Section 1: 8-K (8-K)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

Current Report Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (date of earliest event reported): May 1, 2018

TANGER FACTORY OUTLET CENTERS, INC.

(Exact name of registrant as specified in its charter)

North Carolina	1-11986	56-1815473
(State or other jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

3200 Northline Avenue, Greensboro, North Carolina 27408

(Address of principal executive offices) (Zip Code)

(336) 292-3010

(Registrants' telephone number, including area code)

N/A

(former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 Results of Operations and Financial Condition

On May 1, 2018, Tanger Factory Outlet Centers, Inc. (the "Company") issued a press release announcing its results of operations and financial condition as of and for the quarter ended March 31, 2018. A copy of the Company's press release is hereby furnished as Exhibit 99.1 to this report on Form 8-K. The information contained in this report on Form 8-K, including Exhibit 99.1, shall not be deemed "filed" with the Securities and Exchange Commission nor incorporated by reference in any registration statement filed by the Company under the Securities Act of 1933, as amended, unless specified otherwise.

Item 7.01 Regulation FD Disclosure

On May 1, 2018, the Company made publicly available on its website, www.tangeroutlet.com, certain supplemental operating and financial information for the quarter ended March 31, 2018. This supplemental operating and financial information is hereby attached to this current report as Exhibit 99.2. The information contained in this report on Form 8-K, including Exhibit 99.2, shall not be deemed "filed" with the Securities and Exchange Commission nor incorporated by reference in any registration statement filed by the Company under the Securities Act of 1933, as amended, unless specified otherwise. The information found on, or otherwise accessible through, the Company's website is not incorporated into, and does not form a part of, this current report on Form 8-K or any other report or document the Company files with or furnishes to the United States Securities and Exchange Commission.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

The following exhibits are included with this Report:

Exhibit No.	
99.1	Press release announcing the results of operations and financial condition of the Company as of and for the quarter ended March 31, 2018.
99.2	Supplemental operating and financial information of the Company as of and for the quarter ended March 31, 2018.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: May 1, 2018

TANGER FACTORY OUTLET CENTERS, INC.

By: /s/ James F. Williams
James F. Williams
Senior Vice President, Chief Financial Officer

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Section 2: EX-99.1 (EXHIBIT 99.1)

EXHIBIT 99.1

News Release

TANGER REPORTS FIRST QUARTER RESULTS

Net Income Per Share Increased 4%

FFO Per Share Grew 3%
Dividend Raised for 25th Consecutive Year
Updates 2018 Guidance

Greensboro, NC, May 1, 2018, Tanger Factory Outlet Centers, Inc. (NYSE:SKT) today reported financial and operating results for the three months ended March 31, 2018.

First Quarter Financial Results and Key Highlights

- Net income available to common shareholders increased 4% to $0.24 per share, or $22.6 million, compared to $0.23 per share, or $22.0 million, for the prior year period
- Funds from operations ("FFO") available to common shareholders grew 3% to $0.60 per share, or $59.3 million, compared to $0.58 per share, or $57.7 million, for the prior year period
- Raised the annual common share cash dividend by 2.2% to $1.40 per share, marking the 25th consecutive year the annual cash dividend was raised, representing a three-year cumulative growth rate of 22%
- Repurchased approximately 444,000 common shares for total consideration of approximately $10.0 million

FFO and Adjusted Funds from Operations ("AFFO") are widely accepted supplemental non-GAAP financial measures used in the real estate industry to measure and compare the operating performance of real estate companies. Complete reconciliations containing adjustments from GAAP net income to FFO and AFFO are included in this release. Per share amounts for net income, FFO and AFFO are on a diluted basis.

“Our outlet centers continue to perform well, as demonstrated by consistent traffic and strong sales, and a long and successful record of delivering steady NOI growth over Tanger's extensive history," said Steven B. Tanger, Chief Executive Officer. “One of the keys to our success is maintaining highly occupied outlet centers. A proven and successful strategy we have deployed to support this initiative is to selectively utilize leases of 12 months or less throughout various retail cycles in order to preserve potential revenue upside. The percentage of leases in this category today remains within our historical average. Based on our ongoing discussions with tenants and prospects, we remain confident in our growth opportunities for future years. With an unwavering emphasis on creating long-term value for shareholders, we are committed to keeping our centers vibrant and allocating our capital prudently, with the intent to continue to grow our dividend while maintaining a strong payout ratio, execute our share repurchase program, and continue to reduce variable rate debt.”

Operating Metrics

For the quarter ended March 31, 2018, the Company's portfolio results were as follows:

- Portfolio NOI for the consolidated portfolio increased 0.3% from the prior year quarter
- Same Center NOI for the consolidated portfolio decreased 1.5% from the prior year quarter, due primarily to 2017 and 2018 store closures and inclement weather during the first quarter of 2018
- Consolidated portfolio occupancy rate was 95.9% on March 31, 2018, compared 96.2% on March 31, 2017
- Commenced leases for the trailing twelve months that were renewed or released for a term of more than twelve months achieved a 13.5% increase in blended average rental rates, excluding the impact of strategic re-merchandising activities. For additional detail on leasing activity see pages 11 and 12 in the Company's Supplemental Operating and Financial Data package.
- Lease termination fees, which are excluded from Same Center NOI and Portfolio NOI, totaled $1.1 million and $1.2 million for the consolidated portfolio for the first quarters of 2018 and 2017, respectively
- Average tenant sales productivity for the consolidated portfolio was $384 per square foot for the twelve months ended March 31, 2018, compared to $380 per square foot in the comparable prior year period
- Same center tenant sales performance for the overall portfolio increased 1.7% for the twelve months ended March 31, 2018 compared to the twelve months ended March 31, 2017
- Occupancy cost ratio for the trailing twelve months ended March 31, 2017 was 10.0%

Same Center NOI and Portfolio NOI are supplemental non-GAAP financial measures of our operating performance. Complete definitions of Same Center NOI and Portfolio NOI and a reconciliation to the nearest comparable GAAP measure are included in this release.

Leasing Activity

Commenced leases for the trailing twelve months ended March 31, 2018 that were renewed or released for a term of 12 months or more included 277 leases totaling approximately 1.3 million square feet. Total commenced leases for the trailing twelve months ended March 31, 2018 that were renewed or released for all terms, included 338 leases totaling approximately 1.6 million square feet.

Tanger recaptured approximately 37,000 square feet within its consolidated portfolio during first quarter of 2018 related to bankruptcies and brand-wide restructurings by retailers, compared to 62,000 square feet during the first quarter of 2017. The Company currently expects to recapture an additional 72,000 square feet during the second quarter of 2018, approximately 41,000 square feet of which closed during April 2018.

Balance Sheet and Capital Market Activity

- Repurchased approximately 444,000 common shares during the first quarter at a weighted average price of $22.52 per share for total consideration of approximately $10.0 million, leaving $65.7 million remaining under Tanger's $125 million share repurchase authorization, which is valid through May 2019
- Raised the annual common share cash dividend by 2.2% to $1.40 per share, marking the 25th consecutive year the annual cash dividend was raised, representing a three-year cumulative growth rate of 22%
- Amended the unsecured lines of credit on January 9, 2018, increasing the borrowing capacity to $600.0 million from $520.0 million, extending maturity to October 2021 from October 2019 plus a one-year extension option, and reducing the interest rate spread over LIBOR to 0.875% from 0.900%
- Total enterprise value was $4.0 billion and debt-to-enterprise value ratio was 45%
- Total outstanding floating rate debt was $239 million, representing 13% of total consolidated debt outstanding, or about 6% of total enterprise value
- Unused capacity under the Company's $600 million unsecured lines of credit was 62%, or $366 million
- Weighted average interest rate was 3.4% and weighted average term to maturity of outstanding consolidated debt, including extension options, was approximately 6.3 years
- Approximately 94% of the Company's consolidated square footage was unencumbered by mortgages
- Interest coverage ratio was 4.4 times for the first quarter 2018, compared to 4.2 times for the first quarter 2017

Earnings Guidance for 2018

The Company is updating its guidance for 2018, primarily due to a revision of average occupancy expectations, as a result of the store closures caused by tenant bankruptcies, the effect of a harsh winter in the first quarter of 2018, and select rent adjustments to maintain high occupancy. Based on this updated outlook, management currently believes its net income and FFO for 2018 will be as follows:

For the year ended December 31, 2018:	Current		Prior	
	Low Range	High Range	Low Range	High Range
Estimated diluted net income per share	$0.95	$1.01	$1.02	$1.08
Noncontrolling interest, depreciation and amortization of real estate assets including noncontrolling interest share and our share of unconsolidated joint ventures	1.45	1.45	1.41	1.41
Estimated diluted FFO per share	$2.40	$2.46	$2.43	$2.49

Tanger's estimates reflect the following adjustments to key assumptions:

- Portfolio NOI growth for the consolidated portfolio between (0.5)% and 0.5%, compared to the prior range of 0.5% and 1.5%
- Same Center NOI guidance for the consolidated portfolio between (2.5)% and (1.5)%, compared to the prior range of (1.0)% and 0.0% reflecting the following:

- Projected average occupancy for the year is expected to be between 95.0% and 95.5%, down from the Company's previous forecast of approximately 96.0%
- Projected 2018 store closings totaling between 150,000 and 175,000 square feet for the consolidated portfolio, increased from the original expectation of approximately 100,000 square feet
- The impact of lease modifications and renewals with terms of 12 months or less commencing in 2017 and 2018, which the Company strategically executed to preserve upside potential and maintain high occupancy
- Higher non-reimbursed snow removal expenses in the first quarter and reduced estimates for variable rents due to the center closings caused by winter storms

- Projected full year lease termination fees (which are not included in Same Center NOI) of approximately $1.5 million for the consolidated portfolio, compared to the prior estimate of $1.0 million
- The Company's share of interest expense in the unconsolidated portfolio of $6.5 million to $7.5 million, compared to the prior range of $6.0 to $7.0 million
- 2018 weighted average diluted common shares of approximately 93.2 million for earnings per share and 98.2 million for FFO per share, compared to the prior estimates of 93.1 million and 98.1 million, respectively
- Combined recurring capital expenditures and second generation tenant allowances of approximately $35 million to $40 million

The following assumptions remain unchanged compared to the Company's initial guidance:

- Tenant sales remain stable
- Average general and administrative expense of between $11.1 million and $11.5 million per quarter
- Interest expense for the year for the consolidated portfolio of $64.0 million to $66.0 million
- Does not include the impact of any additional financing activity, the sale of any outparcels, properties or joint venture interests, or the acquisition of any properties or joint venture partner interests

First Quarter Conference Call

Tanger will host a conference call to discuss its first quarter results for analysts, investors and other interested parties on Wednesday, May 2, 2018, at 10:00 a.m. Eastern Time. To access the conference call, listeners should dial 1-877-277-5113 and provide conference ID # 8985977 to be connected to the Tanger Factory Outlet Centers First Quarter 2018 Financial Results call. Alternatively, the call will be web cast by S&P Global Market Intelligence and can be accessed at Tanger's web site, investors.tangeroutlets.com. A telephone replay of the call will be available from May 2, 2018 at 1:00 p.m. through May 11, 2018 at 11:59 p.m. by dialing 1-855-859-2056, conference ID # 8985977. An online archive of the web cast will also be available through May 11, 2018.

About Tanger Factory Outlet Centers, Inc.

Tanger Factory Outlet Centers, Inc. (NYSE:SKT), is a publicly-traded REIT headquartered in Greensboro, North Carolina that operates and owns, or has an ownership interest in, a portfolio of 44 upscale outlet shopping centers. Tanger's operating properties are located in 22 states coast to coast and in Canada, totaling approximately 15.3 million square feet leased to over 3,100 stores operated by more than 490 different brand name companies. The Company has more than 37 years of experience in the outlet industry. Tanger Outlet Centers continue to attract more than 189 million shoppers annually. Tanger is furnishing a Form 8-K with the Securities and Exchange Commission that includes a supplemental information package for the quarter ended March 31, 2018. For more information on Tanger Outlet Centers, call 1-800-4TANGER or visit the Company's web site at www.tangeroutlets.com.

Safe Harbor Statement

This news release contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and includes this statement for purposes of complying with the safe harbor provisions. Forward-looking statements, which are based on certain assumptions and describe the Company's future plans, strategies and expectations, are generally identifiable by use of the words “believe,” “expect,” “intend,” “anticipate,” “estimate,” “project,” “will,” “forecast” or similar expressions.

You should not rely on forward-looking statements since they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond the Company's control and could materially affect actual results, performances or achievements. Factors which may cause actual results to differ materially from current expectations include, but are not limited to, (i) the risks associated with general economic and real estate conditions in the United States and Canada, (ii) adverse changes in governmental laws and regulations, (iii) the Company's ability to meet its obligations on existing indebtedness, reduce variable rate debt, or refinance existing indebtedness on favorable terms, (iv) the availability and cost of capital, (v) the valuation of marketable securities and other investments, (vi) increases in operating costs, (vii) whether the Company's regular evaluation of acquisition and disposition opportunities results in any consummated transactions, and whether or not any such consummated transaction results in an increase or decrease in liquidity, net income, FFO or AFFO, (viii) whether projects in our pipeline convert into successful developments, (ix) the Company's ability to lease its properties, (x) the Company's ability to implement its plans and strategies for joint venture properties that it does not fully control, (xi) the reduction in the Company's income in the event of multiple lease terminations by tenants or a failure by multiple tenants to occupy their premises in a shopping center, (xii) impairment charges, (xiii) the ability of tenants to continue paying their rent obligations due to bankruptcy, insolvency or a general downturn in their business, (xiv) adverse weather conditions, including hurricanes, and other natural disasters, (xv) the Company's ability to pay dividends at current levels, (xvi) competition, and (xvii) the risks and uncertainties identified under Item 1A, “Risk Factors” in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017 as may be updated or supplemented in the Company's Quarterly Reports on Form 10-Q and the Company's other filings with the SEC. Accordingly, there is no assurance that the Company's expectations will be realized. The Company disclaims any intention or obligation to update the forward-looking statements, whether as a result of new information, future events or otherwise. You are advised to refer to any further disclosures the Company makes or related subjects in the Company's Current Reports on Form 8-K that the Company files with the SEC.

Contact Information

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TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)
(Unaudited)

	Three months ended March 31, 2018	Three months ended March 31, 2017
Revenues:		
Base rentals (a)	$ 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
Total revenues	123,535	121,368
Expenses:		
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
Total expenses	86,453	83,720
Operating income	**37,082**	**37,648**
Other income (expense):		
Interest expense	(15,800)	(16,487)
Other non-operating income	209	35
Income before equity in earnings of unconsolidated joint ventures	**21,491**	**21,196**
Equity in earnings of unconsolidated joint ventures	2,194	2,318
Net income	**23,685**	**23,514**
Noncontrolling interests in Operating Partnership	(1,217)	(1,178)
Noncontrolling interests in other consolidated partnerships	370	—
Net income attributable to Tanger Factory Outlet Centers, Inc.	**22,838**	**22,336**
Allocation of earnings to participating securities	(263)	(295)
Net income available to common shareholders of Tanger Factory Outlet Centers, Inc.	**$ 22,575**	**$ 22,041**
Basic earnings per common share:		
Net income	$ 0.24	$ 0.23
Diluted earnings per common share:		
Net income	$ 0.24	$ 0.23

a. Includes straight-line rent and market rent adjustments of $1,450 and $1,098 for the three months ended March 31, 2018 and 2017, respectively.

TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)
(Unaudited)

	March 31, 2018	December 31, 2017
Assets		
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
Prepaids and other assets	98,669	96,004
Total assets	**$ 2,505,858**	**$ 2,540,105**
Liabilities and Equity		
Liabilities		
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
Total liabilities	**1,912,367**	**1,927,803**
Commitments and contingencies		
Equity		
Tanger Factory Outlet Centers, Inc.:		
Common shares, $.01 par value, 300,000,000 shares authorized, 94,382,583 and 94,560,536 shares issued and outstanding at March 31, 2018 and December 31, 2017, respectively	944	946
Paid in capital	776,753	784,782
Accumulated distributions in excess of net income	(194,416)	(184,865)
Accumulated other comprehensive loss	(19,623)	(19,285)
Equity attributable to Tanger Factory Outlet Centers, Inc.	**563,658**	**581,578**
Equity attributable to noncontrolling interests:		
Noncontrolling interests in Operating Partnership	29,833	30,724
Noncontrolling interests in other consolidated partnerships	—	—
Total equity	**593,491**	**612,302**
Total liabilities and equity	**$ 2,505,858**	**$ 2,540,105**

TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES
CENTER INFORMATION
(Unaudited)

	March 31, 2018	March 31, 2017
Gross leasable area open at end of period (in thousands):		
Consolidated	12,920	12,710
Partially owned - unconsolidated	2,370	2,373
Outlet centers in operation at end of period:		
Consolidated	36	36
Partially owned - unconsolidated	8	8
States operated in at end of period (1)	22	22
Occupancy at end of period (1), (2)	95.9%	96.2%

(1) Excludes the centers in which we have ownership interests but are held in unconsolidated joint ventures.
(2) Excludes centers not yet stabilized at period end. The 2018 period excludes our Fort Worth outlet center (which opened during the fourth quarter of 2017 and the 2017 period excludes our Fort Worth outlet center and Daytona Beach outlet center (which opened during the fourth quarter of 2016).

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.

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.

TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP TO NON-GAAP SUPPLEMENTAL MEASURES
(in thousands, except per share)
(Unaudited)

Below is a reconciliation of net income to FFO and AFFO:

	Three months ended March 31,	
	2018	2017
Net income	**$ 23,685**	**$ 23,514**
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
FFO	**59,456**	**58,207**
FFO attributable to noncontrolling interests in other consolidated partnerships	370	—
Allocation of earnings to participating securities	(477)	(512)
FFO available to common shareholders [(1)]	**$ 59,349**	**$ 57,695**
As further adjusted for:		
Abandoned pre-development costs	—	627
Impact of above adjustments to the allocation of earnings to participating securities	—	(5)
AFFO available to common shareholders [(1)]	**$ 59,349**	**$ 58,317**
FFO available to common shareholders per share - diluted [(1)]	**$ 0.60**	**$ 0.58**
AFFO available to common shareholders per share - diluted [(1)]	**$ 0.60**	**$ 0.58**

Weighted Average Shares:

	2018	2017
Basic weighted average common shares	93,644	95,245
Effect of outstanding options and certain restricted common shares	—	66
Diluted weighted average common shares (for earnings per share computations)	**93,644**	**95,311**
Exchangeable operating partnership units	4,996	5,028
Diluted weighted average common shares (for FFO and AFFO per share computations) [(1)]	98,640	100,339

(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.

Below is a reconciliation of net income to Portfolio NOI and Same Center NOI for the consolidated portfolio:

	Three months ended March 31, 2018	Three months ended March 31, 2017
Net income	**$ 23,685**	**$ 23,514**
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 [1]	(1,367)	(963)
Termination rents	(1,051)	(1,184)
Portfolio NOI	**79,242**	**79,010**
Non-same center NOI [2]	(4,215)	(2,856)
Same Center NOI	**$ 75,027**	**$ 76,154**

(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

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Section 3: EX-99.2 (EXHIBIT 99.2)

Exhibit 99.2

TangerOutlets®

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

TangerOutlets

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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Section

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%
Total	**36**	**12,920,467**	**100%**

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%
Total	**8**	**2,370,432**	
Grand Total	**44**	**15,290,899**	

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 [1]	N/A	N/A	N/A	90%
Total	**12,920,467**	**96%** [2]	**97%** [3]	**96%** [4]

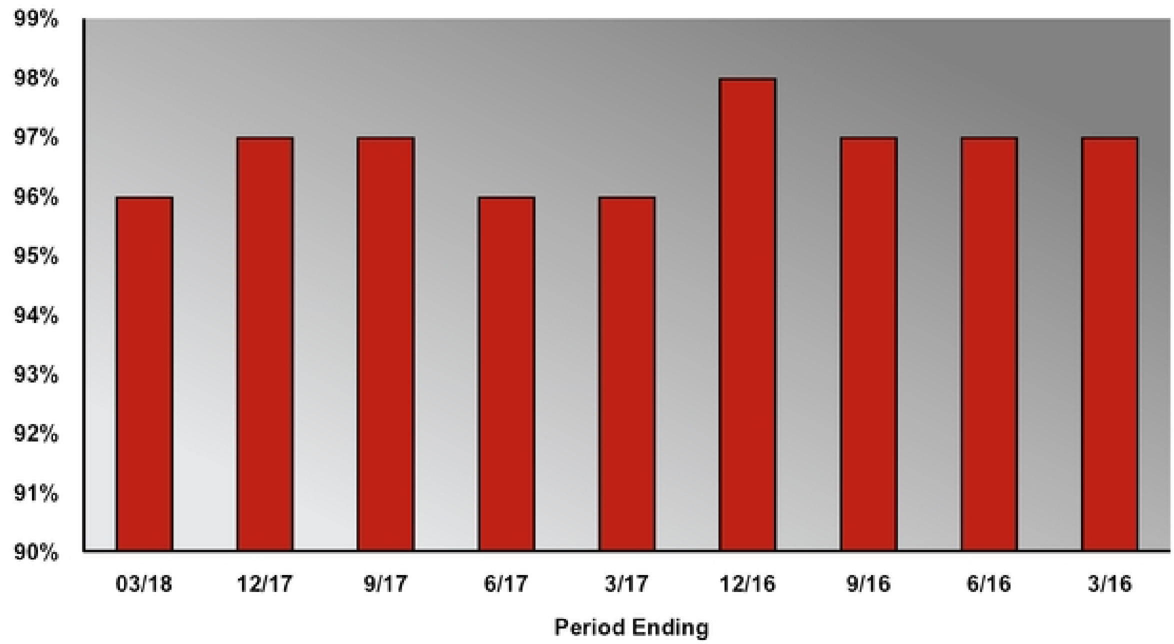
(1) Sold Westbrook outlet center in May 2017.
(2) Excludes the occupancy rate at our Fort Worth outlet center which opened during the fourth quarter of 2017 and has not yet stabilized.
(3) Excludes the occupancy rate at our Fort Worth and Daytona Beach outlet centers which opened during the fourth quarter 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%
Total	**2,370,432**	**94%**	**96%**	**94%** (1)

(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 [1]



(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 [1]

Ranking [2]		12 Months SPSF	Period End Occupancy	Sq Ft (thousands)	% of Square Feet	% of Portfolio NOI [3]
Consolidated Centers						
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 [2]		Cumulative 12 Months SPSF	Cumulative Period End Occupancy	Cumulative Sq Ft (thousands)	Cumulative % of Square Feet	Cumulative % of Portfolio NOI [3]
Consolidated Centers						
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%
Unconsolidated centers [4]	$	447	97%	1,447	n/a	n/a
Domestic centers [5]	$	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

(5) Includes consolidated portfolio and domestic unconsolidated joint ventures

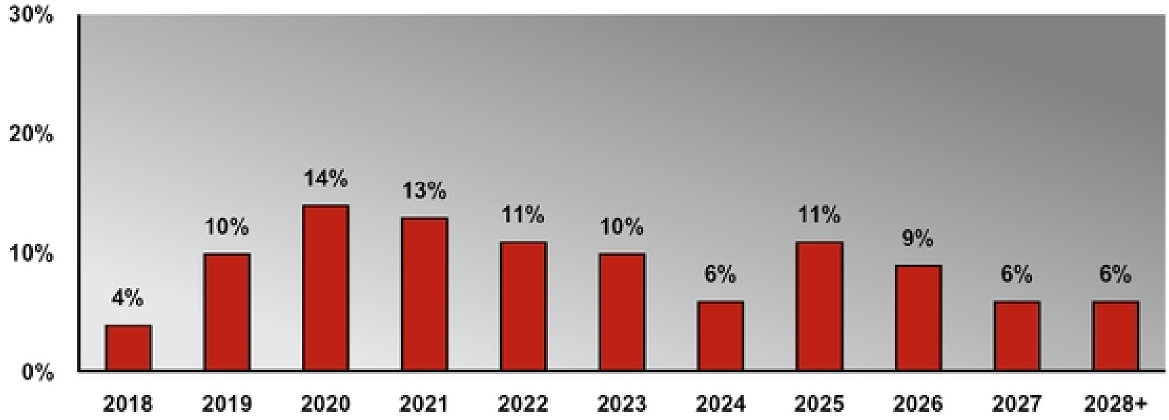
Major Tenants [1]
Ten Largest Tenants as of March 31, 2018

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%
Total of All Listed Above	**608**	**4,723,571**	**36.6%**

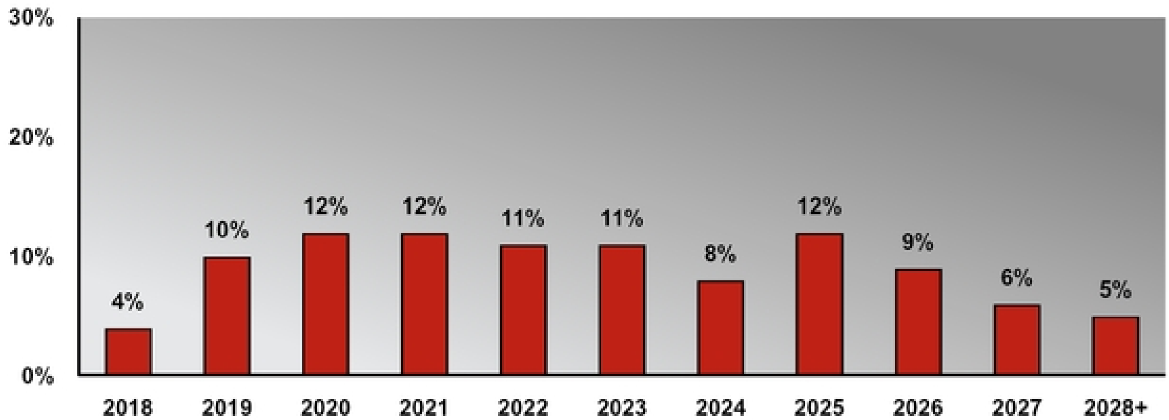
(1) Excludes unconsolidated outlet centers. See table on page 4.

Lease Expirations as of March 31, 2018

Percentage of Total Gross Leasable Area [(1)]



Percentage of Total Annualized Base Rent [(1)]



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

Leasing Activity [(1)]

TTM ended	03/31/2018	03/31/2017
Re-tenanted Space (terms greater than 12 months)[(1)]:		
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 [(2)]	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 [(2)]	21.2 %	31.2%
Renewed Space (terms greater than 12 months)[(1)]:		
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%
Total Re-tenanted and Renewed Space (terms greater than 12 months)[(1)]:		
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 [(2)]	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 [(2)]	13.5 %	22.6%
Total Re-tenanted and Renewed Space (all terms)[(3)]:		
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 [(2)]	(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 [(2)]	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, expect 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
Re-tenanted Space (terms greater than 12 months)[1]:		
Cash basis	(2.5)%	10.4%
Straight-line basis	8.9 %	28.2%
Total Re-tenanted and Renewed Space (terms greater than 12 months)[1]:		
Cash basis	1.8 %	10.0%
Straight-line basis	10.3 %	21.8%
Re-tenanted Space (all terms)[2]:		
Cash basis	(3.9)%	9.5%
Straight-line basis	7.3 %	26.9%
Total Re-tenanted and Renewed Space (all terms)[2]:		
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
Assets		
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
Prepaids and other assets	98,669	96,004
Total assets	**$ 2,505,858**	**$ 2,540,105**
Liabilities and Equity		
Liabilities		
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
Total liabilities	**1,912,367**	**1,927,803**
Commitments and contingencies		
Equity		
Tanger Factory Outlet Centers, Inc.:		
Common shares, $.01 par value, 300,000,000 shares authorized, 94,382,583 and 94,560,536 shares issued and outstanding at March 31, 2018 and December 31, 2017, respectively	944	946
Paid in capital	776,753	784,782
Accumulated distributions in excess of net income	(194,416)	(184,865)
Accumulated other comprehensive loss	(19,623)	(19,285)
Equity attributable to Tanger Factory Outlet Centers, Inc.	**563,658**	**581,578**
Equity attributable to noncontrolling interests:		
Noncontrolling interests in Operating Partnership	29,833	30,724
Noncontrolling interests in other consolidated partnerships	—	—
Total equity	**593,491**	**612,302**
Total liabilities and equity	**$ 2,505,858**	**$ 2,540,105**

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

	Three months ended March 31, 2018	Three months ended March 31, 2017
Revenues:		
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
Total revenues	123,535	121,368
Expenses:		
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
Total expenses	86,453	83,720
Operating income	**37,082**	**37,648**
Other income (expense):		
Interest expense	(15,800)	(16,487)
Other non-operating income	209	35
Income before equity in earnings of unconsolidated joint ventures	**21,491**	**21,196**
Equity in earnings of unconsolidated joint ventures	2,194	2,318
Net income	**23,685**	**23,514**
Noncontrolling interests in Operating Partnership	(1,217)	(1,178)
Noncontrolling interests in other consolidated partnerships	370	—
Net income attributable to Tanger Factory Outlet Centers, Inc.	**22,838**	**22,336**
Allocation of earnings to participating securities	(263)	(295)
Net income available to common shareholders of Tanger Factory Outlet Centers, Inc.	**$ 22,575**	**$ 22,041**
Basic earnings per common share:		
Net income	$ 0.24	$ 0.23
Diluted earnings per common share:		
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 (1)
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 (2)	Various	50.0%	923,469	117.3	1.8	5.3
Total			**2,370,432**	**$ 272.3**	**$ 6.9**	**$ 175.5**

(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[(1)]	Maturity Date [(2)]	Weighted Average Years to Maturity [(2)]
Consolidated Debt:						
Unsecured debt:						
Unsecured lines of credit[(3)]	$ 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)				
Total net unsecured debt	**1,681,946**	**1,681,946**		**3.32%**		**6.4**
Secured mortgage debt:						
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				
Total net secured mortgage debt	**90,109**	**90,109**		**4.52%**		**5.7**
Total consolidated debt	**1,772,055**	**1,772,055**		**3.38%**		**6.3**
Unconsolidated JV debt:						
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)				
Total unconsolidated JV net debt	**351,016**	**175,508**		**3.50%**		**2.7**
Total	**$ 2,123,071**	**$ 1,947,563**		**3.40%**		**5.8**

(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 [1]
Consolidated:					
Fixed [2]	87%	$	1,537,313	3.42%	6.6
Variable	13%		234,742	3.13%	4.6
	100%		1,772,055	3.38%	6.3
Unconsolidated Joint ventures:					
Fixed	3%	$	5,309	4.18%	2.1
Variable	97%		170,199	3.48%	2.8
	100%		175,508	3.50%	2.7
Total:					
Fixed	79%		1,542,622	3.43%	6.6
Variable	21%		404,941	3.34%	3.5
Total share of debt	**100%**	**$**	**1,947,563**	**3.40%**	**5.8**

(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)[1]
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[2]		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
	$	**1,790,682**	**$**	**176,149**	**$**	**1,966,831**
Net debt discounts and debt origination costs		(18,627)		(641)		(19,268)
	$	**1,772,055**	**$**	**175,508**	**$**	**1,947,563**

(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 [1]
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	Three months ended March 31, 2017
Net income	**$ 23,685**	**$ 23,514**
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
FFO	**59,456**	**58,207**
FFO attributable to noncontrolling interests in other consolidated partnerships	370	—
Allocation of earnings to participating securities	(477)	(512)
FFO available to common shareholders [(1)]	**$ 59,349**	**$ 57,695**
As further adjusted for:		
Abandoned pre-development costs	—	627
Impact of above adjustments to the allocation of earnings to participating securities	—	(5)
AFFO available to common shareholders [(1)]	**$ 59,349**	**$ 58,317**
FFO available to common shareholders per share - diluted [(1)]	**$ 0.60**	**$ 0.58**
AFFO available to common shareholders per share - diluted [(1)]	**$ 0.60**	**$ 0.58**

Weighted Average Shares:

	2018	2017
Basic weighted average common shares	93,644	95,245
Effect of outstanding options and restricted common shares	—	66
Diluted weighted average common shares (for earnings per share computations)	**93,644**	**95,311**
Exchangeable operating partnership units	4,996	5,028
Diluted weighted average common shares (for FFO and AFFO per share computations) [(1)]	98,640	100,339

(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	Three months ended March 31, 2017
FFO available to common shareholders	**$ 59,349**	**$ 57,695**
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
2nd generation tenant allowances	(2,926)	(3,379)
Capital improvements	(2,723)	(5,910)
Adjustments from unconsolidated joint ventures	(271)	(524)
FAD available to common shareholders [(1)]	**$ 56,900**	**$ 51,633**
Dividends per share	**$ 0.3425**	**$ 0.3250**
FFO payout ratio	**57%**	**56%**
FAD payout ratio	**59%**	**64%**
Diluted weighted average common shares [(1)]	**98,640**	**100,339**

(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 March 31, 2018	Three months ended March 31, 2017
Net income	**$ 23,685**	**$ 23,514**
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 (1)	(1,367)	(963)
Termination rents	(1,051)	(1,184)
Portfolio NOI	**79,242**	**79,010**
Non-same center NOI (2)	(4,215)	(2,856)
Same Center NOI	**$ 75,027**	**$ 76,154**

(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 [(1)]
Assets		
Rental property:		
Land	$	47,069
Buildings, improvements and fixtures		250,105
Construction in progress		1,547
		298,721
Accumulated depreciation		(49,307)
Total rental property, net		**249,414**
Cash and cash equivalents		9,924
Deferred lease costs and other intangibles, net		5,203
Prepaids and other assets		7,780
Total assets	**$**	**272,321**
Liabilities and Owners' Equity		
Liabilities		
Mortgages payable, net	$	175,508
Accounts payable and accruals		5,645
Total liabilities		**181,153**
Owners' equity		**91,168**
Total liabilities and owners' equity	**$**	**272,321**

(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
Revenues:		
Base rentals	$ —	$ 6,789
Percentage rentals	—	526
Expense reimbursements	—	4,568
Other income	—	115
Total revenues	**—**	**11,998**
Expense:		
Property operating	—	4,964
General and administrative	—	99
Depreciation and amortization	—	3,229
Total expenses	**—**	**8,292**
Operating income	—	3,706
Other income (expense):		
Interest expense	—	(1,538)
Other nonoperating income	370	26
Net income	**$ 370**	**$ 2,194**

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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Investor Relations

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