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): July 26, 2016

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))

Item 2.02 Results of Operations and Financial Condition

On July 26, 2016, 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 June 30, 2016. 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 July 26, 2016, the Company made publicly available on its website, www.tangeroutlet.com, certain supplemental operating and financial information for the quarter ended June 30, 2016. 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 99.1	Press release announcing the results of operations and financial condition of the Company as of and for the quarter ended June 30, 2016.
Exhibit 99.2	Supplemental operating and financial information of the Company as of and for the quarter ended June 30, 2016.

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: July 26, 2016

TANGER FACTORY OUTLET CENTERS, INC.

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

EXHIBIT INDEX

Exhibit No.	
99.1	Press release announcing the results of operations and financial condition of the Company as of and for the quarter ended June 30, 2016.
99.2	Supplemental operating and financial information of the Company as of and for the quarter ended June 30, 2016.

EXHIBIT 99.1

News Release

TANGER REPORTS SECOND QUARTER 2016 RESULTS

Raises Net Income and AFFO Guidance and

Reports Strong Same Center NOI Growth

Greensboro, NC, July 26, 2016, Tanger Factory Outlet Centers, Inc. (NYSE:SKT) today reported net income available to common shareholders for the three months ended June 30, 2016 increased 192.3% to $0.76 per share, or $72.7 million, from $0.26 per share, or $24.2 million, for the three months ended June 30, 2015. Net income available to common shareholders for the six months ended June 30, 2016 increased 67.7% to $1.04 per share, or $99.5 million, from $0.62 per share, or $58.3 million, for the six months ended June 30, 2015. Net income for the three and six months ended June 30, 2016 was positively impacted by a $49.3 million gain on our previously held joint venture interest related to the acquisition of our partners' ownership interests in Tanger Outlets Westgate, an upscale outlet center located in Glendale, Arizona, and for the six months ended June 30, 2016 was also positively impacted by a $4.9 million gain recognized on the sale of the Company's outlet center located in Fort Myers, Florida in January 2016. Net income available to common shareholders for six months ended June 30, 2015 was positively impacted by a $13.7 million gain on the sale of the Company's 50% ownership interest in the Wisconsin Dells, Wisconsin joint venture in February 2015.

Adjusted funds from operations ("AFFO") available to common shareholders for the three months ended June 30, 2016 increased 9.3% to $0.59 per share, or $59.4 million, from $0.54 per share, or $54.1 million, for the three months ended June 30, 2015. For the six months ended June 30, 2016, AFFO available to common shareholders increased 10.6% to $1.15 per share, or $115.2 million, from $1.04 per share, or $103.9 million, for the six months ended June 30, 2015. Funds from operations ("FFO") and 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 to AFFO are included in this release. Net income, FFO and AFFO per share are on a diluted basis.

"We continued to execute our multi-faceted long-term growth strategy during the second quarter of 2016, incorporating development, acquisition, and rental rate increases within our core portfolio to expand our platform and increase shareholder value. During the quarter, we opened a new Tanger Outlet Center, acquired our partners' ownership interests in another, and extended the same center net operating income ("Same Center NOI") growth streak for our consolidated portfolio to 51 consecutive quarters," commented Steven B. Tanger, President & Chief Executive Officer. "On June 24th, the newest Tanger Outlet Center opened 95% leased in the Columbus, Ohio market. As a result of overwhelming shopper response, stand-still traffic stretched several miles from the center's freeway offramp on Interstate 71 during much of the opening weekend." he added.

<u>Recent Highlights</u>

- Same Center NOI for the consolidated portfolio increased 4.1% during the first half of 2016, on top of a 4.3% increase for the first half of 2015
- Blended average base rental rates on space renewed and released throughout the consolidated portfolio increased 20.2% during the first half of 2016, on top of a 24.9% increase for the first half of 2015
- Consolidated portfolio occupancy rate of 96.9% as of June 30, 2016, compared to 96.8% at June 30, 2015 and 96.6% at March 31, 2016
- Average tenant sales for the consolidated portfolio for the rolling twelve months ended June 30, 2016 were $395 per square foot, stable when compared to the rolling twelve months ended June 30, 2015

- Debt-to-total market capitalization ratio was 28% as of June 30, 2016, compared to 32% as of June 30, 2015
- Interest coverage ratio for the quarter was 4.68 times, compared to 4.67 for the second quarter of 2015
- Opened a new Tanger Outlet Center in the Columbus, Ohio market on June 24, 2016
- Acquired partners' ownership interests in Tanger Outlets Westgate, increasing the Company's ownership interest to 100% from 58%
- Continued construction of a Tanger Outlet Center in Daytona Beach, Florida, currently scheduled to open in November 2016
- Raised regular quarterly common share cash dividend in April 2016 by 14% on an annualized basis to $1.30 per share, marking the 23rd consecutive year of increased dividends
- Amended the $250 million unsecured term loan in April 2016 to expand the facility to $325 million, extend the maturity to April 2021, and reduce the interest rate spread by 10 basis points
- Reduced floating rate debt exposure by $175 million in April 2016 by entering into interest rate swap agreements

Core Portfolio Drives Operating Results

During the six months ended June 30, 2016, Tanger executed 298 leases totaling 1,236,000 square feet throughout its consolidated portfolio with a 20.2% increase in average base rental rates, on top of a 24.9% increase for the six months ended June 30, 2015. Lease renewals accounted for approximately 934,000 square feet, which generated a 17.4% increase in average base rental rates. As of June 30, 2016, Tanger had leases executed or in process for 77% of the consolidated portfolio space scheduled to expire by year-end, compared to 72% as of June 30, 2015. Re-tenanted space accounted for the remaining 302,000 square feet, with an increase in average base rental rates of 27.9%.

Same Center NOI for the three months ended June 30, 2016 increased 3.8% for the consolidated portfolio, on top of a 4.6% increase for the three months ended June 30, 2015. For the six months ended June 30, 2016, Same Center NOI increased 4.1% for the consolidated portfolio, on top of a 4.3% increase for the six months ended June 30, 2015. Portfolio NOI for the consolidated portfolio increased 6.2% and 6.8% for the three and six months ended June 30, 2016, respectively compared to the same periods of 2015. Same Center NOI and Portfolio NOI for the consolidated portfolio exclude lease termination fees which for the three months ended June 30, 2016 and June 30, 2015 totaled $1.5 million and $1.7 million, respectively, and for the six months ended June 30, 2016 and June 30, 2015 totaled $2.0 million and $2.8 million, respectively.

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.

Consolidated portfolio average tenant sales for the rolling twelve months ended June 30, 2016 were $395 per square foot, stable compared to the rolling twelve months ended June 30, 2015. Sales include stabilized outlet centers and are based on all reporting retailers leasing stores less than 20,000 square feet in size which have occupied such stores for a minimum of twelve months.

As of June 30, 2016, the Company's consolidated portfolio was 96.9% occupied, compared to 96.8% at June 30, 2015 and 96.6% as of March 31, 2016.

Investment Activities Provide Potential Future Growth

On June 24, 2016, the newest Tanger Outlet Center opened in the Columbus, Ohio market, located on Interstate 71 at the interchange with Routes 36/37. The 355,000 square foot center opened 95% leased and has generated positive feedback from both shoppers and retailers. The center features over 80 brand name and designer outlet stores and is a 50/50 joint venture with Simon Property Group.

Construction of a new Tanger Outlet Center is well underway in Daytona Beach, Florida, with grand opening scheduled for November 2016. These two new centers represent a total investment of approximately $186.2 million and are currently expected to generate a weighted average stabilized yield of approximately 10.3%. Tanger's net equity requirement is expected to be approximately $138.8 million. As of June 30, 2016, $61.4 million of the Company's expected net equity requirement remained to be funded.

Pre-development and pre-leasing efforts are ongoing for Tanger's Fort Worth, Texas project, as well as several other projects in the Company's shadow pipeline of new development opportunities. Land acquisition and commencement of construction for these projects is contingent on Tanger achieving its minimum pre-leasing threshold and securing the required entitlements.

As previously announced, the Company acquired its partners' ownership interests in Tanger Outlets Westgate on June 30, 2016, increasing its ownership interest to 100%. Serving the greater Phoenix market since November 2012, Tanger Outlets Westgate is an upscale outlet shopping destination featuring 95 brand name and designer outlet stores. The property was 97% occupied on June 30, 2016.

The Company paid cash consideration of approximately $40.9 million for its partners' ownership interests in the joint venture, which Tanger funded with borrowings under its unsecured lines of credit. The property is subject to an existing $62.0 million mortgage loan which bears interest at 175 basis points over LIBOR and matures in June 2017. This transaction implies a total value of $159.5 million for the property, which Tanger estimates is equivalent to a capitalization rate of approximately 6.27% on the Company's forecasted 2016 property level net operating income (excluding termination fees and non-cash adjustments such as straight-line rent and net above and below market rent amortization).

Prior to this transaction, Tanger owned a 58% interest in the joint venture since its formation and accounted for it under the equity method of accounting. The outlet center is now wholly-owned and effective as of the acquisition date, is consolidated in the Company's financial results.

Balance Sheet Summary

Tanger completed financing activity during the second quarter of 2016 to further strengthen the balance sheet. On April 13, 2016, Tanger closed on an amendment to its outstanding $250 million unsecured term loan. The Company increased the size of the facility to $325 million, extended the maturity date more than two years from February 23, 2019 to April 13, 2021, and reduced the LIBOR spread from 105 basis points to 95 basis points. The $75 million in proceeds were used to pay down balances under the Company's unsecured lines of credit.

In April 2016, Tanger also entered into interest rate swap agreements that fix the base LIBOR rate at an average of 1.03% on $175 million in LIBOR denominated debt through January 1, 2021. These derivatives, combined with interest rate swap agreements in place since October 2013 that fix the base LIBOR rate at an average of 1.30% on $150 million in LIBOR denominated debt through August 14, 2018, effectively lock $325 million of the Company's floating rate debt at an average of 2.11%.

As of June 30, 2016, Tanger had a total market capitalization of approximately $5.6 billion including approximately $1.6 billion of debt outstanding, equating to a 28% debt-to-total market capitalization ratio. The Company had $259.2 million outstanding under its $520.0 million in available unsecured lines of credit. For the three months ended June 30, 2016, Tanger maintained an interest coverage ratio of 4.68 times.

Earnings Guidance for 2016

Based on Tanger's internal budgeting process, the Company's view on current market conditions, and the strength and stability of its core portfolio, management currently believes its net income, FFO and AFFO for 2016 will be as follows:

For the year ended December 31, 2016:

	Low Range	High Range
Estimated diluted net income per share	$1.55	$1.60
Noncontrolling interest, depreciation and amortization of real estate assets including noncontrolling interest share and our share of unconsolidated joint ventures, gains on sale of real estate, and gain on previously held interest in acquired joint venture	0.76	0.76
Estimated diluted FFO per share	$2.31	$2.36
AFFO adjustments per share	0.01	0.01
Estimated diluted AFFO per share	$2.32	$2.37

Additional details regarding Tanger's estimates are as follows:

- Expects 2016 Same Center NOI growth between 3.0% and 3.5% for the consolidated portfolio
- Assumes tenant sales remain stable
- Reflects the net dilutive impact related to assets sold during 2015 and January 2016 of approximately $0.05 per share for net income and $0.08 per share for FFO
- Expects average general and administrative expense of approximately $11.4 million to $11.9 million per quarter
- Expects average management, leasing, and other services income of approximately $1.0 million per quarter
- Expects approximately 100.2 million weighted average diluted common shares for 2016

Tanger's estimates do not include the impact of any additional bankruptcies or brand-wide store closures, the sale of outparcels, additional properties or joint ventures interests, or the acquisition of any properties or any additional partner joint venture interests. The Company does not expect a significant 2016 operating income impact from the Daytona Beach, Florida project that is expected to open in November 2016.

Based on in-place financing, Tanger expects the impact of the Westgate acquisition to be modestly accretive to net income per share and FFO per share during the second half of 2016. However, the Company is currently evaluating various long-term financing alternatives with the objective of reducing its floating rate debt exposure, extending the average term of its outstanding debt, increasing the unused capacity under its lines of credit, and expanding its unencumbered asset pool. Based upon current market conditions, Tanger believes the Westgate acquisition and any potential future refinancing activities, if executed, should be modestly dilutive to net income per share and approximately neutral to FFO per share for the second half of 2016.

Second Quarter Conference Call

Tanger will host a conference call to discuss its second quarter results for analysts, investors and other interested parties on Wednesday, July 27, 2016, at 10:00 a.m. Eastern Time. To access the conference call, listeners should dial 1-877-277-5113 and provide conference ID # 7901237 to be connected to the Tanger Factory Outlet Centers Second Quarter 2016 Financial Results call. Alternatively, the call will be web cast by SNL IR Solutions and can be accessed at Tanger's web site, investors.tangeroutlets.com. A telephone replay of the call will be available from July 27, 2016 at 1:00 p.m. through August 10, 2016 at 11:59 p.m. by dialing 1-855-859-2056, conference ID # 7901237. An online archive of the web cast will also be available through August 10, 2016.

About Tanger Factory Outlet Centers

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 43 upscale outlet shopping centers and one additional center currently under construction. Tanger's operating properties are located in 21 states coast to coast and in Canada, totaling approximately 14.7 million square feet leased to over 3,100 stores operated by more than 490 different brand name companies. The Company has more than 35 years experience in the outlet industry. Tanger Outlet Centers continue to attract more than 185 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 June 30, 2016. For more information on Tanger Outlet Centers, call 1-800-4TANGER or visit the Company's web site at www.tangeroutlet.com.

This news release contains forward-looking statements within the meaning of federal securities laws. These statements include, but are not limited to, estimates of future net income, FFO and AFFO per share, Same Center NOI, general and administrative expenses, income from management, leasing, and other services, and the dilutive impact from sales of certain assets; plans for new developments; timing of land purchases, achievement of sufficient pre-leasing and projected openings of proposed developments; total costs and equity requirements to complete construction of outlet centers and the expected average stabilized yield; the impact of the Westgate acquisition and various long-term financing alternatives, if executed, with the objective of reducing floating rate debt exposure, extending the average term of outstanding debt, increasing the unused capacity under lines of credit, and expanding the unencumbered asset pool; as well as other statements regarding plans, estimates, intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts.

These forward-looking statements are subject to risks and uncertainties. Actual results could differ materially from those projected due to various factors including, but not limited to, the risks associated with general economic and real estate conditions in the United States and Canada, the Company's ability to meet its obligations on existing indebtedness or refinance existing indebtedness on favorable terms, the availability and cost of capital, 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 or funds from operations, whether projects in our pipeline convert into successful developments, the Company's ability to lease its properties, the Company's ability to implement its plans and strategies for joint venture properties that it does not fully control, the Company's inability to collect rent due to the bankruptcy or insolvency of tenants or otherwise, and competition. For a more detailed discussion of the factors that affect our operating results, interested parties should review the Tanger Factory Outlet Centers, Inc. Annual Report on Form 10-K for the fiscal year ended December 31, 2015.

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

	Three months ended June 30,		Six months ended June 30,	
	2016	**2015**	**2016**	**2015**
Revenues				
Base rentals (a)	$ 75,003	$ 72,329	$ 147,626	$ 139,958
Percentage rentals	2,326	2,042	4,476	4,271
Expense reimbursements	30,754	29,909	63,996	63,273
Management, leasing and other services	1,332	1,727	2,453	3,010
Other income	1,918	1,729	3,587	3,150
Total revenues	111,333	107,736	222,138	213,662
Expenses				
Property operating	35,012	34,958	72,886	72,690
General and administrative	11,675	11,612	23,240	22,917
Depreciation and amortization	26,306	24,272	52,873	48,261
Total expenses	72,993	70,842	148,999	143,868
Operating income	38,340	36,894	73,139	69,794
Other income/(expense)				
Interest expense	(13,800)	(13,088)	(28,684)	(26,177)
Gain on sale of assets and interests in unconsolidated entities	—	—	4,887	13,726
Gain on previously held interest in acquired joint venture	49,258	—	49,258	—
Other nonoperating income (expense)	38	(493)	354	(187)
Income before equity in earnings of unconsolidated joint ventures	73,836	23,313	98,954	57,156
Equity in earnings of unconsolidated joint ventures	3,466	2,046	6,965	4,589
Net income	77,302	25,359	105,919	61,745
Noncontrolling interests in Operating Partnership	(3,897)	(1,313)	(5,341)	(3,168)
Noncontrolling interests in other consolidated partnerships	12	435	(11)	416
Net income attributable to Tanger Factory Outlet Centers, Inc.	73,417	24,481	100,567	58,993
Allocation of earnings to participating securities	(725)	(308)	(1,019)	(716)
Net income available to common shareholders of Tanger Factory Outlet Centers, Inc.	$ 72,692	$ 24,173	$ 99,548	$ 58,277
Basic earnings per common share:				
Net income	$ 0.76	$ 0.26	$ 1.05	$ 0.62
Diluted earnings per common share:				
Net income	$ 0.76	$ 0.26	$ 1.04	$ 0.62

a. Includes straight-line rent and market rent adjustments of $1,186 and $1,278 for the three months ended and $2,244 and $1,746 for the six months ended June 30, 2016 and 2015, respectively.

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

	June 30, 2016	December 31, 2015
Assets		
Rental property		
Land	$ 254,809	$ 240,267
Buildings, improvements and fixtures	2,377,765	2,249,417
Construction in progress	61,038	23,533
	2,693,612	2,513,217
Accumulated depreciation	(769,777)	(748,341)
Total rental property, net	1,923,835	1,764,876
Cash and cash equivalents	27,107	21,558
Restricted cash (a)	—	121,306
Investments in unconsolidated joint ventures	210,486	201,083
Deferred lease costs and other intangibles, net	133,578	127,089
Prepaids and other assets	84,346	78,913
Total assets (b)	$ 2,379,352	$ 2,314,825
Liabilities and Equity		
Liabilities		
Debt		
Senior, unsecured notes, net	$ 789,991	$ 789,285
Unsecured term loans, net	321,980	265,832
Mortgages payable, net	235,215	310,587
Unsecured lines of credit, net	255,661	186,220
Total debt (b)	1,602,847	1,551,924
Accounts payable and accrued expenses	62,658	97,396
Deferred financing obligation	—	28,388
Other liabilities	53,433	31,085
Total liabilities	1,718,938	1,708,793
Commitments and contingencies	—	—
Equity		
Tanger Factory Outlet Centers, Inc.		
Common shares, $.01 par value, 300,000,000 shares authorized, 96,052,907 and 95,880,825 shares issued and outstanding at June 30, 2016 and December 31, 2015, respectively	960	959
Paid in capital	811,853	806,379
Accumulated distributions in excess of net income	(153,465)	(195,486)
Accumulated other comprehensive loss	(32,090)	(36,715)
Equity attributable to Tanger Factory Outlet Centers, Inc.	627,258	575,137
Equity attributable to noncontrolling interests		
Noncontrolling interests in Operating Partnership	32,996	30,309
Noncontrolling interests in other consolidated partnerships	160	586
Total equity	660,414	606,032
Total liabilities and equity	$ 2,379,352	$ 2,314,825

a. Represents net proceeds from the sale of four properties being held by a qualified intermediary.
b. In accordance with recent accounting guidance, "Simplifying the Presentation of Debt Issuance Costs", our deferred debt origination costs and related accumulated amortization previously recorded in the line item “deferred debt origination costs, net” have been reclassified from assets to the respective debt line items within the liabilities section in the consolidated balance sheet as of December 31, 2015. The reclassification decreases previously reported total assets and total liabilities by $11.9 million.

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

	June 30,	
	2016	2015
Gross leasable area open at end of period (in thousands)-		
Consolidated	11,942	11,657
Partially owned - unconsolidated	2,766	2,747
Outlet centers in operation at end of period -		
Consolidated	34	37
Partially owned - unconsolidated	9	9
States operated in at end of period (1)	21	23
Occupancy at end of period (1),(2)	96.9%	96.8%

(1) Excludes the centers in which we have ownership interests but are held in unconsolidated joint ventures.
(2) Excludes the occupancy rate at our Foxwoods, Grand Rapids and Southaven centers which opened during the second, third and fourth quarters of 2015, respectively, and have not yet stabilized.

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 NOI

We present portfolio net operating income ("Portfolio NOI") and 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. Same Center NOI is calculated using Portfolio NOI for the properties that were operational for the entire portion of both comparable reporting periods and which were not acquired, renovated or subject to a material 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 it provides a performance measure directly related to the revenues and expenses involved in owning and operating real estate assets and provides 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 June 30, 2016	Three months ended June 30, 2015	Six months ended June 30, 2016	Six months ended June 30, 2015
Net income	$ 77,302	$ 25,359	$ 105,919	$ 61,745
Adjusted for:				
Depreciation and amortization of real estate assets - consolidated	25,937	23,919	52,142	47,556
Depreciation and amortization of real estate assets - unconsolidated joint ventures	5,808	5,038	11,147	9,114
Gain on sale of assets and interests in unconsolidated entities	—	—	(4,887)	(13,726)
Gain on previously held interest in acquired joint venture	(49,258)	—	(49,258)	—
FFO	59,789	54,316	115,063	104,689
FFO attributable to noncontrolling interests in other consolidated partnerships	(12)	412	(59)	370
Allocation of earnings to participating securities	(564)	(583)	(1,133)	(1,143)
FFO available to common shareholders [1]	$ 59,213	$ 54,145	$ 113,871	$ 103,916
As further adjusted for:				
Accelerated vesting of share-based compensation [2]	—	—	293	—
Demolition costs	182	—	182	—
Write-off of debt discount due to repayment of debt prior to maturity [3]	—	—	882	—
Impact of above adjustments to the allocation of earnings to participating securities	(1)	—	(13)	—
AFFO available to common shareholders [1]	$ 59,394	$ 54,145	$ 115,215	$ 103,916
FFO available to common shareholders per share - diluted [1]	$ 0.59	$ 0.54	$ 1.14	$ 1.04
AFFO available to common shareholders per share - diluted [1]	$ 0.59	$ 0.54	$ 1.15	$ 1.04
Weighted Average Shares				
Basic weighted average common shares	95,124	94,741	95,034	94,639
Effect of notional units	183	—	167	—
Effect of outstanding options and restricted common shares	68	54	64	66
Diluted weighted average common shares (for earnings per share computations)	95,375	94,795	95,265	94,705
Exchangeable operating partnership units	5,053	5,078	5,053	5,078
Diluted weighted average common shares (for FFO and AFFO per share computations) [1]	100,428	99,873	100,318	99,783

(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.
(2) Represents restricted shares that vested immediately upon the death of Director Donald Drapkin.
(3) Due to the January 28, 2016 early repayment of the $150 million mortgage secured by the Deer Park, New York property, which was scheduled to mature August 30, 2018.

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

	Three months ended June 30, 2016	Three months ended June 30, 2015	Six months ended June 30, 2016	Six months ended June 30, 2015
Net income	$ 77,302	$ 25,359	$ 105,919	$ 61,745
Adjusted to exclude:				
Equity in earnings of unconsolidated joint ventures	$ (3,466)	$ (2,046)	$ (6,965)	$ (4,589)
Interest expense	13,800	13,088	28,684	26,177
Gain on sale of assets and interests in unconsolidated entities	—	—	(4,887)	(13,726)
Gain on previously held interest in acquired joint venture	(49,258)	—	(49,258)	—
Other nonoperating income (expense)	(38)	493	(354)	187
Depreciation and amortization	26,306	24,272	52,873	48,261
Other non-property income and losses	(379)	(590)	(560)	(1,020)
Demolition Costs	182	—	182	—
Corporate general and administrative expenses	11,448	11,357	22,913	22,622
Non-cash adjustments (1)	(1,049)	(1,142)	(1,971)	(1,471)
Termination rents	(1,487)	(1,698)	(2,042)	(2,836)
Portfolio NOI	73,361	69,093	144,534	135,350
Non-same center NOI (2)	(5,721)	(3,909)	(11,261)	(7,328)
Same Center NOI	$ 67,640	$ 65,184	$ 133,273	$ 128,022

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

(2) Excluded from Same Center NOI: Foxwoods outlet center, which opened in May of 2015; Grand Rapids outlet center, which opened in July of 2015; Southaven outlet center, which opened in November 2015; Kittery I & II, Tuscola and West Branch outlet centers, which were sold in September 2015; Barstow outlet center, which was sold in October 2015; Fort Myers outlet center, which was sold in January 2016; and Glendale outlet center (Westgate), which was acquired in June 2016.

Exhibit 99.2

Tanger Factory Outlet Centers, Inc.

Supplemental Operating and Financial Data

June 30, 2016

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, 2015.

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

Consolidated Properties

As of June 30, 2016			
State	**# of Centers**	**GLA**	**% of GLA**
South Carolina	5	1,598,375	13 %
New York	2	1,478,808	12 %
Pennsylvania	3	867,460	7 %
Georgia	2	692,478	6 %
Michigan	2	671,539	6 %
Texas	2	643,497	5 %
Connecticut	2	601,512	5 %
Alabama	1	556,984	5 %
Delaware	1	556,405	5 %
North Carolina	3	505,123	4 %
New Jersey	1	489,706	4 %
Tennessee	1	448,335	4 %
Ohio	1	411,776	3 %
Arizona	1	410,673	3 %
Missouri	1	329,861	3 %
Mississippi	1	320,337	3 %
Utah	1	319,661	3 %
Louisiana	1	318,666	3 %
Iowa	1	276,331	2 %
New Hampshire	1	245,698	2 %
Maryland	1	198,840	2 %
Total	34	11,942,065	100 %

Unconsolidated Joint Venture Properties

	# of Centers	**GLA**	**Ownership %**
Savannah, GA	1	419,197	50.00 %
Charlotte, NC	1	397,839	50.00 %
Columbus, OH	1	355,220	50.00 %
Texas City, TX	1	352,705	50.00 %
National Harbor, MD	1	338,786	50.00 %
Ottawa, ON	1	316,494	50.00 %
Cookstown, ON	1	308,517	50.00 %
Bromont, QC	1	161,307	50.00 %
Saint-Sauveur, QC	1	115,771	50.00 %
Total	9	2,765,836	

Property Summary - Occupancy at End of Each Period Shown

Consolidated properties						
Location	**Total GLA 6/30/16**	**% Occupied 6/30/16**	**% Occupied 3/31/16**	**% Occupied 12/31/15**	**% Occupied 9/30/15**	**% Occupied 6/30/15**
Deer Park, NY	749,074	96%	96%	95%	95%	94%
Riverhead, NY	729,734	99%	99%	99%	98%	97%
Foley, AL	556,984	96%	94%	96%	93%	96%
Rehoboth Beach, DE	556,405	100%	99%	100%	100%	99%
Atlantic City, NJ	489,706	92%	91%	91%	94%	95%
San Marcos, TX	465,697	98%	98%	98%	98%	95%
Sevierville, TN	448,335	99%	100%	100%	100%	100%
Myrtle Beach Hwy 501, SC	425,247	97%	96%	95%	97%	98%
Jeffersonville, OH	411,776	98%	98%	100%	99%	97%
Glendale, AZ (Westgate)	410,673	97%	N/A	N/A	N/A	N/A
Myrtle Beach Hwy 17, SC	402,797	100%	98%	100%	99%	100%
Charleston, SC	382,117	98%	98%	99%	99%	99%
Pittsburgh, PA	372,958	100%	100%	100%	100%	99%
Commerce, GA	371,408	99%	94%	97%	97%	96%
Grand Rapids, MI	357,080	94%	94%	95%	93%	N/A
Branson, MO	329,861	100%	100%	100%	100%	99%
Locust Grove, GA	321,070	100%	100%	100%	100%	99%
Southaven, MS	320,337	96%	97%	96%	N/A	N/A
Park City, UT	319,661	97%	98%	100%	99%	99%
Mebane, NC	318,910	97%	98%	100%	95%	100%
Gonzales, LA	318,666	98%	98%	99%	100%	100%
Howell, MI	314,459	92%	92%	94%	94%	93%
Mashantucket, CT (Foxwoods)	311,614	96%	96%	95%	94%	91%
Westbrook, CT	289,898	87%	92%	94%	93%	95%
Williamsburg, IA	276,331	97%	95%	99%	99%	97%
Hershey, PA	247,500	100%	99%	100%	98%	95%
Lancaster, PA	247,002	97%	97%	99%	99%	99%
Tilton, NH	245,698	97%	97%	98%	98%	96%
Hilton Head II, SC	206,544	94%	95%	97%	95%	95%
Ocean City, MD	198,840	81%	79%	79%	99%	99%
Hilton Head I, SC	181,670	97%	97%	97%	97%	100%
Terrell, TX	177,800	98%	98%	98%	97%	95%
Blowing Rock, NC	104,052	99%	100%	100%	100%	97%
Nags Head, NC	82,161	100%	97%	97%	100%	100%
Barstow, CA (2)	N/A	N/A	N/A	N/A	100%	100%
Fort Myers, FL (2)	N/A	N/A	N/A	91%	90%	91%
Kittery I, ME(2)	N/A	N/A	N/A	N/A	N/A	100%
Kittery II, ME(2)	N/A	N/A	N/A	N/A	N/A	92%
Tuscola, IL(2)	N/A	N/A	N/A	N/A	N/A	88%
West Branch, MI(2)	N/A	N/A	N/A	N/A	N/A	88%
Total	11,942,065	97% (1)	97% (1)	98% (1),(3)	97% (1),(4)	97% (1)

(1) Excludes the occupancy rate at our Foxwoods, Grand Rapids and Southaven centers which opened during the second, third and fourth quarters of 2015, respectively, and have not yet stabilized.

(2) Sold the Kittery I, Kittery II, Tuscola, and West Branch centers in September 2015, sold the Barstow center in October 2015 and sold Fort Myers center in January 2016.

(3) Excludes the occupancy rate of the Fort Myers center which was sold on January 12, 2016.

(4) Excludes the occupancy rate at our Barstow center which was sold on October 5, 2015.

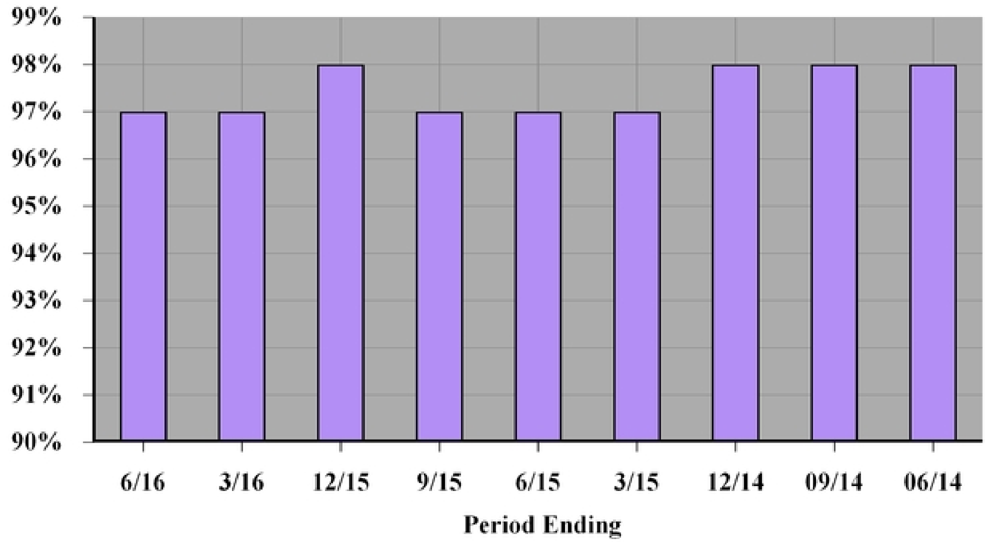
Unconsolidated joint venture properties						
Location	**Total GLA 6/30/16**	**% Occupied 6/30/16**	**% Occupied 3/31/16**	**% Occupied 12/31/15**	**% Occupied 9/30/15**	**% Occupied 6/30/15**
Savannah, GA	419,197	99%	99%	99%	99%	96%
Charlotte, NC	397,839	97%	98%	99%	99%	99%
Columbus, OH (1)	355,220	95%	N/A	N/A	N/A	N/A
Texas City, TX (Galveston/Houston)	352,705	99%	97%	99%	99%	100%
National Harbor, MD	338,786	98%	99%	99%	99%	99%
Ottawa, ON	316,494	95%	95%	97%	97%	95%
Cookstown, ON	308,517	99%	99%	100%	100%	93%
Bromont, QC	161,307	72%	74%	75%	74%	74%
Saint-Sauveur, QC	115,771	97%	97%	97%	97%	97%
Glendale, AZ (Westgate) (2)	N/A	N/A	96%	100%	100%	99%
Total	2,765,836	96% (3)	96%	98%	97%	96%

(1) Center opened in June 2016.

(2) The Company acquired our partners' interest in the Westgate outlet center on June 30, 2016. The center is now reported above in the section labeled consolidated properties.

(3) Excludes the occupancy rate at our Columbus center which opened on June 24, 2016 and has 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 RankingAs of June 30, 2016(1)

Ranking (2)		12 Months SPSF	Period End Occupancy	Sq Ft (thousands)	% of Square Feet	% of Portfolio NOI, as adjusted (3)
Consolidated Centers						
Centers 1 - 5	$	529	98 %	2,803	26 %	33 %
Centers 6 - 10	$	441	99 %	1,472	13 %	13 %
Centers 11 - 15	$	397	97 %	1,622	15 %	15 %
Centers 16 - 20	$	357	97 %	1,791	16 %	17 %
Centers 21 - 25	$	311	95 %	1,785	16 %	13 %
Centers 26 - 31	$	273	95 %	1,480	14 %	9 %

Ranking (2)		Cumulative 12 Months SPSF	Cumulative Period End Occupancy	Cumulative Sq Ft (thousands)	Cumulative % of Square Feet	Cumulative % of Portfolio NOI, as adjusted (3)
Consolidated Centers						
Centers 1 - 5	$	529	98 %	2,803	26 %	33 %
Centers 1 - 10	$	495	98 %	4,275	39 %	46 %
Centers 1 - 15	$	466	98 %	5,897	54 %	61 %
Centers 1 - 20	$	438	98 %	7,688	70 %	78 %
Centers 1 - 25	$	415	97 %	9,473	86 %	91 %
Centers 1 - 31	$	395	97 %	10,953	100 %	100 %
Unconsolidated centers (4)	$	398	98 %	1,509	n/a	n/a

(1) Sales are based on reports by retailers leasing outlet center stores for the trailing 12 months for tenants which have occupied such 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 twelve months ended June 30, 2016.

(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	Glendale, AZ	Lancaster, PA	Myrtle Beach 17, SC	Nags Head, NC	
Centers 11 - 15:	Atlantic City, NJ	Charleston, SC	Hershey, PA	Hilton Head I, SC	Locust Grove, GA	
Centers 16 - 20:	Gonzales, LA	Howell, MI	Park City, UT	Pittsburgh, PA	San Marcos, TX	
Centers 21 - 25:	Commerce, GA	Foley, AL	Jeffersonville, OH	Ocean City, MD	Tilton, NH	
Centers 26 - 31:	Blowing Rock, NC	Hilton Head II, SC	Myrtle Beach 501, SC	Terrell, TX	Westbrook, CT	Williamsburg, IA

Excludes outlet centers not open for 12 full calendar months and the Mashantucket, CT (Foxwoods) center which opened in the second quarter of 2015 and has not yet stabilized.

(3) Based on the Company's forecast of 2016 Portfolio NOI (see Non-GAAP Definitions), as adjusted to include the Glendale, AZ (Westgate) center, which became a wholly-owned property on June 30, 2016. The Company's forecast is based on management's estimates as of June 30, 2016 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 our operating results, interested parties should review the Tanger Factory Outlet Centers, Inc. Annual Report on Form 10-K for the fiscal year ended December 31, 2015.

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

Unconsolidated:	Charlotte, NC	National Harbor, MD	Savannah, GA	Texas City, TX

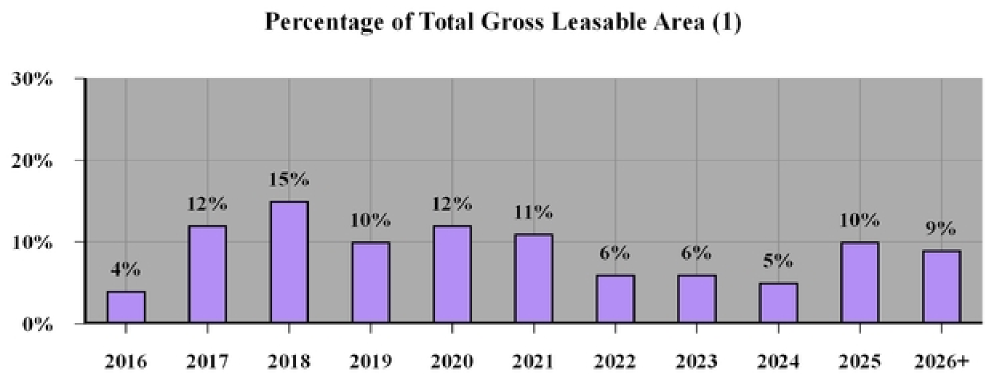
Major Tenants [1]

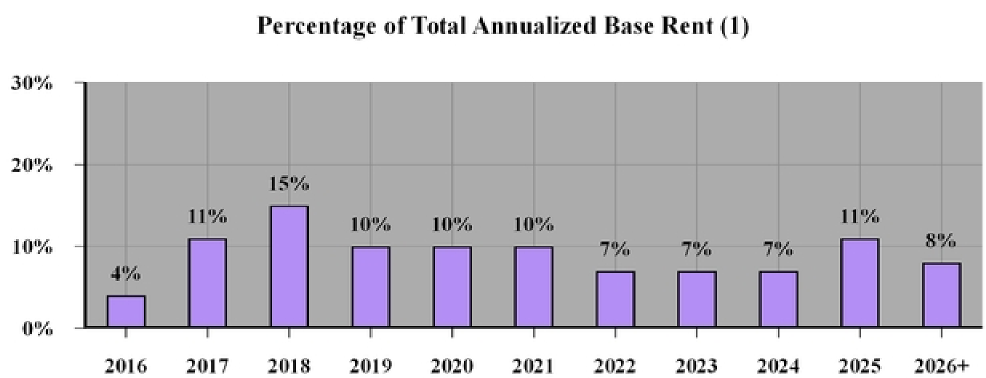
Ten Largest Tenants as of June 30, 2016

Tenant	# of Stores	GLA	% of Total GLA
The Gap, Inc.	86	914,368	7.7%
Ascena Retail Group, Inc.	138	839,921	7.0%
Nike, Inc.	38	404,413	3.4%
PVH Corp.	65	390,892	3.3%
V. F. Corporation	38	343,807	2.9%
Ralph Lauren Corporation	36	338,266	2.8%
G-III Apparel Group, Ltd.	65	304,111	2.5%
Carter's, Inc.	59	262,388	2.2%
Adidas AG	36	226,469	1.9%
Hanes Brands	40	221,229	1.9%
Total of All Listed Above	601	4,245,864	35.6%

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

Lease Expirations as of June 30, 2016





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

Leasing Activity [1] [2]

	3/31/2016	6/30/2016	9/30/2016	12/31/2016	Year to Date	Prior Year to Date[3]
Re-tenanted Space :						
Number of leases	63	35			98	95
Gross leasable area	188,245	113,911			302,156	356,268
New initial base rent per square foot	$ 29.80	$ 27.62			$ 28.98	$ 28.30
Prior expiring base rent per square foot	$ 25.95	$ 25.87			$ 25.92	$ 24.67
Percent increase	14.8%	6.8%			11.8%	14.7%
New straight line base rent per square foot	$ 32.84	$ 30.54			$ 31.97	$ 31.86
Prior straight line base rent per square foot	$ 25.19	$ 24.67			$ 25.00	$ 24.35
Percent increase	30.4%	23.8%			27.9%	30.8%
Renewed Space:						
Number of leases	166	34			200	215
Gross leasable area	762,300	171,736			934,036	1,017,883
New initial base rent per square foot	$ 24.69	$ 24.86			$ 24.72	$ 25.20
Prior expiring base rent per square foot	$ 22.78	$ 23.50			$ 22.91	$ 22.43
Percent increase	8.4%	5.8%			7.9%	12.4%
New straight line base rent per square foot	$ 25.91	$ 26.18			$ 25.96	$ 26.72
Prior straight line base rent per square foot	$ 21.96	$ 22.82			$ 22.12	$ 21.79
Percent increase	18.0%	14.7%			17.4%	22.6%
Total Re-tenanted and Renewed Space[3]**:**						
Number of leases	229	69			298	310
Gross leasable area	950,545	285,647			1,236,192	1,374,151
New initial base rent per square foot	$ 25.70	$ 25.96			$ 25.76	$ 26.00
Prior expiring base rent per square foot	$ 23.41	$ 24.45			$ 23.65	$ 23.01
Percent increase	9.8%	6.2%			8.9%	13.0%
New straight line base rent per square foot	$ 27.28	$ 27.92			$ 27.43	$ 28.05
Prior straight line base rent per square foot	$ 22.60	$ 23.56			$ 22.82	$ 22.45
Percent increase	20.7%	18.5%			20.2%	24.9%

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

(2) All 2016 information excludes the outlet center in Fort Myers, FL, which was sold on January 12, 2016 and includes the Westgate outlet center, which is consolidated as of June 30, 2016 due to our acquisition of our partners' interest.

(3) All 2015 information excludes the outlet centers in Kittery I & II, ME; Tuscola, IL; and West Branch, MI, which were sold on September 30, 2015, and Barstow, CA, which was sold on October 5, 2015.

External Growth Pipeline Summary as of June 30, 2016

Project/Market	Projected Opening	Approx Size in Sq Ft (000s)	Est Total Net Cost (millions)	Cost to Date (millions)	Tanger Ownership Percentage	Est Total Construction Loan (millions)	Amount Drawn (millions)	Est Future Tanger Capital Requirement (millions)	Projected Stabilized Yield
Under construction:									
New Developments									
Daytona Beach, FL	November 2016	352	91.3	41.9	100%	—	—	49.4	9.5% - 10.5%
Total New Developments		352	$ 91.3	$ 41.9		$ —	$ —	$ 49.4	

The company's estimates, projections and judgments with respect to projected opening date, approximate size, estimated total net cost, Tanger ownership percentage, estimated total construction loan, estimated future Tanger capital requirement and projected stabilized yield for new development and expansion projects are subject to adjustment prior to and during the development process. Estimated total net cost shown net of outparcel sales and public financing. There are risks inherent to real estate development, some of which are not under the direct control of the company. Please refer to the company's filings with the Securities and Exchange Commission on Form10-K and Form 10-Q for a discussion of these risks.

Consolidated Balance Sheets (dollars in thousands)

	6/30/2016	3/31/2016	12/31/2015	9/30/2015	6/30/2015
Assets					
Rental property					
Land	$ 254,809	$ 235,622	$ 240,267	$ 225,306	$ 217,994
Buildings, improvements and fixtures	2,377,765	2,219,955	2,249,417	2,173,499	2,078,946
Construction in progress	61,038	42,287	23,533	63,445	95,167
	2,693,612	2,497,864	2,513,217	2,462,250	2,392,107
Accumulated depreciation	(769,777)	(749,325)	(748,341)	(727,921)	(699,836)
Total rental property, net	1,923,835	1,748,539	1,764,876	1,734,329	1,692,271
Cash and cash equivalents	27,107	18,877	21,558	20,661	16,949
Restricted cash	—	—	121,306	42,904	—
Rental property held for sale	—	—	—	19,286	46,862
Investments in unconsolidated joint ventures	210,486	218,732	201,083	197,964	212,939
Deferred lease costs and other intangibles, net	133,578	123,404	127,089	130,390	133,909
Prepaids and other assets	84,346	81,054	78,913	74,577	74,393
Total assets (a)	$ 2,379,352	$ 2,190,606	$ 2,314,825	$ 2,220,111	$ 2,177,323
Liabilities and Equity					
Liabilities					
Debt					
Senior, unsecured notes, net	$ 789,991	$ 789,635	$ 789,285	$ 788,930	$ 788,577
Unsecured term loans, net	321,980	258,540	265,832	265,674	265,500
Mortgages payable, net	235,215	167,603	310,587	280,594	275,463
Unsecured lines of credit, net	255,661	259,890	186,220	193,338	173,533
Total debt (a)	1,602,847	1,475,668	1,551,924	1,528,536	1,503,073
Accounts payable and accruals	62,658	67,608	97,396	90,506	83,787
Deferred financing obligation	—	—	28,388	28,388	28,388
Other liabilities	53,433	31,758	31,085	31,405	30,639
Total liabilities	1,718,938	1,575,034	1,708,793	1,678,835	1,645,887
Commitments and contingencies	—	—	—	—	—
Equity					
Tanger Factory Outlet Centers, Inc.					
Common shares	960	961	959	958	958
Paid in capital	811,853	808,779	806,379	802,638	798,587
Accumulated distributions in excess of net income	(153,465)	(195,654)	(195,486)	(256,180)	(272,948)
Accumulated other comprehensive loss	(32,090)	(29,814)	(36,715)	(33,943)	(22,470)
Equity attributable to Tanger Factory Outlet Centers, Inc.	627,258	584,272	575,137	513,473	504,127
Equity attributable to noncontrolling interests					
Noncontrolling interests in Operating Partnership	32,996	30,711	30,309	27,207	26,712
Noncontrolling interest in other consolidated partnerships	160	589	586	596	597
Total equity	660,414	615,572	606,032	541,276	531,436
Total liabilities and equity	$ 2,379,352	$ 2,190,606	$ 2,314,825	$ 2,220,111	$ 2,177,323

(a) In accordance with recent accounting guidance, "Simplifying the Presentation of Debt Issuance Costs", our deferred debt origination costs and related accumulated amortization previously recorded in the line item “deferred debt origination costs, net” have been reclassified from assets to the respective debt line items within the liabilities section in the consolidated balance sheet as of December 31, 2015.

Consolidated Statements of Operations (dollars and shares in thousands)

	Three Months Ended					YTD	
	6/30/16	3/31/16	12/31/15	9/30/15	6/31/15	6/30/16	6/30/15
Revenues							
Base rentals	$ 75,003	$ 72,623	$ 73,889	$ 75,841	$ 72,329	$ 147,626	$ 139,958
Percentage rentals	2,326	2,150	3,261	2,625	2,042	4,476	4,271
Expense reimbursements	30,754	33,242	32,653	30,542	29,909	63,996	63,273
Management, leasing and other services	1,332	1,121	1,163	1,253	1,727	2,453	3,010
Other income	1,918	1,669	1,835	2,645	1,729	3,587	3,150
Total revenues	111,333	110,805	112,801	112,906	107,736	222,138	213,662
Expenses							
Property operating	35,012	37,874	37,582	36,231	34,958	72,886	72,690
General and administrative	11,675	11,565	10,038	11,514	11,612	23,240	22,917
Depreciation and amortization	26,306	26,567	26,890	28,785	24,272	52,873	48,261
Total expenses	72,993	76,006	74,510	76,530	70,842	148,999	143,868
Operating income	38,340	34,799	38,291	36,376	36,894	73,139	69,794
Other income/(expense)							
Interest expense	(13,800)	(14,884)	(14,078)	(13,933)	(13,088)	(28,684)	(26,177)
Gain on sale of assets and interests in unconsolidated entities	—	4,887	86,506	20,215	—	4,887	13,726
Gain on previously held interest in acquired joint venture	49,258	—	—	—	—	49,258	—
Other nonoperating income (expense)	38	316	62	89	(493)	354	(187)
Income before equity in earnings of unconsolidated joint ventures	73,836	25,118	110,781	42,747	23,313	98,954	57,156
Equity in earnings of unconsolidated joint ventures	3,466	3,499	3,182	3,713	2,046	6,965	4,589
Net income	77,302	28,617	113,963	46,460	25,359	105,919	61,745
Noncontrolling interests in Operating Partnership	(3,897)	(1,444)	(5,799)	(2,364)	(1,313)	(5,341)	(3,168)
Noncontrolling interests in other consolidated partnerships	12	(23)	(32)	(21)	435	(11)	416
Net income attributable to Tanger Factory Outlet Centers, Inc.	73,417	27,150	108,132	44,075	24,481	100,567	58,993
Allocation to participating securities	(725)	(294)	(1,198)	(494)	(308)	(1,019)	(716)
Net income available to common shareholders	$ 72,692	$ 26,856	$ 106,934	$ 43,581	$ 24,173	$ 99,548	$ 58,277
Basic earnings per common share							
Net income	$ 0.76	$ 0.28	$ 1.13	$ 0.46	$ 0.26	$ 1.05	$ 0.62
Diluted earnings per common share							
Net income	$ 0.76	$ 0.28	$ 1.13	$ 0.46	$ 0.26	$ 1.04	$ 0.62
Weighted average common shares							
Basic	95,124	94,944	94,768	94,746	94,741	95,034	94,639
Diluted	95,375	95,003	94,827	94,799	94,795	95,265	94,705

Unconsolidated Joint Venture Information [(1)]

The following table details certain information as ofJune 30, 2016, except for Net Operating Income ("NOI") which is for thesix months ended June 30, 2016, 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 [(2)]
Charlotte	Charlotte, NC	50.0%	397,839	$ 43.2	$ 3.6	$ 44.8
Columbus [(3)]	Columbus, OH	50.0%	355,220	43.4	(0.1)	—
Galveston/Houston	Texas City, TX	50.0%	352,705	29.8	2.3	32.4
National Harbor	National Harbor, MD	50.0%	338,786	49.0	2.7	43.0
RioCan Canada [(4)]	Various	50.0%	902,089	133.7	3.2	5.9
Savannah [(5)]	Savannah, GA	50.0%	419,197	97.1	6.7	47.8
Total				$ 396.2	$ 18.4	$ 173.9

(1) Excludes the Westgate joint venture as we acquired our partners' interest in the center on June 30, 2016. Our share of the joint venture's NOI for the six months ended June 30, 2016 was $3.0 million.

(2) Net of debt origination costs and premiums

(3) Center opened in June 2016.

(4) Includes a 161,307 square foot center in Bromont, Quebec; a308,517 square foot center in Cookstown, Ontario; a316,494 square foot center in Ottawa, Ontario; a 115,771 square foot center in Saint-Sauveur, Quebec; as well as due diligence costs for additional potential sites in Canada.

(5) Based on capital contribution and distribution provisions in the joint venture agreement, we expect our economic interest in the venture's cash flow to be greater than indicated in the Tanger's Ownership % column, which states our legal interest in this venture. As of June 30, 2016, based upon the liquidation proceeds we would receive from a hypothetical liquidation of our investment based on depreciated book value, our estimated economic interest in the venture was approximately 98%. Our economic interest may fluctuate based on a number of factors, including mortgage financing, partnership capital contributions and distributions, and proceeds from gains or losses of asset sales.

Debt Outstanding Summary (dollars in thousands)

	As of June 30, 2016			
	Principal Balance	Stated Interest Rate	Effective[1] Interest Rate	Maturity Date
Unsecured debt:				
Unsecured lines of credit [2]	$ 259,200	LIBOR + 0.90%		10/29/2019
2020 Senior unsecured notes	300,000	6.125%	6.219%	6/1/2020
2023 Senior unsecured notes	250,000	3.875%	4.076%	12/1/2023
2024 Senior unsecured notes	250,000	3.75 %	3.819%	12/1/2024
Unsecured term loan [3]	325,000	LIBOR + 0.95%		4/13/2021
Net debt discounts and debt origination costs	(16,568)			
Total unsecured debt	$ 1,367,632			
Secured mortgage debt:				
Atlantic City, NJ [4]	$ 41,911	5.14% - 7.65%	5.05%	11/15/2021 - 12/8/2026
Foxwoods, CT [5]	70,250	LIBOR + 1.65%		12/5/2017
Southaven, MS [6]	58,989	LIBOR + 1.75%		4/29/2018
Westgate, AZ [7]	62,000	LIBOR + 1.75%		6/27/2017
Debt premium and debt origination costs	2,065			
Total secured mortgage debt	$ 235,215			
Tanger's share of unconsolidated JV debt:				
Charlotte [8]	$ 45,000	LIBOR + 1.45%		11/24/2018
Galveston/Houston [9]	32,500	LIBOR + 1.50%		7/1/2017
National Harbor [10]	43,500	LIBOR + 1.65%		11/13/2019
RioCan Canada[11]	5,610	5.75 %	4.18 %	5/10/2020
Savannah [12]	48,469	LIBOR + 1.65%		5/21/2017
Debt premium and debt origination costs	(1,134)			
Total Tanger's share of unconsolidated JV debt	$ 173,945			

(1) The effective interest rate excludes interest rate swap agreements that fix the base LIBOR rate at an average of 1.16% on notional amounts aggregating $325.0 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.

(2) The company has an unsecured, syndicated credit line with a borrowing capacity totaling $500.0 million and a separate cash management line of credit with a borrowing capacity of $20.0 million with one of the participants in the syndication. The syndicated credit line may be increased to $1.0 billion through an accordion feature in certain circumstances. The unsecured lines of credit have an expiration date of October 29, 2019 with an option for a one year extension.

(3) On April 13, 2016, the company amended the unsecured term loan to increase the size of the loan from $250 million to $325 million, extend the maturity date from February 23, 2019 to April 13, 2021, and reduce the LIBOR spread from LIBOR plus 105 basis points to LIBOR plus 95 basis points. The additional loan proceeds of $75 million were used to pay down balances under the Operating Partnership's unsecured lines of credit.

(4) Represents mortgages assumed in the acquisition of this property.

(5) Represents a mortgage loan with the ability to borrow up to$70.3 million. The loan initially matures on December 5, 2017, withtwo one -year extension options.

(6) Represents a mortgage loan with the ability to borrow up to$60.0 million. The loan initially matures on April 29, 2018, withone two-year extension option. The additional $1.0 million is available to fund the remaining construction costs to complete the center which opened in November 2015.

(7) Represents a mortgage loan with with the ability to borrow up to$62.0 million. On April 1, 2015, the joint venture exercised the option to extend the maturity date of the loan to June 27, 2017.

(8) Represents a mortgage loan of $90.0 million. The loan initially matures on November 24, 2018, withone one -year extension option. As of June 30, 2016, the principal balance on the loan was $90.0 million.

(9) Represents a mortgage loan with the ability to borrow up to$70.0 million with a maturity date of July 1, 2017 and the option to extend the maturity for one additional year. As of June 30, 2016, the principal balance on the loan was$65.0 million. The additional $5.0 million is available for future expansion.

(10) Represents a mortgage loan with with the ability to borrow up to$87.0 million. As of June 30, 2016, the principal balance on the loan was$87.0 million.

(11) Represents the mortgage assumed related to the acquisition of the Saint-Sauveur, Quebec property by the RioCan co-owners in November 2012. The mortgage has a principal balance of $11.2 million and matures on May 10, 2020.

(12) Represents a mortgage loan with a with the ability to borrow up to$100.9 million. The mortgage loan has a maturity date of May 21, 2017, with two options to extend the maturity date each for one additional year. As of June 30, 2016, the principal balance on the loan was $96.9 million. The additional $4.0 million is available for future expansion.

Future Scheduled Principal Payments (dollars in thousands)

As of June 30, 2016			
Year	Tanger Consolidated Payments	Tanger's Share of Unconsolidated JV Payments	Total Scheduled Payments
2016	$ 1,442	$ 134	$ 1,576
2017	135,258	81,247	216,505
2018	62,172	45,294	107,466
2019 (1)	262,569	43,811	306,380
2020	303,566	4,593	308,159
2021	330,793	—	330,793
2022	4,436	—	4,436
2023	254,768	—	254,768
2024	255,140	—	255,140
2025	1,501	—	1,501
2026 & thereafter	5,705	—	5,705
	$ 1,617,350	$ 175,079	$ 1,792,429
Net debt discounts and debt origination costs	(14,503)	(1,134)	(15,637)
	$ 1,602,847	$ 173,945	$ 1,776,792

(1) Includes principal balance of $259.2 million outstanding under the company's unsecured lines of credit.

Senior Unsecured Notes Financial Covenants (1)

As of June 30, 2016			
	Required	Actual	Compliance
Total Consolidated Debt to Adjusted Total Assets	<60%	50%	Yes
Total Secured Debt to Adjusted Total Assets	<40%	7%	Yes
Total Unencumbered Assets to Unsecured Debt	>150%	178%	Yes
Consolidated Income Available for Debt Service to Annual Debt Service Charge	>1.5	5.49	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 NOI

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. Same Center NOI is calculated using Portfolio NOI for the properties that were operational for the entire portion of both comparable reporting periods and which were not acquired, renovated or subject to a material 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 it provides a performance measure directly related to the revenues and expenses involved in owning and operating real estate assets and provides 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

The pro rata balance sheet and pro rata income statement data is not, and is not intended to be, a presentation in accordance with GAAP. The pro rata balance sheet and pro rata income statement data 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 shown in the column labeled “Consolidated” were prepared on a basis consistent with the Company’s consolidated financial statements as filed with the SEC on the most recent Form 10-Q or 10-K, as applicable. 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 statements 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 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 only supplementally.

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

	Three Months Ended					YTD	
	6/30/16	3/31/16	12/31/15	9/30/15	6/30/15	6/30/16	6/30/15
Net income	$ 77,302	$ 28,617	$ 113,963	$ 46,460	$ 25,359	$ 105,919	$ 61,745
Adjusted for -							
Depreciation and amortization of real estate assets - consolidated	25,937	26,205	26,531	28,428	23,919	52,142	47,556
Depreciation and amortization of real estate assets - unconsolidated joint ventures	5,808	5,339	5,528	5,411	5,038	11,147	9,114
Gain on sale of assets and interests in unconsolidated entities	—	(4,887)	(86,506)	(20,215)	—	(4,887)	(13,726)
Gain on previously held interest in acquired joint venture	(49,258)	—	—	—	—	(49,258)	—
FFO	59,789	55,274	59,516	60,084	54,316	115,063	104,689
FFO attributable to noncontrolling interests in other consolidated partnerships	(12)	(47)	(57)	(45)	412	(59)	370
Allocation to participating securities	(564)	(569)	(625)	(640)	(583)	(1,133)	(1,143)
FFO available to common shareholders [1]	$ 59,213	$ 54,658	$ 58,834	$ 59,399	$ 54,145	$ 113,871	$ 103,916
As further adjusted for:							
Acceleration (reversal) of share-based compensation [2] [3]	—	293	(731)	—	—	293	—
Demolition costs	182	—	—	—	—	182	—
Write-off of debt discount due to repayment of debt prior to maturity [4]	—	882	—	—	—	882	—
Impact of above adjustments to the allocation of earnings to participating securities	(1)	(12)	8	—	—	(13)	—
AFFO available to common shareholders [1]	$ 59,394	$ 55,821	$ 58,111	$ 59,399	$ 54,145	$ 115,215	$ 103,916
FFO per common share - diluted [1]	$ 0.59	$ 0.55	$ 0.59	$ 0.59	$ 0.54	$ 1.14	$ 1.04
AFFO per common share - diluted [1]	$ 0.59	$ 0.56	$ 0.58	$ 0.59	$ 0.54	$ 1.15	$ 1.04
Weighted Average Shares							
Basic weighted average common shares	95,124	94,944	94,768	94,746	94,741	95,034	94,639
Effect of notional units	183	—	—	—	—	167	—
Effect of outstanding options and restricted common shares	68	59	59	53	54	64	66
Diluted weighted average common shares (for earnings per share computations)	95,375	95,003	94,827	94,799	94,795	95,265	94,705
Exchangeable operating partnership units	5,053	5,053	5,078	5,078	5,078	5,053	5,078
Diluted weighted average common shares (for FFO and AFFO per share computations) [1]	100,428	100,056	99,905	99,877	99,873	100,318	99,783

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

	Three Months Ended					YTD	
	6/30/16	3/31/16	12/31/15	9/30/15	6/30/15	6/30/16	6/30/15
FFO available to common shareholders	$ 59,213	$ 54,658	$ 58,834	$ 59,399	$ 54,145	$ 113,871	$ 103,916
Adjusted for -							
Corporate depreciation excluded above	369	362	359	357	353	731	705
Amortization of finance costs	761	744	835	694	603	1,505	1,202
Amortization of net debt discount (premium)	117	959	191	139	(88)	1,076	(74)
Amortization of share-based compensation	3,654	4,001	3,152	3,994	3,953	7,655	7,566
Straight line rent adjustment	(1,713)	(1,607)	(1,605)	(1,924)	(1,549)	(3,320)	(2,818)
Market rent adjustment	641	663	337	825	383	1,304	1,299
2nd generation tenant allowances	(2,804)	(1,671)	(3,960)	(1,428)	(4,128)	(4,475)	(5,084)
Capital improvements	(8,391)	(3,043)	(1,231)	(3,555)	(4,558)	(11,434)	(7,296)
Adjustments from unconsolidated joint ventures	(504)	(384)	(196)	(506)	(399)	(888)	(878)
FAD available to common shareholders [1]	$ 51,343	$ 54,682	$ 56,716	$ 57,995	$ 48,715	$ 106,025	$ 98,538
Dividends per share	$ 0.325	$ 0.285	$ 0.285	$ 0.285	$ 0.285	$ 0.610	$ 0.525
Special dividends per share	—	—	0.210	—	—	—	—
Total dividends per share	$ 0.325	$ 0.285	$ 0.495	$ 0.285	$ 0.285	$ 0.610	$ 0.525
FFO payout ratio [5]	55%	52%	48%	48%	53%	54%	50%
FAD payout ratio [5]	64%	52%	50%	49%	58%	58%	53%
Diluted weighted average common shares	100,428	100,056	99,905	99,877	99,873	100,318	99,783

(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.

(2) Represents restricted shares that vested immediately upon the death of Director Donald Drapkin for the three months ended March 31, 2016 and six months ended June 30, 2016.

(3) The reversal of certain share-based compensation awards during the three months ended December 31, 2015 previously recognized on awards not expected to vest due to the announcement of the Company's Chief Financial Officer's retirement in May 2016.

(4) Due to the January 28, 2016 early repayment of the $150 million mortgage secured by the Deer Park, New York property, which was scheduled to mature August 30, 2018.

(5) Excludes the special dividend of $0.21 per share paid on January 15, 2016 to holders of record on December 31, 2015.

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

	Three months ended June 30, 2016	Three months ended June 30, 2015	Six months ended June 30, 2016	Six months ended June 30, 2015
Net income	$ 77,302	$ 25,359	$ 105,919	$ 61,745
Adjusted to exclude:				
Equity in earnings of unconsolidated joint ventures	$ (3,466)	$ (2,046)	$ (6,965)	$ (4,589)
Interest expense	13,800	13,088	28,684	26,177
Gain on sale of assets and interests in unconsolidated entities	—	—	(4,887)	(13,726)
Gain on previously held interest in acquired joint venture	(49,258)	—	(49,258)	—
Other nonoperating income (expense)	(38)	493	(354)	187
Depreciation and amortization	26,306	24,272	52,873	48,261
Other non-property income and losses	(379)	(590)	(560)	(1,020)
Demolition Costs	182	—	182	—
Corporate general and administrative expenses	11,448	11,357	22,913	22,622
Non-cash adjustments (1)	(1,049)	(1,142)	(1,971)	(1,471)
Termination rents	(1,487)	(1,698)	(2,042)	(2,836)
Portfolio NOI	73,361	69,093	144,534	135,350
Non-same center NOI (2)	(5,721)	(3,909)	(11,261)	(7,328)
Same Center NOI	$ 67,640	$ 65,184	$ 133,273	$ 128,022

(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: Foxwoods outlet center, which opened in May of 2015; Grand Rapids outlet center, which opened in July of 2015; Southaven outlet center, which opened in November 2015; Kittery I & II, Tuscola and West Branch outlet centers, which were sold in September 2015; Barstow outlet center, which was sold in October 2015; Fort Myers outlet center, which was sold in January 2016; and Glendale outlet center (Westgate), which was acquired in June 2016.

Non-GAAP Pro Rata Balance Sheet as of June 30, 2016 (dollars in thousands)

	GAAP Consolidated	Non-GAAP Pro Rata Adjustments: Pro Rata Portion Noncontrolling Interests	Non-GAAP Pro Rata Adjustments: Pro Rata Portion Unconsolidated Joint Ventures	Non-GAAP Pro Rata Balance Sheet
Assets				
Rental property				
Land	$ 254,809	$ —	$ 54,147	$ 308,956
Buildings, improvements and fixtures	2,377,765	(160)	340,128	2,717,733
Construction in progress	61,038	—	4,221	65,259
	2,693,612	(160)	398,496	3,091,948
Accumulated depreciation	(769,777)	—	(33,644)	(803,421)
Total rental property, net	1,923,835	(160)	364,852	2,288,527
Cash and cash equivalents	27,107	—	12,780	39,887
Investments in unconsolidated joint ventures	210,486	—	(210,486)	—
Deferred lease costs and other intangibles, net	133,578	—	10,005	143,583
Prepaids and other assets	84,346	—	6,546	90,892
Total assets	$ 2,379,352	$ (160)	$ 183,697	$ 2,562,889
Liabilities and Equity				
Liabilities				
Debt				
Senior, unsecured notes, net	$ 789,991	$ —	$ —	$ 789,991
Unsecured term loans, net	321,980	—	—	321,980
Mortgages payable, net	235,215	—	173,945	409,160
Unsecured lines of credit, net	255,661	—	—	255,661
Total debt	1,602,847	—	173,945	1,776,792
Accounts payable and accruals	62,658	—	14,308	76,966
Other liabilities	53,433	—	(4,556)	48,877
Total liabilities	1,718,938	—	183,697	1,902,635
Commitments and contingencies	—	—	—	—
Equity				
Tanger Factory Outlet Centers, Inc.				
Common shares	960	—	—	960
Paid in capital	811,853	—	—	811,853
Accumulated distributions in excess of net income	(153,465)	—	—	(153,465)
Accumulated other comprehensive loss	(32,090)	—	—	(32,090)
Equity attributable to Tanger Factory Outlet Centers, Inc.	627,258	—	—	627,258
Equity attributable to noncontrolling interests				
Noncontrolling interests in Operating Partnership	32,996	—	—	32,996
Noncontrolling interest in other consolidated partnerships	160	(160)	—	—
Total equity	660,414	(160)	—	660,254
Total liabilities and equity	$ 2,379,352	$ (160)	$ 183,697	$ 2,562,889

Non-GAAP Pro Rata Statement of Operations year to date June 30, 2016 (dollars in thousands)

	GAAP Consolidated	Non-GAAP Pro Rata Adjustments: Pro Rata Portion Noncontrolling Interests	Non-GAAP Pro Rata Adjustments: Pro Rata Portion Unconsolidated Joint Ventures	Non-GAAP Pro Rata Statement of Operations
Revenues				
Base rentals	$ 147,626	$ (6)	$ 20,682	$ 168,302
Percentage rentals	4,476	—	1,008	5,484
Expense reimbursements	63,996	(3)	10,933	74,926
Management, leasing and other services	2,453	—	—	2,453
Other income	3,587	—	844	4,431
Total revenues	222,138	(9)	33,467	255,596
Expense				
Property operating	72,886	(2)	11,923	84,807
General and administrative	23,240	—	161	23,401
Depreciation and amortization	52,873	(3)	11,102	63,972
Total expenses	148,999	(5)	23,186	172,180
Operating income	73,139	(4)	10,281	83,416
Other income/(expense)				
Interest expense	(28,684)	2	(3,363)	(32,045)
Gain on sale of assets and interests in unconsolidated entities	4,887	—	—	4,887
Gain on previously held interest in acquired joint venture	49,258	—	—	49,258
Other nonoperating income (expense)	354	—	2	356
Income before equity in earnings of unconsolidated joint ventures	98,954	(2)	6,920	105,872
Equity in earnings of unconsolidated joint ventures	6,965	(9)	(6,956)	—
Net income	105,919	(11)	(36)	105,872
Noncontrolling interests in Operating Partnership	(5,341)	—	—	(5,341)
Noncontrolling interests in other consolidated partnerships	(11)	11	—	—
Net income attributable to Tanger Factory Outlet Centers, Inc.	100,567	—	(36)	100,531
Allocation to participating securities	(1,019)	—	—	(1,019)
Net income available to common shareholders	$ 99,548	$ —	$ (36)	$ 99,512

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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