

LANDandBUILDINGS

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

- Taubman's Recent Earnings Results Highlight that Poor Performance Persists at the Company –*
- Believes the Board's Actions to Date have been Purely Reactive to Investor Pressure and Designed to Maintain the Troubling Status Quo –*
- Land & Buildings Intends to Continue Advocating for Shareholders to Ensure Effective Board Oversight and a True Change in TCO's Stale Culture –*

Stamford, CT, February 26, 2018 – Land & Buildings Investment Management, LLC (together with its affiliates, "Land & 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 continued poor performance and the need for change to finally turn around the issues that have plagued the Company.

The full text of the letter follows:

Dear Taubman Centers Independent Directors:

Since our public campaign began over a year ago, Taubman's operating and financial performance has remained disappointing and concerning. We believe this pattern of lackluster performance is directly tied to TCO's resistance to change – namely its desire to do the bare minimum when it comes to enhancing corporate governance and independent board oversight.

The poor share price performance, dismal earnings and dysfunctional capital allocation that has persisted in our view leaves shareholders no choice but to hold the Board accountable to ensure the focus is on maximizing value for all shareholders – not just the Taubman Family – and truly changing the culture inside the boardroom at TCO.

Taubman's earnings release earlier this month was a stark reminder of the urgent need for change at the Company. Specifically:

Taubman engaged an outside consultant in the fourth quarter of 2017 that is expected to result in cost savings, but in reality begs more answers than questions. Why just now after years of bloated G&A and operating expenses is this being evaluated? What are expected total annual cost savings (both expensed and capitalized) and what is the timeframe to achieve the savings? What is the cost of the consultant?

Taubman announced additional development missteps in conjunction with its earnings release with additional delays and lower yields. Development delays and lowered yield expectations have long plagued the Company and were announced yet again on its latest group of developments. TCO both extended the time period to reach stabilized NOI by a year to 2020 and also lowered expected NOI from the developments. Yet, Taubman announced that they plan to announce another development start in Asia this year.

Taubman announced that its balance sheet will remain overleveraged for even longer. Taubman's debt to EBITDA ratio is now expected to be above its targeted range of 6-8x through 2019 and not get into the range again until 2020.

Taubman's best-in-class portfolio continues to generate lackluster results. Taubman owns the best quality mall portfolio in the country yet poor operating metrics continue to disappoint due to inferior management, operating practices and lack of independent board oversight. Taubman's same store NOI growth was 0.1% in the fourth quarter, below its Class A Mall Peers¹ of 2.0%.

Taubman's releasing spreads were 5% in the fourth quarter on a trailing 12 month basis, below its Class A Mall Peers of 13% releasing spreads.

We believe that there is still substantial opportunities to materially improve operating results and capital allocation in order to unlock value at Taubman. We fully intend to continue advocating for shareholders by ensuring that the Board goes beyond simply taking reactive measures due to shareholder pressure, but rather that a true change in culture takes place at Taubman.

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Sincerely,



Jonathan Litt

Founder & CIO
Land & Buildings Investment Management, LLC

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Media Contact:

Dan Zacchei / Joe Germani
Sloane & Company
212-486-9500
Dzacchei@sloanep.com
JGermani@sloanep.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").