United States
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13
OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934
For the fiscal year ended December 31, 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 number 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, NC 27408	(336) 292-3010
(Address of principal executive offices)	(Registrant's telephone number)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of exchange on which registered
Common Shares, $.01 par value	New York Stock Exchange
Series A Cumulative Convertible Redeemable Preferred Shares, $.01 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

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
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Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.[ ]

The aggregate market value of voting shares held by non-affiliates of the Registrant was approximately $266, 767,000 based on the closing price on the New York Stock Exchange for such stock on March 21, 2003.

The number of Common Shares of the Registrant outstanding as of March 21, 2003 was 9,299,665.

Documents Incorporated By Reference

Part III incorporates certain information by reference from the Registrant's definitive proxy statement to be filed with respect to the Annual Meeting of Shareholders to be held May 9, 2003.

PART I

Item 1. Business

The Company

Tanger Factory Outlet Centers, Inc. and subsidiaries, a fully-integrated, self-administered and self-managed real estate investment trust ("REIT"), focuses exclusively on developing, acquiring, owning, operating and managing factory outlet centers. Since entering the factory outlet center business 22 years ago, we have become one of the largest owners and operators of factory outlet centers in the United States. As of December 31, 2002, we had ownership interests in or management responsibilities for 34 centers with a total gross leasable area ("GLA") of approximately 6.2 million square feet. These centers were approximately 98% occupied, contained over 1,300 stores and represented over 300 store brands as of such date.

Our factory outlet centers and other assets are held by, and all of our operations are conducted by, Tanger Properties Limited Partnership. Accordingly, the descriptions of our business, employees and properties are also descriptions of the business, employees and properties of the Operating Partnership. Unless the context indicates otherwise, the term "Company" refers to Tanger Factory Outlet Centers, Inc. and subsidiaries 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 text requires.

We own the majority of the units of partnership interest issued by the Operating Partnership (the "Units") through our two wholly-owned subsidiaries, the Tanger GP Trust and the Tanger LP Trust. The Tanger GP Trust controls the Operating Partnership as its sole general partner. The Tanger LP Trust holds a limited partnership interest. The Tanger family, through its ownership of the Tanger Family Limited Partnership ("TFLP"), holds the remaining Units as a limited partner. Stanley K. Tanger, our Chairman of the Board and Chief Executive Officer, is the sole general partner of TFLP.

As of December 31, 2002, our wholly-owned subsidiaries owned 9,061,025 Units, and 80,190 Preferred Units (which are convertible into approximately 722,509 limited partnership Units) and TFLP owned 3,033,305 Units. TFLP's Units are exchangeable, subject to certain limitations to preserve our status as a REIT, on a one-for-one basis for our common shares. See "Business-The Operating Partnership". Preferred Units are automatically converted into limited partnership Units to the extent of any conversion of our preferred shares into our common shares. As of March 21, 2003, our management beneficially owns approximately 25% of all outstanding common shares (assuming the Series A Preferred Shares and the limited partner's Units are exchanged for common shares but without giving effect to the exercise of any outstanding stock and partnership Unit options).

Ownership of our common and preferred shares is restricted to preserve our status as a REIT for federal income tax purposes. Subject to certain exceptions, a person may not actually or constructively own more than 4% of our common shares (including common shares which may be issued as a result of conversion of Series A Preferred Shares) or more than 29,400 Series A Preferred Shares (or a lesser number in certain cases). We also operate in a manner intended to enable us to preserve our status as a REIT, including, among other things, making distributions with respect to our outstanding common and preferred shares equal to at least 90% of our taxable income each year.

We are a North Carolina corporation that was formed in March 1993. The executive offices are currently located at 3200 Northline Avenue, Suite 360, Greensboro, North Carolina, 27408 and the telephone number is (336) 292-3010. The Company's website can be accessed at www.tangeroutlet.com. A copy of our 10-K's, 10-Q's, and 8-K's can be obtained, free of charge, on the Company's website.

Recent Developments

At December 31, 2002, we had ownership interests in or management responsibilities for 34 centers in 21 states totaling 6.2 million square feet of operating GLA compared to 32 centers in 20 states totaling 5.4 million square feet of operating GLA as of December 31, 2001. The increase is due to the following events:

- Disposition of our wholly-owned property in Fort Lauderdale, Florida, totaling 165,000 square feet
- Development, through a 50% ownership joint venture, of our property in Myrtle Beach, South Carolina totaling 260,000 square feet
- Acquisition of our wholly-owned property in Howell, Michigan totaling 325,000 square feet
- Obtained management responsibilities of a property in Vero Beach, Florida totaling 329,000 square feet
- Disposition of our wholly-owned property in Bourne, Massachusetts, totaling 23,000 square feet at which we retain limited management responsibilities

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 net income or 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 net income or funds from operations.

During 2002, we continued to maintain strong relationships with multiple sources of capital. We completed the following liquidity transactions during the year:

- In September 2002, we completed a public offering of 1,000,000 common shares at a price of $29.25 per share, receiving net proceeds of approximately $28.0 million. The net proceeds were used, together with other available funds to acquire the Kensington Valley Factory Shops in Howell, Michigan mentioned above, reduce the outstanding balance on our lines of credit and for general corporate purposes.

- We extended the maturities of our existing three unsecured lines of credit totaling $75 million with Bank of America, Fleet National Bank and SouthTrust Bank until June 30, 2004 and added an additional $10 million line of credit with Wells Fargo Bank which also matures on June 30, 2004. This addition brings our total capacity under lines of credit to $85 million.

- In conjunction with the construction of the Myrtle Beach, South Carolina center mentioned above, we, through our 50% ownership joint venture, TWMB Associates, LLC ("TWMB"), closed on a variable rate, construction loan in the amount of $36.2 million with Bank of America, NA (Agent) and SouthTrust Bank. In August of 2002, TWMB entered into an interest rate swap agreement with Bank of America, NA effective through August 2004 with a notional amount of $19 million. This swap effectively changes the payment of interest on $19 million of variable rate debt to fixed rate debt for the contract period at a rate of 4.49%.

During 2002, we purchased primarily at par, $10.4 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. During 2001, we purchased $14.5 million of these notes at par. In total, $24.9 million of the October 2004 notes were purchased in 2001 and 2002. We currently have authority from our Board of Directors to purchase an additional $25 million of our outstanding 7.875% senior, unsecured public notes and may, from time to time, do so at management's discretion.

The Factory Outlet Concept

Factory outlets are manufacturer-operated retail stores that sell primarily first quality, branded products at significant discounts from regular retail prices charged by department stores and specialty stores. Factory outlet centers offer numerous advantages to both consumers and manufacturers. Manufacturers selling in factory outlet stores are often able to charge customers lower prices for brand name and designer products by eliminating the third party retailer. Factory outlet centers also typically have lower operating costs than other retailing formats, which enhance the manufacturer's profit potential. Factory outlet centers enable manufacturers to optimize the size of production runs while continuing to maintain control of their distribution channels. In addition, factory outlet centers benefit manufacturers by permitting them to sell out-of-season, overstocked or discontinued merchandise without alienating department stores or hampering the manufacturer's brand name, as is often the case when merchandise is distributed via discount chains.

Our factory outlet centers range in size from 11,000 to 729,238 square feet of GLA and are typically located at least 10 miles from densely populated areas, where major department stores and manufacturer-owned full-price retail stores are usually located. Manufacturers prefer these locations so that they do not compete directly with their major customers and their own stores. Many of our factory outlet centers are located near tourist destinations to attract tourists who consider shopping to be a recreational activity. These centers are typically situated in close proximity to interstate highways that provide accessibility and visibility to potential customers.

We believe that factory outlet centers continue to present attractive opportunities for capital investment, particularly with respect to strategic re-merchandising plans and expansions of existing centers. We believe that under present conditions such development or expansion costs, coupled with current market lease rates, permit attractive investment returns. We further believe, based upon our contacts with present and prospective tenants, that many companies, including prospective new entrants into the factory outlet business, desire to open a number of new factory outlet stores in the next several years, particularly where there are successful factory outlet centers in which such companies do not have a significant presence or where there are few factory outlet centers.

Our Factory Outlet Centers

Each of our factory outlet centers carries the Tanger brand name. We believe that both national manufacturers and consumers recognize the Tanger brand as one that provides outlet shopping centers where consumers can trust the brand, quality and price of the merchandise they purchase directly from the manufacturers.

As one of the original participants in this industry, we have developed long-standing relationships with many national and regional manufacturers. Because of our established relationships with many manufacturers, we believe we are well positioned to capitalize on industry growth.

As of March 1, 2003, we had a diverse tenant base comprised of over 300 different well-known, upscale, national designer or brand name concepts, such as Dana Buchman, Liz Claiborne, Reebok, Nike, Tommy Hilfiger, Brooks Brothers, Nautica, Coach, Polo Ralph Lauren, GAP, Old Navy and Banana Republic. Most of the factory outlet stores are directly operated by the respective manufacturer.

No single tenant (including affiliates) accounted for 10% or more of combined base and percentage rental revenues during 2002, 2001 and 2000. As of March 1, 2003, our largest tenant, including all of its store concepts, accounted for approximately 6.6% of our GLA. Because our typical tenant is a large, national manufacturer, we have not experienced any material problems with respect to rent collections or lease defaults.

Revenues from fixed rents and operating expense reimbursements accounted for approximately 91% of our total revenues in 2002. Revenues from contingent sources, such as percentage rents, vending income and miscellaneous income, accounted for approximately 8% of 2002 revenues. As a result, only small portions of our revenues are dependent on contingent revenue sources.

Business History

Stanley K. Tanger, the Company's founder, Chairman and Chief Executive Officer, entered the factory outlet center business in 1981. Prior to founding the Company, Stanley K. Tanger and his son, Steven B. Tanger, the Company's President and Chief Operating Officer, built and managed a successful family owned apparel manufacturing business, Tanger/Creighton Inc. ("Tanger/Creighton"), which business included the operation of five factory outlet stores. Based on their knowledge of the apparel and retail industries, as well as their experience operating Tanger/Creighton's factory outlet stores, the Tangers recognized that there would be a demand for factory outlet centers where a number of manufacturers could operate in a single location and attract a large number of shoppers.

From 1981 to 1986, Stanley K. Tanger solely developed the first successful factory outlet centers. Steven Tanger joined the company in 1986 and by June 1993, together, the Tangers had developed 17 centers with a total GLA of approximately 1.5 million square feet. In June of 1993, we completed our initial public offering ("IPO"), making Tanger Factory Outlet Centers, Inc. the first publicly traded outlet center company. Since our IPO, through strategic development, acquisitions and some dispositions, we have added approximately 4.7 million square feet of GLA to our portfolio, bringing our portfolio of owned and managed properties as of December 31, 2002 to 34 centers totaling approximately 6.2 million square feet of GLA.

Business and Operating Strategy

Our strategy is to increase revenues through new development, selective acquisitions and expansions of factory outlet centers while minimizing our operating expenses by designing low maintenance properties and achieving economies of scale. We continue to focus on strengthening our tenant base in our centers by replacing low volume tenants with high volume anchor tenants.

We typically seek opportunities to develop or acquire new centers in locations that have at least 5 million people residing within an hour's drive, an average household income within a 50-mile radius of at least $35,000 per year and access to frontage on a major or interstate highway with a traffic count of at least 50,000 cars per day. We also seek to enhance our customer base by developing centers near or at established tourist destinations. Our current goal is to target sites that are large enough to support centers with approximately 75 stores totaling at least 300,000 square feet of GLA.

We generally prelease at least 50% of the space in each center prior to acquiring the site and beginning construction. Construction of a new factory outlet center has normally taken us four to six months from groundbreaking to the opening of the first tenant store. Construction of expansions to existing properties typically takes less time, usually between three to four months.

Capital Strategy

We intend to achieve a strong and flexible financial position by: (1) maintaining a quality portfolio of strong income producing properties, (2) managing our leverage position relative to our portfolio when pursuing new development and expansion opportunities, (3) extending and sequencing debt maturities, (4) managing our interest rate risk, (5) maintaining our liquidity and (6) utilizing internally generated sources of capital by maintaining a low distribution payout ratio, defined as annual distributions as a percent of funds from operations, and subsequently reinvesting a significant portion of our cash flow into our portfolio. For a discussion of funds from operations, see "Management's Discussion and Analysis of Financial Condition and Results of Operations--Funds From Operations".

We have successfully increased our dividend each of our first nine years as a public company. At the same time, we continue to have a low distribution payout ratio, which for the year ended December 31, 2002, was 72%. As a result, we retained approximately $12.3 million of our 2002 FFO. A low distribution payout ratio allows us to retain capital to maintain the quality of our portfolio, as well as to develop, acquire and expand properties and reduce outstanding debt.

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 shareholders' best 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. In September 2002, we completed a public offering of 1,000,000 common shares at a price of $29.25 per share, receiving net proceeds of approximately $28.0 million. We used the net proceeds, together with other available funds, to acquire one outlet center in Howell, Michigan, to reduce the outstanding balance on our lines of credit and for general corporate purposes. To generate capital to reinvest into other attractive investment opportunities, 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.

We maintain unsecured, revolving lines of credit that provided for unsecured borrowings up to $85 million at December 31, 2002, an increase of $10 million in capacity from December 31, 2001. During 2002, we extended the maturity of all lines of credit to June 30, 2004.

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 2003.

The Operating Partnership

Our centers and other assets are held by, and all of our operations are conducted by, the Operating Partnership. As of December 31, 2002, our wholly-owned subsidiaries owned 9,061,025 Units, and 80,190 Preferred Units (which are convertible into approximately 722,509 limited partnership Units) and the Tanger Family owned the remaining 3,033,305 Units. TFLP's Units are exchangeable, subject to certain limitations to preserve our status as a REIT, on a one-for-one basis for our common shares.

Each preferred partnership Unit entitles us to receive distributions from the Operating Partnership, in an amount equal to the distribution payable with respect to a share of Series A Preferred Shares, prior to the payment by the Operating Partnership of distributions with respect to the general partnership Units. Preferred partnership Units will be automatically converted by holders into limited partnership Units to the extent that the Series A Preferred Shares are converted into Common Shares and will be redeemed by the Operating Partnership to the extent that the Series A Preferred Shares are redeemed by us.

Competition

We carefully consider the degree of existing and planned competition in a proposed area before deciding to develop, acquire or expand a new center. Our centers compete for customers primarily with factory outlet centers built and operated by different developers, traditional shopping malls and full- and off-price retailers. However, we believe that the majority of our customers visit factory outlet centers because they are intent on buying name-brand products at discounted prices. Traditional full- and off-price retailers are often unable to provide such a variety of name-brand products at attractive prices.

Tenants of factory outlet centers typically avoid direct competition with major retailers and their own specialty stores, and, therefore, generally insist that the outlet centers be located not less than 10 miles from the nearest major department store or the tenants' own specialty stores. For this reason, our centers compete only to a very limited extent with traditional malls in or near metropolitan areas.

We compete favorably with two large national developers of factory outlet centers and numerous small developers. Competition with other factory outlet centers for new tenants is generally based on cost, location, quality and mix of the centers' existing tenants, and the degree and quality of the support and marketing services provided. As a result of these factors and due to the strong tenant relationships that presently exist with the current major outlet developers, we believe there are significant barriers to entry into the outlet center industry by new developers. We also believe that our centers have an attractive tenant mix, as a result of our decision to lease substantially all of our space to manufacturer operated stores rather than to off-price retailers, and also as a result of the strong brand identity of our major tenants.

Corporate and Regional Headquarters

We rent space in an office building in Greensboro, North Carolina in which our corporate headquarters are located. In addition, we rent a regional office in New York City, New York under a lease agreement and sublease agreement, respectively, to better service our principal fashion-related tenants, many of who are based in and around that area.

We maintain offices and employ on-site managers at 26 centers. The managers closely monitor the operation, marketing and local relationships at each of their centers.

Insurance

We believe that as a whole our properties are covered by adequate comprehensive liability, fire, flood and extended loss insurance provided by reputable companies with commercially reasonable and customary deductibles and limits. Specified types and amounts of insurance are required to be carried by each tenant under their lease agreement with us. There are however, types of losses, like those resulting from wars or earthquakes, which may either be uninsurable or not economically insurable in some or all of our locations. An uninsured loss could result in a loss to us of both our capital investment and anticipated profits from the affected property.

Employees

As of March 1, 2003, we had 157 full-time employees, located at our corporate headquarters in North Carolina, our regional office in New York and our 26 business offices. At that date, we also employed 169 part-time employees at various locations.

Item 2. Properties

As of March 1, 2003, our portfolio consisted of 34 centers located in 21 states. Our centers range in size from 11,000 to 729,238 square feet of GLA. These centers are typically strip shopping centers that enable customers to view all of the shops from the parking lot, minimizing the time needed to shop. The centers are generally located near tourist destinations or along major interstate highways to provide visibility and accessibility to potential customers.

We believe that the centers are well diversified geographically and by tenant and that we are not dependent upon any single property or tenant. The only center that represents more than 10% of our consolidated total assets or consolidated gross revenues as of and for the year ended December 31, 2002 is the property in Riverhead, NY. See "Business and Properties - Significant Property". No other center represented more than 10% of our consolidated total assets or consolidated gross revenues as of December 31, 2002.

We have an ongoing strategy of acquiring centers, developing new centers and expanding existing centers. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources" for a discussion of the cost of such programs and the sources of financing thereof.

Certain of our centers serve as collateral for mortgage notes payable. Of the 29 centers that we have ownership interests in, we own the land underlying 25 and have ground leases on four. The land on which the Pigeon Forge and Sevierville centers are located are subject to long-term ground leases expiring in 2086 and 2046, respectively. The land parcel on which the original Riverhead Center is located, approximately 47 acres, is also subject to a ground lease with an initial term expiring in 2004, with renewal at our option for up to seven additional terms of five years each. The land parcel on which the Riverhead Center expansion is located, containing approximately 43 acres, is owned by us. The land parcel on which the Myrtle Beach center is located, is also subject to a ground lease with an initial term expiring in 2026, with renewal at TWMB's option for up to seven additional terms of ten years each.

The term of our typical tenant lease averages approximately five years. Generally, leases provide for the payment of fixed monthly rent in advance. There are often contractual base rent increases during the initial term of the lease. In addition, the rental payments are customarily subject to upward adjustments based upon tenant sales volume. Most leases provide for payment by the tenant of real estate taxes, insurance, common area maintenance, advertising and promotion expenses incurred by the applicable center. As a result, substantially all operating expenses for the centers are borne by the tenants.

<TABLE>
<CAPTION>

Location of Centers (as of March 1, 2003) (1)

State	Number of Centers	GLA (sq. ft.)	% of GLA
<S>	<C>	<C>	<C>
Georgia	4	950,590	17
New York	1	729,238	13
Texas	2	619,426	11
Tennessee	2	477,412	8
Michigan	2	437,651	8
Missouri	1	277,494	5
Iowa	1	277,230	5
South Carolina (2)	1	260,033	5
Pennsylvania	1	255,059	4
Louisiana	1	245,199	4
Florida	1	198,789	3
North Carolina	2	187,702	3
Arizona	1	184,768	3
Indiana	1	141,051	2
Minnesota	1	134,480	2
California	1	105,950	2
Maine	2	84,397	2
Alabama	1	79,575	1
New Hampshire	2	61,745	1
West Virginia	1	49,252	1
Total	29	5,757,041	100

(1) Excludes centers managed by us but in which we have no ownership interests.

(2) Represents property that is currently held through an unconsolidated joint venture in which we own a 50% interest.
</TABLE>

The table set forth below summarizes certain information with respect to our existing centers, excluding centers we manage but in which we have no ownership interests, as of March 1, 2003. Except as noted, all properties are fee owned.
<TABLE>
<CAPTION>

Location	GLA (sq. ft.)	% Occupied	Mortgage Debt Outstanding (000's) as of December 31, 2002
<S>	<C>	<C>	<C>
Riverhead, NY (1)	729,238	98	---
San Marcos, TX	441,936	99	37,946
Sevierville, TN (2)	382,854	100	---
Commerce II, GA	342,556	90	29,500
Howell, MI	325,231	99	---
Branson, MO	277,494	96	24,000
Williamsburg, IA	277,230	98	19,429
Myrtle Beach, SC (2) (3)	260,033	100	---
Lancaster, PA	255,059	90	14,516
Locust Grove, GA	248,854	99	---
Gonzales, LA	245,199	98	---
Fort Meyers, FL	198,789	99	---
Commerce I, GA	185,750	79	8,288
Casa Grande, AZ	184,768	89	---
Terrell, TX	177,490	96	---
Dalton, GA	173,430	93	11,133
Seymour, IN	141,051	74	---
North Branch, MN	134,480	99	---
West Branch, MI	112,420	95	7,067
Barstow, CA	105,950	60	---
Blowing Rock, NC	105,448	94	9,655
Pigeon Forge, TN (2)	94,558	95	---
Nags Head, NC	82,254	100	6,552
Boaz, AL	79,575	89	---
Kittery I, ME	59,694	100	6,335
LL Bean, North Conway, NH	50,745	100	---
Martinsburg, WV	49,252	73	---
Kittery II, ME	24,703	66	---
Clover, North Conway, NH	11,000	100	---

	5,757,041	95		$ 174,421

(1) A portion of the Riverhead center (totaling approximately 298,000 square feet) is subject to a ground lease through May 31, 2004 which may be renewed at our option for up to seven additional terms of five years each.

(2) These properties are subject to a ground lease.

(3) Represents property that is currently held through an unconsolidated joint venture in which we own a 50% interest. The joint venture had $25.5 million of construction loan debt as of December 31, 2002.
</TABLE>

Lease Expirations

The following table sets forth, as of March 1, 2003, scheduled lease expirations, assuming none of the tenants exercise renewal options. Most leases are renewable for five year terms at the tenant's option.
<TABLE>
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Year	No. of Leases Expiring(1)	Approx. GLA (sq. ft.) (1)	Average Annualized Base Rent per sq. ft.	Annualized Base Rent (000's) (2)	% of Gross Annualized Base Rent Represented by Expiring Leases
<S>	<C>	<C>	<C>	<C>	<C>
2003	142	541,000 (3)	$ 12.54	$6,783	10
2004	277	1,196,000	13.57	16,227	23
2005	190	835,000	15.69	13,098	16
2006	188	795,000	15.54	12,362	15
2007	204	839,000	18.10	15,177	16
2008	96	438,000	15.06	6,598	8
2009	20	137,000	12.30	1,689	3
2010	17	79,000	14.67	1,156	2
2011	9	94,000	12.75	1,193	2
2012	19	173,000	11.24	1,949	3
2013 & thereafter	21	110,000	12.50	1,375	2
Total	1,183	5,237,000	$ 14.82	$ 77,607	100

(1) Excludes leases that have been entered into but which tenant has not yet taken possession, vacant suites, space under construction, temporary leases and month-to-month leases totaling in the aggregate approximately 520,000 square feet.

(2) Base rent is defined as the minimum payments due, excluding periodic contractual fixed increases and rents calculated based on a percentage of tenants' sales.

(3) As of March 1, 2003, approximately 529,000 square feet of the total scheduled to expire in 2003 had already renewed.
</TABLE>

Rental and Occupancy Rates

The following table sets forth information regarding the expiring leases during each of the last five calendar years.

<TABLE>
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	Total Expiring		Renewed by Existing Tenants		Re-leased to New Tenants	
Year	GLA (sq. ft.)	% of Total Center GLA	GLA (sq. ft.)	% of Expiring GLA	GLA (sq. ft.)	% of Expiring GLA
<S>	<C>	<C>	<C>	<C>	<C>	<C>
2002	935,000	16	819,000	88	56,000	6

2001	684,000	13	560,000	82	55,000	8
2000	690,000	13	520,000	75	68,000	10
1999	715,000	14	606,000	85	23,000	3
1998	549,000	11	408,000	74	39,000	7

</TABLE>

The following table sets forth the average base rental rate increases per square foot upon re-leasing stores that were turned over or renewed during each of the last five calendar years.

<TABLE>
<CAPTION>

	Renewals of Existing Leases				Stores Re-leased to New Tenants (1)			
		Average Annualized Base Rents ($ per sq. ft.)				Average Annualized Base Rents ($ per sq. ft.)		
Year	GLA (sq. ft.)	Expiring	New	% Increase	GLA (sq. ft.)	Expiring	New	% Change
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
2002	819,000	$14.86	$15.02	1	229,000	$15.14	$15.74	4
2001	560,000	14.08	14.89	6	269,000	14.90	16.43	10
2000	520,000	13.66	14.18	4	303,000	14.68	15.64	7
1999	606,000	14.36	14.36	--	241,000	15.51	16.57	7
1998	407,000	13.83	14.07	2	221,000	15.33	13.87	(9)

(1) The square footage released to new tenants for 2002, 2001, 2000, 1999 and 1998 contains 56,000, 55,000, 68,000, 23,000,and 39,000 square feet, respectively, that was released to new tenants upon expiration of an existing lease during the current year.

</TABLE>

Occupancy Costs

We believe that our ratio of average tenant occupancy cost (which includes base rent, common area maintenance, real estate taxes, insurance, advertising and promotions) to average sales per square foot is low relative to other forms of retail distribution. The following table sets forth, for each of the last five years, tenant occupancy costs per square foot as a percentage of reported tenant sales per square foot.

<TABLE>
<CAPTION>

Year	Occupancy Costs as a % of Tenant Sales
<S>	<C>
2002	7.2
2001	7.1
2000	7.4
1999	7.8
1998	7.9

</TABLE>

Tenants

The following table sets forth certain information with respect to our ten largest tenants and their store concepts as of March 1, 2003.

<TABLE>
<CAPTION>

Tenant	Number of Stores	GLA (sq. ft.)	% of Total GLA

The Gap, Inc.:			
<S>	<C>	<C>	<C>
GAP	18	157,702	2.7
Old Navy	13	183,585	3.2
Banana Republic	5	38,824	0.7
	36	380,111	6.6
Phillips-Van Heusen Corporation:			
Bass Shoe	22	146,666	2.5
Van Heusen	22	92,697	1.6
Geoffrey Beene Co. Store	12	46,001	0.8
Izod	14	33,300	0.6
	70	318,664	5.5
Liz Claiborne:			
Liz Claiborne	23	264,371	4.6
Elizabeth	7	25,984	0.5
DKNY Jeans	3	8,820	0.2
Dana Buchman	2	4,500	0.1
Special Brands By Liz Claiborne	2	5,880	0.1
Claiborne Mens	1	3,100	---
	38	312,655	5.5
Reebok International, Ltd.:			
Reebok	21	171,661	3.0
Rockport	4	11,900	0.2
Greg Norman	1	3,000	---
	26	186,561	3.2
Dress Barn Inc.	20	143,512	2.5
Sara Lee Corporation:			
L'eggs, Hanes, Bali	26	113,810	2.0
Socks Galore	5	6,230	0.1
Understatements	1	3,000	---
	32	123,040	2.1
Brown Group Retail, Inc:			
Factory Brand Shoe	16	97,102	1.7
Naturalizer	9	23,344	0.4
	25	120,446	2.1
American Commercial, Inc:			
Mikasa Factory Store	15	120,086	2.1
Polo Ralph Lauren:			
Polo Ralph Lauren	11	91,566	1.6
Polo Jeans	4	15,000	0.3
	15	106,566	1.9
VF Factory Outlet, Inc.	4	105,697	1.8
Total of all tenants listed in table	281	1,917,338	33.3

</TABLE>

Significant Property

The center in Riverhead, New York is our only center that comprises more than 10% of consolidated total assets or consolidated total gross revenues. The Riverhead, NY center represented 19% of our consolidated total assets and 21% of our consolidated gross revenue for the year ended December 31, 2002. The Riverhead center was originally constructed in 1994 and now totals 729,238 square feet.

Tenants at the Riverhead center principally conduct retail sales operations. The occupancy rate as of the end of 2002, 2001 and 2000 was 100%, 99% and 94%. Average annualized base rental rates during 2002, 2001 and 2000 were $19.71, $18.68 and $19.72 per weighted average GLA, respectively.

Depreciation on the Riverhead center is recognized on a straight-line basis over 33.33 years, resulting in a depreciation rate of 3% per year. At December 31, 2002, the net federal tax basis of this center was approximately $80.5 million. Real estate taxes assessed on this center during 2002 amounted to $3.4 million.

Real estate taxes for 2003 are estimated to be approximately $3.6 million.

The following table sets forth, as of March 1, 2003, scheduled lease expirations at the Riverhead center assuming that none of the tenants exercise renewal options:

Year	No. of Leases Expiring (1)	GLA (sq. ft.) (1)	Annualized Base Rent per sq. ft.	Annualized Base Rent (000) (2)	% of Gross Annualized Base Rent Represented by Expiring Leases
2003	7	19,000	$ 21.48	$ 409	3
2004	31	138,000	19.48	2,697	20
2005	19	90,000	22.33	2,009	13
2006	13	46,000	23.17	1,055	7
2007	53	190,000	25.78	4,900	27
2008	20	91,000	21.61	1,965	13
2009	2	38,000	10.27	388	5
2010	---	---	---	---	---
2011	2	31,000	12.69	393	4
2012	2	20,000	6.00	117	3
2013 and thereafter	3	36,000	16.12	588	5
Total	152	699,000	$ 20.77	$ 14,521	100

(1) Excludes leases that have been entered into but which tenant has not taken possession, vacant suites, temporary leases and month-to-month leases totaling in the aggregate approximately 30,000 square feet.

(2) Base rent is defined as the minimum payments due, excluding periodic contractual fixed increases and rents calculated based on a percentage of tenants' sales.

Item 3. Legal Proceedings

We are subject to legal proceedings and claims that have arisen in the ordinary course of our business and have not been finally adjudicated. In our opinion, the ultimate resolution of these matters will have no material effect on our results of operations or financial condition.

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

There were no matters submitted to a vote of security holders, through solicitation of proxies or otherwise, during the fourth quarter of the fiscal year ended December 31, 2002.

EXECUTIVE OFFICERS OF THE REGISTRANT

The following table sets forth certain information concerning our executive officers:

NAME	AGE	POSITION
Stanley K. Tanger..........	79	Founder, Chairman of the Board of Directors and Chief Executive Officer
Steven B. Tanger...........	54	Director, President and Chief Operating Officer
Rochelle G. Simpson	64	Secretary and Executive Vice President - Administration and Finance
Willard A. Chafin, Jr......	65	Executive Vice President - Leasing, Site Selection, Operations and Marketing
Frank C. Marchisello, Jr...	44	Senior Vice President - Chief Financial Officer
Joseph H. Nehmen...........	54	Senior Vice President - Operations
Carrie A. Warren...........	40	Senior Vice President - Marketing
Virginia R. Summerell......	44	Treasurer and Assistant Secretary
Kevin M. Dillon............	44	Vice President - Construction and Development

Lisa J. Morrison........... 43 Vice President - Leasing
</TABLE>

The following is a biographical summary of the experience of our executive officers:

Stanley K. Tanger. Mr. Tanger is the founder, Chief Executive Officer and Chairman of the Board of Directors of the Company. He also served as President from inception of the Company to December 1994. Mr. Tanger opened one of the country's first outlet shopping centers in Burlington, North Carolina in 1981. Before entering the factory outlet center business, Mr. Tanger was President and Chief Executive Officer of his family's apparel manufacturing business, Tanger/Creighton, Inc., for 30 years.

Steven B. Tanger. Mr. Tanger is a director of the Company and was named President and Chief Operating Officer effective January 1, 1995. Previously, Mr. Tanger served as Executive Vice President since joining the Company in 1986. He has been with Tanger-related companies for most of his professional career, having served as Executive Vice President of Tanger/Creighton for 10 years. He is responsible for all phases of project development, including site selection, land acquisition and development, leasing, marketing and overall management of existing outlet centers. Mr. Tanger is a graduate of the University of North Carolina at Chapel Hill and the Stanford University School of Business Executive Program. Mr. Tanger is the son of Stanley K. Tanger.

Rochelle G. Simpson. Ms. Simpson was named Executive Vice President - Administration and Finance in January 1999. She previously held the position of Senior Vice President - Administration and Finance since October 1995. She is also the Secretary of the Company and previously served as Treasurer from May 1993 through May 1995. She entered the factory outlet center business in January 1981, in general management and as chief accountant for Stanley K. Tanger and later became Vice President - Administration and Finance of the Predecessor Company. Ms. Simpson oversees the accounting and finance departments and has overall management responsibility for the Company's headquarters.

Willard A. Chafin, Jr. Mr. Chafin was named Executive Vice President - Leasing, Site Selection, Operations and Marketing of the Company in January 1999. Mr. Chafin previously held the position of Senior Vice President - Leasing, Site Selection, Operations and Marketing since October 1995. He joined the Company in April 1990, and since has held various executive positions where his major responsibilities included supervising the Marketing, Leasing and Property Management Departments, and leading the Asset Management Team. Prior to joining the Company, Mr. Chafin was the Director of Store Development for the Sara Lee Corporation, where he spent 21 years. Before joining Sara Lee, Mr. Chafin was employed by Sears Roebuck & Co. for nine years in advertising/sales promotion, inventory control and merchandising.

Frank C. Marchisello, Jr. Mr. Marchisello was named Senior Vice President and Chief Financial Officer in January 1999. He was named Vice President and Chief Financial Officer in November 1994. Previously, he served as Chief Accounting Officer since joining the Company in January 1993 and Assistant Treasurer since February 1994. He was employed by Gilliam, Coble & Moser, certified public accountants, from 1981 to 1992, the last six years of which he was a partner of the firm in charge of various real estate clients. Mr. Marchisello is a graduate of the University of North Carolina at Chapel Hill and is a certified public accountant.

Joseph H. Nehmen. Mr. Nehmen was named Senior Vice President of Operations in January 1999. He joined the Company in September 1995 and was named Vice President of Operations in October 1995. Mr. Nehmen has over 20 years experience in private business. Prior to joining Tanger, Mr. Nehmen was owner of Merchants Wholesaler, a privately held distribution company in St. Louis, Missouri. He is a graduate of Washington University. Mr. Nehmen is the son-in-law of Stanley K. Tanger and brother-in-law of Steven B. Tanger.

Carrie A. Warren. Ms. Warren was named Senior Vice President - Marketing in May 2000. Previously, she held the position of Vice President - Marketing since September 1996 and Assistant Vice President - Marketing since joining the Company in December 1995. Prior to joining Tanger, Ms. Warren was with Prime Retail, L.P. for 4 years where she served as Regional Marketing Director responsible for coordinating and directing marketing for five outlet centers in the southeast region. Prior to joining Prime Retail, L.P., Ms. Warren was Marketing Manager for North Hills, Inc. for five years and also served in the same role for the Edward J. DeBartolo Corp. for two years. Ms. Warren is a graduate of East Carolina University.

Virginia R. Summerell. Ms. Summerell was named Treasurer of the Company in May 1995 and Assistant Secretary in November 1994. Previously, she held the position of Director of Finance since joining the Company in August 1992, after nine years with NationsBank. Her major responsibilities include maintaining banking relationships, oversight of all project and corporate finance transactions and development of treasury management systems. Ms. Summerell is a graduate of Davidson College and holds an MBA from the Babcock School at Wake

Forest University.

Kevin M. Dillon. Mr. Dillon was named Vice President - Construction and Development in May 2002. Previously, he held the positions of Vice President - Construction from October 1997 to May 2002, Director of Construction from September 1996 to October 1997 and Construction Manager from November 1993, the month he joined the Company, to September 1996. Prior to joining the Company, Mr. Dillon was employed by New Market Development Company for six years where he served as Senior Project Manager. Prior to joining New Market, Mr. Dillon was the Development Director of Western Development Company where he spent 6 years.

Lisa J. Morrison. Ms. Morrison was named Vice President - Leasing in May 2001. Previously, she held the position of Assistant Vice President of Leasing from August 2000 to May 2001 and Director of Leasing from April 1999 until August 2000. Prior to joining the Company, Ms. Morrison was employed by the Taubman Company and Trizec Properties, Inc. where she served as a leasing agent. Her major responsibilities include managing the leasing strategies for our operating properties, as well as expansions and new development. She also oversees the leasing personnel and the merchandising and occupancy for Tanger properties.

PART II

Item 5. Market For Registrant's Common Equity and Related Shareholder Matters

The Common Shares commenced trading on the New York Stock Exchange on May 28, 1993. The initial public offering price was $22.50 per share. The following table sets forth the high and low sales prices of the Common Shares as reported on the New York Stock Exchange Composite Tape, during the periods indicated.
<TABLE>
<CAPTION>

2002	High	Low	Common Dividends Paid
<S>	<C>	<C>	<C>
First Quarter	$ 27.500	$ 20.750	$ .6100
Second Quarter	30.000	25.400	.6125
Third Quarter	29.900	23.000	.6125
Fourth Quarter	31.200	24.340	.6125
Year 2002	$ 31.200	$ 20.750	$2.4475

2001	High	Low	Common Dividends Paid
First Quarter	$ 23.625	$ 19.750	$ .6075
Second Quarter	23.000	20.340	.6100
Third Quarter	23.000	19.100	.6100
Fourth Quarter	21.400	19.900	.6100
Year 2001	$ 23.625	$ 19.100	$2.4375

As of March 1, 2003, there were approximately 710 shareholders of record. Certain of our debt agreements limit the payment of dividends such that dividends shall not exceed FFO, as defined in the agreements, for the prior fiscal year on an annual basis or 95% of FFO on a cumulative basis. Based on continuing favorable operations and available funds from operations, we intend to continue to pay regular quarterly dividends.

</TABLE>

<TABLE>
<CAPTION>

Item 6. Selected Financial Data

	2002	2001	2000	1999	1998
	(In thousands, except per share and center data)				
OPERATING DATA					
<S>	<C>	<C>	<C>	<C>	<C>
Total revenues	$ 113,167	$ 108,266	$ 106,137	$ 103,093	$ 97,094
Income before equity in earnings of unconsolidated joint ventures, minority interest, discontinued operations,(loss)gain on sale or disposal of real estate and					

extraordinary item	10,642	7,790	10,598	16,505	14,688
Income from continuing operations	8,628	6,125	8,165	12,444	11,139
Income before extraordinary item	11,007	7,356	4,312	15,837	12,159
Net income	11,007	7,112	4,312	15,588	11,827
SHARE DATA					
Basic:					
Income from continuing operations	$ .82	$ .55	$ .80	$ 1.34	$ 1.17
Net income	$ 1.11	$ .67	$ .32	$ 1.74	$ 1.26
Weighted average common shares	8,322	7,926	7,894	7,861	7,886
Diluted:					
Income from continuing operations	$ .80	$ .55	$ .80	$ 1.34	$ 1.15
Net income	$ 1.08	$ .67	$ .31	$ 1.74	$ 1.24
Weighted average common shares	8,514	7,948	7,922	7,872	8,009
Common dividends paid	$ 2.45	$ 2.44	$ 2.43	$ 2.42	$ 2.35
BALANCE SHEET DATA					
Real estate assets, before depreciation	$ 622,399	$ 599,266	$ 584,928	$ 566,216	$ 529,247
Total assets	477,675	476,272	487,408	490,069	471,795
Debt	345,005	358,195	346,843	329,647	302,485
Shareholders' equity	90,635	76,371	90,877	107,764	114,039
OTHER DATA					
Cash flows provided by (used in):					
Operating activities	$ 39,167	$ 44,626	$ 38,420	$ 43,175	$ 35,787
Investing activities	$ (26,363)	$ (23,269)	$ (25,815)	$ (45,959)	$ (79,236)
Financing activities	$ (12,247)	$ (21,476)	$ (12,474)	$ (3,043)	$ 46,172
Funds from operations (1)	$ 41,695	$ 37,768	$ 38,203	$ 41,673	$ 37,048
Gross leasable area open at year end	6,186	5,437	5,284	5,254	5,116
Number of centers	34	32	32	34	34

(1) Funds from Operations ("FFO") is a widely accepted financial indicator used by certain investors and analysts to analyze and compare companies on the basis of operating performance. FFO is 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 the presentation of FFO by us may not be comparable to other similarly titled measures of other reporting companies. FFO is not intended to represent cash flows for the period. FFO has not been presented as an alternative to operating income or as an indicator of operating performance, and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with generally accepted accounting principles.

</TABLE>

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the consolidated financial statements appearing elsewhere in this report. Historical results and percentage relationships set forth in the consolidated statements of operations, including trends which might appear, are not necessarily indicative of future operations. Unless the context indicates otherwise, the term "Company" refers to Tanger Factory Outlet Centers, Inc. and subsidiaries 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 text requires.

The discussion of our results of operations reported in the consolidated statements of operations compares the years ended December 31, 2002 and 2001, as well as December 31, 2001 and 2000. 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 that 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 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:

- national and local general economic and market conditions;
- demographic changes; our ability to sustain, manage or forecast our growth; existing government regulations and changes in, or the failure to comply with, government regulations;
- adverse publicity; liability and other claims asserted against us;
- competition;
- the risk that we may not be able to finance our planned development activities;
- risks related to the retail real estate industry in which we compete, including the potential adverse impact of external factors such as inflation, tenant demand for space, consumer confidence, unemployment rates and consumer tastes and preferences;
- risks associated with our development activities, such as the potential for cost overruns, delays and lack of predictability with respect to the financial returns associated with these development activities;
- risks associated with real estate ownership, such as the potential adverse impact of changes in the local economic climate on the revenues and the value of our properties;
- risks that a significant number of tenants may become unable to meet their lease obligations or that we may be unable to renew or re-lease a significant amount of available space on economically favorable terms;
- fluctuations and difficulty in forecasting operating results; changes in business strategy or development plans;
- business disruptions;

- the ability to attract and retain qualified personnel;
- the ability to realize planned costs savings in acquisitions; and
- retention of earnings.

General Overview

At December 31, 2002, we had ownership interests in or management responsibilities for 34 centers in 21 states totaling 6.2 million square feet compared to 32 centers in 20 states totaling 5.4 million square feet at December 31, 2001. The increase is due to the following events:

- Disposition of our wholly-owned property in Fort Lauderdale, Florida, totaling 165,000 square feet
- Development, through a 50% ownership joint venture, of our property in Myrtle Beach, South Carolina totaling 260,000 square feet
- Acquisition of our wholly-owned property in Howell, Michigan totaling 325,000 square feet
- Obtained management responsibilities of a property in Vero Beach, Florida totaling 329,000 square feet
- Disposition of our wholly-owned property in Bourne, Massachusetts, totaling 23,000 square feet for which we retain limited management responsibilities

Results of Operations

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 that have separable, identifiable cash flows for properties sold subsequent to December 31, 2001 are reflected in the Consolidated Statements of Operations as discontinued operations for all periods presented.

A summary of the operating results for the years ended December 31, 2002, 2001 and 2000 is presented in the following table, expressed in amounts calculated on a weighted average GLA basis.
<TABLE>
<CAPTION>

	2002	2001	2000
GLA open at end of period (000's)			
<S>	<C>	<C>	<C>
Wholly owned	5,469	5,332	5,179
Partially owned (1)	260	---	---
Managed	457	105	105
Total GLA at end of period (000's)	6,186	5,437	5,284
Weighted average GLA (000's) (2)	5,245	5,111	4,926
States operated in at end of period	21	20	20
Occupancy percentage at end of period	98%	96%	96%
Per square foot data			
Revenues			
Base rentals	$ 14.44	$14.33	$14.08
Percentage rentals	.68	.54	.66
Expense reimbursements	5.82	5.77	5.98
Other income	.63	.54	.82
Total revenues	21.57	21.18	21.54
Expenses			
Property operating	6.88	6.65	6.70
General and administrative	1.76	1.61	1.50
Interest	5.43	5.90	5.60
Depreciation and amortization	5.48	5.51	5.24
Asset write-down	---	---	.37
Total expenses	19.55	19.67	19.41
Income before equity in earnings of unconsolidated joint ventures, minority interest,discontinued operations,loss on sale or disposal of real estate and extraordinary item	$ 2.02	$ 1.51	$ 2.13

(1) Includes one center totaling 260,033 square feet of which we own a 50% interest through a joint venture arrangement.

(2) Represents GLA of wholly-owned operating properties weighted by months of operation. GLA is not adjusted for fluctuations in occupancy that may occur subsequent to the original opening date. Excludes GLA of properties for which their results are included in discontinued operations.
</TABLE>

2002 Compared to 2001

Base rentals increased $2.5 million, or 3%, in the 2002 period when compared to the same period in 2001. The increase is primarily due to the full nine months effect of an expansion at our San Marcos, TX center which we completed during the fourth quarter of 2001 and the acquisition of our Howell, Michigan center in September 2002. Base rent per weighted average GLA increased by $.11 per square foot from $14.33 per square foot in the 2001 period compared to $14.44 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 and an increase of 2% in average base rent per square foot on approximately 1.0 million square feet renewed or re-tenanted during 2002. While the overall portfolio occupancy at December 31, 2002 increased 2% from 96% to 98% compared with the prior year end, two 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 $823,000 or 30%, and on a weighted average GLA basis, increased $.14 per square foot in 2002 compared to 2001. Reported same-space sales per square foot for the twelve months ended December 31, 2002 were $294 per square foot, a 1.4% increase over the prior year ended December 31, 2001. Same-space sales is defined as the weighted average sales per square foot reported in space open for the full duration of each comparison period. Our ability to attract high volume tenants to many of our outlet centers continues to improve the average sales per square foot throughout our portfolio. Reported tenant sales for 2002 for all Tanger Outlet Centers reached a record level of $1.5 billion. Reported same-store sales for the year ended 2002, defined as the weighted average sales per square foot reported by tenants for stores open since January 1, 2001 were down 0.8% compared to 2001.

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 87% 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 increased $534,000, or 19%, in 2002 compared to 2001 primarily due to gains on sales of outparcels of land in 2002 included in other income, increases in vending and other miscellaneous income and the recognition of management, leasing and development fee revenue from our TWMB Associates, LLC ("TWMB") joint venture.

Property operating expenses increased by $2.1 million, or 6%, in the 2002 period as compared to the 2001 period and, on a weighted average GLA basis, increased $.23 per square foot from $6.65 to $6.88. The increase is the result of increased costs in marketing, common area maintenance, real estate taxes, property insurance, and other non-reimbursable expenses.

General and administrative expenses increased $1.0 million, or 12%, in the 2002 period as compared to the 2001 period. The increase is primarily due to increases in performance based bonus accruals, travel, legal and other professional fees. 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 $.15 per square foot from $1.61 per square foot in the 2001 period to $1.76 per square foot in the 2002 period.

Interest expense decreased $1.7 million during 2002 as compared to 2001 due primarily to lower average interest rates during 2002 and a decrease in the overall debt level due to the use of a portion of the proceeds from our equity offering during the year to reduce outstanding debt. Also, beginning in the fourth quarter of 2001 and continuing through 2002, we purchased, primarily at par, approximately $24.9 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. 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 had a lower interest rate.

Depreciation and amortization per weighted average GLA decreased slightly from $5.51 per square foot in the 2001 period to $5.48 per square foot in the 2002 period due to a lower 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).

Income from unconsolidated joint ventures increased $392,000 in the 2002 period compared to the 2001 period due to the opening of the Myrtle Beach, South Carolina outlet center by TWMB in June of 2002.

The increase in discontinued operations is due to the gains on sales of our Ft. Lauderdale, Florida and Bourne, Massachusetts centers and the leased outparcels of land in Seymour, Indiana and Casa Grande, Arizona, all of which were sold in the 2002 period.

2001 Compared to 2000

Base rentals increased $3.9 million, or 6%, in the 2001 period when compared to the same period in 2000. The increase is primarily due to the effect of the expansion completed in 2001 at our San Marcos, Texas center and the full year effect of expansions completed in the fourth quarter of 2000, offset by the loss of rent from the sales of the centers in Lawrence, Kansas and McMinnville, Oregon in June 2000. As noted above, FAS 144 applies only to properties sold subsequent to December 31, 2001. Therefore, the results of operations and resulting loss on sale of real estate from the Lawrence, Kansas and McMinnville, Oregon properties are not included in discontinued operations. The loss from these property sales is included in loss on sale or disposal of real estate in the Consolidated Statement of Operations. Base rent per weighted average GLA increased by $.25 per square foot, or 2%, as a result of the expansions which had a higher average base rent per square foot compared to the portfolio average and the sales of the centers in Lawrence, Kansas and McMinnville, Oregon which had a lower average base rent per square foot compared to the portfolio average.

Percentage rentals, which represent revenues based on a percentage of tenants' sales volume above predetermined levels, decreased by $518,000, or 16%, and on a weighted average GLA basis, decreased $.12 per square foot in 2001 compared to 2000. Same-space sales for the year ended December 31, 2001, defined as the weighted average sales per square foot reported in space open for the full duration of each comparison period, increased 5% to $294 per square foot due to our efforts to re-merchandise selected centers by replacing low volume tenants with high volume tenants. However, for the year ended December 31, 2001, reported same-store sales, defined as the weighted average sales per square foot reported by tenants for stores open since January 1, 2000, decreased by 2% compared with the previous 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 87% in 2001 from 89% in 2000 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 $1.3 million in 2001 as compared to 2000. The 2000 period included gains on sales of land outparcels totaling $908,000 and the recognition of business interruption insurance proceeds relating to the Stroud, Oklahoma center, which was destroyed by a tornado in May 1999, totaling $985,000. These items were offset in part by increases in vending and interest income in the 2001 period.

Property operating expenses increased by $1.0 million, or 3%, in 2001 as compared to 2000. On a weighted average GLA basis, property operating expenses decreased from $6.70 to $6.65 per square foot. The decrease per square foot 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 $862,000, or 12%, in 2001 as compared to 2000 primarily due to increases in professional fees and provisions for bad debts. As a percentage of revenues, general and administrative expenses were approximately 8% of revenues in 2001 and 7% in 2000. On a weighted average GLA basis, general and administrative expenses increased $.11 per square foot from $1.50 in 2000 to $1.61 in 2001.

Interest expense increased $2.6 million during 2001 as compared to 2000 due primarily to our increased debt levels attributable to development completed in 2001 and the full year effect of expansions completed in the fourth quarter of 2000. Our strategy to replace short-term, variable rate debt with long-term, fixed rate debt and extend our average debt maturities has resulted in an overall higher interest rate on outstanding debt. Also, $295,200 paid to terminate certain interest rate swap agreements during the first quarter of 2001 contributed to the increase in interest expense.

Depreciation and amortization per weighted average GLA increased 5% from $5.24 per square foot in the 2000 period to $5.51 per square foot in the 2001 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).

The asset write-down recognized in 2000 represents the write off of all development costs associated with our site in Ft. Lauderdale, Florida, as well as additional costs associated with various other non-recurring development activities at other sites, which were discontinued. The costs associated with the Ft. Lauderdale site were written off because we terminated our contract to purchase twelve acres of land in Dania Beach/Ft. Lauderdale, Florida.

The loss on sale of real estate during 2000 represents the loss recognized on the sale of our centers in Lawrence, Kansas and McMinnville, Oregon and the land and the remaining site improvements in Stroud, Oklahoma. Net proceeds received from the sale of the centers totaled $7.1 million. The combined net operating income of these two centers represented approximately 1% of the total portfolio's operating income. We sold the Stroud land and site improvements in December 2000 and received net proceeds of approximately $723,500 in January 2001. As noted above, FAS 144 applies only to properties sold subsequent to December 31, 2001. Therefore, the results of operations and resulting losses on sales of real estate from the properties which were sold in 2000 are not included in discontinued operations. The losses from these property sales, totaling $5.0 million, net of minority interest of $1.9 million, are included in loss on sale or disposal of real estate in the Consolidated Statements of

Operations.

The extraordinary losses recognized in 2001 represent the write-off of unamortized deferred financing costs related to debt that was extinguished prior to its scheduled maturity.

Liquidity and Capital Resources

Net cash provided by operating activities was $39.2, $44.6 and $38.4 million for the years ended December 31, 2002, 2001 and 2000, respectively. The decreases and increases in cash provided by operating activities in 2002 compared to 2001 and 2001 compared to 2000 are primarily due to changes in other assets and accounts payable and accrued expenses for those respective years. Net cash used in investing activities amounted to $26.4, $23.3 and $25.8 million during 2002, 2001 and 2000, respectively, and reflects the acquisitions, expansions and dispositions of real estate during each year. Cash used in financing activities of $12.2, $21.5 and $12.5 in 2002, 2001 and 2000, respectively, has fluctuated consistently with the capital needed to fund the current development and acquisition activity and reflects increases in dividends paid during 2002, 2001 and 2000. The decrease in cash used in financing activities in 2002 compared to 2001 also reflects the net proceeds of $28.0 million from the issuance of one million common shares and $2.8 million from the exercise of share and unit options in 2002.

Acquisitions and Dispositions

In September 2002, we completed the acquisition of Kensington Valley Factory Shops, a factory outlet center in Howell, Michigan containing approximately 325,000 square feet, for an aggregate purchase price of $37.5 million. The acquisition was funded with $16.8 million of net proceeds from the sale of our non-core property in Fort Lauderdale, Florida in June 2002 and a portion of the proceeds from the common share offering in September 2002.

In November 2002, we completed the disposition of our non-core center in Bourne, Massachusetts which totaled approximately 23,000 square feet. The net proceeds from this sale were $3.1 million.

During 2002 we also sold five outparcels of land at various centers (Barstow, California, Gonzales, Louisiana, North Branch, Minnesota, Seymour, Indiana and Casa Grande, Arizona), the last two of which had associated leases with identifiable cash flows. These five outparcel sales generated approximately $1.5 million in net proceeds.

Joint Ventures

In 2000, we formed 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. Our investment in Tanger-Warren amounted to approximately $6,500 and $9,000 as of December 31, 2002 and 2001, respectively, and the impact of this joint venture on our results of operations has been insignificant.

In September 2001, we established the TWMB joint venture with respect to our Myrtle Beach, South Carolina project with Rosen-Warren Myrtle Beach LLC ("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 of 2001, TWMB began construction on its first phase of a new 400,000 square foot Tanger Outlet Center in Myrtle Beach, South Carolina. The first phase opened 100% leased on June 28, 2002 at a cost of approximately $35.4 million with approximately 260,000 square feet and 60 brand name outlet tenants. In November 2002, we began construction on a 64,000 square foot second phase which is estimated to cost $6.5 million. We and Rosen-Warren have each contributed approximately $1.1 million toward this second phase, with the majority of the contribution being made in the first quarter of 2003.

In conjunction with the construction of the center, TWMB closed on a variable rate, construction loan in the amount of $36.2 million with Bank of America, NA (Agent) and SouthTrust Bank. As of December 31, 2002 the construction loan had a balance of $25.5 million. In August of 2002, TWMB entered into an interest rate swap agreement with Bank of America, NA effective through August 2004 with a notional amount of $19 million. Under this agreement, TWMB receives a floating interest rate based on the 30 day LIBOR index and pays a fixed interest rate of 2.49%. This swap effectively changes the payment of interest on $19 million of variable rate debt to fixed rate debt for the contract period at a rate of 4.49%. All debt incurred by this unconsolidated joint venture is collateralized by its property as well as joint and several guarantees by Rosen-Warren and us.

Either partner in TWMB has the right to initiate the sale or purchase of the other party's interest. If such action is initiated, one partner would determine the fair market value purchase price of the venture and the other would determine whether they would take the role of seller or purchaser. The partners' roles in this transaction would be determined by the tossing of a coin, commonly known as a Russian roulette provision. If either Rosen-Warren or we enact this provision and depending on our role in the transaction as either seller or purchaser, we can 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 results and 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 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 collectible.

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 net income or 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 an increase in net income or funds from operations.

Financing Arrangements

During 2002, we purchased primarily at par, $10.4 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. During 2001, we purchased $14.5 million of these notes at par. In total, $24.9 million of the October 2004 notes were purchased in 2001 and 2002. We currently have authority from our Board of Directors to purchase an additional $25 million of our outstanding 7.875% senior, unsecured public notes and may, from time to time, do so at management's discretion.

At December 31, 2002, approximately 49% of our outstanding long-term debt represented unsecured borrowings and approximately 61% of the gross book value of our real estate portfolio was unencumbered. The average interest rate, including loan cost amortization, on average debt outstanding for the years ended December 31, 2002 and 2001 was 8.1% and 8.8%, respectively.

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 shareholders' best 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. On September 4, 2002, we completed a public offering of 1,000,000 common shares at a price of $29.25 per share, receiving net proceeds of approximately $28.0 million. We used the net proceeds, together with other available funds, to acquire one outlet center in Howell, Michigan, to reduce the outstanding balance on our lines of credit and for general corporate purposes. To generate capital to reinvest into other attractive investment opportunities, 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.

We maintain unsecured, revolving lines of credit that provided for unsecured borrowings up to $85 million at December 31, 2002, an increase of $10 million in capacity from December 31, 2001. During 2002, we extended the maturity of all lines of credit to June 30, 2004. 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 2003.

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 Real Estate Investment Trust ("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.

Contractual Obligations and Commercial Commitments

The following table details our contractual obligations over the next five years and thereafter as of December 31, 2002 (in thousands):
<TABLE>
<CAPTION>

Contractual Obligations	2003	2004	2005	2006	2007	Thereafter
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Debt	$2,519	$73,324	$23,100	$55,668	$2,349	$188,045
Operating leases	2,551	2,547	2,478	2,441	2,378	73,860
	$5,070	$75,871	$25,578	$58,109	$4,727	$261,905

</TABLE>

Our debt agreements require the maintenance of certain ratios, including debt service coverage and leverage, and limit the payment of dividends such that dividends and distributions will not exceed funds from operations, as defined in the agreements, for the prior fiscal year on an annual basis or 95% of funds from operations on a cumulative basis. We have historically been and currently are in compliance with all of our debt covenants. We expect to remain in compliance with all our existing debt covenants; however, should circumstances arise that would cause us to be in default, the various lenders would have the ability to accelerate the maturity on our outstanding debt.

We operate in a manner intended to enable us to qualify as a REIT under the Internal Revenue Code (the "Code"). A REIT which distributes at least 90% of its taxable income to its shareholders each year and which meets certain other conditions is not taxed on that portion of its taxable income which is distributed to its shareholders. Based on our 2002 taxable income to shareholders, we were required to distribute approximately $5,054,000 in order to maintain our REIT status as described above. We distributed approximately $20,187,000 to common shareholders based on our current dividend level, which significantly exceeds our required distributions. If events were to occur that would cause our dividend to be reduced, we believe we still have an adequate margin regarding required dividend payments based on our historic dividend and taxable income levels to maintain our REIT status.

The following table details our commercial commitments as of December 31, 2002 (in thousands):
<TABLE>
<CAPTION>

<S> Commercial Commitments	<C> 2004
Lines of credit	$ 64,525
Joint venture guarantees	36,200
	$ 100,725

</TABLE>

We currently maintain four unsecured, revolving credit facilities with major national banking institutions, totaling $85 million. As of December 31, 2002 amounts outstanding under these credit facilities totaled $20.5 million. All four credit facilities expire in June 2004.

We are party to a joint and several guarantee with respect to the $36.2 million construction loan obtained by TWMB. See "Joint Ventures" section above for further discussion of the guarantee.

Related Party Transactions

During 2002, Stanley K. Tanger, our Chairman of the Board and Chief Executive Officer, completed the early repayment of a $2.5 million demand note receivable to the Company through accelerated payments. In 2001, also through accelerated payments, Steven B. Tanger, our President and Chief Operating Officer, completed the early repayment of a $845,000 demand note receivable to the Company.

As noted above in "Joint Ventures", we are a 50% owner of the TWMB joint venture. TWMB pays us management, leasing and development fees for services provided to the joint venture. During 2002, we recognized approximately $74,000 in management fees, $259,000 in leasing fees and $76,000 in development fees in other income.

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 December 31, 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 December 31, 2002, we would have paid approximately $98,000 to terminate the agreement. The fair value is based on dealer quotes, considering current interest rates and remaining term to maturity.

The fair market value of long-term fixed interest rate debt is subject to interest rate 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 December 31, 2002 was $349.7 million while the recorded value was $345.0 million, respectively. A 1% increase from prevailing interest rates at December 31, 2002 would result in a decrease in fair value of total long-term debt by approximately $10.6 million. Fair values were determined from quoted market prices, where available, using current interest rates considering credit ratings and the remaining terms to maturity.

Critical Accounting Policies

We believe the following critical accounting policies affect our more significant judgments and estimates used in the preparation of our consolidated financial statements.

Cost Capitalization

We capitalize all fees and costs incurred to initiate operating leases, including certain general and overhead costs, as deferred charges. The amount of general and overhead costs we capitalized is based on our estimate of the amount of costs directly related to executing these leases. We amortize these costs to expense over the average minimum lease term.

We capitalize all costs incurred for the construction and development of properties, including certain general and overhead costs. The amount of general and overhead costs we capitalize is based on our estimate of the amount of costs directly related to the construction or development of these assets. Direct costs to acquire assets are capitalized once the acquisition becomes probable.

Impairment of Long-Lived Assets

Rental property held and used by us is reviewed for impairment in the event that facts and circumstances indicate the carrying amount of an asset may not be recoverable. In such an event, we compare the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount, and if less, recognize an impairment loss in an amount by which the carrying amount exceeds its fair value. We believe that no impairment existed at December 31, 2002.

Revenue Recognition

Base rentals are recognized on a straight-line basis over the term of the lease. Substantially all leases contain provisions which provide additional rents based on tenants' sales volume ("percentage rentals") and reimbursement of the tenants' share of advertising and promotion, common area maintenance, insurance and real estate tax expenses. Percentage rentals are recognized when specified targets that trigger the contingent rent are met. Expense reimbursements are recognized in the period the applicable expenses are incurred. Payments received from the early termination of leases are recognized when the applicable space is released, or, otherwise are amortized over the remaining lease term.

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 audited 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 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 the presentation of FFO by us 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 flows 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 FFO for the years ended December 31, 2002, 2001 and 2000 as well as actual cash flow and other data for those respective periods (in thousands):
<TABLE>
<CAPTION>

	2002	2001	2000
Funds from Operations:			
<S>	<C>	<C>	<C>
Net income	$ 11,007	$ 7,112	$ 4,312
Adjusted for:			
Extraordinary item-loss on early extinguishment of debt	---	244	---
Minority interest	2,406	1,665	2,433
Minority interest, depreciation and amortization attributable to discontinued operations	1,102	898	880
Depreciation and amortization uniquely significant to real estate - wholly owned	28,460	27,849	25,531
Depreciation and amortization uniquely significant to real estate - unconsolidated joint ventures	422	---	---
(Gain) loss on sale or disposal of real estate	(1,702)	---	5,047
Funds from operations before minority interest (1)	$ 41,695	$ 37,768	$ 38,203
Cash flow provided by (used in):			
Operating activities	$ 39,167	$ 44,626	$ 38,420
Investing activities	$(26,363)	$(23,269)	$(25,815)
Financing activities	$(12,247)	$(21,476)	$(12,474)
Weighted average shares outstanding (2)	12,271	11,707	11,706

(1) For the years ended December 31, 2002 and 2000, includes $728 and $908 in gains on sales of outparcels of land.

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

New Accounting Pronouncements

In April 2002, the Financial Accounting Standards Board (FASB or the "Board") issued FASB Statement No. 145 (FAS 145), "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections". In rescinding FASB Statement No. 4 (FAS 4), "Reporting Gains and Losses from Extinguishment of Debt", and FASB Statement No. 64 (FAS 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. Generally, FAS 145 is effective for transactions occurring after December 31, 2002. We adopted this statement effective January 1, 2003, the effects of which will be the reclassification of a loss on early extinguishments of debt for the year ended 2001, thereby decreasing income from continuing operations for the year ended December 31, 2001 by $244,000.

In October 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities". This Statement addresses financial accounting and reporting for costs associated with exit or disposal activities and nullifies Emerging Issues Task Force (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)" and realigns liability recognition in accordance with FASB Concepts Statement No. 6, "Elements of Financial Statements". The provisions of this Statement are effective for exit or disposal activities that are initiated after December 31, 2002. The adoption of this pronouncement will not have a material impact on our results of operations or financial position.

In December 2002, the FASB issued SFAS No. 148, "Accounting for Stock-Based Compensation -- Transition and Disclosure, an amendment of FASB Statement No. 123", which is effective for fiscal years ending after December 15, 2002. This

Statement amends SFAS 123 "Accounting for Stock-Based Compensation", to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, this Statement amends the disclosure requirements of Statement 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. We are currently evaluating the effects of this statement and at this time do not believe that it will have a material effect on our results of operations or financial position.

In January of 2003, the FASB issued Interpretation No. 46, Consolidation of Variable Interest Entities ("FIN 46"). FIN 46 clarifies the application of existing accounting pronouncements to certain entities in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. The provisions of FIN 46 will be immediately effective for all variable interests in variable interest entities created after January 31, 2003, and the Company will need to apply its provisions to any existing variable interests in variable interest entities by no later than June 30, 2003. We are currently evaluating the effects of this statement and at this time do not believe that it will have a material effect on our results of operations or financial position.

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) which 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.

During 2003, we have approximately 1,070,000 square feet or 19% of our portfolio coming up for renewal. 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.

We renewed 88% of the 935,000 square feet that came up for renewal in 2002 with the existing tenants at an average base rental rate approximately 1% higher than the expiring rate. We also re-tenanted 229,000 square feet during 2002 at a 4% increase in the average base rental rate.

Existing tenants' sales have remained stable and renewals by existing tenants have remained strong. The existing tenants have already renewed approximately 529,000, or 49%, of the square feet scheduled to expire in 2003 as of March 1, 2003. In addition, we continue to attract and retain additional tenants. 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 December 31, 2002 and 2001, our centers were 98% and 96% occupied, respectively. Consistent with our long-term strategy of re-merchandising 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 rates in the near term.

Item 8. Financial Statements and Supplementary Data

The information required by this Item is set forth at the pages indicated in Item 14(a) below.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

Not applicable.

PART III

Certain information required by Part III is omitted from this Report in that the registrant will file a definitive proxy statement pursuant to Regulation 14A (the "Proxy Statement") not later than 120 days after the end of the fiscal year covered by this Report, and certain information included therein is incorporated herein by reference. Only those sections of the Proxy Statement which specifically address the items set forth herein are incorporated by reference.

Item 10. Directors and Executive Officers of the Registrant

The information concerning our directors required by this Item is incorporated by reference to our Proxy Statement.

The information concerning our executive officers required by this Item is incorporated by reference herein to the section in Part I, Item 4, entitled "Executive Officers of the Registrant".

The information regarding compliance with Section 16 of the Securities and Exchange Act of 1934 is to be set forth in the Proxy Statement and is hereby incorporated by reference.

Item 11. Executive Compensation

The information required by this Item is incorporated by reference to our Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management

The information required by this Item is incorporated by reference to our Proxy Statement.

The following table provides information as of December 31, 2002 with respect to compensation plans under which the Company's equity securities are authorized for issuance:

<TABLE>
<CAPTION>

Plan Category	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	(b) Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
<S>	<C>	<C>	<C>
Equity compensation plans approved by security holders	1,318,700	$23.89	230,200
Equity compensation plans not approved by security holders	---	---	---
Total	1,318,700	$23.89	230,200

Item 13. Certain Relationships and Related Transactions

The information required by this Item is incorporated by reference to our Proxy Statement.
</TABLE>

Item 14. Controls and Procedures

The Chief Executive Officer, Stanley K. Tanger, and Chief Financial Officer, Frank C. Marchisello Jr., evaluated the effectiveness of the registrant's disclosure controls and procedures on March 28, 2003 (Evaluation Date), and concluded that, as of the Evaluation Date, the registrant's disclosure controls and procedures were effective to ensure that the information the registrant is required to disclose in its filings with the Securities and Exchange Commission under the Securities and Exchange Act of 1934 is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms, and to ensure that information required to be disclosed by the registrant in the reports that it files under the Exchange Act is accumulated and communicated to the registrant's management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

There were no significant changes in the registrant's internal controls or in other factors that could significantly affect these controls subsequent to the Evaluation Date.

PART IV

Item 15. Exhibits, Financial Statements Schedules, and Reports on Form 8-K

(a) Documents filed as a part of this report:

1. Financial Statements

2. Financial Statement Schedule

All other schedules have been omitted because of the absence of conditions under which they are required or because the required information is given in the above-listed financial statements or notes thereto.

3. Exhibits

Exhibit No.	Description
3.1	Amended and Restated Articles of Incorporation of the Company. (Note 6)
3.1A	Amendment to Amended and Restated Articles of Incorporation dated May 29, 1996. (Note 6)
3.1B	Amendment to Amended and Restated Articles of Incorporation dated August 20, 1998. (Note 9)
3.1C	Amendment to Amended and Restated Articles of Incorporation dated September 30, 1999. (Note 11)
3.2	Restated By-Laws of the Company. (Note 11)
3.3	Amended and Restated Agreement of Limited Partnership for the Operating Partnership. (Note 11)
3.3A	Amendment No. 1 to Tanger Properties Limited Partnership Amended and Restated Agreement of Limited Partnership, dated September 10, 2002.
4.1	Form of Deposit Agreement, by and between the Company and the Depositary, including Form of Depositary Receipt. (Note 1)
4.2	Form of Preferred Stock Certificate. (Note 1)
4.3	Rights Agreement, dated as of August 20, 1998, between Tanger Factory Outlet Centers, Inc. and BankBoston, N.A., which includes the form of Articles of Amendment to the Amended and Restated Articles of Incorporation, designating the preferences, limitations and relative rights of the Class B Preferred Stock as Exhibit A, the form of Right Certificate as Exhibit B and the Summary of Rights as Exhibit C. (Note 8)
4.3A	Amendment to Rights Agreement, dated as of October 30, 2001. (Note 13)
10.1	Amended and Restated Unit Option Plan. (Note 9)
10.2	Amended and Restated Share Option Plan of the Company. (Note 9)
10.3	Form of Stock Option Agreement between the Company and certain Directors. (Note 3)
10.4	Form of Unit Option Agreement between the Operating Partnership

and certain employees. (Note 3)

10.5 Amended and Restated Employment Agreement for Stanley K. Tanger, as of January 1, 1998. (Note 9)

10.5A Amended Employment Agreement for Stanley K. Tanger, as of January 1, 2001. (Note 13)

10.6 Amended and Restated Employment Agreement for Steven B. Tanger, as of January 1, 1998. (Note 9)

10.6A Amended Employment Agreement for Steven B. Tanger, as of January 1, 2001. (Note 13)

10.7 Amended and Restated Employment Agreement for Willard Albea Chafin, Jr., as of January 1, 2002. (Note 13)

10.8 Amended and Restated Employment Agreement for Rochelle Simpson, as of January 1, 2002. (Note 13)

10.9 Not applicable.

10.10 Amended and Restated Employment Agreement for Frank C. Marchisello, Jr., as of January 1, 2002. (Note 13)

10.11 Registration Rights Agreement among the Company, the Tanger Family Limited Partnership and Stanley K. Tanger. (Note 2)

10.11A Amendment to Registration Rights Agreement among the Company, the Tanger Family Limited Partnership and Stanley K. Tanger. (Note 4)

10.12 Agreement Pursuant to Item 601(b)(4)(iii)(A) of Regulation S-K. (Note 2)

10.13 Assignment and Assumption Agreement among Stanley K. Tanger, Stanley K. Tanger & Company, the Tanger Family Limited Partnership, the Operating Partnership and the Company. (Note 2)

10.14 Promissory Notes by and between the Operating Partnership and John Hancock Mutual Life Insurance Company aggregating $66,500,000. (Note 10)

10.15 Form of Senior Indenture. (Note 5)

10.16 Form of First Supplemental Indenture (to Senior Indenture). (Note 5)

10.16A Form of Second Supplemental Indenture (to Senior Indenture) dated October 24, 1997 among Tanger Properties Limited Partnership, Tanger Factory Outlet Centers, Inc. and State Street Bank & Trust Company. (Note 7)

10.17 Promissory Note 05/16/2000 (Note 12)

10.18 Promissory Note 05/16/2000 (Note 12)

21.1 List of Subsidiaries. (Note 13)

23.1 Consent of PricewaterhouseCoopers LLP.

Notes to Exhibits:

1. Incorporated by reference to the exhibits to the Company's Registration Statement on Form S-11 filed October 6, 1993, as amended.

2. Incorporated by reference to the exhibits to the Company's Registration Statement on Form S-11 filed May 27, 1993, as amended.

3. Incorporated by reference to the exhibits to the Company's Annual Report on Form 10-K for the year ended December 31, 1993.

4. Incorporated by reference to the exhibits to the Company's Annual Report on Form 10-K for the year ended December 31, 1995.

5. Incorporated by reference to the exhibits to the Company's Current Report on Form 8-K dated March 6, 1996.

6. Incorporated by reference to the exhibits to the Company's Annual Report on Form 10-K for the year ended December 31, 1996.

7. Incorporated by reference to the exhibits to the Company's Current Report on Form 8-K dated October 24, 1997.

8. Incorporated by reference to Exhibit 1.1 to the Company's Registration Statement on Form 8-A, filed August 24, 1998.

9. Incorporated by reference to the exhibits to the Company's Annual Report on Form 10-K for the year ended December 31, 1998.

10. Incorporated by reference to the exhibit to the Company's Quarterly Report on 10-Q for the quarter ended March 31, 1999.

11. Incorporated by reference to the exhibits to the Company's Annual Report on Form 10-K for the year ended December 31, 1999.

12. Incorporated by reference to the exhibits to the Company's Annual Report on Form 10-K for the year ended December 31, 2000.

13. Incorporated by reference to the exhibits to the Company's Annual Report on Form 10-K for the year ended December 31, 2001.

(b) Reports on Form 8-K - none.

We filed the following reports on Form 8-K during the three months ended December 31, 2002:

Current Report on Form 8-K dated October 29, 2002 to file the September 30, 2002 Supplemental Operating and Financial Data.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities 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/ Stanley K. Tanger

Stanley K. Tanger
Chairman of the Board and
Chief Executive Officer

March 28, 2003

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

Signature	Title	Date
/s/ Stanley K. Tanger Stanley K. Tanger	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	March 28, 2003
/s/ Steven B. Tanger Steven B. Tanger	Director, President and Chief Operating Officer	March 28, 2003
/s/ Frank C. Marchisello Jr. Frank C. Marchisello, Jr.	Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	March 28, 2003
/s/ Jack Africk Jack Africk	Director	March 28, 2003
/s/ William G. Benton William G. Benton	Director	March 28, 2003
/s/ Thomas E. Robinson Thomas E. Robinson	Director	March 28, 2003

CERTIFICATION

I, Stanley K. Tanger certify that:

1. I have reviewed this annual report on Form 10-K of Tanger Factory Outlet Centers, Inc.;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of and for, the periods presented in this annual report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

   a. designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

   b. evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

   c. presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 28, 2003

By: /s/ Stanley K. Tanger

Stanley K. Tanger
Chairman of the Board and
Chief Executive Officer

CERTIFICATION

I, Frank C. Marchisello, Jr. certify that:

1. I have reviewed this annual report on Form 10-K of Tanger Factory Outlet Centers, Inc.;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of

the registrant as of and for, the periods presented in this annual report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

   a. designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

   b. evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

   c. presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 28, 2003 By: /s/ Frank C. Marchisello, Jr.

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

Certification of Chief Executive Officer

Pursuant to 18 U.S.C. ss. 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Tanger Factory Outlet Centers, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

(i) the accompanying Annual Report on Form 10-K of the Company for the annual period ended December 31, 2002 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 28, 2003 /s/ Stanley K. Tanger

Stanley K. Tanger
Chairman of the Board and
Chief Executive Officer

Certification of Chief Financial Officer

Pursuant to 18 U.S.C. ss. 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Tanger Factory Outlet Centers, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

(i) the accompanying annual Report on Form 10-K of the Company for the annual period ended December 31, 2002 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 28, 2003

/s/ Frank C. Marchisello Jr.

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

REPORT OF INDEPENDENT ACCOUNTANTS

To the Shareholders and Board of Directors of
TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, of shareholders' equity and of cash flows present fairly, in all material respects, the financial position of Tanger Factory Outlet Centers, Inc. and its subsidiaries at December 31, 2002 and 2001, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2002, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 2 to the consolidated financial statements, the Company changed its accounting policy for asset impairments and reporting discontinued operations, in accordance with FAS 144 "Accounting for the Impairment or Disposal of Long Lived Assets".

/s/PricewaterhouseCoopers LLP

Raleigh, NC
January 17, 2003

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

	December 31, 2002	2001
ASSETS		
Rental Property		
<S>	<C>	<C>
Land	$ 51,274	$ 60,158
Buildings, improvements and fixtures	571,125	539,108
	622,399	599,266
Accumulated depreciation	(174,199)	(148,950)
Rental property, net	448,200	450,316
Cash and cash equivalents	1,072	515
Deferred charges, net	10,104	11,413
Other assets	18,299	14,028
Total assets	$ 477,675	$ 476,272

LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Debt		
Senior, unsecured notes	$ 150,109	$ 160,509
Mortgages payable	174,421	176,736
Lines of credit	20,475	20,950
	345,005	358,195
Construction trade payables	3,310	3,722
Accounts payable and accrued expenses	15,095	16,478
Total liabilities	363,410	378,395
Commitments and contingencies		
Minority interest	23,630	21,506
Shareholders' equity		
Preferred shares, $.01 par value, 1,000,000 shares authorized, 80,190 and 80,600 shares issued and outstanding at December 31, 2002 and 2001	1	1
Common shares, $.01 par value, 50,000,000 shares authorized, 9,061,025 and 7,929,711 shares issued and outstanding at December 31, 2001 and 2000	90	79
Paid in capital	161,192	136,529
Distributions in excess of net income	(70,485)	(59,534)
Accumulated other comprehensive loss	(163)	(704)
Total shareholders' equity	90,635	76,371
Total liabilities and shareholders' equity	$ 477,675	$ 476,272

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

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

	Year Ended December 31,		
	2002	2001	2000
REVENUES			
<S>	<C>	<C>	<C>
Base rentals	$ 75,755	$ 73,263	$ 69,368
Percentage rentals	3,558	2,735	3,253
Expense reimbursements	30,550	29,498	29,460
Other income	3,304	2,770	4,056
Total revenues	113,167	108,266	106,137
EXPENSES			
Property operating	36,083	33,970	33,013
General and administrative	9,228	8,227	7,366
Interest	28,460	30,134	27,565
Depreciation and amortization	28,754	28,145	25,795
Asset write-down	---	---	1,800
Total expenses	102,525	100,476	95,539

Income before equity in earnings of unconsolidated joint ventures, minority interest, discontinued operations, (loss) on sale or disposal of real estate and extraordinary item	10,642	7,790	10,598
Equity in earnings of unconsolidated joint ventures	392	---	---
Minority interest	(2,406)	(1,665)	(2,433)
Income from continuing operations	8,628	6,125	8,165
Discontinued operations	2,379	1,231	1,194
Income before (loss) on sale or disposal of real estate and extraordinary item	11,007	7,356	9,359
(Loss) on sale or disposal of real estate	---	---	(5,047)
Income before extraordinary item	11,007	7,356	4,312
Extraordinary item	---	(244)	---
Net income	11,007	7,112	4,312
Less applicable preferred share dividends	(1,771)	(1,771)	(1,823)
Net income available to common shareholders	$ 9,236	$ 5,341	$ 2,489
Basic earnings per common share:			
Income from continuing operations	$ 0.82	$ 0.55	$ 0.80
Net income	$ 1.11	$ 0.67	$ 0.32
Diluted earnings per common share:			
Income from continuing operations	$ 0.80	$ 0.55	$ 0.80
Net income	$ 1.08	$ 0.67	$ 0.31

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

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TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
For the Years Ended December 31, 2002, 2001, and 2000
(In thousands, except share data)

	Preferred Shares	Common Shares	Paid in Capital	Distributions in excess of Net Income	Other Comprehensive Loss	Total Shareholder's Equity
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance, December 31, 1999	1	79	136,571	(28,887)	---	107,764
Net income	---	---	---	4,312	---	4,312
Conversion of 4,670 preferred shares into 42,076 common shares	---	---	---	---	---	

Adjustment for minority interest in the Operating Partnership	---	---	(213)	---	---	(213)
Preferred dividends ($21.87 per share)	---	---	---	(1,840)	---	(1,840)
Common dividends ($2.43 per share)	---	---	---	(19,146)	---	(19,146)
Balance, December 31, 2000	1	79	136,358	(45,561)	---	90,877
Comprehensive income:						
Net income	---	---	---	7,112	---	7,112
Other comprehensive loss	---	---	---	---	(704)	(704)
Total comprehensive income	---	---	---	7,112	(704)	6,408
Issuance of 10,800 common shares upon exercise of unit options	---	---	201	---	---	201
Adjustment for minority interest in the Operating Partnership	---	---	(30)	---	---	(30)
Preferred dividends ($21.96 per share)	---	---	---	(1,770)		(1,770)
Common dividends ($2.44 per share)	---	---	---	(19,315)		(19,315)
Balance, December 31, 2001	$ 1	$ 79	$ 136,529	$ (59,534)	$ (704)	$ 76,371
Comprehensive income:						
Net income	-	-	-	11,007	-	11,007
Other comprehensive gain	-	-	-	-	541	541
Total comprehensive income	-	-	-	11,007	541	11,548
Conversion of 410 preferred shares into 3,694 common shares	-	-	-	-	-	-
Issuance of 127,620 common shares upon exercise of unit options	-	1	2,793	-	-	2,794
Issuance of 1,000,000 common shares, net of issuance costs of $1.3 million	-	10	27,950	-	-	27,960
Adjustment for minority interest in the Operating Partnership	-	-	(6,080)	-	-	(6,080)
Preferred dividends ($22.05 per share)	-	-	-	(1,771)	-	(1,771)
Common dividends ($2.45 per share)	-	-	-	(20,187)	-	(20,187)
Balance, December 31, 2002	$ 1	$ 90	$ 161,192	$ (70,485)	$ (163)	$ 90,635

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

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

	Year Ended December 31,		
	2002	2001	2000
OPERATING ACTIVITIES			
<S>	<C>	<C>	<C>
Net income	$ 11,007	$ 7,112	$ 4,312
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	28,989	28,572	26,218
Amortization of deferred financing costs	1,209	1,309	1,264
Equity in earnings of unconsolidated joint ventures	(392)	---	---
Minority interest	3,273	2,042	956
Loss on early extinguishment of debt	---	338	---
Asset write-down	---	---	1,800
(Gain) loss on sale or disposal of real estate	(1,702)	---	6,981
(Gain) on sale of outparcels of land	(728)	---	(908)
Straight-line base rent adjustment	248	342	92
Increase (decrease) due to changes in:			
Other assets	(2,168)	2,213	(2,021)
Accounts payable and accrued expenses	(569)	2,698	(274)
Net cash provided by operating activites	39,167	44,626	38,420
INVESTING ACTIVITIES			
Acquisition of rental properties	(37,500)	---	---
Additions to rental properties	(5,847)	(20,368)	(36,056)
Additions to investments in unconsolidated joint ventures	(130)	(4,068)	(117)
Additions to deferred lease costs	(1,630)	(1,618)	(2,238)
Net proceeds from sale of real estate	21,435	723	8,598
Increase in escrow from rental property sale	(4,008)	---	---
Net insurance proceeds from property losses	---	---	4,046
Distributions received from unconsolidated joint ventures	520	---	---
Collections from (advances to) officers, net	797	2,062	(48)
Net cash used in investing activities	(26,363)	(23,269)	(25,815)
FINANCING ACTIVITIES			
Cash dividends paid	(21,958)	(21,085)	(20,986)
Distributions to minority interest	(7,424)	(7,394)	(7,362)
Net proceeds from sale of common shares	27,960	---	---

Proceeds from issuance of debt	126,320	279,075	172,595
Repayments of debt	(139,510)	(267,723)	(155,399)
Additions to deferred financing costs	(429)	(4,550)	(1,322)
Proceeds from exercise of share and unit optio	2,794	201	---
Net cash used in financing activities	$ (12,247)	$ (21,476)	$ (12,474)
Net increase (decrease) in cash and cash equivalents	557	(119)	131
Cash and cash equivalents, beginning of period	515	634	503
Cash and cash equivalents, end of period	$ 1,072	$ 515	$ 634

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Organization of the Company

Tanger Factory Outlet Centers, Inc., a fully-integrated, self-administered, self-managed real estate investment trust ("REIT"), develops, owns and operates factory outlet centers. Recognized as one of the largest owners and operators of factory outlet centers in the United States, we have ownership interests in or management responsibilities for 34 centers in 21 states totaling approximately 6.2 million feet of gross leasable area at the end of 2002. We provide all development, leasing and management services for our centers. Unless the context indicates otherwise, the term "Company" refers to Tanger Factory Outlet Centers, Inc. and subsidiaries 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 text requires.

Our factory outlet centers and other assets are held by, and all of our operations are conducted by, Tanger Properties Limited Partnership. The majority of the units of partnership interest issued by the Operating Partnership (the "Units") are held by two wholly owned subsidiaries, the Tanger GP Trust and the Tanger LP Trust. The Tanger GP Trust controls the Operating Partnership as its sole general partner. The Tanger LP Trust holds a limited partnership interest. All of the remaining Units are owned by the Tanger Family through the Tanger Family Limited Partnership ("TFLP"). TFLP holds a limited partnership interest in and is the minority owner of the Operating Partnership. Stanley K. Tanger, the Company's Chairman of the Board and Chief Executive Officer, is the sole general partner of TFLP.

As of December 31, 2002, our wholly owned subsidiaries owned 9,061,025 Units, and 80,190 Preferred Units (which are convertible into approximately 722,509 limited partnership Units) and TFLP owned 3,033,305 Units. TFLP's Units are exchangeable, subject to certain limitations to preserve our status as a REIT, on a one-for-one basis for our common shares. Preferred Units are automatically converted into limited partnership Units to the extent of any conversion of our preferred shares into our common shares.

2. Summary of Significant Accounting Policies

Principles of Consolidation - The consolidated financial statements include our accounts, our wholly-owned subsidiaries and the Operating Partnership. All significant intercompany balances and transactions have been eliminated in consolidation. Investments in real estate joint ventures that represent non-controlling ownership interests are accounted for using the equity method of accounting.

Minority Interest - Minority interest reflects TFLP's percentage ownership of the Operating Partnership's Units. Income is allocated to the TFLP based on its respective ownership interest.

Reclassifications - Certain amounts in the 2001 and 2000 financial statements have been reclassified to conform to the 2002 presentation.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Operating Segments - We aggregate the financial information of all centers into one reportable operating segment because the centers all have similar economic characteristics and provide similar products and services to similar types and classes of customers.

Rental Properties - Rental properties are recorded at cost less accumulated depreciation. Costs incurred for the construction and development of properties, including certain general and overhead costs, are capitalized. The amount of general and overhead costs capitalized is based on our estimate of the amount of costs directly related to the construction or development of these assets. Direct costs to acquire assets are capitalized once the acquisition becomes probable. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets. We generally use estimated lives ranging from 25 to 33 years for buildings, 15 years for land improvements and seven years for equipment. Expenditures for ordinary maintenance and repairs are charged to operations as incurred while significant renovations and improvements, including tenant finishing allowances, that improve and/or extend the useful life of the asset are capitalized and depreciated over their estimated useful life.

Buildings, improvements and fixtures consist primarily of permanent buildings and improvements made to land such as landscaping and infrastructure and costs incurred in providing rental space to tenants. Interest costs capitalized during 2002, 2001 and 2000 amounted to $172,000, $551,000 and $1,020,000 and development costs capitalized amounted to $467,000, $616,000 and $843,000, respectively. Depreciation expense for each of the years ended December 31, 2002, 2001 and 2000 was $26,906,000, $26,585,000 and $24,239,000, respectively.

The pre-construction stage of project development involves certain costs to secure land control and zoning and complete other initial tasks essential to the development of the project. These costs are transferred from other assets to rental property under construction when the pre-construction tasks are completed. Costs of potentially unsuccessful pre-construction efforts are charged to operations when the project is abandoned.

Cash and Cash Equivalents - All highly liquid investments with an original maturity of three months or less at the date of purchase are considered to be cash and cash equivalents. Cash balances at a limited number of banks may periodically exceed insurable amounts. We believe that we mitigate our risk by investing in or through major financial institutions. Recoverability of investments is dependent upon the performance of the issuer.

Deferred Charges - Deferred lease costs consist of fees and costs incurred, including certain general and overhead costs, to initiate operating leases and are amortized over the average minimum lease term. Deferred financing costs include fees and costs incurred to obtain long-term financing and are amortized over the terms of the respective loans. Unamortized deferred financing costs are charged to expense when debt is retired before the maturity date.

Guarantees of Indebtedness - In November 2002, the FASB issued FIN 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others." This interpretation elaborates on the disclosures to be made by a guarantor in its interim and annual financial statements about its obligations under certain guarantees that it has issued. It also clarifies that a guarantor is required to recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. The initial recognition and initial measurement provisions of this Interpretation are applicable on a prospective basis to guarantees issued or modified after December 31, 2002, irrespective of the guarantor's fiscal year-end. The disclosure requirements in this Interpretation are effective for financial statements of interim or annual periods ending after December 15, 2002. Currently we are a party to joint and several guarantees for the construction loan of TWMB Associates, LLC, a 50% ownership joint venture, for which our Myrtle Beach, South Carolina property serves as collateral. See Footnote 4 "Real Estate Joint Ventures" for further disclosure regarding the indebtedness and related guarantees. This guarantee was already in place as of December 31, 2002 therefore no liability has been recognized for the fair value of the obligation.

Impairment of Long-Lived Assets - Rental property held and used by us is reviewed for impairment in the event that facts and circumstances indicate the carrying amount of an asset may not be recoverable. In such an event, we compare the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount, and if less, recognize an impairment loss in an amount by which the carrying amount exceeds its fair value. We believe that no material impairment existed at December 31, 2002.

On January 1, 2002 we adopted Statement of Financial Accounting Standards 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 recognize 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.

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 it meets the requirements of FAS 144 and our Board of Directors approves the sale of 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 144, the operating results of newly designated real estate assets held for sale are included in discontinued operations in our results of operations.

Derivatives - We selectively enter into interest rate protection agreements to mitigate changes in interest rates on our variable rate borrowings. The notional amounts of such agreements are used to measure the interest to be paid or received and do not represent the amount of exposure to loss. None of these agreements are used for speculative or trading purposes.

On 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"). FAS 133 requires entities to recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at their fair value. FAS 133 also requires us to measure the effectiveness, as defined by FAS 133, of all derivatives. We formally document our derivative transactions, including identifying the hedge instruments and hedged items, as well as our risk management objectives and strategies for entering into the hedge transaction. At inception and on a quarterly basis thereafter, we assess the effectiveness of derivatives used to hedge transactions. If a derivative is deemed effective, we record the change in fair value in other comprehensive income. If after assessment it is determined that a portion of the derivative is ineffective, then that portion of the derivative's change in fair value will be immediately recognized in earnings.

Income Taxes - We operate in a manner intended to enable us to qualify as a REIT under the Internal Revenue Code (the "Code"). A REIT which distributes at least 90% of its taxable income to its shareholders each year and which meets certain other conditions is not taxed on that portion of its taxable income which is distributed to its shareholders. We intend to continue to qualify as a REIT and to distribute substantially all of our taxable income to our shareholders. Accordingly, no provision has been made for Federal income taxes. We paid preferred dividends per share of $22.05, $21.96 and $21.87, in 2002, 2001 and 2000, respectively, all of which are treated as ordinary income except for the 2002 dividend of which $.02 was treated as a long-term capital gain. For income tax purposes, distributions paid to common shareholders consist of ordinary income, capital gains, return of capital or a combination thereof. For the year ended December 31, 2002, we elected to distribute all of our taxable capital gains. Dividends per share were taxable as follows:

Common dividends per share:	2002	2001	2000
Ordinary income	$ .734	$ .536	$ .341
Return of capital	1.690	1.902	2.087
Long-term capital gain	.024	---	---
	$2.448	$2.438	$ 2.428

The following reconciles net income available to common shareholders to taxable income available to common shareholders for the years ended December 31, 2002, 2001 and 2000:
<TABLE>
<CAPTION>

	2002	2001	2000
<S>	<C>	<C>	<C>
Net income available to common shareholders	$ 9,236	$ 5,341	$2,489
Book/tax difference on:			
Depreciation and amortization	(1,092)	(667)	(1,114)
Gain/(Loss) on sale or disposal of real estate	(1,580)	(1,116)	643
Other differences	(949)	(176)	73
Taxable income available to common shareholders	5,615	3,382	2,091

- -- ------------ ------------ -------------
</TABLE>

Revenue Recognition - Base rentals are recognized on a straight-line basis over the term of the lease. Substantially all leases contain provisions which provide additional rents based on tenants' sales volume ("percentage rentals") and reimbursement of the tenants' share of advertising and promotion, common area maintenance, insurance and real estate tax expenses. Percentage rentals are recognized when specified targets that trigger the contingent rent are met. Expense reimbursements are recognized in the period the applicable expenses are incurred. Payments received from the early termination of leases are recognized when the applicable space is released, or, otherwise are amortized over the remaining lease term.

We provide management, leasing and development services for a fee for certain properties that are not owned by us or are partly owned through a joint venture. Fees received for these services are recognized as other income when earned.

Concentration of Credit Risk - We perform ongoing credit evaluations of our tenants. Although the tenants operate principally in the retail industry, the properties are geographically diverse. No single tenant accounted for 10% or more of combined base and percentage rental income during 2002, 2001 or 2000.

Supplemental Cash Flow Information - We purchase capital equipment and incur costs relating to construction of new facilities, including tenant finishing allowances. Expenditures included in construction trade payables as of December 31, 2002, 2001 and 2000 amounted to $3,310,000, $3,722,000 and $9,784,000, respectively. Interest paid, net of interest capitalized, in 2002, 2001 and 2000 was $27,512,000, $27,379,000 and $25,644,000, respectively.

New Accounting Pronouncements - In April 2002, the Financial Accounting Standards Board (FASB or the "Board") issued FASB Statement No. 145 (FAS 145), "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections". In rescinding FASB Statement No. 4 (FAS 4), "Reporting Gains and Losses from Extinguishment of Debt", and FASB Statement No. 64 (FAS 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. Generally, FAS 145 is effective for transactions occurring after December 31, 2002. We adopted this statement effective January 1, 2003, the effects of which will be the reclassification of a loss on early extinguishments of debt for the year ended, thereby decreasing income from continuing operations for the year ended December 31, 2001 by $244,000.

In October 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities". This Statement addresses financial accounting and reporting for costs associated with exit or disposal activities and nullifies Emerging Issues Task Force (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)" and realigns liability recognition in accordance with FASB Concepts Statement No. 6, "Elements of Financial Statements". The provisions of this Statement are effective for exit or disposal activities that are initiated after December 31, 2002. The adoption of this pronouncement will not have a material impact on our results of operations or financial position.

In December 2002, the FASB issued SFAS No. 148, "Accounting for Stock-Based Compensation -- Transition and Disclosure an amendment of FASB Statement No. 123", which is effective for fiscal years ending after December 15, 2002. This Statement amends SFAS 123 "Accounting for Stock-Based Compensation", to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, this Statement amends the disclosure requirements of Statement 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. We are currently evaluating the effects of this statement but and at this time do not believe that it will have a material effect on our results of operations or financial position.

In January of 2003, the FASB issued Interpretation No. 46, Consolidation of Variable Interest Entities ("FIN 46"). FIN 46 clarifies the application of existing accounting pronouncements to certain entities in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. The provisions of FIN 46 will be immediately effective for all variable interests in variable interest entities created after January 31, 2003, and the Company will need to apply its provisions to any existing variable interests in variable interest entities by no later than June 30, 2003. We are currently evaluating the effects of this statement but and at this time do not believe that it will have a material effect on our results of operations or financial position.

3. Acquisitions and Development of Rental Properties

In June 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. The first phase consists of approximately 260,000 square feet and features 60 brand name designer outlet stores.

Also in September 2002, we completed the acquisition of Kensington Valley Factory Shops, a factory outlet center in Howell, Michigan containing approximately 325,000 square feet, for an aggregate purchase price of $37.5 million. The acquisition was accounted for using the purchase method whereby the purchase price was allocated to assets acquired based on their fair values. The results of operations of the acquired property have been included in the consolidated results of operations since the acquisition date.

4. Investments in Real Estate Joint Ventures

In 2000, we formed 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. Our investment in Tanger-Warren amounted to approximately $6,500 and $9,000 as of December 31, 2002 and 2001, respectively, and the impact of this joint venture on our results of operations has been insignificant.

In September 2001, we established the TWMB joint venture 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 of 2001, TWMB began construction on its first phase of a new 400,000 square foot Tanger Outlet Center in Myrtle Beach, South Carolina. The first phase opened 100% leased on June 28, 2002 at a cost of approximately $35.4 million with approximately 260,000 square feet and 60 brand name outlet tenants. In November 2002, we began construction on a 64,000 square foot second phase which is estimated to cost $6.5 million. We and Rosen-Warren have contributed approximately $1.1 million each toward this second phase, with the majority of the contribution being made in the first quarter of 2003.

In conjunction with the construction of the center, TWMB closed on a variable rate, construction loan in the amount of $36.2 million with Bank of America, NA (Agent) and SouthTrust Bank. As of December 31, 2002 the construction loan had a balance of $25.5 million. In August of 2002, TWMB entered into an interest rate swap agreement with Bank of America, NA effective through August 2004 with a notional amount of $19 million. Under this agreement, TWMB receives a floating interest rate based on the 30 day LIBOR index and pays a fixed interest rate of 2.49%. This swap effectively changes the payment of interest on $19 million of variable rate debt to fixed rate debt for the contract period at a rate of 4.49%. All debt incurred by this unconsolidated joint venture is collateralized by its property as well as joint and several guarantees by Rosen-Warren and us.

Our investment in unconsolidated real estate joint ventures, of which we own 50%, was $3.9 million and $4.2 million as of December 31, 2002 and 2001, respectively. 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 in real estate joint ventures are included in other assets and are reduced by 50% of the profits earned for leasing and development services we provided to the joint ventures.

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

Summary Balance Sheets - Unconsolidated Joint Ventures:	2002	2001
Assets:		
<S>	<C>	<C>
Investment properties at cost, net	$32,153	$ 7,348
Cash and cash equivalents	514	136
Deferred charges, net	1,751	1,433
Other assets	1,491	766
Total assets	$35,909	$ 9,683
Liabilities and Owners' Equity:		
Mortgage payable	$25,513	$ 10
Construction trade payables	1,644	586
Accounts payable and other liabilities	522	444
Total liabilities	27,679	1,040
Owners' equity	8,230	8,643

Total liabilities and owners' equity	$35,909	$ 9,683

</TABLE>

<TABLE>
<CAPTION>

Summary Statement of Operations - Unconsolidated Joint Ventures:

<S>	<C> 2002
Revenues:	$4,119
Expenses:	
Property operating	1,924
General and administrative	13
Interest	578
Depreciation and amortization	884
Total expenses	3,399
Net income	$ 720
Tanger Factory Outlet Centers, Inc. share of:	
Net income	$ 392
Depreciation (real estate related)	$ 422

</TABLE>

5. Disposition of Properties

We completed the sale of two of our non-core properties located in Ft. Lauderdale, Florida and Bourne, Massachusetts in June and November 2002, respectively. Net proceeds received from the sales of these properties were approximately $19.9 million. We recorded a gain on sale of real estate of $1.7 million in discontinued operations.

Throughout 2002, we sold five outparcels of land, two of which had related land leases with identifiable cash flows, at various properties in our portfolio. These sales totaled $1.5 million in net proceeds. Gains of $167,000 were recorded in other income for the three land outparcels sold and gains of $561,000 were recorded in discontinued operations for the two outparcels with identifiable cash flows as accounted for under FAS 144.

In accordance with FAS 144, 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 with identifiable cash flows 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 results of operations of these properties through their respective disposition dates (in thousands):

Summary Statements of Operations - Disposed Properties:

<TABLE>
<CAPTION>

<S>	<C> 2002	<C> 2001	<C> 2000
Revenues:			
Base rentals	$ 1,225	$ 2,091	$ 2,089
Expense reimbursements	399	709	586
Other income	6	2	9
Total revenues	1,630	2,802	2,684
Expenses:			
Property operating	411	673	610
Depreciation and amortization	235	427	423
Total expenses	646	1,100	1,033
Discontinued operations before gain on sale of real estate	984	1,702	1,651
Gain on sale of outparcels	561	---	---
Gain on sale of real estate	1,702	---	---

Discontinued operations before minority interest	3,247	1,702	1,651
Minority interest	(868)	(471)	(457)
Discontinued operations	$ 2,379	$ 1,231	$ 1,194

</TABLE>

In June 2000, we sold our centers in Lawrence, Kansas and McMinnville, Oregon. Net proceeds received from the sales totaled $7.1 million. The combined net operating income of these two centers represented approximately 1% of our total portfolio's operating income.

In December 2000, we sold the land and site improvements that the Stroud, Oklahoma center was located on prior to its destruction in May 1999 by a tornado. The net proceeds from the sale of this real estate of approximately $723,500 were received in January 2001.

As noted above, FAS 144 applies only to properties sold subsequent to December 31, 2001. Therefore, the results of operations and resulting losses on sales of real estate from the properties which were sold in 2000 are not included in discontinued operations. The losses from these property sales, totaling $5.0 million, net of minority interest of $1.9 million, are included in loss on sale or disposal of real estate in the Consolidated Statements of Operations.

6. Deferred Charges

Deferred charges as of December 31, 2002 and 2001 consists of the following (in thousands):

<TABLE>
<CAPTION>

<S>	2002 <C>	2001 <C>
Deferred lease costs	$ 15,414	$14,467
Deferred financing costs	8,412	8,210
	23,826	22,677
Accumulated amortization	(13,722)	(11,264)
	$ 10,104	$ 11,413

</TABLE>

Amortization of deferred lease costs for the years ended December 31, 2002, 2001 and 2000 was $1,739,000, $1,642,000 and $1,578,000, respectively. Amortization of deferred financing costs, included in interest expense in the accompanying Consolidated Statements of Operations, for the years ended December 31, 2002, 2001 and 2000 was $1,209,000, $1,277,000 and $1,264,000, respectively. During 2001, we expensed the unamortized financing costs totaling $244,000, net of minority interest of $94,000, related to debt extinguished prior to its respective maturity date. Such amount is shown as an extraordinary item in the accompanying Consolidated Statements of Operations.

7. Related Party Transactions

During 2002, Stanley K. Tanger, our Chairman of the Board and Chief Executive Officer, completed the early repayment of a $2.5 million demand note receivable to the Company through accelerated payments. In 2001, also through accelerated payments, Steven B. Tanger, our President and Chief Operating Officer, completed the early repayment of a $845,000 demand note receivable to the Company.

As noted above in Note 4 "Investments in Real Estate Joint Ventures", we are a 50% owner of the TWMB joint venture. TWMB pays us management, leasing and development fees for services provided to the joint venture. During 2002, we recognized approximately $74,000 in management fees, $259,000 in leasing fees and $76,000 in development fees.

8. Long-Term Debt

<TABLE>
<CAPTION>

Long-term debt at December 31, 2002 and 2001 consists of the following (in thousands):

<C>	2002 <C>	2001 <C>
7.875% Senior, unsecured notes, maturing October 2004	$ 50,109	$ 60,509
9.125% Senior, unsecured notes, maturing February 2008	100,000	100,000

Mortgage notes with fixed interest:		
9.77%, maturing April 2005	14,516	14,822
9.125%, maturing September 2005	8,288	8,723
7.875%, maturing April 2009	62,874	63,968
7.98%, maturing April 2009	19,036	19,303
8.86%, maturing September 2010	16,207	16,420
Mortgage notes with variable interest:		
LIBOR plus 1.75%, maturing March 2006	53,500	53,500
Revolving lines of credit with variable interest rates ranging ......from either prime less .25% to prime or from LIBOR plus 1.60% to LIBOR plus 1.75%	20,475	20,950
	$ 345,005	$ 358,195

</TABLE>

During 2002, we added an additional $10 million revolving credit facility to increase our unsecured lines of credit borrowing capacity to $85 million. All lines of credit expire in June 2004. Interest is payable based on alternative interest rate bases at our option. Certain of our properties, which had a net book value of approximately $172.8 million at December 31, 2002, serve as collateral for the fixed and variable rate mortgages.

The lines of credit require the maintenance of certain ratios, including debt service coverage and leverage, and limit the payment of dividends such that dividends and distributions will not exceed funds from operations, as defined in the agreements, for the prior fiscal year on an annual basis or 95% of funds from operations on a cumulative basis. All five existing fixed rate mortgage notes are with insurance companies and contain prepayment penalty clauses.

During 2002, we purchased primarily at par, $10.4 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. During 2001, we purchased $14.5 million of these notes at par. In total, $24.9 million of the October 2004 notes were purchased in 2001 and 2002.

During 2001, we issued $100 million of 9.125% senior, unsecured notes, maturing on February 15, 2008. The net proceeds of $97 million were used to repay all of the outstanding indebtedness under our $75 million 8.75% notes which were due March 11, 2001. The net proceeds were also used to repay the $20 million LIBOR plus 2.25% term loan due January 2002 with Fleet National Bank and Bank of America. The interest rate swap agreements associated with this loan were terminated at a cost of $295,200 which has been included in interest expense. The remaining proceeds were used for general operating purposes.

Maturities of the existing long-term debt are as follows ($ in thousands):

Year	Amount	%
2003	$ 2,519	1
2004	73,324	21
2005	23,100	7
2006	55,668	16
2007	2,349	1
Thereafter	188,045	54
	$ 345,005	100

9. Derivatives and Fair Value of Financial Instruments

In August 2002, TWMB, our 50% unconsolidated joint venture, entered into a swap agreement with Bank of America, NA effective through August 2004 with a notional amount of $19 million. Under this agreement, TWMB receives a floating interest rate based on the 30 day LIBOR index and pays a fixed interest rate of 2.49%. This swap effectively changes the payment of interest on $19 million of variable rate debt to fixed rate debt for the contract period at a rate of 4.49%. At December 31, 2002, TWMB would have had to pay $277,000 to terminate the agreement.

In December 2000, we entered an interest rate swap agreement effective through January 2003 with a notional amount of $25 million that fixed the 30 day LIBOR index at 5.97%. At December 31, 2002, we would have had to pay $98,000 to terminate the agreement.

In January 2000, we entered into interest rate swap agreements on notional amounts totaling $20.0 million. In order to fix the interest rate, we paid $162,000. As mentioned above in Note 8, these agreements subsequently were terminated in February 2001 at a cost of $295,200.

The carrying amount of cash equivalents approximates fair value due to the short-term maturities of these financial instruments. The fair value of long-term debt at December 31, 2002 and 2001, was estimated, at the present value of future cash flows, discounted at interest rates available at the reporting date for new debt of similar type and remaining maturity, was approximately $349.7 and $358.2 million, respectively.

10. Shareholders' Equity

In September 2002, we completed a public offering of 1,000,000 common shares at a price of $29.25 per share, receiving net proceeds of approximately $28.0 million. The net proceeds were used, together with other available funds to acquire the Kensington Valley Factory Shops in Howell, Michigan mentioned in Note 3 above, reduce the outstanding balance on our lines of credit and for general corporate purposes.

The Series A Cumulative Convertible Redeemable Preferred Shares (the "Preferred Shares") were sold to the public during 1993 in the form of Depositary Shares, each representing 1/10 of a Preferred Share. Proceeds from this offering, net of underwriters discount and estimated offering expenses, were contributed to the Operating Partnership in return for preferred partnership Units. The Preferred Shares have a liquidation preference equivalent to $25 per Depositary Share and dividends accumulate per Depositary Share equal to the greater of (i) $1.575 per year or (ii) the dividends on the common shares or portion thereof, into which a depositary share is convertible. The Preferred Shares rank senior to the common shares in respect of dividend and liquidation rights.

The Preferred Shares are convertible at the option of the holder at any time into common shares at a rate equivalent to .901 common shares for each Depositary Share. At December 31, 2002, 722,509 common shares were reserved for the conversion of Depositary Shares. The Preferred Shares and Depositary Shares may be redeemed at the option of the Company, in whole or in part, at a redemption price of $25 per Depositary Share, plus accrued and unpaid dividends.

11. Shareholders' Rights Plan

On July 30, 1998, our Board of Directors declared a distribution of one Preferred Share Purchase Right (a "Right") for each then outstanding common share to shareholders of record on August 27, 1998. The Rights are exercisable only if a person or group acquires 15% or more of our outstanding common shares or announces a tender offer the consummation of which would result in ownership by a person or group of 15% or more of the common shares. Each Right entitles shareholders to buy one-hundredth of a share of a new series of Junior Participating Preferred Shares at an exercise price of $120, subject to adjustment.

If an acquiring person or group acquires 15% or more of our outstanding common shares, an exercisable Right will entitle its holder (other than the acquirer) to buy, at the Right's then-current exercise price, our common shares having a market value of two times the exercise price of one Right. If an acquirer acquires at least 15%, but less than 50%, of our common shares, the Board may exchange each Right (other than those of the acquirer) for one common share (or one-hundredth of a Class B Preferred Share) per Right. In addition, under certain circumstances, if we are involved in a merger or other business combination where we are not the surviving corporation, an exercisable Right will entitle its holder to buy, at the Right's then-current exercise price, common shares of the acquiring company having a market value of two times the exercise price of one Right. We may redeem the Rights at $.01 per Right at any time prior to a person or group acquiring a 15% position. The Rights will expire on August 26, 2008.

12. Earnings Per Share

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", for the years ended December 31, 2002, 2001 and 2000 is set forth as follows (in thousands, except per share amounts):

<TABLE>
<CAPTION>

	2002	2001	2000
NUMERATOR:			
<S>	<C>	<C>	<C>
Income from continuing operations	$8,628	$6,125	$ 8,165
Less applicable preferred share dividends	(1,771)	(1,771)	(1,823)
Income from continuing operations available to common shareholders - basic and diluted	6,857	4,354	6,342
Discontinued operations	2,379	1,231	1,194
(Loss) on sale or disposal of real estate	---	---	(5,047)
Extraordinary item - early extinguishments of debt	---	(244)	---

Net income available to common shareholders- basic and diluted	9,236	5,341	2,489
DENOMINATOR:			
Basic weighted average common shares	8,322	7,926	7,894
Effect of outstanding share and unit options	192	22	28
Diluted weighted average common shares	$ 8,514	$ 7,948	$7,922
Basic earnings per common share:			
Income from continuing operations	$ .82	$ .55	$ .80
Discontinued operations	.29	.15	.15
(Loss) on sale or disposal of real estate	---	---	(.63)
Extraordinary item - early extinguishments of debt	---	(.03)	---
Net income	$1.11	$ .67	$ .32
Diluted earnings per common share:			
Income from continuing operations	$ .80	$ .55	$ .80
Discontinued operations	.28	.15	.15
(Loss) on sale or disposal of real estate	---	---	(.64)
Extraordinary item - early extinguishments of debt	---	(.03)	---
Net income	$1.08	$ .67	$ .31

</TABLE>

Options to purchase common shares excluded from the computation of diluted earnings per share during 2002, 2001 and 2000 because the exercise price was greater than the average market price of the common shares totaled 235,000, 1,244,000 and 1,270,078 shares, respectively. The assumed conversion of the preferred shares as of the beginning of each year would have been anti-dilutive. The assumed conversion of the Units held by TFLP 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 an Operating Partnership Unit is equivalent to earnings allocated to a common share.

13. Employee Benefit Plans

We have a non-qualified and incentive share option plan ("The Share Option Plan") and the Operating Partnership has a non-qualified Unit option plan ("The Unit Option Plan"). Units received upon exercise of Unit options are exchangeable for common shares. We account for these plans under APB Opinion No. 25, under which no compensation cost has been recognized.

Had compensation cost for these plans been determined for options granted since January 1, 1995 consistent with FAS 123, our net income and earnings per share would have been reduced to the following pro forma amounts (in thousands, except per share amounts):

<TABLE>
<CAPTION>

		2002	2001	2000
<S>	<C>	<C>	<C>	<C>
Net income:	As reported	$11,007	$ 7,112	$4,312
	Pro forma	10,814	6,937	$4,094
Basic EPS:	As reported	$ 1.11	$ .67	$ .32
	Pro forma	$ 1.09	$ .65	$ .29
Diluted EPS:	As reported	$ 1.08	$ .67	$ .31
	Pro forma	$ 1.06	$ .65	$ .29

</TABLE>

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions used for the grant in 2000: expected dividend yield of 11%; expected lives ranging from 5 years to 7 years; expected volatility of 23%; and risk-free interest rates ranging from 6.17% to 6.61%. There were no option grants in 2002 and 2001.

We may issue up to 1,750,000 shares under The Share Option Plan and The Unit Option Plan. We have granted 1,519,800 options, net of options forfeited, through December 31, 2002. Under both plans, the option exercise price is determined by the Share and Unit Option Committee of the Board of Directors. Non-qualified share and Unit options granted expire 10 years from the date of grant and 20% of the options become exercisable in each of the first five years commencing one year from the date of grant.

Options outstanding at December 31, 2002 have exercise prices between $18.625 and $31.25, with a weighted average exercise price of $23.89 and a weighted average remaining contractual life of 3.63 years.

A summary of the status of our two plans at December 31, 2002, 2001 and 2000 and changes during the years then ended is presented in the table and narrative below:

<TABLE>
<CAPTION>

	2002		2001		2000	
	Shares	Wtd Avg Ex Price	Shares	Wtd Avg Ex Price	Shares	Wtd Avg Ex Price
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Outstanding at beginning of year	1,455,830	$ 23.72	1,475,270	$ 23.68	1,280,890	$ 24.63
Granted	---	---	---	---	240,200	18.63
Exercised	(127,620)	21.89	(10,800)	18.63	---	---
Forfeited	(9,510)	25.45	(8,640)	23.66	(45,820)	23.72
Outstanding at end of year	1,318,700	$ 23.89	1,455,830	$ 23.72	1,475,270	$ 23.68
Exercisable at end of year	1,048,880	$ 24.45	1,047,890	$ 24.25	888,230	$ 24.28
Weighted average fair value of options granted	$---		$ ---		$ 1.20	

</TABLE>

We have a qualified retirement plan, with a salary deferral feature designed to qualify under Section 401 of the Code (the "401(k) Plan"), which covers substantially all of our officers and employees. The 401(k) Plan permits our employees, in accordance with the provisions of Section 401(k) of the Code, to defer up to 20% of their eligible compensation on a pre-tax basis subject to certain maximum amounts. Employee contributions are fully vested and are matched by us at a rate of compensation deferred to be determined annually at our discretion. The matching contribution is subject to vesting under a schedule providing for 20% annual vesting starting with the second year of employment and 100% vesting after six years of employment. The employer matching contribution expense for the years 2002, 2001 and 2000 was immaterial.

14. Asset Write-Down

During November 2000, we terminated our contract to purchase twelve acres of land in Dania Beach/Ft. Lauderdale, FL. Because of this event, we wrote off all development costs associated with the site in Ft. Lauderdale. In addition, other costs associated with various other development activities at other sites were written off. The total non-cash charge for abandoned development costs in the fourth quarter of 2000 was $1.8 million.

15. Other Comprehensive Income

Effective January 1, 2001, we FAS 133. Upon adoption we recorded a cumulative effect adjustment of $216,500 loss, net of minority interest of $83,000, in other comprehensive income (loss). As discussed in Note 9, certain interest rate swap agreements were terminated during the first quarter of 2001 and the other comprehensive loss totaling $106,000, net of minority interest of $41,000, recognized at adoption relating to these agreements was reclassified to earnings. In accordance with the provisions of FAS 133, our interest rate swap agreement and TWMB's interest rate swap agreement have been designated as cash flow hedges and are carried on their respective balance sheets at fair value. At December 31, 2002, the fair value of our hedge is recorded as a liability of $98,000 in accounts payable and accrued expenses. Our portion of the fair value of TWMB's hedge is recorded as a reduction in investment in joint ventures of $139,000 in other assets. For the years ended December 31, 2002 and 2001, the change in the fair value of derivative instruments was recorded as a $643,000 gain and $593,000 loss, net of minority interest of $232,000 and $227,000, to accumulated other comprehensive income. Total comprehensive income for the years ended December 31, 2002 and 2001 is as follows (in thousands):

	2002	2001
Net income	$ 11,007	$ 7,112
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 our portion of TWMB cash flow hedge, net of minority interest of $37	(102)	---
Change in fair value of cash flow hedge, net of minority interest of $232 and $227	643	(593)
Other comprehensive gain (loss)	541	(704)
Total comprehensive income	$11,548	$ 6,408

16. Supplementary Income Statement Information

The following amounts are included in property operating expenses for the years ended December 31, 2002, 2001 and 2000 (in thousands):

	2002	2001	2000
Advertising and promotion	$ 9,840	$ 9,206	$ 9,074
Common area maintenance	13,719	13,078	13,676
Real estate taxes	8,790	8,359	7,421
Other operating expenses	3,734	3,327	2,842
	$ 36,083	$ 33,970	$ 33,013

17. Lease Agreements

The Company is the lessor of a total of 1,338 stores in our 28 wholly-owned factory outlet centers, under operating leases with initial terms that expire from 2003 to 2019. Most leases are renewable for five years at the lessee's option. Future minimum lease receipts under non-cancelable operating leases as of December 31, 2002 are as follows (in thousands):

2003	$ 70,320
2004	59,079
2005	44,573
2006	31,079
2007	19,244
Thereafter	25,909
	$ 250,204

18. Commitments and Contingencies

We purchased the rights to lease land on which two of the outlet centers are situated for $1,520,000. These leasehold rights are being amortized on a straight-line basis over 30 and 40 year periods. Accumulated amortization was $713,000 and $664,000 at December 31, 2002 and 2001, respectively.

Our non-cancelable operating leases, with initial terms in excess of one year, have terms that expire from 2003 to 2085. Annual rental payments for these leases aggregated $2,437,000, $2,333,000 and $2,023,000, for the years ended December 31, 2002, 2001 and 2000, respectively. Minimum lease payments for the next five years and thereafter are as follows (in thousands):

2003	$ 2,551
2004	2,547
2005	2,478
2006	2,441
2007	2,378
Thereafter	73,860
	$ 86,255

We are also subject to legal proceedings and claims which have arisen in the ordinary course of its business and have not been finally adjudicated. In our opinion, the ultimate resolution of these matters will have no material effect on our results of operations, financial condition or cash flows.

REPORT OF INDEPENDENT ACCOUNTANTS
ON FINANCIAL STATEMENT SCHEDULE

To the Board of Directors of
Tanger Factory Outlet Centers, Inc.
and Subsidiaries

Our audits of the consolidated financial statements referred to in our report dated January 17, 2003 appearing in the 2002 Form 10-K of Tanger Factory Outlet Centers, Inc. also included an audit of the financial statement schedule listed in Item 15(a)(2) of this Form 10-K. In our opinion, this financial statement schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

/s/ PricewaterhouseCoopers LLP

Raleigh, North Carolina
January 17, 2003

<TABLE>
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TANGER FACTORY OUTLET CENTERS, INC. and SUBSIDIARIES
SCHEDULE III
REAL ESTATE AND ACCUMULATED DEPRECIATION
For the Year Ended December 31, 2002
(In thousands)

Description			Initial cost to Company		Costs Capitalized Subsequent to Acquisition (Improvements)	
Outlet Center Name	Location	Encumbrances	Land	Buildings, Improvements & Fixtures	Land	Buildings, Improvements & Fixtures
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Barstow	Barstow, CA	--	$3,672	$ 12,533	$ ---	$ 1,226
Blowing Rock	Blowing Rock, NC	$ 9,655	1,963	9,424	---	2,250
Boaz	Boaz, AL	---	616	2,195	---	2,251
Branch	North Branch, MN	---	243	5,644	249	4,072
Branson	Branson, MO	24,000	4,557	25,040	---	8,345
Casa Grande	Casa Grande, AZ	---	741	9,091	---	1,995
Clover	North Conway, NH	---	393	672	---	250
Commerce I	Commerce, GA	8,288	755	3,511	492	9,467
Commerce II	Commerce, GA	29,500	1,262	14,046	541	18,072
Dalton	Dalton, GA	11,133	1,641	15,596	---	552
Gonzales	Gonzales, LA	---	718	15,895	17	5,285
Howell	Howell, MI	---	2,250	35,250	---	226
Kittery-I	Kittery, ME	6,335	1,242	2,961	229	1,346
Kittery-II	Kittery, ME	---	921	1,835	529	610
Lancaster	Lancaster, PA	14,516	3,691	19,907	---	11,321
LL Bean	North Conway, NH	---	1,894	3,351	---	1,137

Locust Grove	Locust Grove, GA	---	2,558	11,801	---	8,404
Martinsburg	Martinsburg, WV	---	800	2,812	---	1,495
Nags Head	Nags Head, NC	6,552	1,853	6,679	---	1,910
Pigeon Forge	Pigeon Forge, TN	---	299	2,508	---	2,068
Riverhead	Riverhead, NY	---	---	36,374	6,152	73,585
San Marcos	San Marcos, TX	37,946	1,801	9,440	18	35,755
Sanibel	Sanibel, FL	---	4,916	23,196	---	3,052
Sevierville	Sevierville, TN	---	---	18,495	---	26,213
Seymour	Seymour, IN	---	1,590	13,249	---	721
Terrell	Terrell, TX	---	778	13,432	---	6,484
West Branch	West Branch, MI	7,067	350	3,428	121	5,257
Williamsburg	Williamsburg, IA	19,429	706	6,781	716	12,630
		$ 174,421	$42,210	$325,146	$9,064	$245,979

</TABLE>

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TANGER FACTORY OUTLET CENTERS, INC. and SUBSIDIARIES
SCHEDULE III
REAL ESTATE AND ACCUMULATED DEPRECIATION
For the Year Ended December 31, 2002
(In thousands)

Description		Gross Amount Carried at Close of Period 12/31/02 (1)					
Outlet Center Name	Location	Land	Buildings, Improvements & Fixtures	Total	Accumulated Depreciation	Date of Construction	Life Used to Compute Depreciation in Income Statement
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Barstow	Barstow, CA	$3,672	$13,759	$17,431	$5,316	1995	(2)
Blowing Rock	Blowing Rock, NC	1,963	11,674	13,637	2,156	1997 (3)	(2)
Boaz	Boaz, AL	616	4,446	5,062	2,417	1988	(2)
Branch	North Branch, MN	492	9,716	10,208	4,760	1992	(2)
Branson	Branson, MO	4,557	33,385	37,943	12,820	1994	(2)
Casa Grande	Casa Grande, AZ	741	11,086	11,827	5,755	1992	(2)
Clover	North Conway, NH	393	922	1,315	588	1987	(2)
Commerce I	Commerce, GA	1,247	12,978	14,225	5,818	1989	(2)
Commerce II	Commerce, GA	1,803	32,118	33,921	9,627	1995	(2)
Dalton	Dalton, GA	1,641	16,148	17,789	2,592	1998 (3)	(2)
Gonzales	Gonzales, LA	735	21,180	21,915	10,132	1992	(2)

Howell	Howell, MI	2,250	35,476	37,726	388	2002 (3)	(2)
Kittery-I	Kittery, ME	1,471	4,307	5,778	2,758	1986	(2)
Kittery-II	Kittery, ME	1,450	2,445	3,895	1,233	1989	(2)
Lancaster	Lancaster, PA	3,691	31,228	34,919	10,398	1994 (3)	(2)
LL Bean	North Conway, NH	1,894	4,488	6,382	2,472	1988	(2)
Locust Grove	Locust Grove, GA	2,558	20,205	22,763	7,447	1994	(2)
Martinsburg	Martinsburg, WV	800	4,307	5,107	2,439	1987	(2)
Nags Head	Nags Head, NC	1,853	8,589	10,442	1,974	1997 (3)	(2)
Pigeon Forge	Pigeon Forge, TN	299	4,576	4,875	2,527	1988	(2)
Riverhead	Riverhead, NY	6,152	109,959	116,111	29,259	1993	(2)
San Marcos	San Marcos, TX	1,819	45,195	47,014	11,036	1993	(2)
Sanibel	Sanibel, FL	4,916	26,248	31,164	3,823	1998 (3)	(2)
Sevierville	Sevierville, TN	---	44,708	44,708	8,970	1997 (3)	(2)
Seymour	Seymour, IN	1,590	13,970	15,560	6,064	1994	(2)
Terrell	Terrell, TX	778	19,916	20,694	7,769	1994	(2)
West Branch	West Branch, MI	471	8,685	9,156	3,944	1991	(2)
Williamsburg	Williamsburg, IA	1,422	19,411	20,832	9,717	1991	(2)
		$51,274	$571,125	$622,399	$174,199		

(1) Aggregate cost for federal income tax purposes is approximately $642,559,000.

(2) The Company generally uses estimated lives ranging from 25 to 33 years for buildings and 15 years for land improvements. Tenant finishing allowances are depreciated over the initial lease term.

(3) Represents year acquired
</TABLE>

TANGER FACTORY OUTLET CENTERS, INC. and SUBSIDIARIES
SCHEDULE III - (Continued)
REAL ESTATE AND ACCUMULATED DEPRECIATION
For the Year Ended December 31, 2002
(In Thousands)

The changes in total real estate for the three years ended December 31, 2002 are as follows:
<TABLE>
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<S>	2002 <C>	2001 <C>	2000 <C>
Balance, beginning of year	$599,266	$584,928	$566,216
Acquisition of real estate	37,500	---	---

Improvements	5,324	14,338	39,701
Dispositions and other	(19,691)	---	(20,989)
Balance, end of year	$622,399	$599,266	$584,928

</TABLE>

The changes in accumulated depreciation for the three years ended December 31, 2002 are as follows:
<TABLE>
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<S>	2002	2001	2000
Balance, beginning of year	$ 148,950	$ 122,365	$104,511
Depreciation for the period	26,906	26,585	24,239
Dispositions and other	(1,657)	---	(6,385)
Balance, end of year	$174,199	$148,950	$122,365

</TABLE>

AMENDMENT NO. 1 TO TANGER PROPERTIES LIMITED PARTNERSHIP
AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP

THIS AMENDMENT NO. 1 entered into and made effective as of September 10, 2002 by and among TANGER GP TRUST, a Maryland Business Trust ("GP Trust"); TANGER LP TRUST, a Maryland Business Trust ("LP Trust"), TANGER FAMILY LIMITED PARTNERSHIP, a North Carolina Limited Partnership ("TFLP") and TANGER FACTORY OUTLET CENTERS, INC., a North Carolina Corporation ("TFOC").

RECITALS:

A. Tanger Properties Limited Partnership (the "Partnership") is a North Carolina limited partnership formed and existing under its Amended and Restated Agreement of Limited Partnership dated December 30, 1999 (the "Partnership Agreement").

B. GP Trust is the sole General Partner of the Partnership.

C. TFLP is the holder of all of the Partnership's outstanding Class A Common Limited Partnership Units.

D. LP Trust is the holder of all of the Partnership's Class B Common Limited Partnership Units and all of its Class C Preferred Limited Partnership Units.

E. TFOC is the sole owner of GP Trust and LP Trust and the Initial General Partner of the Partnership.

F Prior to the effective date of this Amendment, TFOC filed a registration statement and supplement prospectus with the Securities and Exchange Commission for the issue and sale of up to 1,150,000 of its Common Shares. Pursuant to Section 4.5B of the Partnership Agreement, the net sale proceeds from the sale of those Common Shares are required to be contributed to GP Trust and GP Trust is required to contribute the net sale proceeds to the Partnership in exchange for Partnership Units.

G TFOC proposes to contribute the net proceeds from the sale of up to 1,150,000 of its Common Shares to LP Trust with LP Trust in turn contributing the net sale proceeds to the Partnership in exchange for Class B Common Limited Partnership Units, except to the extent otherwise required by Section 4.5G.

H. All of the partners of the Partnership have agreed to the contribution to the Partnership of the net sale proceeds from the sale of up to 1,150,000 of TFOC's Common Shares as described above.

NOW THEREFORE, in consideration of the foregoing Recitals, the promises contained herein and other valuable consideration, the parties agree as follows:

1. Each of LP Trust and TFLP being the holders of all of the limited partnership interests in the Partnership hereby waives receipt of the Funding Notice required pursuant to Section 4.5B of the Partnership Agreement and waives its right to make a Pro Rata Contribution pursuant to Section 4.5E of the Partnership Agreement.

2. Except as otherwise required by Section 4.5G of the Partnership Agreement, TFOC agrees to contribute the net sale proceeds from the sale of up to 1,150,000 of its Common Shares to LP Trust and the LP Trust agrees to contribute the net sale proceeds to the Partnership in exchange for Class B Common Limited Partnership Interests. The remainder of the net sale proceeds will be contributed to GP Trust and GP Trust will in turn contribute those net sale proceeds to the Partnership in exchange for Partnership Units as required by Section 4.5G of the Partnership Agreement.

3. The ownership percentages of each of the partners after the contribution of the net sale proceeds from the sale of TFOC's one million common shares as provided above shall be as set forth on Exhibit "A" attached hereto.

4. The General Partner will amend the Exhibit A to reflect the contribution of the net sale proceeds from the issue and sale by TFOC of up to 150,000 over allotment shares.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

TANGER GP TRUST, a Maryland Business Trust,
General Partner
By: /s/ Stanley K. Tanger
____
Stanley K. Tanger, Chairman & CEO

(Print Name and Title)

TANGER LP TRUST, a Maryland Business Trust
Limited Partner
By: /s/ Stanley K. Tanger
____
Stanley K. Tanger, Chairman & CEO

(Print Name and Title)

TANGER FAMILY LIMITED PARTNERSHIP, a North Carolina
Limited Partnership, Limited Partner

By: /s/ Stanley K. Tanger
____
Stanley K. Tanger, Chairman & CEO

(Print Name and Title)

TANGER FACTORY OUTLET CENTERS, INC., a North
Carolina Corporation, Initial General Partner

By: /s/ Stanley K. Tanger
____
Stanley K. Tanger, Chairman & CEO

(Print Name and Title)

<TABLE>
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EXHIBIT "A"

1. Initial Capital Contributions of Partners

Name and Address of Partner	Partnership Units Before Contribution	Cash Contributions	Agreed Value of Contributed Property	Total Contributions	Partnership Units After Contribution
<S>		<C>		<C>	<C>
General Partner - --------------- Tanger Factory Outlet Centers, Inc. 3200 Northline Ave., Suite 360 Greensboro, NC 27408		$1		$1	1
Limited Partners - ---------------- Tanger Family Limited Partnership 3200 Northline Ave., Suite 360 Greensboro, NC 27408		$1		$1	1

</TABLE>

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<CAPTION>

2. Contributions Made on Effective Date of Initial Public Offering

Name and Address of Partner	Partnership Units Before Contribution	Cash Contributions	Agreed Value of Contributed Property	Total Contributions	Partnership Units After Contribution
<S>		<C>	<C>	<C>	<C>
General Partner - --------------- Tanger Factory Outlet Centers, Inc. 3200 Northline Ave., Suite 360		$92,315,000	$ 7,008,807	$ 99,323,807	4,857,796

Greensboro, NC 27408					
Limited Partners			$62,019,954	$ 62,019,954	3,033,305
- ----------------					
Tanger Family Limited Partnership 3200 Northline Ave., Suite 360 Greensboro, NC 27408					
TOTALS		$92,315,000	$69,028,761	$161,343,761	7,891,101

</TABLE>

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3. Partnership Holdings Immediately Following The Transfer Date of Tanger Factory Outlet Centers, Inc. transfer of Partnership Interests to Tanger GP Trust and Tanger LP Trust

Name and Address of Partner	Partnership Units Before Contribution	Cash Contributions	Agreed Value of Contributed Property	Total Contributions	Partnership Units After Contribution
<S>	<C>	<C>	<C>	<C>	<C>
General Partner					150,000
- ---------------					
Tanger G P Trust 3200 Northline Ave., Suite 360 Greensboro, NC 27408					
Limited Partners					3,033,305
- ----------------					
Class A Common Tanger Family Limited Partnership 3200 Northline Ave., Suite 360 Greensboro, NC 27408					
Class B. Common					7,700,256
- ---------------					
Tanger L P Trust 3200 Northline Ave., Suite 360 Greensboro, NC 27408					
Class C. Preferred					88,219.7
- ------------------					
Tanger LP Trust 3200 Northline Ave., Suite 360 Greensboro, NC 27408					

</TABLE>

<TABLE>
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4. Capital Contribution of Proceeds of September, 2002 Public Offering of REIT Shares

Name and Address of Partner	Partnership Units Before Contribution	Cash Contributions	Agreed Value of Contributed Property	Total Contributions	Partnership Units After Contribution	% Interests
<S>	<C>	<C>	<C>	<C>	<C>	<C>
General Partner	150,000			$0	150,000	1.23%
- ---------------						
Tanger G. P. Trust 3200 Northline Ave., Suite 360 Greensboro, NC 27408						
Limited Partners	3,033,305			$0	3,033,305	24.84%
- ----------------						
Class A Common Tanger Family Limited Partnership 3200 Northline Ave., Suite 360						

Greensboro, NC 27408						
Class B. Common	8,030,025	$29,250,000		$29,250,000	9,030,025	73.94%
- ---------------						
Tanger L P Trust 3200 Northline Ave., Suite 360 Greensboro, NC 27408						
TOTALS	11,213,330	$29,250,000	$0	$29,250,000	12,213,330	100.00%
Class C. Preferred	80,189.7				80,189.7	
- ------------------						
Tanger LP Trust 3200 Northline Ave., Suite 360 Greensboro, NC 27408						

</TABLE>

CONSENT OF INDEPENDENT ACCOUTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Forms S-8 (No. 333-80450 and 333-91863) and Forms S-3 (File Nos. 033-99736-01, 333-03526-01, 333-39365-01 and 333-61394-01) of Tanger Factory Outlet Centers, Inc. of our reports dated January 17, 2003 relating to the financial statements and financial statement schedule, which appear in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Raleigh, NC
March 28, 2003