FORM 10-Q

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2002

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) of THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File No. 1-11986

TANGER FACTORY OUTLET CENTERS, INC.
(Exact name of Registrant as specified in its Charter)

NORTH CAROLINA	56-1815473
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

3200 Northline Avenue, Suite 360, Greensboro, North Carolina 27408
(Address of principal executive offices)
(Zip code)

(336) 292-3010
(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

8,029,905 shares of Common Stock,
$.01 par value, outstanding as of August 1, 2002

TANGER FACTORY OUTLET CENTERS, INC.
Index
Part I. Financial Information

	Page Number
Item 1. Financial Statements (Unaudited)	
Consolidated Statements of Operations For the three and six months ended June 30, 2002 and 2001	3
Consolidated Balance Sheets As of June 30, 2002 and December 31, 2001	4
Consolidated Statements of Cash Flows For the six months ended June 30, 2002 and 2001	5
Notes to Consolidated Financial Statements	6
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	11

Part II. Other Information

Item 1. Legal proceedings	22
Item 4. Submission of Matters to a Vote of Security Holders	22
Item 6. Exhibits and Reports on Form 8-K	22
Signatures	23

<TABLE>
<CAPTION>

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

	Three Months Ended June 30, 2002	Three Months Ended June 30, 2001	Six Months Ended June 30, 2002	Six Months Ended June 30, 2001
	(unaudited)		(unaudited)	
REVENUES				
<S>	<C>	<C>	<C>	<C>
Base rentals	$ 18,540	$ 18,164	$ 36,729	$ 36,042
Percentage rentals	581	499	1,178	850
Expense reimbursements	7,333	7,587	14,635	15,045
Other income	508	557	1,081	1,077
Total revenues	26,962	26,807	53,623	53,014
EXPENSES				
Property operating	8,677	8,844	17,334	17,427
General and administrative	2,092	2,016	4,367	4,085
Interest	7,118	7,658	14,247	15,291
Depreciation and amortization	7,116	6,836	14,199	13,958
Total expenses	25,003	25,354	50,147	50,761
Income before minority interest, discontinued operations, and extraordinary item	1,959	1,453	3,476	2,253
Minority interest	(416)	(280)	(712)	(379)
Income from continuing operations	1,543	1,173	2,764	1,874
Discontinued operations (including gain on sale of $460 in 2002), net of minority interest	551	225	775	449
Income before extraordinary item	2,094	1,398	3,539	2,323
Extraordinary item - Loss on early extinguishment of debt, net of minority interest of $50	---	---	---	(130)
Net income	2,094	1,398	3,539	2,193
Less applicable preferred share dividends	(442)	(443)	(886)	(885)
Net income available to common shareholders	$ 1,652	$ 955	$ 2,653	$ 1,308
Basic earnings per common share:				
Income from continuing operations	$ .14	$ .09	$ .23	

				$ .12
Net income	$ .21	$ .12	$ .33	$ .16
Diluted earnings per common share:				
Income from continuing operations	$ .13	$ .09	$ .23	$ .12
Net income	$ .20	$ .12	$ .33	$ .16
Dividends paid per common share	$ .61	$ .61	$ 1.22	$ 1.21

The accompanying notes are an integral part of these consolidated financial statements.
</TABLE>

<TABLE>
<CAPTION>

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

<S>	<C> June 30, 2002 (unaudited)	<C> December 31, 2001
ASSETS		
Rental Property		
Land	$ 50,176	$60,158
Buildings, improvements and fixtures	535,438	539,108
	585,614	599,266
Accumulated depreciation	(161,612)	(148,950)
Rental property, net	424,002	450,316
Cash and cash equivalents	204	515
Deferred charges, net	10,465	11,413
Other assets	30,783	14,028
Total assets	$ 465,454	$ 476,272
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Debt		
Senior, unsecured notes	$ 155,609	$160,509
Mortgages payable	175,603	176,736
Lines of credit	26,625	20,950
	357,837	358,195
Construction trade payables	4,141	3,722
Accounts payable and accrued expenses	12,943	16,478

Total liabilities	374,921	378,395
Commitments		
Minority interest	19,326	21,506
Shareholders' equity		
Preferred shares, $.01 par value, 1,000,000 shares authorized, 80,190 and 80,600 shares issued and outstanding at June 30, 2002 and December 31, 2001	1	1
Common shares, $.01 par value, 50,000,000 shares authorized, 8,029,905 and 7,929,711 shares issued and outstanding at June 30, 2002 and December 31, 2001	80	79
Paid in capital	138,177	136,529
Distributions in excess of net income	(66,619)	(59,534)
Accumulated other comprehensive loss	(432)	(704)
Total shareholders' equity	71,207	76,371
Total liabilities and shareholders' equity	$ 465,454	$ 476,272

The accompanying notes are an integral part of these consolidated financial statements.
</TABLE>

<TABLE>
<CAPTION>

TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Six Months Ended June 30, 2002	2001
	(unaudited)	
OPERATING ACTIVITIES		
<S>	<C>	<C>
Net income	$ 3,539	$ 2,193
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization (including discontinued operations)	14,371	14,137
Amortization of deferred financing costs	628	973
Minority interest	1,007	500
Loss on early extinguishment of debt	---	180
Gain on sale of real estate (included in discontinued operations)	(460)	---
Gain on sale of outparcel of land	(31)	---
Straight-line base rent adjustment	101	172
Increase (decrease) due to changes in:		
Other assets	(446)	(497)
Accounts payable and accrued expenses	(3,158)	(957)
Net cash provided by operating activites	15,551	16,701
INVESTING ACTIVITIES		
Additions to rental properties	(2,944)	(12,256)
Additions to investments in joint ventures	(80)	---
Additions to deferred lease costs	(753)	(1,064)

Net proceeds from sale of real estate	17,291	723
Increase in escrow from rental property sale	(16,826)	---
Collections from officers	86	645
Net cash used in investing activities	(3,226)	(11,952)
FINANCING ACTIVITIES		
Cash dividends paid	(10,624)	(10,526)
Distributions to minority interest	(3,708)	(3,693)
Proceeds from issuance of debt	50,651	221,817
Repayments of debt	(51,009)	(208,424)
Additions to deferred financing costs	(11)	(4,533)
Proceeds from exercise of unit option	2,065	192
Net cash used in financing activities	(12,636)	(5,167)
Net decrease in cash and cash equivalents	(311)	(418)
Cash and cash equivalents, beginning of period	515	634
Cash and cash equivalents, end of period	$ 204	$ 216

Supplemental schedule of non-cash investing activities:

The Company purchases capital equipment and incurs costs relating to construction of new facilities, including tenant finishing allowances. Expenditures included in construction trade payables as of June 30, 2002 and 2001 amounted to $4,141 and $6,251, respectively.

The accompanying notes are an integral part of these consolidated financial statements.
</TABLE>

TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2002
(Unaudited)

1. Business

Tanger Factory Outlet Centers, Inc., a fully-integrated, self-administered, self-managed real estate investment trust ("REIT"), develops, owns and operates factory outlet centers. The factory outlet centers and other assets of the Company's business are held by, and all of its operations are conducted by, Tanger Properties Limited Partnership. Unless the context indicates otherwise, the term the "Company" refers to Tanger Factory Outlet Centers, Inc. and the term "Operating Partnership" refers to Tanger Properties Limited Partnership. The terms "we", "our" and "us" refer to the Company or the Company and the Operating Partnership together, as the context requires.

2. Basis of Presentation

Our unaudited Consolidated Financial Statements have been prepared pursuant to accounting principles generally accepted in the United States of America and should be read in conjunction with the Consolidated Financial Statements and Notes thereto of our Annual Report on Form 10-K for the year ended December 31, 2001. Certain information and note disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to the Securities and Exchange Commission's ("SEC") rules and regulations, although management believes that the disclosures are adequate to make the information presented not misleading.

The accompanying unaudited Consolidated Financial Statements reflect, in the opinion of management, all adjustments necessary for a fair presentation of the interim Consolidated Financial Statements. All such adjustments are of a normal and recurring nature.

Investments in real estate joint ventures that represent non-controlling

ownership interests are accounted for using the equity method of accounting. These investments are recorded initially at cost and subsequently adjusted for our net equity in the venture's income (loss) and cash contributions and distributions. Our investments are included in other assets in our Consolidated Balance Sheets and our equity in the venture's income (loss) is included in other income in our Consolidated Statements of Operations.

Certain amounts in the 2001 Consolidated Financial Statements have been reclassified to conform to the 2002 presentation. See Footnote 5.

3. Development of Rental Properties

During the second quarter of 2002, through our unconsolidated 50% ownership joint venture, TWMB Associates, LLC ("TWMB") with Rosen-Warren Myrtle Beach LLC ("Rosen-Warren"), we opened the first phase of our new 400,000 square foot Tanger Outlet Center in Myrtle Beach, South Carolina on June 28, 2002. The first phase consists of approximately 260,000 square feet and features 60 brand name and designer outlet stores.

Interest costs capitalized during the three months ended June 30, 2002 and 2001 amounted to $80,000 and $52,000, respectively, and for the six months ended June 30, 2002 and 2001 amounted to $159,000 and $423,000, respectively. The interest capitalized in 2002 relates to the on going construction of TWMB's Myrtle Beach, SC center.

4. Investments in Real Estate Joint Ventures

Effective August 7, 2000, we announced the formation of a joint venture with C. Randy Warren Jr., former Senior Vice President of Leasing of the Company. The new entity, Tanger-Warren Development, LLC ("Tanger-Warren"), was formed to identify, acquire and develop sites exclusively for us. We agreed to be co-managers of Tanger-Warren, each with 50% ownership interest in the joint venture and any entities formed with respect to a specific project. As of June 30, 2002, our investment in Tanger-Warren amounted to approximately $6,500 and the impact of this joint venture on our results of operations has been insignificant.

In September 2001, we established a joint venture, TWMB, with respect to our Myrtle Beach, South Carolina project with Rosen-Warren. Rosen-Warren and we each own 50% of TWMB. Also, in September 2001 TWMB began construction on the first phase of a new 400,000 square foot Tanger Outlet Center in Myrtle Beach, SC. The first phase, which opened on June 28, 2002, totals approximately 260,000 square feet and features 60 brand name and designer outlet tenants. In conjunction with the beginning of construction, TWMB closed on a construction loan in the amount of $36.2 million with Bank of America, NA (Agent) and SouthTrust Bank, the proceeds of which will be used to develop the Tanger Outlet Center in Myrtle Beach, SC. As of June 30, 2002, the construction loan had an $18.1 million balance. All debt incurred by this unconsolidated joint venture is collateralized by its property as well as joint and several guarantees by us and by Rosen-Warren.

We receive fees from TWMB for our respective development, leasing, management and other services. Since this project was under construction during the majority of the quarter, the impact of this joint venture to our consolidated results of operations was insignificant.

At June 30, 2002, our investment in unconsolidated real estate joint ventures was $4.2 million. These investments are recorded initially at cost and subsequently adjusted for our net equity in the venture's income (loss) and cash contributions and distributions. Our investments are included in other assets and equity in the venture's income (loss) is included in other income. Our investment in real estate joint ventures is reduced by 50% of the profits earned for services we provided to the joint ventures.

Summary unaudited financial information of joint ventures accounted for using the equity method as of June 30, 2002 and December 31, 2001 is as follows (in thousands):
<TABLE>
<CAPTION>

	2002	2001
Assets:		
<S>	<C>	<C>
Investment properties at cost, net	$28,968	$7,348
Cash and cash equivalents	226	136
Other assets	2,975	2,199
Total assets	$32,169	$9,683
Liabilities and Owners' Equity		
Debt	$18,058	$ 10

Accounts payable and other liabilities	5,457	1,030
Total liabilities	23,515	1,040
Owners' equity	8,654	8,643
Total liabilities and owners' equity	$32,169	$9,683

</TABLE>

5. Disposition of Rental Properties

On June 27, 2002 we completed the sale of our non-core, single tenant property located in Ft. Lauderdale, Florida. Net proceeds from the sale were approximately $16.8 million. We recorded a gain on sale of real estate of approximately $460,000.

In accordance with SFAS 144 "Accounting for the Impairment or Disposal of Long Lived Assets," effective for financial statements issued for fiscal years beginning after December 15, 2001, results of operations and gain/(loss) on sales of real estate for properties sold subsequent to December 31, 2001 are reflected in the Consolidated Statements of Operations as discontinued operations for all periods presented. Below is a summary of the result of operations of this property through its respective disposition date (in thousands):

<TABLE>
<CAPTION>

	Three Months Ended June 30,		Six Months Ended June 30,	
	2002	2001	2002	2001
<S>	<C>	<C>	<C>	<C>
Base rentals	$ 382	$ 400	$ 782	$ 800
Expense reimbursements	97	114	244	227
Total revenues	479	514	1,026	1,027
Property operating expenses	97	114	244	228
Depreciation and amortization	82	90	172	179
Total expenses	179	204	416	407
Income before gain on sale of real estate	300	310	610	620
Gain on sale of real estate	460	---	460	---
Income before minority interest	$ 760	$ 310	$1,070	$ 620

</TABLE>

6. Other Comprehensive Income - Derivative Financial Instruments

Effective January 1, 2001, we adopted Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities", as amended by FAS 137 and FAS 138 (collectively, "FAS 133"). In accordance with the provisions of FAS 133, our interest rate swap agreement has been designated as a cash flow hedge and is carried on the balance sheet at fair value. At June 30, 2002, the fair value of the hedge is recorded as a liability of $596,000. For the three and six months ended June 30, 2002, the change in the fair value of the derivative instrument was recorded as a $63,000 and $272,000 gain, net of minority interest of $23,000 and $105,000, respectively, to accumulated other comprehensive income.

<TABLE>
<CAPTION>

	Three Months Ended June 30,		Six Months Ended June 30,	
	2002	2001	2002	2001
<S>	<C>	<C>	<C>	<C>
Net income	$ 2,094	$1,398	$3,539	$2,193
Other comprehensive income (loss):				
Cumulative effect adjustment of FAS 133 adoption, net of minority interest of $83	---	---	---	(217)
Reclassification to earnings on termination of cash flow hedge, net of minority interest of $41	---	---	---	106
Change in fair value of cash flow hedge, net of minority interest of $23 and $4 and $105 and $125, respectively	63	(10)	272	(324)

Other comprehensive income (loss)	63	(10)	272	(435)
Total comprehensive income	$ 2,157	$ 1,388	$3,811	$ 1,758

</TABLE>

7. Earnings Per Share

The following table sets forth a reconciliation of the numerators and denominators in computing earnings per share in accordance with Statement of Financial Accounting Standards No. 128, Earnings Per Share (in thousands, except per share amounts):
<TABLE>
<CAPTION>

	Three Months Ended June 30, 2002	Three Months Ended June 30, 2001	Six Months Ended June 30, 2002	Six Months Ended June 30, 2001
Numerator:				
<S>	<C>	<C>	<C>	<C>
Income from continuing operations	$1,543	$1,173	$2,764	$1,874
Less applicable preferred share dividends	(442)	(443)	(886)	(885)
Income from continuing operations available to common shareholders - basic and diluted	1,101	730	1,878	989
Discontinued operations	551	225	775	449
Extraordinary item - early extinguishment of debt	---	---	---	(130)
Net income available to common shareholders - basic and diluted	$1,652	$ 955	$2,653	$1,308
Denominator:				
Basic weighted average common shares	8,015	7,923	7,982	7,921
Effect of outstanding share and unit options	214	25	153	25
Diluted weighted average common shares	8,229	7,948	8,135	7,946
Basic earnings per common share:				
Income from continuing operations	$ .14	$.09	$.23	$.12
Discontinued operations	.07	.03	.10	.06
Extraordinary item - early extinguishment of debt	---	---	---	(.02)
Net income	$ .21	$.12	$.33	$.16
Diluted earnings per common share:				
Income from continuing operations	$ .13	$.09	$.23	$.12
Discontinued operations	.07	.03	.10	.06
Extraordinary item - early extinguishment of debt	---	---	---	(.02)
Net income	$ .20	$.12	$.33	$.16

</TABLE>

The computation of diluted earnings per share excludes options to purchase common shares when the exercise price is greater than the average market price of the common shares for the period. Options excluded totaled 235,000 and 1,245,000 for the three months ended June 30, 2002 and 2001, respectively, and 345,000 and 1,245,000 for the six months ended June 30, 2002 and 2001, respectively. The assumed conversion of preferred shares to common shares as of the beginning of the year would have been anti-dilutive. The assumed conversion of the partnership units held by the minority interest limited partner as of the beginning of the year, which would result in the elimination of earnings allocated to the minority interest, would have no impact on earnings per share since the allocation of earnings to a partnership unit is equivalent to earnings allocated to a common share.

8. New Accounting Pronouncements

In 2001, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standard No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("FAS 144"), which replaces FAS No. 121 "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("FAS 121"). FAS 144 retains the requirements of FAS 121 to

recognized an impairment loss only if the carrying amount of a long-lived asset is not recoverable from its undiscounted cash flows and to measure an impairment loss as the difference between the carrying amount and fair value of the asset. The provisions of FAS 144 are effective for financial statements issued for fiscal years beginning after December 15, 2001. We implemented the provisions of FAS 144 on January 1, 2002. FAS 144 did not have an effect on our results of operations or our financial position.

Under both FAS No. 121 and 144, real estate assets designated as held for sale are stated at their fair value less costs to sell. We classify real estate as held for sale when our Board of Directors approves the sale of the assets and we have commenced an active program to sell the assets. Subsequent to this classification, no further depreciation is recorded on the assets. Under FAS No. 121, the operating results of real estate assets held for sale are included in continuing operations. Upon implementation of FAS No. 144 in 2002, the operating results of newly designated real estate assets held for sale will be included in discontinued operations in our results of operations. We currently do not have any assets that are held for sale.

In April 2002, the FASB issued FAS No. 145, "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections". In rescinding FAS No. 4, "Reporting Gains and Losses from Extinguishment of Debt", and FAS No. 64, "Extinguishments of Debt Made to Satisfy Sinking-Fund Requirements", FAS 145 eliminates the requirement that gains and losses from the extinguishment of debt be aggregated and, if material, classified as an extraordinary item, net of the related income tax effect. FAS 145 is effective for us for transactions occurring after January 1, 2003. Management is currently evaluating the effects of this statement.

In June 2002 the FASB issued FAS No. 146, Accounting for Exit or Disposal Activities. FAS 146 addresses significant issues regarding the recognition, measurement, and reporting of costs that are associated with exit and disposal activities, including restructuring activities that are currently accounted for pursuant to the guidance that the Emerging Issues Task Force (EITF) has set forth in EITF Issue No. 94-3, Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring). FAS 146 will be effective for exit or disposal activities that are initiated after December 31, 2002. Management is currently evaluating the effects of this statement.

During 2000, the American Institute of Certified Public Accountants' Accounting Standards Executive Committee issued an exposure draft Statement of Position ("SOP") regarding the capitalization of costs associated with property, plant and equipment. Under the proposed SOP, all property plant and equipment related costs would be expensed unless the costs are directly identifiable with specific projects and the proposal would limit the amount of overhead costs companies capitalize to certain payroll or payroll related costs. If this proposal is adopted, the amount of costs we capitalize will be less than would have been capitalized before the adoption of this proposal. The effective date of the final SOP is expected in 2003.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion should be read in conjunction with the unaudited, Consolidated Financial Statements appearing elsewhere in this report. Historical results and percentage relationships set forth in the unaudited, Consolidated Statements of Operations, including trends which might appear, are not necessarily indicative of future operations.

The discussion of our results of operations reported in the unaudited consolidated statements of operations compares the three and six months ended June 30, 2002 with the three and six months ended June 30, 2001. Certain comparisons between the periods are made on a percentage basis as well as on a weighted average gross leasable area ("GLA") basis, a technique which adjusts for certain increases or decreases in the number of centers and corresponding square feet related to the development, acquisition, expansion or disposition of rental properties. The computation of weighted average GLA, however, does not adjust for fluctuations in occupancy which may occur subsequent to the original opening date.

Cautionary Statements

Certain statements made below are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. We intend for such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Reform Act of 1995 and included this statement for purposes of complying with these safe harbor provisions. Forward-looking statements, which are based on certain assumptions and describe our future plans, strategies and expectations, are generally identifiable by use

of the words "believe", "expect", "intend", "anticipate", "estimate", "project", or similar expressions. You should not rely on forward-looking statements since they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond our control and which could materially affect our actual results, performance or achievements. Factors which may cause actual results to differ materially from current expectations include, but are not limited to, the following:

- - general economic and local real estate conditions could change (for example, our tenant's business may change if the economy changes, which might effect (1) the amount of rent they pay us or their ability to pay rent to us, (2) their demand for new space, or (3) our ability to renew or re-lease a significant amount of available space on favorable terms);

- - the laws and regulations that apply to us could change (for instance, a change in the tax laws that apply to REITs could result in unfavorable tax treatment for us);

- - availability and cost of capital (for instance, financing opportunities may not be available to us, or may not be available to us on favorable terms);

- - the level and volatility of interest rates may fluctuate in an unfavorable manner;

- - our operating costs may increase or our costs to construct or acquire new properties or expand our existing properties may increase or exceed our original expectations.

General Overview

At June 30, 2002, we owned 28 centers in 20 states totaling 5.17 million square feet compared to 29 centers in 20 states totaling 5.33 million square feet at June 30, 2002. The decrease is due to the sale of our 165,000 square foot property in Ft. Lauderdale, Florida on June 27, 2002.

Also at June 30, 2002, we operated one center in Myrtle Beach, South Carolina which we built through a 50% ownership joint venture, TWMB Associates, LLC ("TWMB"), with Rosen-Warren Myrtle Beach LLC ("Rosen-Warren") The first phase of the center, opened on June 28, 2002, consists of approximately 260,000 square feet and includes 60 brand name and designer outlet tenants. A second phase is planned and will contain approximately 140,000 square feet.

A summary of the operating results for the three and six months ended June 30, 2002 and 2001 is presented in the following table, expressed in amounts calculated on a weighted average GLA basis.
<TABLE>
<CAPTION>

	Three Months Ended June 30,		Six Months Ended June 30,	
	2002	2001	2002	2001
<S>	<C>	<C>	<C>	<C>
GLA open at end of period (100% owned centers) (000's)	5,167	5,141	5,167	5,141
GLA open at end of period (50% ownership joint venture) (000's) (1)	260	---	260	---
GLA open at end of period (000's) (1)	5,427	5,141	5,427	5,141
Weighted average GLA (000's) (2)	5,167	5,129	5,167	5,109
Outlet centers in operation (1)	29	28	29	28
Centers opened (1)	1	---	1	---
Centers sold	1	---	1	---
Centers expanded	---	1	---	1
States operated in at end of period (1)	21	20	21	20
Occupancy percentage at end of period (1)	96%	94%	96%	94%
Per square foot				
Revenues				
Base rentals	$ 3.59	$ 3.54	$ 7.11	

$ 7.05

Percentage rentals	.11	.10	.23	.17
Expense reimbursements	1.42	1.48	2.83	2.94
Other income	.10	.11	.21	.21
Total revenues	5.22	5.23	10.38	10.37
Expenses				
Property operating	1.68	1.72	3.35	3.41
General and administrative	.40	.40	.85	.80
Interest	1.38	1.49	2.76	2.99
Depreciation and amortization	1.38	1.33	2.75	2.73
Total expenses	4.84	4.94	9.71	9.93
Income before gain on sale of real estate, minority interest, discontinued operations and extraordinary item	$ .38	$ .29	$ .67	$ .44

(1) Includes Myrtle Beach, SC property which we operate and have a 50% ownership in through a joint venture.
(2) GLA of 100% owned properties weighted by months of operations. GLA is not adjusted for fluctuations in occupancy that may occur subsequent to the original opening date.
(3) In accordance with SFAS No. 144 "Accounting for the Impairment or Disposal of Long Lived Assets," the results of operations for the Ft. Lauderdale property disposed of during 2002 have been reported as discontinued operations for both the current and prior periods presented and removed from GLA open at both period ends.
</TABLE>

The table set forth below summarizes certain information with respect to our existing centers as of June 30, 2002.

<TABLE>
<CAPTION>

Date Opened	Location	GLA (sq. ft.)	% Occupied
Jun. 1986	Kittery I, ME	59,694	100
Mar. 1987	Clover, North Conway, NH	11,000	100
Nov. 1987	Martinsburg, WV	49,252	57
Apr. 1988	LL Bean, North Conway, NH	50,745	100
Jul. 1988	Pigeon Forge, TN	94,558	100
Aug. 1988	Boaz, AL	80,730	93
Jun. 1988	Kittery II, ME	24,703	94
Jul. 1989	Commerce, GA	185,750	90
Oct. 1989	Bourne, MA	23,417	100
Feb. 1991	West Branch, MI	112,420	98
May 1991	Williamsburg, IA	277,230	98
Feb. 1992	Casa Grande, AZ	184,768	89
Dec. 1992	North Branch, MN	134,480	100
Feb. 1993	Gonzales, LA	245,199	96
May 1993	San Marcos, TX	441,432	98
Aug. 1994	Riverhead, NY	729,238	99
Aug. 1994	Terrell, TX	177,490	95
Sep. 1994	Seymour, IN	141,051	76
Oct. 1994 (1)	Lancaster, PA	255,059	96
Nov. 1994	Branson, MO	277,494	98
Nov. 1994	Locust Grove, GA	248,854	98
Jan. 1995	Barstow, CA	105,950	57
Dec. 1995	Commerce II, GA	342,556	97
Feb. 1997 (1)	Sevierville, TN	353,977	100
Sept. 1997 (1)	Blowing Rock, NC	105,448	100
Sep. 1997 (1)	Nags Head, NC	82,254	100

Mar. 1998 (1)	Dalton, GA	173,430	96
Jul. 1998 (1)	Fort Meyers, FL	198,789	93
Jun. 2002 (2)	Myrtle Beach, SC	259,929	100
Total		5,426,897	96

(1) Represents date acquired by us.
(2) Represents center operated by us through a 50% ownership joint venture.
</TABLE>

RESULTS OF OPERATIONS

Comparison of the three months ended June 30, 2002 to the three months ended June 30, 2001

Base rentals increased $376,000, or 2%, in the 2002 period when compared to the same period in 2001. The increase is primarily due to the effect of the completed expansion at our San Marcos, TX center during 2001. Base rent per weighted average GLA increased by $.05 per square foot from $3.54 per square foot in the 2001 period compared to $3.59 per square foot in the 2002 period. The slight increase is the result of the addition of the San Marcos expansion to the portfolio which had a higher average base rent per square foot compared to the portfolio average. While the overall portfolio occupancy at June 30, 2002 increased 2% from 94% to 96% compared with the prior year quarter, three centers experienced negative occupancy trends which were offset by positive occupancy gains in other centers.

Percentage rentals, which represent revenues based on a percentage of tenants' sales volume above predetermined levels (the "breakpoint"), increased $82,000, and on a weighted average GLA basis, increased $.01 per square foot in 2002 compared to 2001. For the three months ended June 30, 2002, same-space sales increased 1% compared to the same period in 2001. Same-space sales are defined as the weighted average sales per square foot reported in space open for the full duration of each comparison period. Reported same-space sales per square foot for the rolling twelve months ended June 30, 2002 were $297 per square foot, representing a 6% increase compared to the same period in 2001. The increases are attributable to our continued ability to attract high volume tenants to our centers which improves the average sales per square foot throughout our portfolio.

Expense reimbursements, which represent the contractual recovery from tenants of certain common area maintenance, insurance, property tax, promotional, advertising and management expenses generally fluctuates consistently with the reimbursable property operating expenses to which it relates. Expense reimbursements, expressed as a percentage of property operating expenses, decreased to 85% in 2002 from 86% in 2001 primarily as a result of higher real estate taxes due to revaluations, increases in property insurance premiums and increases in other non-reimbursable expenses.

Other income decreased $49,000 in 2002 compared to 2001 primarily due to increases in vending income and the recognition of development and lease fee revenue from our TWMB joint venture offset by decreases in interest income from 2001 which related to cash proceeds from the February 2001 bond offering.

Property operating expenses decreased by $167,000, or 2%, in the 2002 period as compared to the 2001 period and, on a weighted average GLA basis, decreased $.04 per square foot from $1.72 to $1.68. The decrease is the result of a company-wide effort to improve operating efficiencies and reduce costs in common area maintenance and marketing partially offset by increases in real estate taxes, property insurance and other non-reimbursable expenses.

General and administrative expenses increased $76,000, or 4%, in the 2002 period as compared to the 2001 period. Also, as a percentage of total revenues, general and administrative expenses were 8% in both the 2002 and 2001 periods and, on a weighted average GLA basis remained constant at $.40 per square foot.

Interest expense decreased $540,000 during 2002 as compared to 2001 due primarily to lower average interest rates during 2002. Beginning in the fourth quarter of 2001 and continuing through the first quarter of 2002, we purchased at par or below, approximately $19.4 million of our outstanding 7.875% senior, unsecured public notes that mature in October 2004. The purchases were funded by amounts available under our unsecured lines of credit. The replacement of the 2004 bonds with funding through lines of credit provided us with a significant interest expense reduction as the lines of credit have a lower interest rate. Depreciation and amortization per weighted average GLA increased from $1.33 per square foot in the 2001 period to $1.38 per square foot in the 2002 period due to a higher mix of tenant finishing allowances included in buildings and improvements which are depreciated over shorter lives (i.e. over lives generally ranging from 3 to 10 years as opposed to other construction costs which are

depreciated over lives ranging from 15 to 33 years).

In accordance with SFAS 144 "Accounting for the Impairment or Disposal of Long Lived Assets," effective for financial statements issued for fiscal years beginning after December 15, 2001, results of operations and gain/ (loss) on sales of real estate for properties sold subsequent to December 31, 2001 are reflected in the Consolidated Statements of Operations as discontinued operations" for both periods presented. The increase in discontinued operations is due to the gain on the sale of the Ft. Lauderdale property sold in 2002.

Comparison of the six months ended June 30, 2002 to the six months ended June 30, 2001

Base rentals increased $687,000, or 2%, in the 2002 period when compared to the same period in 2001. The increase is primarily due to the completed expansion at our San Marcos, TX center during the first six months of 2001. The full effect of this expansion was recognized in 2002. Base rent per weighted average GLA increased by $.06 per square foot from $7.05 per square foot in the 2001 period compared to $7.11 per square foot in the 2002 period. The increase is the result of the addition of the San Marcos expansion to the portfolio which had a higher average base rent per square foot compared to the portfolio average. While the overall portfolio occupancy at June 30, 2002 increased 2% from 94% to 96% compared with the prior year quarter, three centers experienced negative occupancy trends which were offset by positive occupancy gains in other centers.

Percentage rentals, which represent revenues based on a percentage of tenants' sales volume above predetermined levels (the "breakpoint"), increased $328,000 or 39%, and on a weighted average GLA basis, increased $.06 per square foot in 2002 compared to 2001. Reported same-space sales per square foot for the rolling twelve months ended June 30, 2002 were $297 per square foot, representing a 6% increase compared to the same period in 2001. The increase is attributable to our continued ability to attract high volume tenants to our centers which improves the average sales per square foot throughout our portfolio. Reported same-store sales for the six months ended June 30, 2002, defined as the weighted average sales per square foot reported by tenants for stores open since January 1, 2001, increased 2% compared to the same period in the prior year.

Expense reimbursements, which represent the contractual recovery from tenants of certain common area maintenance, insurance, property tax, promotional, advertising and management expenses generally fluctuates consistently with the reimbursable property operating expenses to which it relates. Expense reimbursements, expressed as a percentage of property operating expenses, decreased to 84% in 2002 from 86% in 2001 primarily as a result of higher real estate taxes due to revaluations, increases in property insurance premiums and increases in other non-reimbursable expenses.

Property operating expenses decreased by $93,000, or 1%, in the 2002 period as compared to the 2001 period and, on a weighted average GLA basis, decreased $.06 per square foot from $3.41 to $3.35. The decrease is the result of a company-wide effort to improve operating efficiencies and reduce costs in common area maintenance and marketing partially offset by increases in real estate taxes, property insurance and other non-reimbursable expenses.

General and administrative expenses increased $282,000, or 7%, in the 2002 period as compared to the 2001 period. Also, as a percentage of total revenues, general and administrative expenses were 8% in both the 2002 and 2001 periods and, on a weighted average GLA basis increased from $.80 in 2001 to $.85 in 2002.

Interest expense decreased $1.0 million during 2002 as compared to 2001 due primarily to lower average interest rates during 2002. Beginning in the fourth quarter of 2001 and continuing through the first quarter of 2002, we purchased at par or below, approximately $19.4 million of our outstanding 7.875% senior, unsecured public notes that mature in October 2004. The purchases were funded by amounts available under our unsecured lines of credit. The replacement of the 2004 bonds with funding through lines of credit provided us with a significant interest expense reduction as the lines of credit have a lower interest rate. Also, the 2001 results included $295,200 paid to terminate certain interest rate swap agreements during that period. Depreciation and amortization per weighted average GLA increased from $2.73 per square foot in the 2001 period to $2.75 per square foot in the 2002 period due to a higher mix of tenant finishing allowances included in buildings and improvements which are depreciated over shorter lives (i.e. over lives generally ranging from 3 to 10 years as opposed to other construction costs which are depreciated over lives ranging from 15 to 33 years).

In accordance with SFAS 144 "Accounting for the Impairment or Disposal of Long Lived Assets," effective for financial statements issued for fiscal years beginning after December 15, 2001, results of operations and gain/ (loss) on

sales of real estate for properties sold subsequent to December 31, 2001 are reflected in the Consolidated Statements of Operations as discontinued operations for both periods presented. The increase in discontinued operations is due to the gain on the sale of the Ft. Lauderdale property sold in 2002.

The 2001 extraordinary loss relates to debt that was extinguished with a portion of the February 2001 bond offering proceeds prior to its scheduled maturity.

LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by operating activities was $15.6 million and $16.7 million for the six months ended June 30, 2002 and 2001, respectively. The decrease in cash provided by operating activities is due primarily to a decrease in accounts payable in 2002 when compared to 2001 offset by an increase in operating income. Net cash used in investing activities was $3.2 and $12.0 million during the first six months of 2002 and 2001, respectively. Cash used was higher in 2001 primarily due to the increase in cash paid for expansion activities at our San Marcos, TX center. Net cash used in financing activities amounted to $12.6 million and $5.2 million during the first six months of 2002 and 2001, respectively. Cash used was lower in 2001 due to the debt proceeds raised during the first six months of 2001.

Joint Ventures

Effective August 7, 2000, we announced the formation of a joint venture with C. Randy Warren Jr., former Senior Vice President of Leasing of the Company. The new entity, Tanger-Warren Development, LLC ("Tanger-Warren"), was formed to identify, acquire and develop sites exclusively for us. We agreed to be co-managers of Tanger-Warren, each with 50% ownership interest in the joint venture and any entities formed with respect to a specific project. As of June 30, 2002, our investment in Tanger-Warren amounted to approximately $6,500 and the impact of this joint venture on our results of operations has been insignificant.

In September 2001, we established a joint venture, TWMB, with respect to our Myrtle Beach, South Carolina project with Rosen-Warren. We and Rosen-Warren, each as 50% owners, contributed $4.3 million in cash for a total initial equity in TWMB of $8.6 million. In September 2001, TWMB began construction on the first phase of a new 400,000 square foot Tanger Outlet Center in Myrtle Beach, SC. The first phase is projected to cost $34.6 million and consists of approximately 260,000 square feet which opened on June 28, 2002 with 60 brand name outlet tenants. We currently anticipate construction of a 140,000 square foot second, and final phase to cost approximately $13.7 million. Prior to beginning construction on the second phase, Rosen-Warren and we each will be required to contribute an additional $1.75 million in cash for a total equity contribution in phase two of TWMB of $3.5 million. Beginning in July 2002, we will receive on-going asset management fees for our services as property manager of the Myrtle Beach center.

In conjunction with the beginning of construction, TWMB closed on a construction loan in the amount of $36.2 million with Bank of America, NA (Agent) and SouthTrust Bank, the proceeds of which will be used to develop the Tanger Outlet Center in Myrtle Beach, SC. As of June 30, 2002, the construction loan had an $18.1 million balance. All debt incurred by this unconsolidated joint venture is secured by its property as well as joint and several guarantees by Rosen-Warren and us. We do not expect events to occur that would trigger the provisions of the guarantee because our properties have historically produced sufficient cash flow to meet the related debt service requirements.

Either owner in TWMB has the right to initiate the sale or purchase of the other party's interest no sooner than October 25, 2002. If such action is initiated, one owner would determine the fair market value purchase price of the joint venture and the other would determine whether they would take the role of seller or purchaser. The owner who is to designate the fair market value purchase price would be determined by the toss of a coin. If either Rosen-Warren or we enacted this provision and depending on our role in the transaction as either seller or purchaser, we could potentially incur a cash outflow for the purchase of Rosen-Warren's interest. However, we do not expect this event to occur in the near future based on the positive expectations of developing and operating an outlet center in the Myrtle Beach area.

Other Developments

On July 1, 2002, our option to purchase the retail portion of a site at the Bourne Bridge Rotary in Cape Cod, Massachusetts was terminated due to the seller's inability to obtain the proper approvals for the Bourne project from the local authorities by such date. As a result of the termination, the net carrying amount of assets remaining on this project includes $100,000 in earnest money that is refundable to us immediately and a $150,000 note receivable at 5% annual interest that becomes due from the seller and is payable with accrued interest on July 1, 2003. At this time we believe that this note receivable is fully collectable.

Any developments or expansions that we, or a joint venture that we are involved in, have planned or anticipated may not be started or completed as scheduled, or may not result in accretive funds from operations. In addition, we regularly evaluate acquisition or disposition proposals and engage from time to time in negotiations for acquisitions or dispositions of properties. We may also enter into letters of intent for the purchase or sale of properties. Any prospective acquisition or disposition that is being evaluated or which is subject to a letter of intent may not be consummated, or if consummated, may not result in accretive funds from operations.

Financing Arrangements

During the first quarter of 2002, we purchased at par or below, $4.9 million of our outstanding 7.875% senior, unsecured public notes that mature in October 2004. The purchases were funded by amounts available under our unsecured lines of credit. These purchases were in addition to $14.5 million of the October 2004 notes that were purchased in the fourth quarter of 2001 at par.

At June 30, 2002, approximately 51% of our outstanding long-term debt represented unsecured borrowings and approximately 58% of our real estate portfolio was unencumbered. The average interest rate, including loan cost amortization, on average debt outstanding for the six months ended June 30, 2002 was 7.96%.

We intend to retain the ability to raise additional capital, including public debt or equity, to pursue attractive investment opportunities that may arise and to otherwise act in a manner that we believe to be in our best interest and our shareholders' interests. During the second quarter of 2001, we amended our shelf registration for the ability to issue up to $400 million, ($200 million in debt and $200 million in equity securities). In July 2002, we again amended the shelf registration to allow us to issue the $400 million in either all debt or all equity or any combination thereof up to $400 million. We may also consider the use of operational and developmental joint ventures, selling certain properties that do not meet our long-term investment criteria as well as outparcels on existing properties to generate capital to reinvest into other attractive investment opportunities.

We maintain unsecured, revolving lines of credit that provide for unsecured borrowings up to $75 million at June 30, 2002. During 2002, we extended the maturity of one $25 million line of credit to June 30, 2004. The other two $25 million lines of credit mature on June 30, 2003 and we are currently in negotiation with the respective financial institutions to extend them beyond that date. Based on cash provided by operations, existing credit facilities, ongoing negotiations with certain financial institutions and our ability to sell debt or equity subject to market conditions, we believe that we have access to the necessary financing to fund the planned capital expenditures during 2002.

We anticipate that adequate cash will be available to fund our operating and administrative expenses, regular debt service obligations, and the payment of dividends in accordance with REIT requirements in both the short and long term. Although we receive most of our rental payments on a monthly basis, distributions to shareholders are made quarterly and interest payments on the senior, unsecured notes are made semi-annually. Amounts accumulated for such payments will be used in the interim to reduce the outstanding borrowings under the existing lines of credit or invested in short-term money market or other suitable instruments.

On July 11, 2002, our Board of Directors declared a $.6125 cash dividend per common share payable on August 15, 2002 to each shareholder of record on July 31, 2002, and caused a $.6125 per Operating Partnership unit cash distribution to be paid to the minority interests. The Board of Directors also declared a cash dividend of $.5518 per preferred depositary share payable on August 15, 2002 to each shareholder of record on July 31, 2002.

Market Risk

We are exposed to various market risks, including changes in interest rates. Market risk is the potential loss arising from adverse changes in market rates and prices, such as interest rates. We do not enter into derivatives or other financial instruments for trading or speculative purposes.

We negotiate long-term fixed rate debt instruments and enter into interest rate swap agreements to manage our exposure to interest rate changes. The swaps involve the exchange of fixed and variable interest rate payments based on a contractual principal amount and time period. Payments or receipts on the agreements are recorded as adjustments to interest expense. At June 30, 2002, we had an interest rate swap agreement effective through January 2003 with a notional amount of $25 million. Under this agreement, we receive a floating interest rate based on the 30 day LIBOR index and pay a fixed interest rate of 5.97%. This swap effectively changes our payment of interest on $25 million of variable rate debt to fixed rate debt for the contract period at a rate of

7.72%.

The fair value of the interest rate swap agreement represents the estimated receipts or payments that would be made to terminate the agreement. At June 30, 2002, we would have paid approximately $596,000 to terminate the agreement. A 1% decrease in the 30 day LIBOR index would increase the amount paid by us by $126,000 to approximately $722,000. The fair value is based on dealer quotes, considering current interest rates and remaining term to maturity. We do not intend to terminate our interest rate swap agreement prior to its maturity. This derivative is currently recorded as a liability; however, if held to maturity, the value of the swap will be zero at that time.

The fair market value of long-term fixed interest rate debt is subject to market risk. Generally, the fair market value of fixed interest rate debt will increase as interest rates fall and decrease as interest rates rise. The estimated fair value of our total long-term debt at June 30, 2002 was $353.8 million and its recorded value was $357.8 million. A 1% increase from prevailing interest rates at June 30, 2002 would result in a decrease in fair value of total long-term debt by approximately $11.2 million. Fair values were determined from quoted market prices, where available, using current interest rates considering credit ratings and the remaining terms to maturity.

New Accounting Pronouncements

In 2001, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standard No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("FAS 144"), which replaces FAS No. 121 "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("FAS 121"). FAS 144 retains the requirements of FAS 121 to recognized an impairment loss only if the carrying amount of a long-lived asset is not recoverable from its undiscounted cash flows and to measure an impairment loss as the difference between the carrying amount and fair value of the asset. The provisions of FAS 144 are effective for financial statements issued for fiscal years beginning after December 15, 2001. We implemented the provisions of FAS 144 on January 1, 2002. FAS 144 did not have an effect on our results of operations or our financial position.

Under both FAS No. 121 and 144, real estate assets designated as held for sale are stated at their fair value less costs to sell. We classify real estate as held for sale when our Board of Directors approves the sale of the assets and we have commenced an active program to sell the assets. Subsequent to this classification, no further depreciation is recorded on the assets. Under FAS No. 121, the operating results of real estate assets held for sale are included in continuing operations. Upon implementation of FAS No. 144 in 2002, the operating results of newly designated real estate assets held for sale will be included in discontinued operations in our results of operations. We currently do not have any assets that are held for sale.

In April 2002, the FASB issued FAS No. 145, "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections". In rescinding FAS No. 4, "Reporting Gains and Losses from Extinguishment of Debt", and FAS No. 64, "Extinguishments of Debt Made to Satisfy Sinking-Fund Requirements", FAS 145 eliminates the requirement that gains and losses from the extinguishment of debt be aggregated and, if material, classified as an extraordinary item, net of the related income tax effect. FAS 145 is effective for us for transactions occurring after January 1, 2003. Management is currently evaluating the effects of this statement.

In June 2002 the FASB issued FAS No. 146, Accounting for Exit or Disposal Activities. FAS 146 addresses significant issues regarding the recognition, measurement, and reporting of costs that are associated with exit and disposal activities, including restructuring activities that are currently accounted for pursuant to the guidance that the Emerging Issues Task Force (EITF) has set forth in EITF Issue No. 94-3, Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring). FAS 146 will be effective for exit or disposal activities that are initiated after December 31, 2002. Management is currently evaluating the effects of this statement.

During 2000, the American Institute of Certified Public Accountants' Accounting Standards Executive Committee issued an exposure draft Statement of Position ("SOP") regarding the capitalization of costs associated with property, plant and equipment. Under the proposed SOP, all property plant and equipment related costs would be expensed unless the costs are directly identifiable with specific projects and the proposal would limit the amount of overhead costs companies capitalize to certain payroll or payroll related costs. If this proposal is adopted, the amount of costs we capitalize will be less than would have been capitalized before the adoption of this proposal. The effective date of the final SOP is expected in 2003.

Funds from Operations

We believe that for a clear understanding of our consolidated historical operating results, FFO should be considered along with net income as presented in the unaudited consolidated financial statements included elsewhere in this report. FFO is presented because it is a widely accepted financial indicator used by certain investors and analysts to analyze and compare one equity real estate investment trust ("REIT") with another on the basis of operating performance. FFO is generally defined as net income (loss), computed in accordance with generally accepted accounting principles, before extraordinary items and gains (losses) on sale or disposal of depreciable operating properties, plus depreciation and amortization uniquely significant to real estate and after adjustments for unconsolidated partnerships and joint ventures. We caution that the calculation of FFO may vary from entity to entity and as such our presentation of FFO may not be comparable to other similarly titled measures of other reporting companies. FFO does not represent net income or cash flow from operations as defined by generally accepted accounting principles and should not be considered an alternative to net income as an indication of operating performance or to cash from operations as a measure of liquidity. FFO is not necessarily indicative of cash flows available to fund dividends to shareholders and other cash needs.

Below is a calculation of funds from operations for the three and six months ended June 30, 2002 and 2001 as well as actual cash flow and other data for those respective periods (in thousands):

<TABLE>
<CAPTION>

	Three Months Ended June 30,		Six Months Ended June 30,	
	2002	2001	2002	2001
Funds from Operations:				
<S>	<C>	<C>	<C>	<C>
Net income	$2,094	$1,398	$ 3,539	$2,193
Adjusted for:				
Extraordinary item - loss on early extinguishment of debt	---	---	---	130
Minority interest	416	280	712	379
Minority interest, depreciation and amortization attributable to discontinued operations	291	175	467	351
Depreciation and amortization uniquely significant to real estate	7,042	6,770	14,052	13,802
Gain on sale of real estate	(460)	---	(460)	---
Funds from operations before minority interest	$9,383	$8,623	$18,310	$16,855
Weighted average shares outstanding (1)	11,984	11,707	11,982	11,705
Cash flow provided by (used in):				
Operating activities			$ 15,551	$ 16,701
Investing activities			(3,226)	(11,952)
Financing activities			(12,636)	(5,167)

(1) Assumes the partnership units of the Operating Partnership held by the minority interest, preferred shares of the Company and stock and unit options are converted to common shares of the Company.
</TABLE>

Economic Conditions and Outlook

The majority of our leases contain provisions designed to mitigate the impact of

inflation. Such provisions include clauses for the escalation of base rent and clauses enabling us to receive percentage rentals based on tenants' gross sales (above predetermined levels, which we believe often are lower than traditional retail industry standards) that generally increase as prices rise. Most of the leases require the tenant to pay their share of property operating expenses, including common area maintenance, real estate taxes, insurance and advertising and promotion, thereby reducing exposure to increases in costs and operating expenses resulting from inflation.

While factory outlet stores continue to be a profitable and fundamental distribution channel for brand name manufacturers, some retail formats are more successful than others. As typical in the retail industry, certain tenants have closed, or will close, certain stores by terminating their lease prior to its natural expiration or as a result of filing for protection under bankruptcy laws.

Approximately 33% of our lease portfolio is scheduled to expire during 2002 and 2003. Approximately, 935,000 square feet of space is up for renewal during 2002, 20% of which is located in our dominant center in Riverhead, NY, and approximately 848,000 square feet will come up for renewal in 2003. If we were unable to successfully renew or release a significant amount of this space on favorable economic terms, the loss in rent could have a material, adverse effect on our results of operations.

As of June 30, 2002, we have renewed approximately 533,000 square feet, or 57% of the square feet scheduled to expire in 2002. The existing tenants have renewed at an average base rental rate approximately 5% higher than the expiring rate. We also re-tenanted 132,000 square feet of vacant space during the first six months of 2002 at a 6% increase in the average base rental rate from that which was previously charged. Our factory outlet centers typically include well-known, national, brand name companies. By maintaining a broad base of creditworthy tenants and a geographically diverse portfolio of properties located across the United States, we reduce our operating and leasing risks. No one tenant (including affiliates) accounts for more than 6% of our combined base and percentage rental revenues. Accordingly, we do not expect any material adverse impact on our results of operation and financial condition as a result of leases to be renewed or stores to be released.

As of June 30, 2002, our centers were 96% occupied. Consistent with our long-term strategy of remerchandising centers, we will continue to hold space off the market until an appropriate tenant is identified. While we believe this strategy will add value to our centers in the long-term, it may reduce our average occupancy rate in the near term.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Neither the Company nor the Operating Partnership is presently involved in any material litigation nor, to their knowledge, is any material litigation threatened against the Company or the Operating Partnership or its properties, other than routine litigation arising in the ordinary course of business and which is expected to be covered by liability insurance.

Item 4. Submission of Matters to a Vote of Security Holders

On May 17, 2002, we held our Annual Meeting of Shareholders. The matter on which common shareholders voted was the election of five directors to serve until the next Annual Meeting of Shareholders. The results of the voting are as shown below:

Nominees	Votes For	Votes Against
Stanley K. Tanger	7,066,372	165,907
Steven B. Tanger	7,083,634	148,645
Jack Africk	7,173,017	59,262
William G. Benton	7,183,716	48,563
Thomas E. Robinson	7,183,416	48,863

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits - None.

(b) Reports on Form 8-K

We filed the following report on Form 8-K during the three months ended June 30, 2002:

Current Report on Form 8-K dated April 30, 2002 to file the March 31, 2002 Supplemental Operating and Financial Data

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

TANGER FACTORY OUTLET CENTERS, INC.

By: /s/ Frank C. Marchisello Jr.

Frank C. Marchisello, Jr.
Senior Vice President, Chief Financial Officer

DATE: August 12, 2002