Carol: My name is Carol Kemple. I am a REIT analyst at Hilliard Lyons. Today I am here with the Tanger Factory Outlet Center senior management team. I am going to let Steven Tanger kick it off.

Jim: Please note that during this presentation some of management's comments will be forward looking statements that are subject to numerous risk and uncertainties. Actual results could differ materially from those projected. We direct you to the company's filings with the Securities and Exchange Commission for a detailed discussion of the risk and uncertainties. Management will also discuss non-GAAP financial measures as defined by SEC regulation G, including funds from operations, or FFO, adjusted funds from operations, or AFFO and same center net operating income. Reconciliation of these non-GAAP measures to the most directly comparable GAAP measure are included in our most recent quarterly report on form 10q for the period ended March 31st, 2016.

This webcast will be recorded for re-broadcast for a period of time in the future. As such, it is important to note that management's comments include time sensitive information that may only be accurate as of today's date June 7th, 2016.

Please go ahead Steve.

Steven: Thank you Jim. Tanger Outlets is the only publicly traded REIT specializing solely in development, leasing, marketing and operation of outlet centers in the United States and Canada. No other retail venue provides the unique combination of social experience, brand and merchandise variety, depth of in store product and consistent value that shoppers have come to expect from the outlet distribution channel. Formats like off price stores, department store clearance racks and online shopping all fall short on at least one of these three key ingredients that make outlet shopping so appealing to the consumer.

Whether millennials, moms, fashionistas or savers, Tanger Outlet shoppers know that they can get a great deal everyday with 80 to 90 brand name and designer stores to choose from each featuring a full product array. According to our shopper intercept studies, the median drive time to reach outlet centers in the Tanger portfolio is about 28 minutes. Over 185 million shoppers enjoy the social experience of shopping at Tanger Outlet Center in our upscale outlets with friends and family each year. Our popularity with consumers, the low occupancy cost of outlet stores and our reputation within the industry continue to drive retailer demand for space in Tanger Outlet Centers.

Our deep and long standing tenant relationships and our refined industry skill set have resulted in a proven track record of long term value creation for all of our stakeholders. Since starting the business in 1981, our average consolidated portfolio occupancy rate has been 95% or greater at the end of each year. Through the first quarter of 2016, our consolidated portfolio has posted 45 consecutive quarters of same center net operating income growth dating back to 2005 when we first began tracking this metric. Two thousand fifteen was another record year for Tanger characterized by the delivery of four new outlet centers with a weighted average unleveraged stabilized yield on cost of 10%. The strengthening of our core portfolio through the sale of several non-core assets. Best in class year end occupancy of 97.5% for our consolidated portfolio. And at 12.7% increase in adjusted funds from operation per share greater than any other high quality mall REIT. For the three year period ended December 31, 2015, our AFFO per share grew 35% cumulatively representing a compounded annual growth rate of 13%.

Two thousand sixteen is off to a great start with first quarter AFFO per share up 12% and quarter end occupancy at 96.6%. Blended straight line base rents increased 21.1% for space renewed or retenanted during the quarter. Consistent with the 20% plus rent spreads we have achieved in each of the last 5 calendar years. With occupancy that has historically been very high, our internal growth has largely been driven by increases in base rental rates related to the renewal and retenanting of leases. Our leases are at below market rents on average given our target occupancy cost ratio of new leases at 10 to 11% compared with our consolidated portfolio occupancy cost ratio for 2015 of just 9.3%. This is far below the mall REIT average of 12.9%. Our cash basis same center net operating income growth was 3.5% for 2015. Over the last 10 years has averaged 3.8%. Same center net operating income increased 4.4% during the first quarter of 2016 aided by lower snow removal expense compared to the first quarter of 2015.

Over the past several years we have successfully implemented a leasing strategy to give tenants fewer renewal options and to increase the number of leases with annual rent escalations. As we continue this strategy of capturing base rent growth throughout the lease term, we expect that over time embedded rent escalations will reduce our cost base rent spreads and become a more significant driver of our same center net operating income growth. Tenant sales within our consolidated portfolio were $401 per square foot for the trailing 12 months ended March 31, 2016. Sales average $538 per square foot for the top five centers which generate 34% of our consolidated portfolio NOI and $440 per square foot for the top two-thirds of our centers which generate about 81% of our consolidated portfolio NOI.

Comparing the sales productivity of outlet centers and malls is not quite an apples-to-apples comparison due to outlet price points being around 30% lower and because of the lower occupancy cost of outlet stores. Productivity of $400 per square foot is considered quite strong in the outlet sector. While there is not a scientific method to compare sales productivity, we believe grossing up outlet center sales based on an average outlet price discount of 30% is one way to put it into perspective. Using this methodology, outlet productivity of $400 per square foot would be equivalent to full price productivity of approximately $570 per square foot. Remember that our occupancy cost to tenants is 28% lower than the mall REIT average. Stores in Tanger Outlet Centers are very profitable for our retail partners.

On the external front, we have significantly expanded our core portfolio in recent years. The four new centers we delivered last year totaled $1.4 million square feet or about a 10% expansion of our total foot print at the beginning of 2015. Combined with a 7% foot print expansion in 2014, this has been one of the most rapid growth periods in our company's history. We believe these developments extend our proven track record of creating high quality outlet centers at yields well above our cost of capital and should create significant long term shareholder value.

Two thousand fifteen was a stellar year for expansion of our company and the outlet industry. Going forward we expect industry expansion to normalize to an expansion rate of about 5% or less. While we expect Tanger's external growth to revert to our long term delivery pace of one to two new centers each year. The two new centers, the two new outlet centers, that we plan to open this year are both under construction and are currently expected to generate a weighted average unleveraged, stabilized return on cost of more than 10%. Grand opening of the newest Tanger Outlet Center is scheduled for June 24, 2016 in Columbus, Ohio. This center is being developed through a 50-50 joint venture agreement with the Simon Property Group. For our wholly owned Daytona Beach, Florida project, we plan to open just in time for the 2016 holiday season. Other than these two new centers, only one other new center is expected to open within our entire industry in 2016 representing total industry growth of less than 2%.

Our pre-development and pre-leasing activities are gaining traction for our most recently announced project located in the greater Fort Worth, Texas market within the 279 acre Champion Circle mixed use development adjacent to the Texas Motor Speedway. Subject to obtaining all of the non-appealable permits and retailer commitments for at least 60% of the space, we plan to develop an approximately 350,000 square foot outlet center featuring over 70 upscale brand and designer outlet stores. In addition, we have a shadow pipeline of new development opportunities that we have not yet announced. All of which are currently in the pre-development stage.

The capacity for additional centers in this relatively small industry and our disciplined approach make development an ideal growth vehicle for Tanger. Compared to over 1,000 regional malls totaling about 1 billion square feet, there are only about 176 high quality outlet centers totaling about 70 million square feet in the United States. To put that into perspective, that is less than half the total retail space in the city of Chicago.

Financial stewardship is a hallmark of Tanger Outlets that we do not intend to change. We believe that over the long term disciplined balance sheet management and low leverage create greater returns to our shareholders. Managing a fortress balance sheet and investment grade credit ratings is our way of life. Our financial strategies include, maintaining low leverage and a manageable schedule of debt maturities, a preference for unsecured financing and maintaining significant capacity under our revolving credit facilities. Historically these strategies have resulted in access to multiple sources of capital providing flexibility throughout many economic and market cycles. We have paid an all cash dividend each of the 92 quarters and have increased our dividend each of the 23 years since becoming a public company in May 1993 and are now a constituent of the Standard and Poor's High Yield Dividend Aristocrat Index. In April 2016, our board of directors raised our annualized dividend by 14%. For the 3 year period ending December 31, 2015, our annualized dividend has grown 44% cumulative or 13% on a compounded annual growth rate. As of March 31, 2016, our total market capitalization was $5.2 billion. Our debt to total market capitalization ratio was 28.6%.

Subsequent financing activity strengthened our balance sheet further. In April we amended our $250 million unsecured term loan, increasing the facilities size to $325 million, extending the maturity date by more than 2 years from February 2019 to April 2021 and reducing the LIBOR spread from 105 basis points to 95 basis points. As a result, the next significant maturity on our balance sheet has now been pushed to June 2020. The $75 million in proceeds was used to pay down balances under our unsecured lines of credit.

In April we also entered into an interest rate swap agreement that fixed the base LIBOR rate at an average of 1.03% on $175 million in LIBOR denominated debt through January 1, 2021. Combined with derivatives that have been in place since October of 2013 that fix the base LIBOR rate at 1.3 on $150 million of LIBOR denominated debt through August 2018. The recent derivative transactions effectively lock the $325 million of our floated rate debt at an average interest rate of 2.1%. On a proforma basis, as if these transactions had occurred on March 31, 2016, our floating rate debt exposure would have been 21% of our outstanding debt and only 6% of our enterprise value.

Our availability under our lines of credit would have been $331 million dollars or 61% of the total line capacity. Our 2016 outlook is positive. Our AFFO per share guidance included in our most recent earning release represents growth of 3.6 to 6.3% over our 2015 AFFO per share. Excluding the 8 cents per share net dilute of impact of recent asset sales, our expected FFO growth rate would have been 7.2 to 9.9%.

We are optimistic about the future of our company and the outlet industry. The Tanger Outlet brand continues to garner the respect of both shoppers and retailers because there is no other retail format that compares to the outlet channel. There is no other outlet experience that compares to Tanger Outlet. I believe that. I am getting tired of reading. Outlet shopping is fashionable and shopper demand an outstanding shopping experience that provides a variety of brand and designer merchandise at value prices every day. The consumer demand along with the profitability of the outlet channel and our reputation as the industry leader is what continues to drive retailer demand for space in Tanger Outlets.

Now, I am happy to take any questions.

Carol: I'll throw one question out at you Steven. One of your peers talked about international tourism and the strong dollar hurting their portfolio recently. How has that impacted Tanger?

Steven: Well, first thank you Carol. Let me introduce my colleagues up here. Tom McDonough is our Chief Operating Officer. Jim Williams is our Chief Financial Officer. They will punch me under the table when I make a mistake so if I jump that is the reason why.

We have a portfolio that has been built over 35 years that attracts basically American tourists. Most of our centers are within an easy drive time of the bulk of the population in the United States. We do not experience the joy of extraordinarily high sales productivity when the dollar is weak and tourists from around the world come to the states and buy a disproportionate amount of product because it is on sale for them. We don't experience the negative effect when the dollar is strong and the foreign visitors don't come. We are a long term, stable, growing portfolio with consistent visitors each year from around this country and in Canada. As I said in my prepared remarks, we expect to host somewhere between 185 and 200 million shopping visits this year. Most of them will be from US citizens and people around our Canadian outlets. We have very little from our foreign visitor friends.

Carol: Thanks. If there are any questions feel free to step up to the microphone.

Speaker 4: You mentioned your target around occupancy rates having the sort of 10 to 11% range of [inaudible 00:20:58]. Historically, where was this occupancy cost [inaudible 00:21:03]?

Steven: About 5 years ago our occupancy cost was 7.3% so I think over a period of time we have increased that significantly. Look, occupancy cost is one metric. Taken out of context, it would give you a conclusion that would not be helpful to running your business. Our occupancy costs could go up 50% tomorrow magically if our tenant sales went down 25%. We don't want that to happen. We run the business looking at a lot of different metrics. Our occupancy cost has grown as we have been able to capture the embedded value in our portfolio over time. It is also as our tenant sales have grown consistently over time. We have been able to maintain this high occupancy of 97.5 to 98% because our tenants find us a very profitable distribution channel. That is the reason why we have been successful and hopefully the reason we will continue to be successful.

Carol: Lately there has been a lot of information how T.J. Maxx and Ross are doing really well with the bargain hunting experience. Why would retailers driver the 28 minutes to a Tanger Outlet when they can go to Ross or T.J. Maxx?

Steven: Well they are totally different shopping experiences. Our friends at T.J.X and at Ross stores have done a fabulous job building large networks of retail stores that are essentially off price retailers. If any of you have ever been to a T.J. Maxx store, it is a sea of rounders, a mass of product that's basically a treasure hunt. If you want, pick a designer name and you're a size sixteen and a half or whatever, you might not be able to find your size in the color you want and the brand you want.

The outlets is a totally different shopping experience. We have the largest assortment, color, sizes, the latest fashions in the brand names environment with the total display of that brand's product. As opposed to an off price retailer where you don't have any idea what the brand stands for. We are a different shopping distribution channel. Both are distribution channels. We are just different.

The outlet concept ... The business model of the outlet industry is simple and elegant. We created it 35 years ago. Our business model is brand and designers selling direct to the consumer. You cut out the middle man and you cut out the middle man's profit. T.J.X and Ross are the middle men. The outlets you buy direct from the manufacturer. The best quality at the best price at the best assortment.

Carol: Are there any other questions?

Speaker 5: Could you talk about your relationship with Simon? I know you have done joint ventures with the sharp shooters occasionally but can you talk a little bit about your relationship with Simon? Do you continue to do additional deals with Simon in the future and that relationship?

Steven: We have two operating partnerships with the Simon Property Group. We have tremendous respect for the business that they have built. They are highly professional. We are highly professional. The different groups within our companies have meshed well. We have gone through the development cycle on these two properties and are about to open in a couple of weeks our third property with Simon. When you go through a development project where you're dealing with public meetings, different agendas, different constituents and then the leasing challenge and the construction challenge and the operating challenge and the marketing challenge, you get to know your partners really well. We are continually impressed with our partner and how sophisticated and how smart they are. They add value. We add value. We're just honored to be a partner with them. We have nothing, right now, in the development pipeline as our fourth deal. We would welcome that but there is nothing as of today.

Carol: Probably have time for another question. Go ahead.

Speaker 6: How are the Canadian outlet centers compared to U.S. average and why aren't there plans to significantly expand in Canada?

Steven: We are a conservative developer. I know that is kind of an oxymoron for most of you. We went into Canada only because we were able to find the largest, most sophisticated, most talented public REIT RIOCAN as our 50-50 partner. We have developed and now bought outlet centers in three of the largest markets in Canada, Toronto, Quebec and Ottawa. We are just now entering our second year. We want to test these centers before we expand our presence. The tests are going well. The properties are expanding nicely. Actually, we have expanded a couple of them. Before we add to our investment and continue to develop in other markets, we want to just be sure the Canadians love the outlet concept as much as the Americans do.

I am sorry, I don't remember the second part.

Speaker 6: How does sales compare?

Steven: I'm sorry?

Speaker 6: How do the tenant sales at those Canadian centers compare?

Steven: We don't announce sales at individual markets but on balance the centers in Canada do a little bit higher per square foot volume than the ones in the states. Keep in mind the per capita retail space in Canada is significantly less than per capita in the states. There is a scarcity value in Canada when you open up a new center.

Carol: Do we have any closing comments from management?

Steven: We just appreciate you all coming to hear what we have to say. We are just getting warmed up. If you want to come visit with us, we are in suite 31A. Thank you.