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## Tanger Factory Outlet Centers Inc. Q4 2007 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions) Our first question comes from [Anbika Goell] with Citi.

#### [Anbika Goell] - Citi

Hi guys, this is David Shamus with Anbika. First off, I just want to ask you guys, how do you see slower expected sales growth impacting the percentage rents?

#### Steven B. Tanger

Our forecast is [inaudible] to the extent certain tenants get base rent increases with a corresponding increase in break points. Theoretically our percentage rents could go down but we kind of believe that they'll be flat with 2007.

#### [Anbika Goell] - Citi

Also, could you talk a little bit about the market for mortgages in terms of the demand for mortgages and do you think you could possibly refinance that July loan with another mortgage or just use your credit line?

#### Steven B. Tanger

We do not intend to refinance it with a mortgage. This is the last based on the information we have today. This is the last remaining mortgage encumbering any of our assets. It's our plan to refinance this with corporate level debt. As you may recall, both of the agencies now rate Tanger an investment grade rated company and we were delighted that Standard and Poor's within the last 3 or 4 months raised their outlook on Tanger from stable to positive. We're led to believe that this is one of the few times in view of the current credit situation that Standard and Poor's has raised their outlook on a REIT and we're very proud of that.

#### [Anbika Goell] - Citi

Thanks, and just one last question, for the Pittsburgh and Deer Park developments, how comfortable do you feel with tenants opening in third quarter? I know you said that 90% target at occupancy. How does this change your lease up basically in terms of the economy?

#### Steven B. Tanger

I don't think it's changed our lease up. The economy has not affected that at all. Our tenants still find the outlet distribution channel to be extremely profitable. Pittsburgh we are targeting a Labor Day grand opening as I mentioned. Deer Park we're targeting as September/October grand opening. We haven't selected the date yet which is pretty consistent with what we've been telling the market for the last 6 months to a year.

**[Anbika Goell] - Citi**

And is this affecting your yield at all?

**Steven B. Tanger**

Is what affecting our yield?

**[Anbika Goell] - Citi**

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