LANDandBUILDINGS

Land and Buildings Issues Open Letter to the Independent Directors of Taubman Centers

- Taubman's Independent Board Members Should No Longer Accept Management's Repeated Excuses for Poor Performance –

- Taubman's Second Quarter Results – Which Were in Stark Contrast to its Peers that Generated Strong Operating Results – Highlight the Need for Management Change at Taubman –

- Shareholders' Voted for Change at 2017 Annual Meeting and May Need to Do So at 2018 Annual Meeting if Independent Board Members Fail to Hold Management Accountable and Unlock Value -

Stamford, CT, August 7, 2017 – Land & Buildings Investment Management, LLC (together with its affiliates, "Land and Buildings") today issued the following letter to the independent members of the Board of Directors (the "Board") of Taubman Centers, Inc. (NYSE: TCO) ("Taubman," "Taubman Centers" or the "Company"), regarding Taubman's abysmal earnings results relative to its peers, and the need for management change to maximize value for all shareholders.

The full text of the letter follows:

Dear Taubman Centers Independent Directors:

The time has come for all of you to reject management's repeated explanations and excuses for the horrible operating performance, development strategy and shareholder returns at Taubman. At this point the only thing worth hearing would be a mea culpa from management – but after 25 years we are not holding our breath that one might be uttered. It is time for accountability at Taubman. It is time for change.

The table below highlights the stark differences between Taubman and its Class A Mall Peers[1] this quarter highlighting how management's excuses of poor performance, under the direction of CEO and Chairman Bobby Taubman, are baseless.

Bobby's Blame Game	**While Class A Mall Peers are on Solid Ground**
Lowered 2017 same store net operating income growth guidance to 0%-2%, blaming the retail environment and online shopping	Peers affirmed over 3% same store net operating income guidance on average
Expects second half same store net operating income to decline	Peers expect an acceleration of growth
Leased percentage declined by 110 bps year-over-year	Peers experienced roughly half the decline
Lowered 2017 earnings guidance	Peers maintained or increased guidance
Bobby repeatedly blamed the Company's horrible operating results on challenges in the macro retail environment	Peers went as far as calling the negative news flow regarding malls "fake news"
Bobby's outlook for the business was bleak, stating "retail is evolving, and no one knows exactly where the transition will take it"	Peers talked confidently about their business prospects with comments such as "strong demand for our real estate from a wide and growing area of tenants"
Bobby blamed poor results on small size yet seemingly will not consider strategic alternatives	Macerich, a peer also with an enterprise value below $15 billion, had no scale issues in its operating results

What shareholders said at the June 1st Annual Meeting:

- A majority of your common shareholders did not vote for the re-election of Chairman and CEO Bobby Taubman, implicitly signaling a lack of confidence in management
- A majority of your common shareholders voted for change on the Board, implicitly signaling the need for accountability in the boardroom

What the Board has condoned:

- Being bullied by the Taubman Family and misled by Bobby Taubman and senior management
- Exorbitant defense expenses to keep Bobby Taubman as Chairman and CEO despite widespread shareholder discontent with the Company's terrible performance and governance practices under his leadership, an expense which should have been borne by the Taubman Family
- Exorbitant litigation expenses for the Taubman Family to maintain ownership of Taubman Centers in excess of the ownership limit, which also should have been borne by the Taubman Family

What the stock price has indicated:

- Since June 1st, when last minute governance changes allowed for Bobby Taubman's re-election to the Board, shares have declined by 7% on a total return basis, underperforming Class A Mall Peers by 11%
- Over the past 1-,3- and 5-years periods shares have declined 26%, 11% and 13% on a total return basis, including 43% underperformance versus its Class A Mall Peers over the past 5 years

TCO's independent Board members should remove management and reconstruct the Board:

It is time for you, the independent Board members, to finally hold management accountable and take immediate action to evaluate the current leadership of the Company and remove ineffective management in order to maximize the value of Taubman Centers' assets. As members of the Board, you have fiduciary duties to protect the interests of Taubman shareholders and provide effective oversight of the Company.

Taubman has committed to replacing three directors by the 2019 Annual Meeting and it is critical that these new directors ensure that management properly executes operating and capital allocation initiatives to realize the Company's full potential. *Shareholder input must be taken into account by the Nominating and Corporate Governance Committee of the Board when making these vital Board composition decisions*. The potential new director candidates, at a minimum, should meet the following criteria:

- Be appointed only after engagement with, and general agreement from, independent shareholders;
- Be truly independent directors, without the myriad of connections to the Taubman family and various conflicts afflicting the current Board;
- Possess real operational and industry experience in the real estate sector and be highly-regarded industry leaders amongst institutional investors in REITs; and
- Possess track records of driving true corporate governance reform at the board-level – of the type that will be vital to reverse the course of value destruction at Taubman.

In our view, these requirements are not only reasonable but necessary given the track record of entrenchment and shareholder disenfranchisement demonstrated by the Taubman Board. Charles Elson, who a majority of common shareholders supported at the 2017 election, would serve as an excellent candidate for appointment to the Board. Not only would he be able to ensure that the corporate governance enhancements that are urgently needed at Taubman actually take place, but he has already received near unanimous support from active shareholders, as well as unanimous support from all three of the independent proxy voting advisory firms (ISS, Glass Lewis, and Egan-Jones).

Shareholders may again vote for change if independent Board members fail to unlock value:

Shareholders have already spoken that the troubling status quo at Taubman is unacceptable. At next year's annual meeting shareholders will vote on three directors, including insider Chief Operating Officer Billy

Taubman. If the Board does not take action now and address the systemic problems with Taubman Centers leadership, Billy may not be re-elected to the Board. In under two years, a majority of the Board will be up for election, and without material improvement in absolute and relative operating and share price performance, there is serious doubt whether the Taubman Family influence on the Board room will persist after that time.

We urge the independent directors of Taubman to take action now and help unlock value for the benefit of all shareholders.

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Sincerely,

Jonathan Litt

Founder & CIO
Land and Buildings Investment Management, LLC

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Media Contact:
Dan Zacchei / Joe Germani
Sloane & Company
212-486-9500
Dzacchei@sloanepr.com
JGermani@sloanepr.com

[1] Class A Mall Peers defined by Land and Buildings as Taubman's high quality Class A Mall Peers GGP, Inc., The Macerich Company, Simon Property Group Inc. (collectively, "Class A Mall Peers")