FORM 10-Q

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

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

For the quarterly period ended June 30, 2003

OR

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

For the transition period from to

Commission File No. 1-11986

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

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

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

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

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

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Securities and Exchange Act of 1934). Yes X No

10,340,443 shares of Common Stock,
$.01 par value, outstanding as of July 31, 2003

TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES

Index

Part I. Financial Information

Part II. Other Information

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

	Three Months Ended June 30, 2003	Three Months Ended June 30, 2002	Six Months Ended June 30, 2003	Six Months Ended June 30, 2002
	(unaudited)		(unaudited)	
REVENUES				
<S>	<C>	<C>	<C>	<C>
Base rentals	$ 19,806	$ 18,364	$ 39,428	$ 36,386
Percentage rentals	555	581	950	1,178
Expense reimbursements	8,456	7,275	16,886	14,515
Other income	803	583	1,474	1,145
Total revenues	29,620	26,803	58,738	53,224
EXPENSES				
Property operating	10,109	8,585	20,062	17,146
General and administrative	2,453	2,092	4,883	4,367
Interest	6,556	7,118	13,280	14,247
Depreciation and amortization	7,099	7,048	14,379	14,064
Total expenses	26,217	24,843	52,604	49,824
Income before equity in earnings of unconsolidated joint ventures, minority interest and discontinued operations	3,403	1,960	6,134	3,400
Equity in earnings of unconsolidated joint ventures	280	(75)	372	(67)
Minority interest	(798)	(396)	(1,389)	(673)
Income from continuing operations	2,885	1,489	5,117	2,660
Discontinued operations	(578)	605	(619)	879
Net income	2,307	2,094	4,498	3,539
Less applicable preferred share dividends	(363)	(442)	(806)	(886)
Net income available to common shareholders	$ 1,944	$ 1,652	$ 3,692	$ 2,653
Basic earnings per common share:				
Income from continuing operations	$ .26	$ .13	$ .46	$ .22
Net income	$ .20	$ .21	$ .39	$ .33
Diluted earnings per common share:				
Income from continuing operations	$ .26	$ .13	$ .45	$ .22
Net income	$ .20	$ .20	$ .38	$ .33
Dividends paid per common share	$ .62	$ .61	$1.23	$1.22

The accompanying notes are an integral part of these consolidated financial statements.
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TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)

	June 30, 2003 (unaudited)	December 31, 2002
ASSETS		
Rental Property		
Land	$ 50,474	$51,274
Buildings, improvements and fixtures	578,665	571,125
Developments under construction	2,490	---
	631,629	622,399
Accumulated depreciation	(185,071)	(174,199)
Rental property, net	446,558	448,200
Cash and cash equivalents	203	1,072
Deferred charges, net	9,389	10,104
Other assets	12,822	18,299
Total assets	$ 468,972	$ 477,675
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Debt		
Senior, unsecured notes	$ 147,509	$150,109
Mortgages payable	173,188	174,421
Lines of credit	11,890	20,475
	332,587	345,005
Construction trade payables	8,010	3,310
Accounts payable and accrued expenses	13,328	15,095
Total liabilities	353,925	363,410
Commitments		
Minority interest	26,231	23,630
Shareholders' equity		
Preferred shares, $.01 par value, 1,000,000 shares authorized, 0 and 80,190 shares issued and outstanding at June 30, 2003 and December 31, 2002	---	1
Common shares, $.01 par value, 50,000,000 shares authorized, 10,270,443 and 9,061,025 shares issued and outstanding at June 30, 2003 and December 31, 2002	103	90
Paid in capital	167,034	161,192
Distributions in excess of net income	(78,224)	(70,485)
Accumulated other comprehensive loss	(97)	(163)

Total shareholders' equity	88,816	90,635
Total liabilities and shareholders' equity	$ 468,972	$ 477,675

The accompanying notes are an integral part of these consolidated financial statements.
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TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Six Months Ended June 30, 2003	2002
	(unaudited)	
OPERATING ACTIVITIES		
<S>	<C>	<C>
Net income	$ 4,498	$ 3,539
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization (including discontinued operations)	14,468	14,371
Amortization of deferred financing costs	623	628
Equity in earnings of unconsolidated joint ventures	(372)	67
Minority interest	1,193	1,007
Compensation under Unit Option Plan	51	---
Loss/(gain) on sale of real estate (included in discontinued operations)	735	(460)
Gain on sale of outparcels of land	---	(31)
Straight-line base rent adjustment	112	101
Increase (decrease) due to changes in:		
Other assets	1,828	(513)
Accounts payable and accrued expenses	(1,667)	(3,158)
Net cash provided by operating activites	21,469	15,551
INVESTING ACTIVITIES		
Additions to rental property	(5,036)	(2,944)
Acquisition of rental property	(4,700)	---
Additions to investments in unconsolidated joint ventures	(952)	(80)
Additions to deferred lease costs	(836)	(753)
Net proceeds from sale of real estate	2,076	17,291
Decrease/(increase) in escrow from rental property sale	4,006	(16,826)
Distributions received from unconsolidated joint ventures	650	---
Collections from officers	---	86
Net cash used in investing activities	(4,792)	(3,226)
FINANCING ACTIVITIES		
Cash dividends paid	(12,237)	

		(10,624)
Distributions to minority interest	(3,723)	(3,708)
Payments for redemption of preferred shares	(372)	---
Proceeds from issuance of debt	48,815	50,651
Repayments of debt	(61,233)	(51,009)
Additions to deferred financing costs	(80)	(11)
Proceeds from exercise of unit options	11,284	2,065
Net cash used in financing activities	(17,546)	(12,636)
Net decrease in cash and cash equivalents	(869)	(311)
Cash and cash equivalents, beginning of period	1,072	515
Cash and cash equivalents, end of period	$ 203	$ 204

Supplemental schedule of non-cash investing activities:

The Company purchases capital equipment and incurs costs relating to construction of new facilities, including tenant finishing allowances. Expenditures included in construction trade payables as of June 30, 2003 and 2002 amounted to $8,010 and $4,141, respectively.

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

TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2003
(Unaudited)

1. Business

Tanger Factory Outlet Centers, Inc., a fully-integrated, self-administered, self-managed real estate investment trust ("REIT"), develops, owns, operates and manages factory outlet centers. At June 30, 2003, we operated 33 centers in 20 states totaling 6.2 million square feet. The factory outlet centers and other assets of the Company's business are held by, and all of its operations are conducted by, Tanger Properties Limited Partnership. Unless the context indicates otherwise, the term the "Company" refers to Tanger Factory Outlet Centers, Inc. and 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 context requires.

2. Basis of Presentation

Our unaudited consolidated financial statements have been prepared pursuant to accounting principles generally accepted in the United States of America and should be read in conjunction with the consolidated financial statements and notes thereto of our Annual Report on Form 10-K for the year ended December 31, 2002. Certain information and note disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to the Securities and Exchange Commission's ("SEC") rules and regulations, although management believes that the disclosures are adequate to make the information presented not misleading.

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

Investments in real estate joint ventures that represent non-controlling ownership interests are accounted for using the equity method of accounting. These investments are recorded initially at cost and subsequently adjusted for our net equity in the venture's income (loss) and cash contributions and distributions. Our investments are included in other assets in our Consolidated Balance Sheets.

Certain amounts in the 2002 consolidated financial statements have been reclassified to conform to the 2003 presentation. See Footnote 5.

3. Changes in Significant Accounting Policy

The Company has 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"). Prior to 2003, these plans were accounted for under the recognition and measurement provisions of APB Opinion No. 25, "Accounting for Stock Issued to Employees", and related interpretations. No share-based employee compensation cost was reflected in 2002 net income, as all options granted under those plans had an exercise price equal to the market value of the underlying common share on the date of grant. Effective January 1, 2003, we adopted the fair value recognition provisions of Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" ("FAS 123"). Under the modified prospective method of adoption selected by us under the provisions of Statement of Financial Accounting Standards No. 148, "Accounting for Stock-Based Compensation-Transition and Disclosure", compensation cost recognized in 2003 is the same as that which would have been recognized had the recognition provisions of FAS 123 been applied from its original effective date. Results for prior periods have not been restated. The following table illustrates the effect on net income and earnings per share if the fair value based method had been applied to all outstanding and unvested awards in each period (in thousands except per share data):

<TABLE>
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	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
<S>	<C>	<C>	<C>	<C>
Net income	$ 2,307	$2,094	$4,498	$3,539
Add: Stock-based employee compensation expense included in net income, net of minority interest of $5 and $11 for the three and six months ended, respectively	20	---	40	---
Less: Total stock based employee compensation expense determined under fair value based method for all awards, net of minority interest of $5 and $12 for the three months ended and $11 and $22 for the six months ended, respectively	(20)	(31)	(40)	(62)
Pro forma net income	$ 2,307	$2,063	$4,498	$3,477
Earnings per share:				
Basic - as reported	$.20	$.21	$.39	$.33
Basic - pro forma	.20	.20	.39	.32
Diluted - as reported	$.20	$.20	$.38	$.33
Diluted - pro forma	.20	.20	.38	.32

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4. Acquisition and Development of Owned Rental Properties

In January 2003, we acquired a 29,000 square foot, 100% leased expansion located contiguous with our existing factory outlet center in Sevierville, Tennessee for $4.7 million. Construction of an additional 35,000 square foot expansion of the center is currently under way, with stores expected to begin opening during the third quarter of 2003.

Commitments to complete construction of the expansions to the existing properties and other capital expenditure requirements amounted to approximately $137,000 at June 30, 2003. Commitments for construction represent only those costs contractually required to be paid by us.

Interest costs capitalized during the three months ended June 30, 2003 and 2002 amounted to $7,000 and $80,000, respectively, and for the six months ended June 30, 2003 and 2002 amounted to $21,000 and $159,000, respectively.

5. Disposition of Owned Rental Properties

In May 2003, we completed the sale of our property located in Martinsburg, West Virginia. Net proceeds received from the sale of this property were approximately $2.1 million. As a result of the sale, we recognized a loss on sale of real estate of approximately $735,000.

In June and November 2002, respectively, we completed the sale of two of our non-core properties located in Ft. Lauderdale, Florida and Bourne, Massachusetts. Net proceeds received from the sales of these properties were approximately $19.9 million. We retained management responsibility for the Bourne center after the completion of the sale, however these responsibilities are not considered a significant interest in the property. Management fees received were immaterial.

In August and December 2002, respectively, we sold two outparcels of land which had related land leases with identifiable cash flows, at two properties in our portfolio. These sales totaled $700,000 in net proceeds.

In accordance with Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("FAS 144"), 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 (in thousands):

<TABLE>
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	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
<S>	<C>	<C>	<C>	<C>
Base rentals	$ 31	$ 558	$ 70	$ 1,125
Expense reimbursements	10	155	30	365
Other income	1	---	2	2
Total revenues	42	713	102	1,492
Property operating expenses	28	190	93	432
Depreciation and amortization	40	149	89	307
Total expenses	68	339	182	739
Income before (loss)/gain on sale of real estate	(26)	374	(80)	753
(Loss)/gain on sale of real estate	(735)	460	(735)	460
Discontinued operations before minority interest	(761)	834	(815)	1,213
Minority interest	183	(229)	196	(334)
Discontinued operations	$ (578)	$ 605	$(619)	$ 879

</TABLE>

6. Investments in Real Estate Joint Ventures

In September 2001, we established Tanger-Warren Myrtle Beach, LLC ("TWMB"), a joint venture in which we have a 50% ownership interest with Rosen-Warren Myrtle Beach LLC ("Rosen-Warren") as our venture partner, to construct and operate the Tanger Outlet center in Myrtle Beach, South Carolina. We and Rosen-Warren each contributed $4.3 million in cash for a total initial equity in TWMB of $8.6 million. In June 2002, the first phase opened 100% leased at a cost of approximately $35.4 million with approximately 260,000 square feet and 60 brand name outlet tenants. In May and June 2003, 49,000 square feet of stores opened in our 64,000 square foot second phase which is expected to cost approximately $6.5 million. The remaining 15,000 square feet is expected to open later in 2003. We and Rosen-Warren have contributed approximately $1.1 million each toward this second phase which will contain approximately 22 additional brand name outlet tenants.

In conjunction with the construction of the center, TWMB closed on a construction loan in September 2001 in the amount of $36.2 million with Bank of America, NA (Agent) and SouthTrust Bank due in August 2005. As of June 30, 2003, the construction loan had a $28.7 million balance. In August 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%. TWMB pays interest on the balance of the outstanding loan at a floating interest rate equal to LIBOR plus 2.00%. 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 as of June 30, 2003 and December 31, 2002 was $4.6 million and $3.9 million, 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 investment in real estate joint ventures are included in other assets and are also reduced by 50% of the profits earned for leasing and development services we provided to the joint ventures. The following management, leasing and development fees were recognized from services provided to TWMB during the three and six months ended June 30, 2003 and 2002 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
Fee:				
Management	$ 34	$ ---	$ 68	$ ---
Leasing	76	35	133	62
Development	(4)	30	9	102
Total Fees	$ 106	$ 65	$ 210	$ 164

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Summary unaudited financial information of joint ventures accounted for using the equity method is as follows (in thousands):

Summary Balance Sheets - Unconsolidated Joint Ventures:	June 30, 2003	December 31, 2002
Assets:		
<S>	<C>	<C>
Investment properties at cost, net	$35,439	$32,153
Cash and cash equivalents	634	514
Deferred charges, net	1,872	1,751
Other assets	1,995	1,491
Total assets	$39,940	$35,909
Liabilities and Owners' Equity		
Mortgage payable	$28,692	$25,513
Construction trade payables	1,026	1,644
Accounts payable and other liabilities	828	522
Total liabilities	30,546	27,679
Owners' equity	9,394	8,230
Total liabilities and owners' equity	$39,940	$35,909

</TABLE>
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Summary Statements of Operations- Unconsolidated Joint Ventures	Three Months Ended June 30, 2003	2002	Six Months Ended June 30, 2003	2002
<S>	<C>	<C>	<C>	<C>
Revenues	$ 2,158	$ 225	$ 3,885	$ 241
Expenses:				
Property operating expenses	782	385	1,486	385
General and administrative	3	---	20	---
Interest	294	---	619	---
Depreciation and amortization	552	---	1,080	---
Total expenses	1,631	385	3,205	385
Net income/(loss)	527	(160)	680	(144)

Tanger Factory Outlet Centers, Inc. share of:

Net income/(loss)	280	(75)	372	(67)
Depreciation (real estate related)	266	---	520	---

</TABLE>

7. Preferred Share Redemption

On May 2, 2003, we announced that we would call for the redemption of all of our outstanding Series A Cumulative Convertible Redeemable Preferred Shares (the "Preferred Shares") held by the Preferred Stock Depositary. Our Board of Directors set June 20, 2003 as the redemption date on which all outstanding Depositary Shares, each representing 1/10th of a Preferred Share would be redeemed. The Preferred Stock Depositary in turn called for redemption, as of the same redemption date, of all of the Preferred Shares. The redemption price was $250 per Preferred Share ($25 per Depositary Share), plus accrued and unpaid dividends, if any, to, but not including, the redemption date.

In lieu of receiving the cash redemption price, holders of the Depositary Shares, at their option, could exercise their right to convert each Depositary Share into .901 common shares by following the instructions for, and completing the Notice of Conversion located on the back of their Depositary Share certificates. Those Depositary Shares, and the corresponding Preferred Shares, that were converted to common shares did not receive accrued and unpaid dividends, if any, but were entitled to receive common dividends declared after the date on which the Depositary Shares were converted to common shares.

On or after the redemption date, the Depositary Shares, and the corresponding Preferred Shares, were no longer deemed to be outstanding, dividends on the Depositary Shares, and the corresponding Preferred Shares, ceased to accrue, and all rights of the holders of the Depositary Shares, and the corresponding Preferred Shares, ceased, except for the right to receive the redemption price and accrued and unpaid dividends, without interest thereon, upon surrender of certificates representing the Depositary Shares, and the corresponding Preferred Shares.

As of May 2, 2003, 80,190 Preferred Shares, representing approximately 801,897 Depositary Shares, were outstanding. In total 787,008 of the Depositary Shares were converted into 709,078 common shares and we redeemed the remaining 14,889 Depositary Shares for $25 per share, plus accrued and unpaid dividends. We funded the redemption, totaling approximately $375,000 from cash flow from operations.

8. Earnings Per Share

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

	Three Months Ended June 30, 2003	Three Months Ended June 30, 2002	Six Months Ended June 30, 2003	Six Months Ended June 30, 2002
Numerator:				
<S>	<C>	<C>	<C>	<C>
Income from continuing operations	$2,885	$1,489	$5,117	$2,660
Less applicable preferred share dividends	(363)	(442)	(806)	(886)
Income from continuing operations available to common shareholders - basic and diluted	2,522	1,047	4,311	1,774
Discontinued operations	(578)	605	(619)	879
Net income available to common shareholders - basic and diluted	$1,944	$ 1,652	$3,692	$2,653
Denominator:				
Basic weighted average common shares	9,590	8,015	9,387	7,982
Effect of outstanding share and unit options	219	214	228	153
Diluted weighted average common shares	9,809	8,229	9,615	8,135
Basic earnings per common share:				
Income from continuing operations	$ .26	$.13	$.46	$.22
Discontinued operations	(.06)	.08	(.07)	.11
Net income	$ .20	$.21	$.39	$.33
Diluted earnings per common share:				
Income from continuing operations	$ .26	$.13	$.45	$.22
Discontinued operations	(.06)	.07	(.07)	.11

Net income	$ .20	$.20	$.38	$.33

</TABLE>

The computation of diluted earnings per share excludes options to purchase common shares when the exercise price is greater than the average market price of the common shares for the period. Options excluded totaled 235,000 for the three months ended June 30, 2002 and 6,000 and 345,000 for the six months ended June 30, 2003 and 2002, respectively. There were no options excluded from the computation for the three months ended June 30, 2003. The assumed conversion of preferred shares to common shares as of the beginning of the year would have been anti-dilutive. The assumed conversion of the partnership units held by the minority interest limited partner as of the beginning of the year, which would result in the elimination of earnings allocated to the minority interest, would have no impact on earnings per share since the allocation of earnings to a partnership unit is equivalent to earnings allocated to a common share.

9. Other Comprehensive Income - Derivative Financial Instruments

During the first quarter of 2003 our interest rate swap, which had been designated as a cash flow hedge, expired and therefore the fair value of the swap became zero resulting in a change in fair value of $98,000. TWMB's interest rate swap agreement has been designated as a cash flow hedge and is carried on TWMB's balance sheet at fair value. At June 30, 2003, our portion of the fair value of TWMB's hedge is recorded as a $149,000 reduction to investment in joint ventures. Total comprehensive income for the three and six months ended June 30, 2003 and 2002 is as follows (in thousands):

<TABLE>
<CAPTION>

	Three Months Ended June 30, 2003	Three Months Ended June 30, 2002	Six Months Ended June 30, 2003	Six Months Ended June 30, 2002
<S>	<C>	<C>	<C>	<C>
Net income	$2,307	$ 2,094	$4,498	$ 3,539
Other comprehensive income:				
Change in fair value of our portion of TWMB cash flow hedge, net of minority interest of $1 and $2	3	---	(8)	---
Change in fair value of cash flow hedge, net of minority interest of $0 and $23 and $24 and $105	---	63	74	272
Other comprehensive income	3	63	66	272
Total comprehensive income	$2,310	$ 2,157	$4,564	$ 3,811

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10. New Accounting Pronouncements

In April 2002, the Financial Accounting Standards Board (FASB or the "Board") issued Statement of Financial Accounting Standards 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. Generally, FAS 145 is effective for transactions occurring after December 31, 2002. We adopted this statement effective January 1, 2003, and it had no significant impact on our results of operations or financial position for the 2003 or 2002 periods.

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 are effective immediately for all variable interests in variable interest entities created after January 31, 2003, and we will need to apply its provisions to any existing variable interests in variable interest entities beginning July 1, 2003. We are in the process of evaluating TWMB (Note 6) in order to determine whether the entity is a variable interest entity and whether we are considered to be the primary beneficiary or whether we hold a significant variable interest. TWMB is a joint venture arrangement where it is possible that we may be required to consolidate or disclose additional information about our 50% interest in TWMB in the future. Our maximum exposure to loss as a result of our involvement in this joint venture is equal to our investment in the joint venture and our obligation under our joint and several guarantee of TWMB's debt, all as disclosed in Note 6.

In May 2003, FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity", effective at the beginning of the first interim period beginning after June 15, 2003. The Board initiated its liabilities and equity project in response to concerns regarding the current balance sheet classifications of certain financial instruments. The standard specifies that instruments within its scope, which include mandatorily redeemable financial instruments, obligations to repurchase the issuer's equity shares by transferring assets, and certain obligations to issue a variable number of shares, represent obligations of the issuer and, therefore, the issuer must classify them as liabilities. We adopted this statement effective July 1, 2003, and it had no significant impact on our results of operations or financial position.

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

The following discussion should be read in conjunction with the unaudited consolidated financial statements appearing elsewhere in this report. Historical results and percentage relationships set forth in the unaudited, Consolidated Statements of Operations, including trends which might appear, are not necessarily indicative of future operations. 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 unaudited Consolidated Statements of Operations compares the three and six months ended June 30, 2003 with the three and six months ended June 30, 2002. Certain comparisons between the periods are made on a percentage basis as well as on a weighted average gross leasable area ("GLA") basis, a technique which adjusts for certain increases or decreases in the number of centers and corresponding square feet related to the development, acquisition, expansion or disposition of rental properties. The computation of weighted average GLA, however, does not adjust for fluctuations in occupancy which may occur subsequent to the original opening date.

Cautionary Statements

Certain statements made below are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. We intend for such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Reform Act of 1995 and included this statement for purposes of complying with these safe harbor provisions. Forward-looking statements, which are based on certain assumptions and describe our future plans, strategies and expectations, are generally identifiable by use of the words "believe", "expect", "intend", "anticipate", "estimate", "project", or similar expressions. You should not rely on forward-looking statements since they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond our control and which could materially affect our actual results, performance or achievements. Factors which may cause actual results to differ materially from current expectations include, but are not limited to, the following:

- 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 realized planned costs savings in acquisitions; and

- - retention of earnings.

General Overview

At June 30, 2003, we have ownership interests in or management responsibilities for 33 centers in 20 states totaling 6.2 million square feet compared to 32 centers in 21 states totaling 5.5 million square feet at June 30, 2002. The activity in our portfolio of properties since June 30, 2002 is summarized below:

<TABLE>
<CAPTION>

	No. of Centers	GLA (000's)	States
<S>	<C>	<C>	<C>
As of June 30, 2002	32	5,532	21
New development expansion:			
Myrtle Beach, South Carolina (joint venture)	---	49	---
Acquisitions:			
Howell, Michigan (wholly-owned)	1	325	---
Vero Beach, Florida (managed)	1	329	---
Bourne, Massachusetts (managed)	1	23	1
Sevierville, Tennessee (wholly-owned)	---	29	---
Dispositions:			
Bourne, Massachusetts (wholly-owned)	(1)	(23)	(1)
Martinsburg, West Virginia (wholly-owned)	(1)	(49)	(1)
As of June 30, 2003	33	6,215	20

</TABLE>

A summary of the operating results for the three and six months ended June 30, 2003 and 2002 is presented in the following table, expressed in amounts calculated on a weighted average GLA basis.

<TABLE>
<CAPTION>

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
GLA at end of period (000's)				
<S>	<C>	<C>	<C>	<C>
Wholly owned	5,449	5,167	5,449	5,167
Partially owned (1)	309	260	309	260
Managed	457	105	457	105
Total GLA at end of period (000's)	6,215	5,532	6,215	5,532
Weighted average GLA (000's) (2)	5,448	5,094	5,445	5,094
Occupancy percentage at end of period (1)	96%	96%	96%	96%
Per square foot for wholly owned properties				
Revenues				
Base rentals	$3.64	$3.61	$7.24	$7.14
Percentage rentals	.10	.11	.18	.23
Expense reimbursements	1.55	1.43	3.10	2.85
Other income	.15	.11	.27	.23

Total revenues	5.44	5.26	10.79	10.45
Expenses				
Property operating	1.86	1.69	3.68	3.36
General and administrative	.45	.41	.90	.86
Interest	1.20	1.40	2.44	2.80
Depreciation and amortization	1.30	1.38	2.64	2.76
Total expenses	4.81	4.88	9.66	9.78
Income before equity in earnings of unconsolidated joint ventures, minority interest and discontinued operations	$.63	$.38	$1.13	$.67

(1) Includes Myrtle Beach, SC property which we operate and have a 50% ownership in through a joint venture.
(2) GLA of 100% owned properties weighted by months of operations. GLA is not adjusted for fluctuations in occupancy that may occur subsequent to the original opening date.

</TABLE>

<TABLE>
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The table set forth below summarizes certain information with respect to our existing centers in which we have an ownership interest as of June 30, 2003.

Date Opened	Location	GLA (sq. ft.)	Mortgage Debt Outstanding (000's) as of June 30, 2003	% Occupied
<S>	<C>	<C>	<C>	<C>
Aug. 1994	Riverhead, NY	729,238	---	100
May 1993	San Marcos, TX	441,936	$37,629	96
Feb. 1997 (1)	Sevierville, TN	384,193	---	100
Dec. 1995	Commerce II, GA	342,556	29,500	97
Sept. 2002 (1)	Howell, MI	325,231	---	99
Nov. 1994	Branson, MO	277,562	24,000	99
May 1991	Williamsburg, IA	277,230	19,250	98
Jun. 2002 (2)	Myrtle Beach, SC	309,037	---	100
Oct. 1994 (1)	Lancaster, PA	255,059	14,351	96
Nov. 1994	Locust Grove, GA	248,854	---	99
Feb. 1993	Gonzales, LA	245,199	---	99
Jul. 1998 (1)	Fort Meyers, FL	198,789	---	89
Jul. 1989	Commerce, GA	185,750	8,056	71
Feb. 1992	Casa Grande, AZ	184,768	---	88
Aug. 1994	Terrell, TX	177,490	---	97
Mar. 1998 (1)	Dalton, GA	173,430	11,030	95
Sept. 1994	Seymour, IN	141,051	---	74
Dec. 1992	North Branch, MN	134,480	---	99
Feb. 1991	West Branch, MI	112,420	7,002	98
Jan. 1995	Barstow, CA	105,950	---	80
Sept. 1997 (1)	Blowing Rock, NC	105,448	9,588	90
Jul. 1988	Pigeon Forge, TN	94,558	---	97
Sept. 1997 (1)	Nags Head, NC	82,254	6,506	100
Jul. 1988	Boaz, AL	79,575	---	92
Jun. 1986	Kittery I, ME	59,694	6,276	100
Apr. 1988	LL Bean, North Conway, NH	50,745	---	91
Jun. 1988	Kittery II, ME	24,619	---	100
Mar. 1987	Clover, North Conway, NH	11,000	---	100
Total		5,758,116	$173,188	96%

(1) Represents date acquired by us.

(2) Represents center operated by us through a 50% ownership joint venture. Mortgage debt of the joint venture outstanding as of June 30, 2003 on this property is $28.7 million.

</TABLE>

RESULTS OF OPERATIONS

Comparison of the three months ended June 30, 2003 to the three months ended June 30, 2002

Base rentals increased $1.4 million, or 8%, in the 2003 period when compared to the same period in 2002. The increase is primarily due to the acquisition of the Howell, Michigan center during the third quarter of 2002 and the additional GLA acquired at our Sevierville, Tennessee center early during the first quarter of 2003. Base rent per weighted average GLA increased by $.03 per square foot from $3.61 per square foot in the 2002 period compared to $3.64 per square foot in the 2003 period. The increase is primarily the result of the addition of the Howell, Michigan acquisition which had a higher average base rent per square foot compared to the portfolio average. While the overall portfolio occupancy at June 30, 2003 remained constant at 96% compared to June 30, 2002, one center 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"), decreased $26,000 or 4%, and on a weighted average GLA basis, decreased $.01 per square foot in 2003 compared to 2002. Reported same-space sales per square foot for the rolling twelve months ended June 30, 2003 were $300 per square foot. This represents a 1.5% increase compared to the same period in 2002. 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. Same-space sales for the three months ended June 30, 2003 increased 6.3% compared to the same period of 2002.

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, were 84% and 85%, respectively, in the 2003 and 2002 periods.

Other income increased $220,000, or 38%, in 2003 compared to 2002 and on a weighted average GLA basis, increased $.04 per square foot from $.11 to $.15. The increase is due primarily to increases in vending income and income from property management services.

Property operating expenses increased by $1.5 million, or 18%, in the 2003 period as compared to the 2002 period and, on a weighted average GLA basis, increased $.17 per square foot from $1.69 to $1.86. The increase is the result of the additional operating costs of the Howell, Michigan center that we acquired in September as well as portfolio wide increases in advertising, property taxes and property insurance costs.

General and administrative expenses increased $361,000, or 17%, in the 2003 period as compared to the 2002 period. The increase is primarily due to increases in employee compensation from headcount increases and increased travel expenses. Also, as a percentage of total revenues, general and administrative expenses were 8% in the 2003 and 2002 periods and, on a weighted average GLA basis increased $.04 per square foot from $.41in the 2002 period to $.45 in the 2003 period.

Interest expense decreased $562,000, or 8%, during 2003 as compared to 2002 due primarily to lower outstanding debt and lower average interest rates during 2003. Since the 2002 period, we have reduced our outstanding borrowings through operating cash flows, proceeds from share option exercises, property sales and a common share offering. Also, since June 30, 2002, we have purchased, $8.1 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 additional interest expense reduction as the lines of credit currently have a lower interest rate.

Depreciation and amortization per weighted average GLA decreased from $1.38 per square foot in the 2002 period to $1.30 per square foot in the 2003 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).

Equity in earnings from unconsolidated joint ventures increased $355,000 in the 2003 period compared to the 2002 period due to the opening of the Myrtle Beach, South Carolina outlet center by TWMB in late June of 2002.

In accordance with SFAS 144 "Accounting for the Impairment or Disposal of Long Lived Assets," effective for financial statements issued for fiscal years beginning after December 15, 2001, results of operations and gain/ (loss) on sales of real estate for properties sold subsequent to December 31, 2001 are reflected in the unaudited Consolidated Statements of Operations as discontinued operations for both periods presented. The decrease in discontinued operations is due to the 2003 period reflecting the discontinued operations and loss on sale of the Martinsburg, West Virginia center only. The 2002 period includes

Martinsburg results as well as discontinued operations from the Ft. Lauderdale, Florida and Bourne, Massachusetts properties and a gain on the sale of the Ft. Lauderdale property and discontinued operations from two outparcels of land which had related land leases with identifiable cash flows.

Comparison of the six months ended June 30, 2003 to the six months ended June 30, 2002

Base rentals increased $3.0 million, or 8%, in the 2003 period when compared to the same period in 2002. The increase is primarily due to the acquisition of the Howell, Michigan center during the third quarter of 2002 and the additional GLA acquired at our Sevierville, Tennessee center early during the first quarter of 2003. Base rent per weighted average GLA increased by $.10 per square foot from $7.14 per square foot in the 2002 period compared to $7.24 per square foot in the 2003 period. The increase per square foot is primarily the result of the addition of the Howell, Michigan acquisition which had a higher average base rent per square foot compared to the portfolio average. In addition, we had an increase in termination revenue, a component of base rentals, of $163,000 during the 2003 period compared to 2002. While the overall portfolio occupancy at June 30, 2003 remained constant at 96% compared to June 30, 2002, one center 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"), decreased $228,000 or 19%, and on a weighted average GLA basis, decreased $.05 per square foot in 2003 compared to 2002.

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, were 84% and 85%, respectively, in the 2003 and 2002 periods.

Other income increased $329,000, or 29%, in 2003 compared to 2002 and on a weighted average GLA basis, increased $.04 per square foot from $.23 to $.27. The increase is due primarily to increases in vending income and income from property management services.

Property operating expenses increased by $2.9 million, or 17%, in the 2003 period as compared to the 2002 period and, on a weighted average GLA basis, increased $.32 per square foot from $3.36 to $3.68. The increase is the result of the additional operating costs of the Howell, Michigan center that we acquired in September 2002 as well increases in snow removal, property taxes and property insurance costs.

General and administrative expenses increased $516,000, or 12%, in the 2003 period as compared to the 2002 period. The increase is primarily due to increases in employee compensation from headcount increases and increased travel expenses. Also, as a percentage of total revenues, general and administrative expenses were 8% in the 2003 and 2002 periods and, on a weighted average GLA basis increased $.04 per square foot in the 2003 period compared to the 2002 period.

Interest expense decreased $967,000, or 7%, during 2003 as compared to 2002 due primarily to lower outstanding debt and lower average interest rates during 2003. Since the 2002 period, we have reduced our outstanding borrowings through operating cash flows, proceeds from share option exercises, property sales and a common share offering. Also, since June 30, 2002, we have purchased, $8.1 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 additional interest expense reduction as the lines of credit currently have a lower interest rate.

Depreciation and amortization per weighted average GLA decreased from $2.76 per square foot in the 2002 period to $2.64 per square foot in the 2003 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).

Equity in earnings from unconsolidated joint ventures increased $439,000 in the 2003 period compared to the 2002 period due to the opening of the Myrtle Beach, South Carolina outlet center by TWMB in late June of 2002.

In accordance with SFAS 144 "Accounting for the Impairment or Disposal of Long Lived Assets," effective for financial statements issued for fiscal years beginning after December 15, 2001, results of operations and gain/ (loss) on sales of real estate for properties sold subsequent to December 31, 2001 are reflected in the unaudited Consolidated Statements of Operations as discontinued operations for both periods presented. The decrease in discontinued operations is due to the 2003 period reflecting the discontinued operations and loss on sale of the Martinsburg, West Virginia center only. The 2002 period includes Martinsburg results as well as discontinued operations from the Ft. Lauderdale, Florida and Bourne, Massachusetts properties and a gain on the sale of the Ft. Lauderdale property and discontinued operations from two outparcels of land which had related land leases with identifiable cash flows.

LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by operating activities was $21.5 million and $15.6 million for the six months ended June 30, 2003 and 2002, respectively. The increase in cash provided by operating activities is due primarily to the increases in income after adjustments for non-cash items of approximately $2.1 million when comparing 2003 and 2002 and by changes in accounts payable and accrued expenses and other assets in 2003 compared to 2002. Net cash used in investing activities was $4.8 and $3.2 million during the first six months of 2003 and 2002, respectively. Cash used was higher in 2003 primarily due to the cash needed to pay for the acquisition and subsequent expansion in the Sevierville, Tennessee center offset by the cash provided by the sale of our Martinsburg, West Virginia center. Net cash used in financing activities was $17.5 million and $12.6 million during the six months of 2003 and 2002, respectively. Cash used was higher in 2003 due to increased dividends in 2003 compared to 2002 and due to cash used to reduce our overall debt at June 30, 2003.

Acquisitions and Dispositions

In January 2003, we acquired a 29,000 square foot, 100% leased expansion located contiguous with our existing factory outlet center in Sevierville, Tennessee at a purchase price of $4.7 million. Construction of an additional 35,000 square foot expansion of the center is currently under way, with stores expected to begin opening during the third quarter of 2003. The estimated cost of the expansion is approximately $4 million. Upon completion of the expansion, the Sevierville center will total approximately 419,000 square feet.

During the second quarter of 2003, TWMB completed the 64,000 square foot second phase of its center in Myrtle Beach, South Carolina. The center now totals over 324,000 square feet. Stores, aggregating 49,000 square feet, commenced operations during May and June 2003, with the remaining stores expected to open later this year. The estimated cost of this second phase is approximately $6.5 million.

In May 2003, we completed the sale of our property located in Martinsburg, West Virginia. Net proceeds received from the sale of this property were approximately $2.1 million. As a result of the sale, we recognized a loss on sale of real estate of approximately $735,000, which is included in discontinued operations.

Joint Ventures

In September 2001, we established Tanger-Warren Myrtle Beach, LLC ("TWMB"), a joint venture in which we have a 50% ownership interest with Rosen-Warren Myrtle Beach LLC ("Rosen-Warren") as our venture partner, to construct and operate the Tanger Outlet center in Myrtle Beach, South Carolina. We and Rosen-Warren each contributed $4.3 million in cash for a total initial equity in TWMB of $8.6 million. In June 2002 the first phase opened 100% leased at a cost of approximately $35.4 million with approximately 260,000 square feet and 60 brand name outlet tenants. In May and June 2003, 49,000 square feet of stores opened in our 64,000 square foot second phase which is expected to cost approximately $6.5 million. The remaining 15,000 square feet is expected to open later in 2003. We and Rosen-Warren have contributed approximately $1.1 million each toward this second phase which will contain approximately 22 additional brand name outlet tenants.

In conjunction with the construction of the center, TWMB closed on a construction loan in September 2001 in the amount of $36.2 million with Bank of America, NA (Agent) and SouthTrust Bank due in August 2005. As of June 30, 2003, the construction loan had a $28.7 million balance. In August 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%. TWMB pays interest on the balance of the outstanding loan at a floating interest rate equal to LIBOR plus 2.00%. 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. We do not expect events to occur that would trigger the provisions of the guarantee because our properties have historically produced sufficient cash flow to meet the related debt service requirements.

Either 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.

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 and 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 (see "Funds from Operations").

Preferred Share Redemption

On May 2, 2003, we announced that we would call for the redemption of all of our outstanding Series A Cumulative Convertible Redeemable Preferred Shares (the "Preferred Shares") held by the Preferred Stock Depositary. Our Board of Directors set June 20, 2003 as the redemption date on which all outstanding Depositary Shares, each representing 1/10th of a Preferred Share would be redeemed. The Preferred Stock Depositary in turn called for redemption, as of the same redemption date, of all of the Preferred Shares. The redemption price was $250 per Preferred Share ($25 per Depositary Share), plus accrued and unpaid dividends, if any, to, but not including, the redemption date.

In lieu of receiving the cash redemption price, holders of the Depositary Shares, at their option, could exercise their right to convert each Depositary Share into .901 common shares by following the instructions for, and completing the Notice of Conversion located on the back of their Depositary Share certificates. Those Depositary Shares, and the corresponding Preferred Shares, that were converted to common shares did not receive accrued and unpaid dividends, if any, but were entitled to receive common dividends declared after the date on which the Depositary Shares were converted to common shares.

On or after the redemption date, the Depositary Shares, and the corresponding Preferred Shares, were no longer deemed to be outstanding, dividends on the Depositary Shares, and the corresponding Preferred Shares, ceased to accrue, and all rights of the holders of the Depositary Shares, and the corresponding Preferred Shares, ceased, except for the right to receive the redemption price, without interest thereon, upon surrender of certificates representing the Depositary Shares, and the corresponding Preferred Shares.

As of May 2, 2003, 80,190 Preferred Shares, representing approximately 801,897 Depositary Shares, were outstanding. In total, 787,008 of the Depositary Shares were converted into 709,078 common shares and we redeemed the remaining 14,889 Depositary Shares for $25 per share, plus accrued and unpaid dividends. We funded the redemption, totaling approximately $375,000, from cash flows from operations.

Financing Arrangements

During the six months of 2003, we purchased at a 2% premium, $2.6 million of our outstanding 7.875% senior, unsecured public notes that mature in October 2004. The purchases were funded by amounts available under our unsecured lines of credit. These purchases were in addition to $24.9 million of the notes that were purchased in 2001 and 2002.

At June 30, 2003, approximately 48% 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 three months ended June 30, 2003 was 7.83%.

We intend to retain the ability to raise additional capital, including public debt or equity, to pursue attractive investment opportunities that may arise and to otherwise act in a manner that we believe to be in our best interest and our shareholders' interests. 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 or selling outparcels on existing properties.

We maintain unsecured, revolving lines of credit that provided for unsecured borrowings up to $85 million at June 30, 2003. All of our lines of credit have maturity dates of June 30, 2005. We also have the ability through our shelf registration to issue up to $400 million in either all debt or all equity or any combination thereof up to $400 million. 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 REIT requirements in both the short and long term. Although we receive most of our rental payments on a monthly basis, distributions to shareholders are made quarterly and interest payments on the senior, unsecured notes are made semi-annually. Amounts accumulated for such payments will be used in the interim to reduce the outstanding borrowings under the existing lines of credit or invested in short-term money market or other suitable instruments.

On July 10, 2003, our Board of Directors declared a $.6150 cash dividend per common share payable on August 15, 2003 to each shareholder of record on July 31, 2003, and caused a $.6150 per Operating Partnership unit cash distribution to be paid to the minority interests.

New Accounting Pronouncements

In April 2002, the Financial Accounting Standards Board (FASB or the "Board") issued Statement of Financial Accounting Standards 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. Generally, FAS 145 is effective for transactions occurring after December 31, 2002. We adopted this statement effective January 1, 2003, and it had no significant impact on our results of operations or financial position for the 2003 or 2002 periods.

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 are effective immediately for all variable interests in variable interest entities created after January 31, 2003, and we will need to apply its provisions to any existing variable interests in variable interest entities beginning July 1, 2003. We are in the process of evaluating TWMB (Note 6) in order to determine whether the entity is a variable interest entity and whether we are considered to be the primary beneficiary or whether we hold a significant variable interest. TWMB is a joint venture arrangement where it is possible that we may be required to consolidate or disclose additional information about our 50% interest in TWMB in the future. Our maximum exposure to loss as a result of our involvement in this joint venture is equal to our investment in the joint venture and our obligation under our joint and several guarantee of TWMB's debt, all as disclosed in Note 6.

Funds from Operations ("FFO")

We believe that for a clear understanding of our consolidated historical operating results, FFO should be considered along with net income as presented in the unaudited consolidated financial statements included elsewhere in this report. FFO is presented because it is a widely accepted financial indicator used by certain investors and analysts to analyze and compare one equity real estate investment trust ("REIT") with another on the basis of operating performance. FFO is generally defined as net income (loss), computed in accordance with generally accepted accounting principles, before extraordinary items and gains (losses) on sale or disposal of depreciable operating properties, plus depreciation and amortization uniquely significant to real estate and after adjustments for unconsolidated partnerships and joint ventures. We caution that the calculation of FFO may vary from entity to entity and as such our presentation of FFO may not be comparable to other similarly titled measures of other reporting companies. FFO does not represent net income or cash flow from operations as defined by generally accepted accounting principles and should not be considered an alternative to net income as an indication of operating performance or to cash from operations as a measure of liquidity. FFO is not necessarily indicative of cash flows available to fund dividends to shareholders and other cash needs.
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Below is a calculation of funds from operations for the three and six months ended June 30, 2003 and 2002 (in thousands):

	Three Months Ended June 30, 2003	Three Months Ended June 30, 2002	Six Months Ended June 30, 2003	Six Months Ended June 30, 2002
Funds from Operations:				
Net income	$2,307	$2,094	$ 4,498	$3,539
Adjusted for:				
Minority interest	798	396	1,389	673
Minority interest, depreciation and amortization attributable to discontinued operations	(143)	379	(107)	641
Depreciation and amortization uniquely significant to real estate - wholly owned	7,026	6,974	14,232	13,917
Depreciation and amortization uniquely significant to real estate - joint ventures	266	---	520	---
Loss/(gain) on sale of real estate	735	(460)	735	(460)
Funds from operations before minority interest	$10,989	$9,383	$21,267	$18,310
Weighted average shares outstanding (1)	13,432	11,985	13,304	11,892

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

</TABLE>

Economic Conditions and Outlook

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

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

During 2003, we have approximately 1,070,000 square feet of our portfolio, coming up for renewal. If we are unable to successfully renew or release a significant amount of this space on favorable economic terms, the loss in rent could have a material adverse effect on our results of operations.

As of June 30, 2003, we have renewed approximately 777,000 square feet, or 73% of the square feet scheduled to expire in 2003. The existing tenants have renewed at an average base rental rate approximately 1% higher than the expiring rate. We also re-tenanted 207,000 square feet of vacant space during the first six months of 2003 at a 3% increase in the average base rental rate from that which was previously charged. Our factory outlet centers typically include well-known, national, brand name companies. By maintaining a broad base of creditworthy tenants and a geographically diverse portfolio of properties located across the United States, we reduce our operating and leasing risks. No one tenant (including affiliates) accounted for more than 6.1% of our combined base and percentage rental revenues for the six months ended June 30, 2003.

Accordingly, we do not expect any material adverse impact on our results of operations and financial condition as a result of leases to be renewed or stores to be released.

As of June 30, 2003 and 2002, our centers were 96% occupied. 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 3. Quantitative and Qualitative Disclosures about 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.

To manage our exposure to interest rate changes, we negotiate long-term fixed rate debt instruments and from time to time enter into interest rate swap agreements. The swaps involve the exchange of fixed and variable interest rate payments based on a contractual principal amount and time period. Payments or receipts on the agreements are recorded as adjustments to interest expense. At June 30, 2003, TWMB had an interest rate swap agreement 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 construction debt to fixed rate debt for the contract period at a rate of 4.49%.

The fair value of the interest rate swap agreement represents the estimated receipts or payments that would be made to terminate the agreement. At June 30, 2003, TWMB would have paid approximately $297,000 to terminate the agreement. A 1% decrease in the 30 day LIBOR index would increase the amount paid by TWMB by $224,000 to approximately $521,000. The fair value is based on dealer quotes, considering current interest rates and remaining term to maturity. TWMB does not intend to terminate the interest rate swap agreement prior to its maturity. The fair value of this derivative is currently recorded as a liability in TWMB's unaudited Consolidated Balance Sheets; however, if held to maturity, the value of the swap will be zero at that time.

The fair market value of long-term fixed interest rate debt is subject to market risk. Generally, the fair market value of fixed interest rate debt will increase as interest rates fall and decrease as interest rates rise. The estimated fair value of our total long-term debt at June 30, 2003 was $359.1 million and its recorded value was $332.6 million. A 1% increase from prevailing interest rates at June 30, 2003 would result in a decrease in fair value of total long-term debt by approximately $11.5 million. Fair values were determined from quoted market prices, where available, using current interest rates considering credit ratings and the remaining terms to maturity.

Item 4. 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 as of the report period ended June 30, 2003 (Evaluation Date), and concluded that, as of the Evaluation Date, the registrant's disclosure controls and procedures were effective to ensure that 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 II. OTHER INFORMATION

Item 1. Legal Proceedings

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

Item 2. Changes in Securities and Use of Proceeds

During the second quarter we completed the redemption of all of our outstanding Depositary Shares representing Series A Cumulative Convertible Redeemable Preferred Shares. As of May 2, 2003, 80,190 Preferred Shares, representing approximately 801,897 Depositary Shares, were outstanding. In total 787,008 of the Depositary Shares were voluntarily converted into 709,078 common shares by the preferred shareholders and we redeemed the remaining 14,889 Depositary Shares for $25 per share, plus accrued and unpaid dividends.

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

On May 9, 2003, we held our Annual Meeting of Shareholders. The common shareholders voted on two matters. The first matter on which common shareholders voted was the election of five directors to serve until the next Annual Meeting of Shareholders. The results of the voting are as shown below:

Nominees	Votes For	Votes Withheld
Stanley K. Tanger	7,567,948	905,053
Steven B. Tanger	7,564,130	908,871
Jack Africk	8,198,886	274,115
William G. Benton	8,210,729	262,272
Thomas E. Robinson	8,209,389	263,612

The second matter on which common shareholders voted was the ratification of amendments to the Share Option Plan and the Unit Option Plan to increase from 1,750,000 to 2,250,000 the aggregate number of Common Shares and Units which may be issued under the Share Option Plan and the Unit Option Plan. The results of the voting are as shown below:

Votes For	Votes Against	Abstain	No vote
3,798,208	959,565	82,297	3,452,931

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

31.1 Principal Executive Officer Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes - Oxley Act of 2002.

31.2 Principal Financial Officer Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes - Oxley Act of 2002.

32.1 Principal Executive Officer Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes - Oxley Act of 2002.

32.2 Principal Financial Officer Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes - Oxley Act of 2002.

(b) Reports on Form 8-K

We filed the following reports on Form 8-K during the three months ended June 30, 2003:

Current Report on Form 8-K dated May 6, 2003 to file the March 31, 2003 Supplemental Operating and Financial Data and the Company's 1st Quarter Earnings Release.

SIGNATURES

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

TANGER FACTORY OUTLET CENTERS, INC.

By: /s/ Frank C. Marchisello Jr.

Frank C. Marchisello, Jr.

Executive Vice President, Chief Financial Officer

DATE: August 13, 2003

Exhibit Index

Exhibit No.	Description
31.1	Principal Executive Officer Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes - Oxley Act of 2002.
31.2	Principal Financial Officer Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes - Oxley Act of 2002.
32.1	Principal Executive Officer Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes - Oxley Act of 2002.
32.2	Principal Financial Officer Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes - Oxley Act of 2002.

Exhibit 31.1

CERTIFICATION

I, Stanley K. Tanger certify that:

1. I have reviewed this quarterly report on Form 10-Q of Tanger Factory Outlet Centers, Inc. for the quarter ended June 30, 2003;

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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 quarterly report is being prepared;

    b. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; 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 end of the period covered by this quarterly report.

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 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 quarterly 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: August 13, 2003

By: /s/ Stanley K. Tanger

Stanley K. Tanger
Chairman of the Board of Directors &
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

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

1. I have reviewed this quarterly report on Form 10-Q of Tanger Factory Outlet Centers, Inc. for the quarter ended June 30, 2003;

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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 quarterly report is being prepared;

   b. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; 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 end of the period covered by this quarterly report.

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 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 quarterly 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: August 13,2003

By: /s/ Frank C. Marchisello, Jr.

Frank C. Marchisello, Jr.
Executive Vice President and Chief Financial Officer

Exhibit 32.1

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 Quarterly Report on Form 10-Q of the Company for the quarterly period ended June 30, 2003 (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.

Pursuant to the rules and regulations of the Securities and Exchange Commission, this certification is being furnished and is not deemed filed.

Dated: August 13, 2003

/s/ Stanley K. Tanger

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

Exhibit 32.2

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 Quarterly Report on Form 10-Q of the Company for the quarterly period ended June 30, 2003 (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.

Pursuant to the rules and regulations of the Securities and Exchange Commission, this certification is being furnished and is not deemed filed.

Dated: August 13, 2003

/s/ Frank C. Marchisello, Jr.
Frank C. Marchisello, Jr.
Executive Vice President
Chief Financial Officer