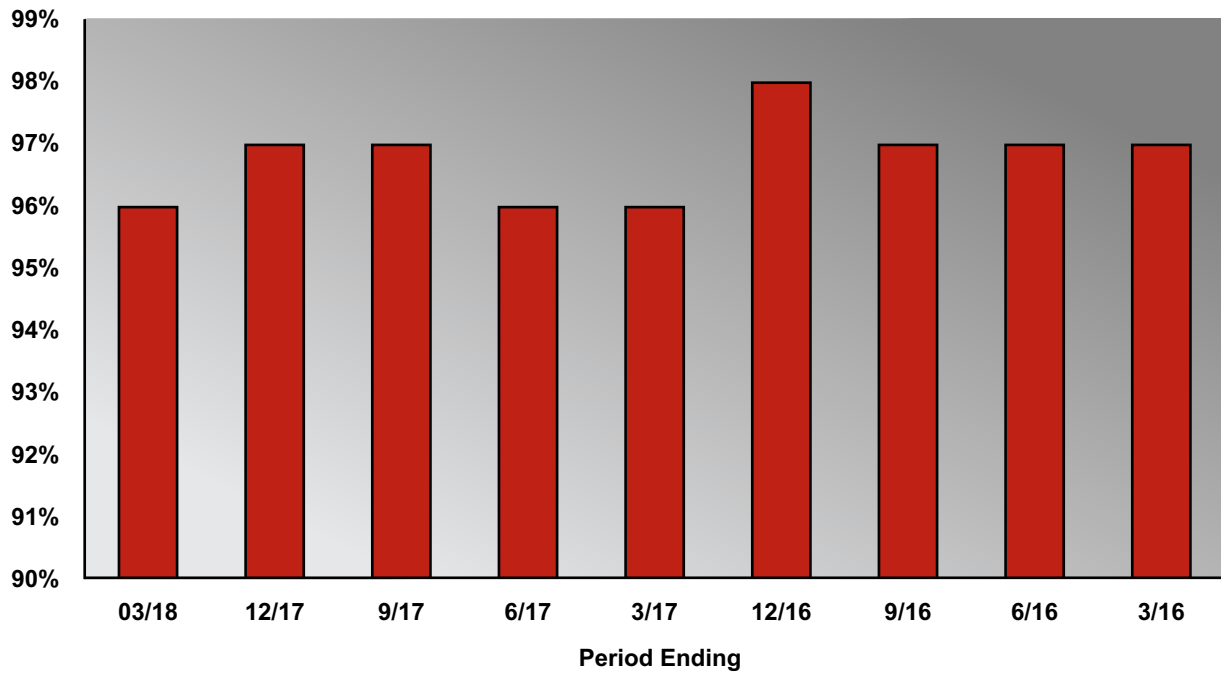
(4) Excludes the occupancy rate at our Daytona Beach outlet center which opened during the fourth quarter of 2016 and had not yet stabilized.

### Unconsolidated joint venture properties

Location	Total GLA 3/31/18	% Occupied 3/31/18	% Occupied 12/31/17	% Occupied 3/31/17
Charlotte, NC	397,857	99%	99%	97%
Columbus, OH	355,245	95%	97%	95%
Ottawa, ON	354,978	93%	95%	96%
Texas City, TX (Galveston/Houston)	352,705	96%	99%	97%
National Harbor, MD	341,156	95%	99%	96%
Cookstown, ON	307,779	98%	99%	97%
Bromont, QC	161,307	72%	72%	69%
Saint-Sauveur, QC	99,405	96%	96%	93%
<b>Total</b>	<b>2,370,432</b>	<b>94%</b>	<b>96%</b>	<b>94%</b> <sup>(1)</sup>

(1) Excludes the occupancy rate at our Columbus outlet center which opened in June 2016 and had not yet stabilized.

**Portfolio Occupancy at the End of Each Period <sup>(1)</sup>**



(1) Excludes unconsolidated outlet centers. See table on page 4.

## Average Tenant Sales Per Square Foot by Outlet Center Ranking As of March 31, 2018 <sup>(1)</sup>

Ranking <sup>(2)</sup>	12 Months SPSF	Period End Occupancy	Sq Ft (thousands)	% of Square Feet	% of Portfolio NOI <sup>(3)</sup>
<b>Consolidated Centers</b>					
Centers 1 - 5	\$ 525	97%	2,795	23%	30%
Centers 6 - 10	\$ 441	98%	1,703	14%	16%
Centers 11 - 15	\$ 392	98%	1,681	13%	13%
Centers 16 - 20	\$ 356	95%	1,684	13%	13%
Centers 21 - 25	\$ 322	95%	1,932	15%	14%
Centers 26 - 30	\$ 289	95%	1,554	12%	9%
Centers 31 - 35	\$ 256	93%	1,220	10%	5%

Ranking <sup>(2)</sup>	Cumulative 12 Months SPSF	Cumulative Period End Occupancy	Cumulative Sq Ft (thousands)	Cumulative % of Square Feet	Cumulative % of Portfolio NOI <sup>(3)</sup>
<b>Consolidated Centers</b>					
Centers 1 - 5	\$ 525	97%	2,795	23%	30%
Centers 1 - 10	\$ 493	97%	4,498	37%	46%
Centers 1 - 15	\$ 463	97%	6,179	50%	59%
Centers 1 - 20	\$ 438	97%	7,863	63%	72%
Centers 1 - 25	\$ 415	97%	9,795	78%	86%
Centers 1 - 30	\$ 397	96%	11,349	90%	95%
Centers 1 - 35	\$ 384	96%	12,569	100%	100%
<b>Unconsolidated centers <sup>(4)</sup></b>	\$ 447	97%	1,447	n/a	n/a
<b>Domestic centers <sup>(5)</sup></b>	\$ 391	96%	14,016	n/a	n/a

(1) Sales are based on reports for the trailing 12 months by retailers which have occupied outlet center stores for a minimum of 12 months. Sales per square foot are based on all stores less than 20,000 square feet in size. Centers are ranked by sales per square foot for the trailing twelve months ended March 31, 2018. Excludes outlet centers open less than 12 full calendar months and centers which have not yet stabilized (Fort Worth, Texas opened in October 2017).

(2) Outlet centers included in each ranking group above are as follows (in alphabetical order):

Centers 1 - 5:	Deer Park, NY	Mebane, NC	Rehoboth Beach, DE	Riverhead, NY	Sevierville, TN
Centers 6 - 10:	Branson, MO	Hilton Head I, SC	Lancaster, PA	Myrtle Beach 17, SC	Westgate (Glendale), AZ
Centers 11 - 15:	Charleston, SC	Grand Rapids, MI	Hershey, PA	Locust Grove, GA	Pittsburgh, PA
Centers 16 - 20:	Atlantic City, NJ	Gonzales, LA	Nags Head, NC	Park City, UT	San Marcos, TX
Centers 21 - 25:	Foley, AL	Foxwoods (Mashantucket), CT	Howell, MI	Savannah, GA	Southaven (Memphis), MS
Centers 26 - 30:	Commerce, GA	Daytona Beach, FL	Hilton Head II, SC	Myrtle Beach 501, SC	Ocean City, MD
Centers 31 - 34:	Blowing Rock, NC	Jeffersonville, OH	Terrell, TX	Tilton, NH	Williamsburg, IA

(3) Based on the Company's forecast of Portfolio NOI (see non-GAAP definitions). The Company's forecast is based on management's estimates as of March 31, 2018 and may be considered a forward-looking statement which is 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 general economic and real estate conditions. For a more detailed discussion of the factors that affect 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, 2017.

(4) Includes domestic outlet centers open 12 full calendar months (in alphabetical order):

Unconsolidated:	Charlotte, NC	Columbus, OH	National Harbor, MD	Texas City (Houston), TX
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(5) Includes consolidated portfolio and domestic unconsolidated joint ventures

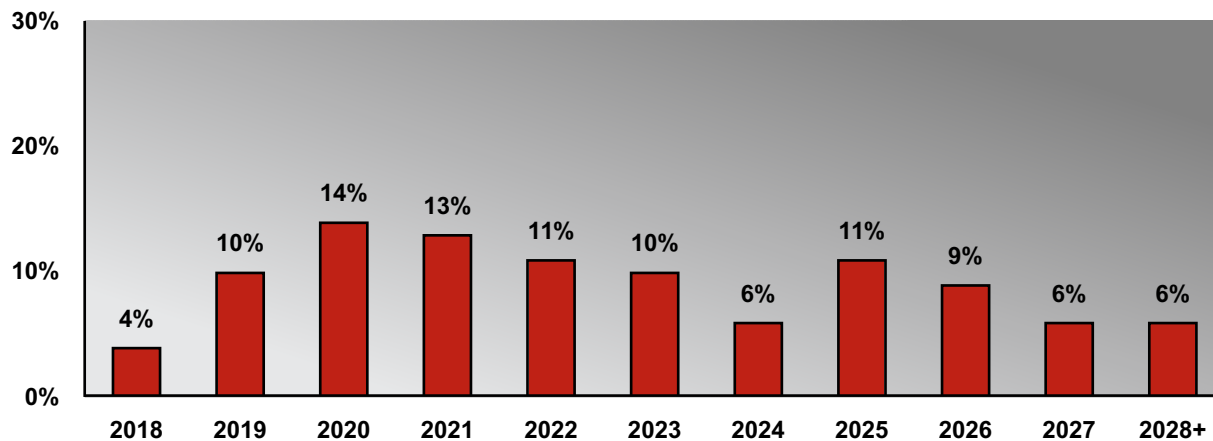


**Major Tenants <sup>(1)</sup>**  
**Ten Largest Tenants as of March 31, 2018**

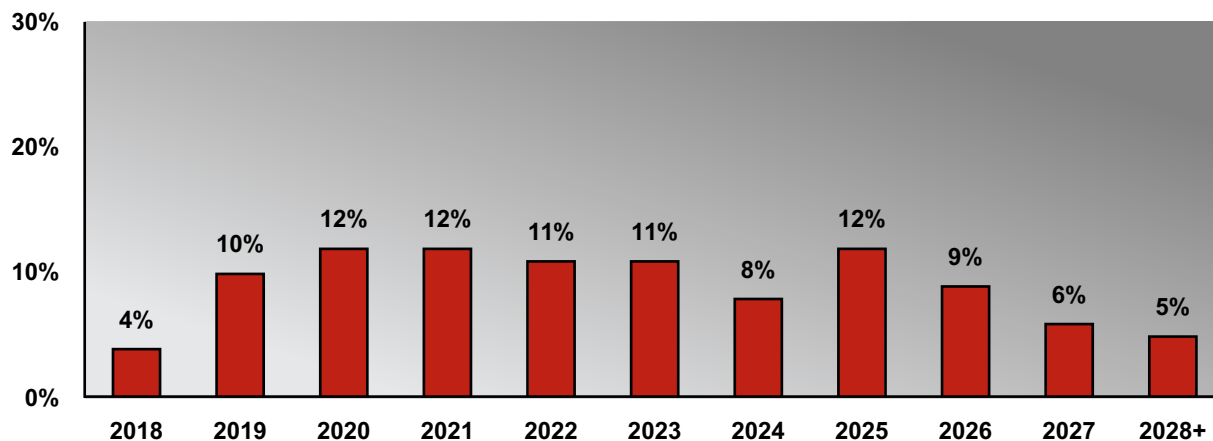
Tenant	# of Stores	GLA	% of Total GLA
The Gap, Inc.	97	1,022,648	7.9%
Ascena Retail Group, Inc.	145	876,450	6.8%
Nike, Inc.	44	468,184	3.6%
PVH Corp.	67	410,108	3.2%
H&M Hennes & Mauritz L.P.	19	407,342	3.2%
Ralph Lauren Corporation	38	376,855	2.9%
V. F. Corporation	44	363,290	2.8%
G-III Apparel Group, Ltd.	60	278,242	2.2%
Carter's, Inc.	61	263,056	2.0%
Under Armour, Inc.	33	257,396	2.0%
<b>Total of All Listed Above</b>	<b>608</b>	<b>4,723,571</b>	<b>36.6%</b>

(1) Excludes unconsolidated outlet centers. See table on page 4.

Percentage of Total Gross Leasable Area <sup>(1)</sup>



Percentage of Total Annualized Base Rent <sup>(1)</sup>



(1) Excludes unconsolidated outlet centers. See table on page 4.

## Leasing Activity <sup>(1)</sup>

	TTM ended	03/31/2018	03/31/2017
<b>Re-tenanted Space (terms greater than 12 months)<sup>(1)</sup>:</b>			
Number of leases		75	114
Gross leasable area		265,885	355,165
New initial rent per square foot	\$	40.13	\$ 37.29
Prior expiring rent per square foot	\$	37.54	\$ 33.15
Percent increase <sup>(2)</sup>		6.9 %	12.5%
New straight line rent per square foot	\$	44.46	\$ 42.12
Prior straight line rent per square foot	\$	36.68	\$ 32.11
Percent increase <sup>(2)</sup>		21.2 %	31.2%
<b>Renewed Space (terms greater than 12 months)<sup>(1)</sup>:</b>			
Number of leases		202	235
Gross leasable area		1,044,922	1,034,527
New initial rent per square foot	\$	29.52	\$ 31.77
Prior expiring rent per square foot	\$	28.47	\$ 28.92
Percent increase		3.7 %	9.9%
New straight line rent per square foot	\$	30.87	\$ 33.80
Prior straight line rent per square foot	\$	27.82	\$ 28.35
Percent increase		11.0 %	19.2%
<b>Total Re-tenanted and Renewed Space (terms greater than 12 months)<sup>(1)</sup>:</b>			
Number of leases		277	349
Gross leasable area		1,310,807	1,389,692
New initial rent per square foot	\$	31.67	\$ 33.18
Prior expiring rent per square foot	\$	30.31	\$ 30.00
Percent increase <sup>(2)</sup>		4.5 %	10.6%
New straight line rent per square foot	\$	33.63	\$ 35.93
Prior straight line rent per square foot	\$	29.62	\$ 29.31
Percent increase <sup>(2)</sup>		13.5 %	22.6%
<b>Total Re-tenanted and Renewed Space (all terms)<sup>(3)</sup>:</b>			
Number of leases		338	398
Gross leasable area		1,568,408	1,598,567
New initial rent per square foot	\$	30.17	\$ 32.04
Prior expiring rent per square foot	\$	30.31	\$ 29.56
Percent increase <sup>(2)</sup>		(0.5)%	8.4%
New straight line rent per square foot	\$	31.80	\$ 34.43
Prior straight line rent per square foot	\$	29.53	\$ 28.91
Percent increase <sup>(2)</sup>		7.7 %	19.1%

(1) Represents change in rent (base rent and common area maintenance) for leases for a term of more than 12 months for new stores that opened or renewals that started during the respective trailing twelve month periods within the consolidated portfolio

(2) Excludes leases related to re-merchandising projects (see rent spreads including these leases on the following page)

(3) Represents change in rent (base rent and common area maintenance) for all leases for new stores that opened or renewals that started during the respective trailing twelve month periods within the consolidated portfolio, except for license agreements, seasonal tenants, and month-to-month leases

## Leasing Activity Including Re-merchandising Projects

	TTM ended	03/31/2018	03/31/2017
Number of leases related to re-merchandising projects		8	1
Gross leasable area of these leases		146,211	19,002
<hr/>			
<b>Re-tenanted Space (terms greater than 12 months)<sup>(1)</sup>:</b>			
Cash basis		(2.5)%	10.4%
Straight-line basis		8.9 %	28.2%
<b>Total Re-tenanted and Renewed Space (terms greater than 12 months)<sup>(1)</sup>:</b>			
Cash basis		1.8 %	10.0%
Straight-line basis		10.3 %	21.8%
<hr/>			
<b>Re-tenanted Space (all terms)<sup>(2)</sup>:</b>			
Cash basis		(3.9)%	9.5%
Straight-line basis		7.3 %	26.9%
<b>Total Re-tenanted and Renewed Space (all terms)<sup>(2)</sup>:</b>			
Cash basis		(2.4)%	7.9%
Straight-line basis		5.3 %	18.4%

(1) Represents change in rent (base rent and common area maintenance) for leases for a term of more than 12 months for new stores that opened or renewals that started during the respective trailing twelve month periods within the consolidated portfolio

(2) Represents change in rent (base rent and common area maintenance) for all leases for new stores that opened or renewals that started during the respective trailing twelve month periods within the consolidated portfolio, except for license agreements, seasonal tenants, and month-to-month leases

**Consolidated Balance Sheets (dollars in thousands)**

	March 31, 2018	December 31, 2017
<b>Assets</b>		
Rental property:		
Land	\$ 279,978	\$ 279,978
Buildings, improvements and fixtures	2,810,980	2,793,638
Construction in progress	615	14,854
	3,091,573	3,088,470
Accumulated depreciation	(929,608)	(901,967)
Total rental property, net	2,161,965	2,186,503
Cash and cash equivalents	3,427	6,101
Investments in unconsolidated joint ventures	114,304	119,436
Deferred lease costs and other intangibles, net	127,493	132,061
Prepays and other assets	98,669	96,004
<b>Total assets</b>	<b>\$ 2,505,858</b>	<b>\$ 2,540,105</b>
<b>Liabilities and Equity</b>		
<b>Liabilities</b>		
Debt:		
Senior, unsecured notes, net	\$ 1,135,230	\$ 1,134,755
Unsecured term loan, net	323,082	322,975
Mortgages payable, net	90,109	99,761
Unsecured lines of credit, net	223,634	206,160
Total debt	1,772,055	1,763,651
Accounts payable and accrued expenses	66,405	90,416
Other liabilities	73,907	73,736
<b>Total liabilities</b>	<b>1,912,367</b>	<b>1,927,803</b>
Commitments and contingencies		
<b>Equity</b>		
<b>Tanger Factory Outlet Centers, Inc.:</b>		
Common shares, \$.01 par value, 300,000,000 shares authorized, 94,382,583 and 94,560,536 shares issued and outstanding at March 31, 2018 and December 31, 2017, respectively	944	946
Paid in capital	776,753	784,782
Accumulated distributions in excess of net income	(194,416)	(184,865)
Accumulated other comprehensive loss	(19,623)	(19,285)
<b>Equity attributable to Tanger Factory Outlet Centers, Inc.</b>	<b>563,658</b>	<b>581,578</b>
<b>Equity attributable to noncontrolling interests:</b>		
Noncontrolling interests in Operating Partnership	29,833	30,724
Noncontrolling interests in other consolidated partnerships	—	—
<b>Total equity</b>	<b>593,491</b>	<b>612,302</b>
<b>Total liabilities and equity</b>	<b>\$ 2,505,858</b>	<b>\$ 2,540,105</b>

Consolidated Statements of Operations (in thousands, except per share data)

	Three months ended March 31,	
	2018	2017
<b>Revenues:</b>		
Base rentals	\$ 81,533	\$ 80,330
Percentage rentals	1,429	1,855
Expense reimbursements	38,280	36,598
Management, leasing and other services	613	579
Other income	1,680	2,006
<b>Total revenues</b>	<b>123,535</b>	<b>121,368</b>
<b>Expenses:</b>		
Property operating	42,218	40,387
General and administrative	11,112	11,412
Abandoned pre-development costs	—	627
Depreciation and amortization	33,123	31,294
<b>Total expenses</b>	<b>86,453</b>	<b>83,720</b>
<b>Operating income</b>	<b>37,082</b>	<b>37,648</b>
<b>Other income (expense):</b>		
Interest expense	(15,800)	(16,487)
Other non-operating income	209	35
<b>Income before equity in earnings of unconsolidated joint ventures</b>	<b>21,491</b>	<b>21,196</b>
Equity in earnings of unconsolidated joint ventures	2,194	2,318
<b>Net income</b>	<b>23,685</b>	<b>23,514</b>
Noncontrolling interests in Operating Partnership	(1,217)	(1,178)
Noncontrolling interests in other consolidated partnerships	370	—
<b>Net income attributable to Tanger Factory Outlet Centers, Inc.</b>	<b>22,838</b>	<b>22,336</b>
Allocation of earnings to participating securities	(263)	(295)
<b>Net income available to common shareholders of Tanger Factory Outlet Centers, Inc.</b>	<b>\$ 22,575</b>	<b>\$ 22,041</b>
<b>Basic earnings per common share:</b>		
Net income	\$ 0.24	\$ 0.23
<b>Diluted earnings per common share:</b>		
Net income	\$ 0.24	\$ 0.23

## Unconsolidated Joint Venture Information

The following table details certain information as of March 31, 2018, except for Net Operating Income ("NOI") which is for the three months ended March 31, 2018, about various unconsolidated real estate joint ventures in which we have an ownership interest (dollars in millions):

Joint Venture	Center Location	Tanger's Ownership %	Square Feet	Tanger's Share of Total Assets	Tanger's Share of NOI	Tanger's Share of Net Debt <sup>(1)</sup>
Charlotte	Charlotte, NC	50.0%	397,857	\$ 41.1	\$ 1.7	\$ 44.9
Columbus	Columbus, OH	50.0%	355,245	42.9	1.2	42.3
Galveston/Houston	Texas City, TX	50.0%	352,705	25.0	1.0	39.7
National Harbor	National Harbor, MD	50.0%	341,156	46.0	1.2	43.3
RioCan Canada <sup>(2)</sup>	Various	50.0%	923,469	117.3	1.8	5.3
<b>Total</b>			<b>2,370,432</b>	<b>\$ 272.3</b>	<b>\$ 6.9</b>	<b>\$ 175.5</b>

(1) Net of debt origination costs and premiums.

(2) Includes a 161,307 square foot center in Bromont, Quebec; a 307,779 square foot center in Cookstown, Ontario; a 354,978 square foot center in Ottawa, Ontario; and a 99,405 square foot center in Saint-Sauveur, Quebec.

**Debt Outstanding Summary**  
**As of March 31, 2018**  
(dollars in thousands)

	Total Debt Outstanding	Our Share of Debt	Stated Interest Rate	End of Period Effective Interest Rate <sup>(1)</sup>	Maturity Date <sup>(2)</sup>	Weighted Average Years to Maturity <sup>(2)</sup>
<b>Consolidated Debt:</b>						
<b>Unsecured debt:</b>						
Unsecured lines of credit <sup>(3)</sup>	\$ 227,600	\$ 227,600	LIBOR + 0.875%	2.76%	10/31/2022	4.6
2023 Senior unsecured notes	250,000	250,000	3.875%	4.08%	12/1/2023	5.7
2024 Senior unsecured notes	250,000	250,000	3.75%	3.82%	12/1/2024	6.7
2026 Senior unsecured notes	350,000	350,000	3.125%	3.19%	9/1/2026	8.4
2027 Senior unsecured notes	300,000	300,000	3.875%	3.93%	7/15/2027	9.3
Unsecured term loan	325,000	325,000	LIBOR + 0.95%	2.11%	4/13/2021	3.0
Net debt discounts and debt origination costs	(20,654)	(20,654)				
<b>Total net unsecured debt</b>	<b>1,681,946</b>	<b>1,681,946</b>		<b>3.32%</b>		<b>6.4</b>
<b>Secured mortgage debt:</b>						
Atlantic City, NJ	36,682	36,682	5.14% - 7.65%	5.05%	11/15/2021 - 12/8/2026	6.6
Southaven, MS	51,400	51,400	LIBOR + 1.80%	4.14%	4/29/2023	5.1
Debt premium and debt origination costs	2,027	2,027				
<b>Total net secured mortgage debt</b>	<b>90,109</b>	<b>90,109</b>		<b>4.52%</b>		<b>5.7</b>
<b>Total consolidated debt</b>	<b>1,772,055</b>	<b>1,772,055</b>		<b>3.38%</b>		<b>6.3</b>
<b>Unconsolidated JV debt:</b>						
Charlotte	90,000	45,000	LIBOR + 1.45%	3.33%	11/24/2019	1.7
Columbus	85,000	42,500	LIBOR + 1.65%	3.53%	11/28/2021	3.7
Galveston/Houston	80,000	40,000	LIBOR + 1.65%	3.53%	7/1/2022	4.3
National Harbor	87,000	43,500	LIBOR + 1.65%	3.53%	11/13/2019	1.6
RioCan Canada	10,297	5,149	5.75%	4.18%	5/10/2020	2.1
Debt premium and debt origination costs	(1,281)	(641)				
<b>Total unconsolidated JV net debt</b>	<b>351,016</b>	<b>175,508</b>		<b>3.50%</b>		<b>2.7</b>
<b>Total</b>	<b>\$ 2,123,071</b>	<b>\$ 1,947,563</b>		<b>3.40%</b>		<b>5.8</b>

(1) The effective interest rate includes the impact of discounts and premiums and interest rate swap agreements, as applicable. See page 17 for additional details.

(2) Includes applicable extensions available at our option.

(3) The Company has unsecured lines of credit that provide for borrowings of up to \$600.0 million. The unsecured lines of credit include a \$20.0 million liquidity line and a \$580.0 million syndicated line. A 15 basis point facility fee is due annually on the entire committed amount of each facility. The syndicated line may be increased up to \$1.2 billion through an accordion feature in certain circumstances.



**Summary of Our Share of Fixed and Variable Rate Debt**  
**As of March 31, 2018**  
(dollars in thousands)

	Total Debt %	Our Share of Debt	End of Period Effective Interest Rate	Average Years to Maturity <sup>(1)</sup>
<b>Consolidated:</b>				
Fixed <sup>(2)</sup>	87%	\$ 1,537,313	3.42%	6.6
Variable	13%	234,742	3.13%	4.6
	100%	1,772,055	3.38%	6.3
<b>Unconsolidated Joint ventures:</b>				
Fixed	3%	\$ 5,309	4.18%	2.1
Variable	97%	170,199	3.48%	2.8
	100%	175,508	3.50%	2.7
<b>Total:</b>				
Fixed	79%	1,542,622	3.43%	6.6
Variable	21%	404,941	3.34%	3.5
<b>Total share of debt</b>	<b>100%</b>	<b>\$ 1,947,563</b>	<b>3.40%</b>	<b>5.8</b>

(1) Includes applicable extensions available at our option.

(2) The effective interest rate includes interest rate swap agreements that fix the base LIBOR rate at a weighted average of 1.30% on notional amounts aggregating \$365.0 million as follows:

- (a) Interest rate swaps entered into in October 2013 to hedge our variable interest rate exposure on notional amounts aggregating \$150.0 million. These interest rate swap agreements fix the base LIBOR rate at an average of 1.30% through August 14, 2018, and
- (b) Interest rate swaps entered into in April 2016 to hedge our variable interest rate exposure on notional amounts aggregating \$175.0 million. These interest rate swap agreements fix the base LIBOR rate at an average of 1.03% through January 1, 2021,
- (c) In March 2018, the consolidated joint venture that owns the Tanger outlet center in Southaven, Mississippi, entered into an interest rate swap, effective March 1, 2018, that fixed the base LIBOR rate at 2.47% on a notional amount of \$40.0 million through January 31, 2021.

**Future Scheduled Principal Payments (dollars in thousands)<sup>(1)</sup>**  
**As of March 31, 2018**

Year	Tanger Consolidated Payments	Tanger's Share of Unconsolidated JV Payments	Total Scheduled Payments
2018	\$ 2,404	\$ 223	\$ 2,627
2019	3,369	88,813	92,182
2020	3,566	4,613	8,179
2021	330,793	42,500	373,293
2022 <sup>(2)</sup>	232,036	40,000	272,036
2023	306,168	—	306,168
2024	255,140	—	255,140
2025	1,501	—	1,501
2026	355,705	—	355,705
2027	300,000	—	300,000
	<b>\$ 1,790,682</b>	<b>\$ 176,149</b>	<b>\$ 1,966,831</b>
Net debt discounts and debt origination costs	(18,627)	(641)	(19,268)
	<b>\$ 1,772,055</b>	<b>\$ 175,508</b>	<b>\$ 1,947,563</b>

(1) Includes applicable extensions available at our option.

(2) Includes principal balance of \$227.6 million outstanding under the Company's unsecured lines of credit.

**Senior Unsecured Notes Financial Covenants <sup>(1)</sup>**  
**As of March 31, 2018**

	Required	Actual	Compliance
Total Consolidated Debt to Adjusted Total Assets	<60%	51%	Yes
Total Secured Debt to Adjusted Total Assets	<40%	3%	Yes
Total Unencumbered Assets to Unsecured Debt	>150%	185%	Yes
Consolidated Income Available for Debt Service to Annual Debt Service Charge	>1.5	5.12	Yes

(1) For a complete listing of all debt covenants related to the Company's Senior Unsecured Notes, as well as definitions of the above terms, please refer to the Company's filings with the Securities and Exchange Commission.

## NON-GAAP SUPPLEMENTAL MEASURES

### Funds From Operations

Funds From Operations ("FFO") is a widely used measure of the operating performance for real estate companies that supplements net income (loss) determined in accordance with GAAP. We determine FFO based on the definition set forth by the National Association of Real Estate Investment Trusts ("NAREIT"), of which we are a member. FFO represents net income (loss) (computed in accordance with GAAP) before extraordinary items and gains (losses) on sale or disposal of depreciable operating properties, plus depreciation and amortization of real estate assets, impairment losses on depreciable real estate of consolidated real estate and after adjustments for unconsolidated partnerships and joint ventures, including depreciation and amortization, and impairment losses on investments in unconsolidated joint ventures driven by a measurable decrease in the fair value of depreciable real estate held by the unconsolidated joint ventures.

FFO is intended to exclude historical cost depreciation of real estate as required by GAAP which assumes that the value of real estate assets diminishes ratably over time. Historically, however, real estate values have risen or fallen with market conditions. Because FFO excludes depreciation and amortization of real estate assets, gains and losses from property dispositions and extraordinary items, it provides a performance measure that, when compared year over year, reflects the impact to operations from trends in occupancy rates, rental rates, operating costs, development activities and interest costs, providing perspective not immediately apparent from net income.

We present FFO because we consider it an important supplemental measure of our operating performance. In addition, a portion of cash bonus compensation to certain members of management is based on our FFO or Adjusted Funds From Operations ("AFFO"), which is described in the section below. We believe it is useful for investors to have enhanced transparency into how we evaluate our performance and that of our management. In addition, FFO is frequently used by securities analysts, investors and other interested parties in the evaluation of REITs, many of which present FFO when reporting their results. FFO is also widely used by us and others in our industry to evaluate and price potential acquisition candidates. NAREIT has encouraged its member companies to report their FFO as a supplemental, industry-wide standard measure of REIT operating performance.

FFO has significant limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

- FFO does not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- FFO does not reflect changes in, or cash requirements for, our working capital needs;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and FFO does not reflect any cash requirements for such replacements;
- FFO, which includes discontinued operations, may not be indicative of our ongoing operations; and
- Other companies in our industry may calculate FFO differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, FFO should not be considered as a measure of discretionary cash available to us to invest in the growth of our business or our dividend paying capacity. We compensate for these limitations by relying primarily on our GAAP results and using FFO only as a supplemental measure.

### Adjusted Funds From Operations

We present AFFO as a supplemental measure of our performance. We define AFFO as FFO further adjusted to eliminate the impact of certain items that we do not consider indicative of our ongoing operating performance. These further adjustments are itemized in the table below. You are encouraged to evaluate these adjustments and the reasons we consider them appropriate for supplemental analysis. In evaluating AFFO you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in this presentation. Our presentation of AFFO should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items.

We present AFFO because we believe it assists investors and analysts in comparing our performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. In addition, we believe it is useful for investors to have enhanced transparency into how we evaluate management's performance and the effectiveness of our business strategies. We use AFFO when certain material, unplanned transactions occur as a factor in evaluating management's performance and to evaluate the effectiveness of our business strategies, and may use AFFO when determining incentive compensation.

AFFO has limitations as an analytical tool. Some of these limitations are:

- AFFO does not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- AFFO does not reflect changes in, or cash requirements for, our working capital needs;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and AFFO does not reflect any cash requirements for such replacements;
- AFFO does not reflect the impact of certain cash charges resulting from matters we consider not to be indicative of our ongoing operations; and
- Other companies in our industry may calculate AFFO differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, AFFO should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. We compensate for these limitations by relying primarily on our GAAP results and using AFFO only as a supplemental measure.

### **Funds Available for Distribution**

Funds Available for Distribution ("FAD") is a non-GAAP financial measure that we define as FFO, excluding corporate depreciation, amortization of finance costs, amortization of net debt discount (premium), amortization of share-based compensation, straight line rent amounts, market rent amounts, less 2nd generation tenant allowances, capital improvement expenditures, and our share of the items listed above for our unconsolidated joint ventures. Investors, analysts and the Company utilize FAD as an indicator of common dividend potential. The FAD payout ratio, which represents regular distributions to common shareholders and unit holders of the Operating Partnership expressed as a percentage of FAD, facilitates the comparison of dividend coverage between REITs.

We believe that net income (loss) is the most directly comparable GAAP financial measure to FAD. FAD does not represent cash generated from operating activities in accordance with GAAP and should not be considered as an alternative to net income (loss) as an indication of our performance or to cash flows as a measure of liquidity or our ability to make distributions. Other companies in our industry may calculate FAD differently than we do, limiting its usefulness as a comparative measure.

### **Portfolio Net Operating Income and Same Center Net Operating Income**

We present portfolio net operating income ("Portfolio NOI") and same center net operating income ("Same Center NOI") as supplemental measures of our operating performance. Portfolio NOI represents our property level net operating income which is defined as total operating revenues less property operating expenses and excludes termination fees and non-cash adjustments including straight-line rent, net above and below market rent amortization and gains or losses on the sale of outparcels recognized during the periods presented. We define Same Center NOI as Portfolio NOI for the properties that were operational for the entire portion of both comparable reporting periods and which were not acquired, or subject to a material expansion or non-recurring event, such as a natural disaster, during the comparable reporting periods.

We believe Portfolio NOI and Same Center NOI are non-GAAP metrics used by industry analysts, investors and management to measure the operating performance of our properties because they provide performance measures directly related to the revenues and expenses involved in owning and operating real estate assets and provide a perspective not immediately apparent from net income, FFO or AFFO. Because Same Center NOI excludes properties developed, redeveloped, acquired and sold; as well as non-cash adjustments, gains or losses on the sale of outparcels and termination rents; it highlights operating trends such as occupancy levels, rental rates and operating costs on properties that were operational for both comparable periods. Other REITs may use different methodologies for calculating Portfolio NOI and Same Center NOI, and accordingly, our Portfolio NOI and Same Center NOI may not be comparable to other REITs.

Portfolio NOI and Same Center NOI should not be considered alternatives to net income (loss) or as an indicator of our financial performance since they do not reflect the entire operations of our portfolio, nor do they reflect the impact of general and administrative expenses, acquisition-related expenses, interest expense, depreciation and amortization costs, other non-property income and losses, the level of capital expenditures and leasing costs necessary to maintain the operating performance of our properties, or trends in development and construction activities which are significant economic costs and activities that could materially impact our results from operations. Because of these limitations, Portfolio NOI and Same Center NOI should not be viewed in isolation or as a substitute for performance measures calculated in accordance with GAAP. We compensate for these limitations by relying primarily on our GAAP results and using Portfolio NOI and Same Center NOI only as supplemental measures.

## Non-GAAP Pro Rata Balance Sheet and Income Statement Information

The pro rata balance sheet and pro rata income statement information is not, and is not intended to be, a presentation in accordance with GAAP. The pro rata balance sheet and pro rata income statement information reflect our proportionate economic ownership of each asset in our portfolio that we do not wholly own. These assets may be found in the table found earlier in this report entitled, "Unconsolidated Joint Venture Information." The amounts in the column labeled "Pro Rata Portion Unconsolidated Joint Ventures" were derived on a property-by-property basis by applying to each financial statement line item the ownership percentage interest used to arrive at our share of net income or loss during the period when applying the equity method of accounting. A similar calculation was performed for the amounts in the column labeled "Pro Rata Portion Noncontrolling interests."

We do not control the unconsolidated joint ventures and the presentations of the assets and liabilities and revenues and expenses do not represent our legal claim to such items. The operating agreements of the unconsolidated joint ventures generally provide that partners may receive cash distributions (1) quarterly, to the extent there is available cash from operations, (2) upon a capital event, such as a refinancing or sale or (3) upon liquidation of the venture. The amount of cash each partner receives is based upon specific provisions of each operating agreement and vary depending on factors including the amount of capital contributed by each partner and whether any contributions are entitled to priority distributions. Upon liquidation of the joint venture and after all liabilities, priority distributions and initial equity contributions have been repaid, the partners generally would be entitled to any residual cash remaining based on the legal ownership percentage shown in the table found earlier in this report entitled "Unconsolidated Joint Venture Information".

We provide pro rata balance sheet and income statement information because we believe it assists investors and analysts in estimating our economic interest in our unconsolidated joint ventures when read in conjunction with the Company's reported results under GAAP. The presentation of pro rata financial information has limitations as an analytical tool. Some of these limitations include:

- The amounts shown on the individual line items were derived by applying our overall economic ownership interest percentage determined when applying the equity method of accounting and do not necessarily represent our legal claim to the assets and liabilities, or the revenues and expenses; and
- Other companies in our industry may calculate their pro rata interest differently than we do, limiting the usefulness as a comparative measure.

Because of these limitations, the pro rata balance sheet and income statement information should not be considered in isolation or as a substitute for our financial statements as reported under GAAP. We compensate for these limitations by relying primarily on our GAAP results and using the pro rata balance sheet and income statement information only supplementally.

**Reconciliation of Net Income to FFO and AFFO (dollars and shares in thousands)**

	Three months ended	
	March 31,	
	2018	2017
<b>Net income</b>	<b>\$ 23,685</b>	<b>\$ 23,514</b>
Adjusted for:		
Depreciation and amortization of real estate assets - consolidated	32,542	30,855
Depreciation and amortization of real estate assets - unconsolidated joint ventures	3,229	3,838
<b>FFO</b>	<b>59,456</b>	<b>58,207</b>
FFO attributable to noncontrolling interests in other consolidated partnerships	370	—
Allocation of earnings to participating securities	(477)	(512)
<b>FFO available to common shareholders <sup>(1)</sup></b>	<b>\$ 59,349</b>	<b>\$ 57,695</b>
As further adjusted for:		
Abandoned pre-development costs	—	627
Impact of above adjustments to the allocation of earnings to participating securities	—	(5)
<b>AFFO available to common shareholders <sup>(1)</sup></b>	<b>\$ 59,349</b>	<b>\$ 58,317</b>
<b>FFO available to common shareholders per share - diluted <sup>(1)</sup></b>	<b>\$ 0.60</b>	<b>\$ 0.58</b>
<b>AFFO available to common shareholders per share - diluted <sup>(1)</sup></b>	<b>\$ 0.60</b>	<b>\$ 0.58</b>

**Weighted Average Shares:**

Basic weighted average common shares	93,644	95,245
Effect of outstanding options and restricted common shares	—	66
<b>Diluted weighted average common shares (for earnings per share computations)</b>	<b>93,644</b>	<b>95,311</b>
Exchangeable operating partnership units	4,996	5,028
<b>Diluted weighted average common shares (for FFO and AFFO per share computations) <sup>(1)</sup></b>	<b>98,640</b>	<b>100,339</b>

(1) Assumes the Class A common limited partnership units of the Operating Partnership held by the noncontrolling interests are exchanged for common shares of the Company. Each Class A common limited partnership unit is exchangeable for one of the Company's common shares, subject to certain limitations to preserve the Company's REIT status.

**Reconciliation of FFO to FAD (dollars and shares in thousands)**

	Three months ended	
	March 31,	
	2018	2017
<b>FFO available to common shareholders</b>	<b>\$ 59,349</b>	<b>\$ 57,695</b>
Adjusted for:		
Corporate depreciation excluded above	581	439
Amortization of finance costs	783	878
Amortization of net debt discount (premium)	101	125
Amortization of equity-based compensation	3,392	3,292
Straight line rent adjustment	(1,948)	(1,705)
Market rent adjustment	562	722
2 <sup>nd</sup> generation tenant allowances	(2,926)	(3,379)
Capital improvements	(2,723)	(5,910)
Adjustments from unconsolidated joint ventures	(271)	(524)
<b>FAD available to common shareholders <sup>(1)</sup></b>	<b>\$ 56,900</b>	<b>\$ 51,633</b>
<b>Dividends per share</b>	<b>\$ 0.3425</b>	<b>\$ 0.3250</b>
<b>FFO payout ratio</b>	<b>57%</b>	<b>56%</b>
<b>FAD payout ratio</b>	<b>59%</b>	<b>64%</b>
<b>Diluted weighted average common shares <sup>(1)</sup></b>	<b>98,640</b>	<b>100,339</b>

(1) Assumes the Class A common limited partnership units of the Operating Partnership held by the noncontrolling interests are exchanged for common shares of the Company. Each Class A common limited partnership unit is exchangeable for one of the Company's common shares, subject to certain limitations to preserve the Company's REIT status.

**Reconciliation of Net Income to Portfolio NOI and Same Center NOI for the consolidated portfolio (in thousands)**

	Three months ended	
	2018	2017
<b>Net income</b>	<b>\$ 23,685</b>	<b>\$ 23,514</b>
Adjusted to exclude:		
Equity in earnings of unconsolidated joint ventures	(2,194)	(2,318)
Interest expense	15,800	16,487
Other non-operating income	(209)	(35)
Depreciation and amortization	33,123	31,294
Other non-property expenses	432	311
Abandoned pre-development costs	—	627
Corporate general and administrative expenses	11,023	11,277
Non-cash adjustments <sup>(1)</sup>	(1,367)	(963)
Termination rents	(1,051)	(1,184)
<b>Portfolio NOI</b>	<b>79,242</b>	<b>79,010</b>
Non-same center NOI <sup>(2)</sup>	(4,215)	(2,856)
<b>Same Center NOI</b>	<b>\$ 75,027</b>	<b>\$ 76,154</b>

(1) Non-cash items include straight-line rent, above and below market rent amortization and gains or losses on outparcel sales.

(2) Excluded from Same Center NOI:

Outlet centers opened:		Outlet centers sold:		Outlet center expansions:	
Fort Worth	October 2017	Westbrook	May 2017	Lancaster	September 2017



**Non-GAAP Pro Rata Balance Sheet Information as of March 31, 2018 (in thousands)**

	Non-GAAP Pro Rata Portion Unconsolidated Joint Ventures <sup>(1)</sup>
<b>Assets</b>	
Rental property:	
Land	\$ 47,069
Buildings, improvements and fixtures	250,105
Construction in progress	1,547
	<b>298,721</b>
Accumulated depreciation	(49,307)
<b>Total rental property, net</b>	<b>249,414</b>
Cash and cash equivalents	9,924
Deferred lease costs and other intangibles, net	5,203
Prepays and other assets	7,780
<b>Total assets</b>	<b>\$ 272,321</b>
<b>Liabilities and Owners' Equity</b>	
<b>Liabilities</b>	
Mortgages payable, net	\$ 175,508
Accounts payable and accruals	5,645
<b>Total liabilities</b>	<b>181,153</b>
<b>Owners' equity</b>	<b>91,168</b>
<b>Total liabilities and owners' equity</b>	<b>\$ 272,321</b>

- (1) The carrying value of our investments in unconsolidated joint ventures as reported in our Consolidated Balance Sheet differs from our pro rata share of the net assets shown above due to adjustments to the book basis, including intercompany profits on sales of services that are capitalized by the unconsolidated joint ventures. The differences in basis totaled \$4.1 million as of March 31, 2018 and are being amortized over the various useful lives of the related assets.

**Non-GAAP Pro Rata Statement of Operations Information year to date March 31, 2018 (in thousands)**

	Non-GAAP Pro Rata Portion	
	Noncontrolling Interests	Unconsolidated Joint Ventures
<b>Revenues:</b>		
Base rentals	\$ —	\$ 6,789
Percentage rentals	—	526
Expense reimbursements	—	4,568
Other income	—	115
<b>Total revenues</b>	<b>—</b>	<b>11,998</b>
<b>Expense:</b>		
Property operating	—	4,964
General and administrative	—	99
Depreciation and amortization	—	3,229
<b>Total expenses</b>	<b>—</b>	<b>8,292</b>
<b>Operating income</b>	<b>—</b>	<b>3,706</b>
<b>Other income (expense):</b>		
Interest expense	—	(1,538)
Other nonoperating income	370	26
<b>Net income</b>	<b>\$ 370</b>	<b>\$ 2,194</b>

## Investor Information

Tanger Outlet Centers welcomes any questions or comments from shareholders, analysts, investment managers, media and prospective investors. Please address all inquiries to our Investor Relations Department.

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