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 September 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 -

10,576,643 shares of Common Stock,
$.01 par value, outstanding as of October 31, 2003

TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES

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Part I. Financial 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 September 30, 2003	Three Months Ended September 30, 2002	Nine Months Ended September 30, 2003	Nine Months Ended September 30, 2002
	(unaudited)		(unaudited)	
REVENUES				
Base rentals	$ 20,070	$ 18,673	$ 59,498	$ 55,058
Percentage rentals	793	778	1,743	1,956
Expense reimbursements	8,419	7,361	25,305	21,876
Other income	1,073	1,044	2,547	2,358
Total revenues	30,355	27,856	89,093	81,248
EXPENSES				
Property operating	10,073	8,582	30,135	25,729
General and administrative	2,492	2,623	7,375	6,989
Interest	6,427	7,171	19,707	21,418
Depreciation and amortization	7,084	7,133	21,463	21,365
Total expenses	26,076	25,509	78,680	75,501
Income before equity in earnings of unconsolidated joint ventures, minority interest and discontinued operations	4,279	2,347	10,413	5,747
Equity in earnings of unconsolidated joint ventures	267	317	639	250
Minority interest	(1,026)	(596)	(2,415)	(1,270)
Income from continuing operations	3,520	2,068	8,637	4,727
Discontinued operations	---	240	(619)	1,120
Net income	3,520	2,308	8,018	5,847
Less applicable preferred share dividends	---	(443)	(806)	(1,329)
Net income available to common shareholders	$ 3,520	$ 1,865	$ 7,212	

				$ 4,518
Basic earnings per common share:				
Income from continuing operations	$ .34	$ .20	$ .80	$ .42
Net income	$ .34	$ .22	$ .74	$ .56
Diluted earnings per common share:				
Income from continuing operations	$ .33	$ .19	$ .79	$ .41
Net income	$ .33	$ .22	$ .72	$ .55
Dividends paid per common share	$ .62	$ .61	$ 1.84	$ 1.84

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)

<S>	<C> September 30, 2003 (unaudited)	<C> December 31, 2002
ASSETS		
Rental Property		
Land	$ 50,474	$ 51,274
Buildings, improvements and fixtures	583,269	571,125
	633,743	622,399
Accumulated depreciation	(191,628)	(174,199)
Rental property, net	442,115	448,200
Cash and cash equivalents	209	1,072
Deferred charges, net	9,398	10,104
Other assets	13,666	18,299
Total assets	$ 465,388	$ 477,675
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Debt		
Senior, unsecured notes	$ 147,509	$150,109
Mortgages payable	172,552	174,421
Lines of credit	7,272	20,475
	327,333	345,005
Construction trade payables	7,188	3,310
Accounts payable and accrued expenses	13,949	15,095
Total liabilities	348,470	363,410
Commitments		
Minority interest	26,202	23,630
Shareholders' equity		
Preferred shares, $.01 par value, 1,000,000 shares authorized, 0 and 80,190 shares issued and outstanding at September 30, 2003 and December 31, 2002	---	1
Common shares, $.01 par value, 50,000,000 shares authorized, 10,501,643 and 9,061,025 shares issued and outstanding at September 30, 2003 and December 31, 2002	105	90
Paid in capital	171,747	161,192
Distributions in excess of net income	(81,063)	(70,485)
Accumulated other comprehensive loss	(73)	(163)

Total shareholders' equity	90,716	90,635
Total liabilities and shareholders' equity	$ 465,388	$ 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)

	Nine Months Ended September 30, 2003	2002
	(unaudited)	
OPERATING ACTIVITIES		
<S>	<C>	<C>
Net income	$ 8,018	$ 5,847
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization (including discontinued operations)	21,552	21,572
Amortization of deferred financing costs	955	898
Equity in earnings of unconsolidated joint ventures	(639)	(250)
Minority interest	2,219	1,691
Compensation under Unit Option Plan	76	---
Loss/(gain) on sale of real estate (included in discontinued operations)	735	(460)
Gain on sale of outparcels of land	---	(274)
Straight-line base rent adjustment	147	193
Increase (decrease) due to changes in:		
Other assets	664	(401)
Accounts payable and accrued expenses	(1,015)	(1,216)
Net cash provided by operating activites	32,712	27,600
INVESTING ACTIVITIES		
Additions to rental property	(7,970)	(4,182)
Acquisition of rental property	(4,700)	(37,500)
Additions to investments in unconsolidated joint ventures	(952)	(30)
Additions to deferred lease costs	(1,188)	(1,200)
Net proceeds from sale of real estate	2,076	17,737
Decrease in escrow from rental property sale	4,006	---
Distributions received from unconsolidated joint ventures	1,125	150
Collections from officers	---	331
Net cash used in investing activities	(7,603)	(24,694)
FINANCING ACTIVITIES		
Cash dividends paid	(18,596)	(15,985)
Distributions to minority interest	(5,588)	(5,566)
Net proceeds from sale of common shares	---	27,960
Payments for redemption of preferred shares	(372)	---
Proceeds from issuance of debt	73,657	95,064

Repayments of debt	(91,329)	(106,363)
Additions to deferred financing costs	(521)	(389)
Proceeds from exercise of options	16,777	2,067
Net cash used in financing activities	(25,972)	(3,212)
Net decrease in cash and cash equivalents	(863)	(306)
Cash and cash equivalents, beginning of period	1,072	515
Cash and cash equivalents, end of period	$ 209	$ 209

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 September 30, 2003 and 2002 amounted to $7,188 and $4,041, respectively.

The accompanying notes are an integral part of these consolidated financial statements.

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TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 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 September 30, 2003, we operated 33 centers in 20 states totaling 6.3 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 a subsidiary, 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 - An Amendment of FAS 123", 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. In accordance with FAS 148, 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 awards in each period (in thousands except per share data):

<TABLE>
<CAPTION>

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2003	2002	2003	2002
<S>	<C>	<C>	<C>	<C>
Net income	$ 3,520	$2,308	$8,018	$5,847
Add: Stock-based employee compensation expense included in net income, net of minority interest of $5 and $16 for the three and nine months ended, respectively	20	---	60	---
Less: Total stock based employee compensation expense determined under fair value based method for all awards, net of minority interest of $(5) and $(11)for the three months ended and $(16) and $(31)for the nine months ended, respectively	(20)	(32)	(60)	(96)
Pro forma net income	$ 3,520	$2,276	$8,018	$5,751
Earnings per share:				
Basic - as reported	$.34	$.22	$.74	$.56
Basic - pro forma	.34	.22	.74	.55
Diluted - as reported	$.33	$.22	$.72	$.55
Diluted - pro forma	.33	.22	.72	.54

</TABLE>

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 was completed 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 $1.1 million at September 30, 2003. Commitments for construction represent only those costs contractually required to be paid by us.

Interest costs capitalized during the three months ended September 30, 2003 and 2002 amounted to $36,000 and $9,000, respectively, and for the nine months ended September 30, 2003 and 2002 amounted to $57,000 and $168,000, respectively.

5. Disposition of Owned Rental Properties

In May 2003, we completed the sale of our square foot 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 September 30,		Nine Months Ended September 30,	
	2003	2002	2003	2002
<S>	<C>	<C>	<C>	<C>
Base rentals	$ ---	$ 174	$ 70	$ 1,300
Expense reimbursements	---	47	30	406
Other income	---	4	2	12
Total revenues	---	225	102	1,718
Property operating expenses	---	72	93	505
Depreciation and amortization	---	68	89	375
Total expenses	---	140	182	880
Income before gain/(loss) on sale of real estate	---	85	(80)	838
Gain on sale of leased land outparcel	---	243	---	243
(Loss)/gain on sale of real estate	---	---	(735)	460
Discontinued operations before minority interest	---	328	(815)	1,541
Minority interest	---	(88)	196	(421)
Discontinued operations	$ ---	$ 240	$(619)	$ 1,120

</TABLE>

6. Investments in Real Estate Joint Ventures

TWMB Associates, LLC

In September 2001, we established TWMB Associates, 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. Each member 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, June and July 2003, 58,000 square feet of stores opened in our 64,000 square foot second phase. The entire second phase cost approximately $6.0 million. The remaining 6,000 square feet is expected to open in the fourth quarter of 2003. Each member contributed approximately $1.1 million each toward the second phase which contains 22 additional brand name outlet tenants.

In addition, TWMB is currently underway with a 79,000 square foot third phase expansion of the Myrtle Beach center with an estimated cost of the expansion of $9.7 million. TWMB expects to complete the expansion with stores commencing operations during the summer of 2004. Each member is expected to make capital contributions for the third phase of approximately $1.7 million each during the fourth quarter of 2003. Upon completion of this third phase in 2004, the Myrtle Beach center will total 403,000 square feet.

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 September 2005. As of September 30, 2003, the construction loan had a $29.2 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.

Deer Park Enterprise, LLC

During the third quarter of 2003, we established a wholly owned subsidiary, Tanger Deer Park, LLC ("Tanger Deer Park"). In September 2003, Tanger Deer Park entered into a joint venture agreement with two other members to create Deer Park Enterprise, LLC ("Deer Park"). All members in the joint venture have an equal ownership interest of 33.33%. Deer Park was formed for the purpose of, but not limited to, developing a site located in Deer Park, New York with approximately 790,000 square feet planned at total buildout. We expect the site will contain both outlet and big box retail tenants. During the third quarter, all three members made equal equity contributions of $433,000 each into Deer Park.

On October 10, 2003, Deer Park entered into a sale-leaseback transaction for the above mentioned real estate located in Deer Park, New York. The agreement consists of the sale of the property to Deer Park for $29 million which is being leased back to the seller under a 24 month operating lease agreement. Each member made an additional equity contribution of $1.2 million at the time of purchase. In conjunction with the real estate purchase, Deer Park closed on a loan in the amount of $19 million with Fleet Bank due in October 2005 and a purchase money mortgage in the amount of $7 million. Deer Park's Fleet loan incurs interest at a floating interest rate equal to LIBOR plus 2.00%. The debt incurred by Deer Park is collateralized by the property as well as joint and several guarantees by all three parties.

In November 2002, the Financial Accounting Standards Board ("FASB") issued Interpretation No. 45, "Guarantors Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others" ("FIN 45"), which addresses the disclosure to be made by a guarantor in its interim and annual financial statements about its obligations under guarantees. FIN 45 applies to all guarantees entered in to or modified after December 31, 2002. FIN 45 also requires the recognition of a liability by a guarantor at the inception of certain guarantees. FIN 45 requires the guarantor to recognize a liability for the non-contingent component of the guarantee; this is the obligation to stand ready to perform in the event that specified triggering events or conditions occur. The initial measurement of this liability is the fair value of the guarantee at inception. The recognition of the liability is required even if it is not probable that payments will be required under the guarantee or if the guarantee was issued with a premium payment or as part of a transaction with multiple elements. The guarantee made by us of the Deer Park debt as mentioned in the above paragraph is the only guarantee that we have entered into or modified either individually or through a joint venture agreement since December 31, 2002. We will adopt the disclosure requirements of FIN 45 during the fourth quarter of 2003 and will apply the recognition and measurement provisions.

Our investment in unconsolidated real estate joint ventures as of September 30, 2003 and December 31, 2002 was $4.9 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 nine months ended September 30, 2003 and 2002 (in thousands):

	Three Months Ended September 30, 2003	Three Months Ended September 30, 2002	Nine Months Ended September 30, 2003	Nine Months Ended September 30, 2002
Fee:				
Management	$ 37	$ ---	$ 105	$ ---
Leasing	40	64	173	126
Development	(6)	(23)	4	79
Total Fees	$ 71	$ 41	$ 282	$ 205

Our carrying value of investments in unconsolidated joint ventures differs from our share of the assets reported in the "Summary Balance Sheets - Unconsolidated Joint Ventures" shown below due to the cost of our investment in excess of the historical net book values of the unconsolidated joint ventures and other adjustments to the book basis, including intercompany profits on sales of services that are capitalized by the unconsolidated joint ventures. The differences in basis are amortized over the various useful lives of the related assets.

<TABLE>
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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:	September 30, 2003	December 31, 2002
Assets:		
<S>	<C>	<C>
Rental property at cost, net	$35,200	$32,153
Cash and cash equivalents	1,377	514
Deferred charges, net	1,767	1,751
Other assets	2,900	1,491
Total assets	$41,244	$35,909
Liabilities and Owners' Equity		
Mortgage payable	$29,248	$25,513
Construction trade payables	751	1,644
Accounts payable and other liabilities	743	522
Total liabilities	30,742	27,679
Owners' equity	10,502	8,230
Total liabilities and owners' equity	$41,244	$35,909

</TABLE>
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Summary Statements of Operations- Unconsolidated Joint Ventures	Three Months Ended September 30, 2003	2002	Nine Months Ended September 30, 2003	2002
<S>	<C>	<C>	<C>	<C>
Revenues	$ 2,195	$ 2,178	$ 6,080	$ 2,434
Expenses:				
Property operating expenses	725	963	2,211	1,345
General and administrative	1	1	21	9
Interest	372	256	991	256
Depreciation and amortization	599	347	1,679	347
Total expenses	1,697	1,567	4,902	1,957
Net income	498	611	1,178	477
Tanger Factory Outlet Centers, Inc. share of:				
Net income	$ 267	$ 317	$ 639	$ 250
Depreciation (real estate related)	$ 287	$ 168	$ 807	$ 168

</TABLE>

7. Preferred Share Redemption

On June 20, 2003, we redeemed all of our outstanding Series A Cumulative Convertible Redeemable Preferred Shares (the "Preferred Shares") held by the Preferred Stock Depositary in the form of Depositary Shares, each representing 1/10th of a Preferred Share. 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.

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 September 30,		Nine Months Ended September 30,	
	2003	2002	2003	2002
Numerator:				
<S>	<C>	<C>	<C>	<C>
Income from continuing operations	$3,520	$ 2,068	$8,637	$4,727
Less applicable preferred share dividends	---	(443)	(806)	(1,329)
Income from continuing operations available to common shareholders - basic and diluted	3,520	1,625	7,831	3,398
Discontinued operations	---	240	(619)	1,120
Net income available to common shareholders - basic and diluted	$3,520	$ 1,865	$ 7,212	$ 4,518
Denominator:				
Basic weighted average common shares	10,404	8,269	9,729	8,078
Effect of outstanding share and unit options	195	221	227	176
Diluted weighted average common shares	10,599	8,490	9,956	8,254
Basic earnings per common share:				
Income from continuing operations	$ .34	$ .20	$ .80	$ .42
Discontinued operations	---	.02	(.06)	.14
Net income	$ .34	$ .22	$ .74	$ .56
Diluted earnings per common share:				
Income from continuing operations	$ .33	$ .19	$ .79	$ .41
Discontinued operations	---	.03	(.07)	.14
Net income	$ .33	$ .22	$ .72	$ .55

</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 from the computations totaled 235,000 for the three months ended September 30, 2002 and 340,000 for the nine months ended September 30, 2002. There were no options excluded from the computation for the three and nine months ended September 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 that had been designated as a cash flow hedge expired. 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 September 30, 2003, our portion of the fair value of TWMB's hedge is recorded as a $118,000 reduction to investment in joint ventures. Total comprehensive income for the three and nine months ended September 30, 2003 and 2002 is as follows (in thousands):

<TABLE>
<CAPTION>

	Three Months Ended September 30, 2003	2002	Nine Months Ended September 30, 2003	2002
<S>	<C>	<C>	<C>	<C>
Net income	$3,520	$ 2,308	$8,018	$ 5,847
Other comprehensive income:				
Change in fair value of our portion of TWMB cash flow hedge, net of minority interest of $7 and $(24) and $5 and $(24)	24	(70)	16	(70)
Change in fair value of cash flow hedge, net of minority interest of $0 and $59 and $24 and $164	---	177	74	449
Other comprehensive income	24	107	90	379
Total comprehensive income	$3,544	$ 2,415	$8,108	$ 6,226

</TABLE>

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 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 in the first fiscal year or interim period ending after December 15, 2003. Certain of the disclosure requirements apply to all financial statements issued after January 31, 2003, regardless of when the variable interest entity was established. We have evaluated Deer Park, which was created after January 31, 2003 (Note 6) and have determined that under the current facts and circumstances that we will not be required to consolidate under the provisions of FIN 46. We are in the process of evaluating TWMB, which was created prior to January 31, 2003 (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.

11. Subsequent Events

On October 31, 2003, we completed the sale of our property located in Casa Grande, Arizona. Net proceeds received from the sale of this property were approximately $6.6 million. As a result of the sale, we expect to recognize a gain in the fourth quarter of 2003 on sale of real estate of approximately $668,000.

On October 6, 2003 we announced the execution of a definitive agreement for the acquisition of the Charter Oak Partners' portfolio of nine factory outlet centers totaling approximately 3.3 million square feet. We and an affiliate of Blackstone Real Estate Advisors ("Blackstone") have formed a limited liability company to acquire the portfolio as a joint venture. We will own one- third and Blackstone will own two-thirds of the joint venture. We will provide operating, management, leasing and marketing services to the properties for a fee.

The purchase price for this transaction is $491 million, including the assumption of approximately $187 million of cross-collateralized debt with a 6.59% interest rate with GMAC Commercial Mortgage Corporation that matures in July 2008. In October 2003, we made a $3.3 million deposit and Blackstone a $6.7 million deposit into an escrow account in accordance with the property purchase agreement. The deposits, which are refundable except under certain limited circumstances, are to be applied to the purchase price upon closing. Closing is expected to take place during the fourth quarter of 2003. The factory outlets being acquired are located in: Rehoboth, Delaware; Foley, Alabama; Myrtle Beach, South Carolina; Park City, Utah; Hilton Head, South Carolina; Tilton, New Hampshire; Lincoln City, Oregon; Westbrook, Connecticut and Tuscola, Illinois. We are currently evaluating the above mentioned joint venture for accounting treatment under FIN 46.

In October 2003, we received a commitment from Wells Fargo Bank to increase our existing line of credit with them from $10 million to $25 million. This increase will bring our committed unsecured, revolving lines of credit up to $100 million. All of our lines of credit have maturity dates of June 30, 2005.

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 context requires.

The discussion of our results of operations reported in the unaudited Consolidated Statements of Operations compares the three and nine months ended September 30, 2003 with the three and nine months ended September 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 and does not include joint venture or managed properties.

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 September 30, 2003, we had ownership interests in or management responsibilities for 33 centers in 20 states totaling 6.3 million square feet compared to 34 centers in 21 states totaling 6.2 million square feet at September 30, 2002. The activity in our portfolio of properties since September 30, 2002 is summarized below:

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	No. of Centers	GLA (000's)	States
<S>	<C>	<C>	<C>
As of September 30, 2002	34	6,187	21
New development expansion:			
Myrtle Beach, South Carolina (joint venture)	---	58	---
Acquisitions/Expansions:			
Bourne, Massachusetts (managed)	1	23	1
Sevierville, Tennessee (wholly-owned)	---	65	---
Dispositions:			
Bourne, Massachusetts (wholly-owned)	(1)	(23)	(1)
Martinsburg, West Virginia (wholly-owned)	(1)	(49)	(1)
Other	---	(3)	---
As of September 30, 2003	33	6,258	20

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

	Three Months Ended September 30, 2003	Three Months Ended September 30, 2002	Nine Months Ended September 30, 2003	Nine Months Ended September 30, 2002
GLA at end of period (000's)				
<S>	<C>	<C>	<C>	<C>
Wholly owned	5,483	5,493	5,483	5,493
Partially owned (1)	318	260	318	260
Managed	457	434	457	

434

Total GLA at end of period (000's)	6,258	6,187	6,258	6,187
Weighted average GLA (000's) (2)	5,471	5,173	5,454	5,121
Occupancy percentage at end of period (1)	95%	96%	95%	96%
Per square foot for wholly owned properties				
Revenues				
Base rentals	$3.67	$3.61	$10.91	$10.75
Percentage rentals	.14	.15	.32	.38
Expense reimbursements	1.54	1.42	4.64	4.27
Other income	.20	.20	.47	.46
Total revenues	5.55	5.38	16.34	15.86
Expenses				
Property operating	1.84	1.66	5.53	5.02
General and administrative	.46	.51	1.35	1.36
Interest	1.17	1.38	3.61	4.18
Depreciation and amortization	1.30	1.38	3.94	4.17
Total expenses	4.77	4.93	14.43	14.73
Income before equity in earnings of unconsolidated joint ventures, Inc minority interest and discontinued operations	$.78	$.45	$1.91	$1.13

(1) Includes Myrtle Beach, SC property which we operate and have a 50% ownership in through a joint venture.

(2) GLA weighted by months of operations. GLA is not adjusted for fluctuations in occupancy that may occur subsequent to the original opening date and does not include joint venture or managed properties.

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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.

Date Opened	Location	GLA as of September 30, 2003	Mortgage Debt Outstanding (000's) as of September 30, 2003	% Occupied as of September 30, 2003	% Occupied as of September 30, 2002
<S> <C>	<C>	<C>	<C>	<C>	<C>
Aug. 1994	Riverhead, NY	729,238	---	99	99
May 1993	San Marcos, TX	442,486	$37,466	98	98
Feb. 1997 (1)	Sevierville, TN	419,023	---	99	100
Dec. 1995	Commerce II, GA	342,556	29,500	94	96
Sept. 2002 (1)	Howell, MI	325,231	---	99	100
Nov. 1994	Branson, MO	277,407	24,000	100	100
May 1991	Williamsburg, IA	277,230	19,158	96	99
Jun. 2002 (2)	Myrtle Beach, SC	318,133	---	100	100
Oct. 1994 (1)	Lancaster, PA	255,059	14,266	98	96

Nov. 1994	Locust Grove, GA	247,454	---	100	100
Feb. 1993	Gonzales, LA	245,199	---	95	98
Jul. 1998 (1)	Fort Meyers, FL	198,789	---	86	97
Jul. 1989	Commerce, GA	185,750	7,935	74	87
Feb. 1992	Casa Grande, AZ	184,768	---	79	90
Aug. 1994	Terrell, TX	177,490	---	97	100
Mar. 1998 (1)	Dalton, GA	173,430	10,977	82	98
Sept. 1994	Seymour, IN	141,051	---	75	80
Dec. 1992	North Branch, MN	134,480	---	100	100
Feb. 1991	West Branch, MI	112,420	6,968	100	100
Jan. 1995	Barstow, CA	105,950	---	87	57
Sept. 1997 (1)	Blowing Rock, NC	105,448	9,553	100	100
Jul. 1988	Pigeon Forge, TN	94,558	---	97	94
Sept. 1997 (1)	Nags Head, NC	82,254	6,483	100	100
Jul. 1988	Boaz, AL	79,575	---	97	91
Jun. 1986	Kittery I, ME	59,694	6,246	100	100
Apr. 1988	LL Bean, North Conway, NH	50,745	---	91	100
Jun. 1988	Kittery II, ME	24,619	---	100	94
Mar. 1987	Clover, North Conway, NH	11,000	---	100	100
Total		5,801,037	$172,552	95%	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 September 30, 2003 on this property is $29.2 million.

</TABLE>

RESULTS OF OPERATIONS

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

Base rentals increased $1.4 million, or 7%, 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, both acquired and constructed, at our Sevierville, Tennessee center during 2003. Base rent per weighted average GLA increased by $.06 per square foot from $3.61 per square foot in the 2002 period compared to $3.67 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 September 30, 2003 was 95%, a decrease of only 1% from 96% at September 30, 2002, four centers experienced negative occupancy trends of at least 10% from September 30, 2002 to September 30, 2003, which were offset by positive occupancy gains in other centers.

Percentage rentals, which increased $15,000 or 2% during the 2003 period compared to the 2002 period, represent revenues based on a percentage of tenants' sales volume above predetermined levels (the "breakpoint"). On a weighted average GLA basis, percentage rentals decreased $.01 per square foot in 2003 compared to 2002 from $.15 to $.14 per square foot. Reported same-space sales per square foot for the rolling twelve months ended September 30, 2003 were $303 per square foot. This represents a 3.6% 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 September 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 86%, respectively, in the 2003 and 2002 periods.

Other income increased $29,000, or 3%, in 2003 compared to 2002 and on a weighted average GLA basis, remained constant at $.20 per square foot for both periods.

Property operating expenses increased by $1.5 million, or 17%, in the 2003 period as compared to the 2002 period and, on a weighted average GLA basis, increased $.18 per square foot from $1.66 to $1.84. The increase is the result of the additional operating costs of the Howell, Michigan center that we acquired in late September 2002 and the acquisition and expansion in our Sevierville, Tennessee center during 2003 as well as portfolio wide increases in advertising, common area maintenance and property taxes.

General and administrative expenses decreased $131,000, or 5%, in the 2003 period as compared to the 2002 period. Also, as a percentage of total revenues, general and administrative expenses were 8% and 9% respectively in the 2003 and 2002 periods and, on a weighted average GLA basis decreased $.05 per square foot from $.51in the 2002 period to $.46 in the 2003 period.

Interest expense decreased $744,000, or 10%, 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 the exercise of employee options, property sales and a common share offering. Also, since September 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 decreased $50,000 in the 2003 period compared to the 2002 due to higher interest expense and depreciation at our joint venture, TWMB Associates, LLC, in the 2003 period from expansion at our Myrtle Beach, South Carolina property.

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 in the 2002 period. No real estate sales occurred in the 2003 period. The 2002 period includes discontinued operations from the Ft. Lauderdale, Florida; Martinsburg, West Virginia; and Bourne, Massachusetts properties and discontinued operations from two outparcels of land which had related land leases with identifiable cash flows.

Comparison of the nine months ended September 30, 2003 to the nine months ended September 30, 2002

Base rentals increased $4.4 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 $.16 per square foot from $10.75 per square foot in the 2002 period compared to $10.91 per square foot in the 2003 period. The increase per square foot is primarily the result of the addition of the Howell, Michigan and Sevierville, Tennessee acquisitions 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 $141,000 during the 2003 period compared to 2002. While the overall portfolio occupancy at September 30, 2003 was 95%, a decrease of only 1% from 96% at September 30, 2002, four centers experienced negative occupancy trends of at least 10% from September 30, 2002 to September 30, 2003, 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 $213,000 or 11%, and on a weighted average GLA basis, decreased $.06 per square foot in 2003 compared to 2002 from $.38 to $.32. The decrease is due to the dilutive effect on percentage rentals of the additional square footage added from the Howell, Michigan and Sevierville, Tennessee centers.

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 $189,000, or 8%, in 2003 compared to 2002 and on a weighted average GLA basis, increased $.01 per square foot from $.46 to $.47. The increase is due primarily to increases in vending income and income from property management services.

Property operating expenses increased by $4.4 million, or 17%, in the 2003 period as compared to the 2002 period and, on a weighted average GLA basis, increased $.51 per square foot to $5.53 from $5.02. The increase is the result of the additional operating costs of the Howell, Michigan center that we acquired in September 2002 as well as increases in snow removal, property taxes and property insurance costs.

General and administrative expenses increased $386,000, or 6%, 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% and 9% respectively in the 2003 and 2002 periods and, on a weighted average GLA basis, decreased $.01 per square foot in the 2002 period compared to the 2003 period from $1.36 to $1.35.

Interest expense decreased $1.7 million, 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 the exercise of employee options, property sales and a common share offering. Also, since September 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 $4.17 per square foot in the 2002 period to $3.94 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 $389,000 in the 2003 period compared to the 2002 period due to TWMB's Myrtle Beach, South Carolina center being open for nine months in 2003 period versus three months in the 2002 period.

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, 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 $32.7 million and $27.6 million for the nine months ended September 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 $3.8 million when comparing 2003 and 2002 and by changes in accounts payable, accrued expenses and other assets in 2003 compared to 2002. Net cash used in investing activities was $7.6 and $24.7 million during the first nine months of 2003 and 2002, respectively. Cash used was higher in 2002 primarily due to the cash needed to pay for the acquisition of the Howell, Michigan center offset by the proceeds from the sale of the Ft. Lauderdale, Florida center. Net cash used in financing activities was $26.0 million and $3.2 million during the nine months of 2003 and 2002, respectively. Cash used was higher in 2003 due to the common share offering in 2002 and an increase in dividends paid in 2003 due to the higher number of shares outstanding.

Acquisitions, Developments 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 was completed during the third quarter and opened 100% occupied. The cost of the expansion was approximately $4 million. The Sevierville center now totals approximately 419,000 square feet.

In May 2003, we completed the sale of our 49,000 square foot 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.

In October 2003, we completed the sale of our 185,000 square foot property located in Casa Grande, Arizona. Net proceeds received from the sale of this property were approximately $6.6 million. As a result of the sale, we expect to recognize a gain in the fourth quarter of 2003 on sale of real estate of approximately $668,000.

We have an option to purchase land and have begun the early development and leasing of a site located near Pittsburgh, Pennsylvania. We currently expect the center to be approximately 420,000 square feet upon total build out with the initial phase scheduled to open in early 2005.

Joint Ventures

TWMB Associates, LLC

In September 2001, we established TWMB Associates, 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. Each member 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, June and July 2003, 58,000 square feet of stores opened in our 64,000 square foot second phase. The entire second phase cost approximately $6.0 million. The remaining 6,000 square feet is expected to open in the fourth quarter of 2003. Each member contributed approximately $1.1 million each toward the second phase which will contain 22 additional brand name outlet tenants.

In addition, TWMB is currently underway with a 79,000 square foot third phase expansion of the Myrtle Beach center with an estimated cost of the expansion of $9.7 million. TWMB expects to complete the expansion with stores commencing operations during the summer of 2004. Each member is expected to make capital contributions for the third phase of approximately $1.7 million each during the fourth quarter of 2003. Upon completion of this third phase in 2004, the Myrtle Beach center will total 403,000 square feet.

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 September 2005. As of September 30, 2003, the construction loan had a $29.2 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 the Myrtle Beach property has 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 member 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 members' 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 could potentially incur a cash outflow for the purchase of Rosen-Warren's interest. However, we do not expect this event to occur in the near future based on the positive results and expectations of developing and operating an outlet center in the Myrtle Beach area.

Deer Park Enterprise, LLC

During the third quarter of 2003, we established a wholly owned subsidiary, Tanger Deer Park, LLC ("Tanger Deer Park"). In September 2003, Tanger Deer Park entered into a joint venture agreement with two other members to create Deer Park Enterprise, LLC ("Deer Park"). All members in the joint venture have an equal ownership interest of 33.33%. Deer Park was formed for the purpose of, but not limited to, developing a site located in Deer Park, New York with approximately 790,000 square feet planned at total buildout. We expect the site will contain both outlet and big box retail tenants. During the third quarter, all three members made equal equity contributions of $433,000 each into Deer Park.

On October 10, 2003, Deer Park entered into a sale-leaseback transaction for the above mentioned real estate located in Deer Park, New York. The agreement consists of the sale of the property to Deer Park for $29 million which is being leased back to the seller under a 24 month operating lease agreement. Each member made an additional equity contribution of $1.2 million at the time of purchase. In conjunction with the real estate purchase, Deer Park closed on a loan in the amount of $19 million with Fleet Bank due in October 2005 and a purchase money mortgage in the amount of $7 million. Deer Park's Fleet loan incurs interest at a floating interest rate equal to LIBOR plus 2.00%. The debt incurred by Deer Park is collateralized by the property as well as joint and several guarantees by all three parties.

In November 2002, the Financial Accounting Standards Board ("FASB") issued Interpretation No. 45, "Guarantors Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others" ("FIN 45"), which addresses the disclosure to be made by a guarantor in its interim and annual financial statements about its obligations under guarantees. FIN 45 applies to all guarantees entered in to or modified after December 31, 2002. FIN 45 also requires the recognition of a liability by a guarantor at the inception of certain guarantees. FIN 45 requires the guarantor to recognize a liability for the non-contingent component of the guarantee; this is the obligation to stand ready to perform in the event that specified triggering events or conditions occur. The initial measurement of this liability is the fair value of the guarantee at inception. The recognition of the liability is required even if it is not probable that payments will be required under the guarantee or if the guarantee was issued with a premium payment or as part of a transaction with multiple elements. The guarantee made by us of the Deer Park debt as mentioned in the above paragraph is the only guarantee that we have entered into or modified either individually or through a joint venture agreement since December 31, 2002. We will adopt the disclosure requirements and the recognition and measurement provisions of FIN 45 during the fourth quarter of 2003.

Charter Oak

On October 6, 2003 we announced the execution of a definitive agreement for the acquisition of the Charter Oak Partners' portfolio of nine factory outlet centers totaling approximately 3.3 million square feet. Tanger and an affiliate of Blackstone Real Estate Advisors have formed a limited liability company to acquire the portfolio as a joint venture. We will own one-third and Blackstone will own two-thirds of the joint venture. We will provide operating, management, leasing and marketing services for the properties for a fee.

The purchase price for this transaction is $491 million, including the assumption of approximately $187 million of cross-collateralized debt with a 6.59% interest rate with GMAC Commercial Mortgage Corporation that matures in July 2008. In October 2003, we made a $3.3 million deposit and Blackstone a $6.7 million deposit into an escrow account in accordance with the property purchase agreement. The deposits, which are refundable except under certain limited circumstances, are to be applied to the purchase price upon closing. Closing is expected to take place during the fourth quarter of 2003. We expect that the transaction will be accretive to our operating results. The factory outlets being acquired are located in: Rehoboth, Delaware; Foley, Alabama; Myrtle Beach, South Carolina; Park City, Utah; Hilton Head, South Carolina; Tilton, New Hampshire; Lincoln City, Oregon; Westbrook, Connecticut and Tuscola, Illinois.

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 June 20, 2003, we redeemed of all of our outstanding Series A Cumulative Convertible Redeemable Preferred Shares (the "Preferred Shares") held by the Preferred Stock Depositary in the form of Depositary Shares, each representing 1/10th of a Preferred Share. 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.

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 nine 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 September 30, 2003, approximately 47% 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 September 30, 2003 was 7.82%.

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 September 30, 2003. In October 2003, we received a commitment from Wells Fargo Bank to increase our existing line of credit with them from $10 million to $25 million. This increase will bring our committed unsecured, revolving lines of credit up to $100 million. 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 and 2004.

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 October 9, 2003, our Board of Directors declared a $.6150 cash dividend per common share payable on November 14, 2003 to each shareholder of record on October 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 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 in the first fiscal year or interim period ending after December 15, 2003. Certain of the disclosure requirements apply to all financial statements issued after January 31, 2003, regardless of when the variable interest entity was established. We have evaluated Deer Park, which was created after January 31, 2003 (Note 6) and have determined that under the current facts and circumstances that we will not be required to consolidate under the provisions of FIN 46. We are in the process of evaluating TWMB, which was created prior to January 31, 2003 (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. Also, we are currently evaluating the joint venture related to the Charter Oak portfolio (Note 11) for accounting treatment under FIN 46.

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.

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.
<TABLE>
<CAPTION>

Below is a calculation of funds from operations for the three and nine months ended September 30, 2003 and 2002 (in thousands):

	Three Months Ended September 30, 2003	Three Months Ended September 30, 2002	Nine Months Ended September 30, 2003	Nine Months Ended September 30, 2002
Funds from Operations:				
<S>	<C>	<C>	<C>	<C>
Net income	$3,520	$2,308	$ 8,018	$5,847
Adjusted for:				
Minority interest	1,026	596	2,415	1,270
Minority interest, depreciation and amortization attributable to discontinued operations	---	156	(107)	796
Depreciation and amortization uniquely significant to real estate - wholly owned	7,021	7,056	21,252	20,973

Depreciation and amortization uniquely significant to real estate - joint ventures	287	168	808	168
Loss/(gain) on sale of real estate	---	---	735	(460)
Funds from operations before minority interest	$11,854	$10,284	$33,121	$28,594
Weighted average shares outstanding (1)	13,632	12,245	13,424	12,011

(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 and 2004, we have approximately 2,377,000 square feet of our portfolio coming up for renewal. If we are unable to successfully renew or re-lease 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 September 30, 2003, we have renewed approximately 831,000 square feet, 78% of the 1,070,000 total square feet scheduled to expire in 2003. The existing tenants have renewed at an average base rental rate approximately equal to the expiring rate. We also re-tenanted 251,000 square feet of vacant space during the first nine months of 2003 at a 4% 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 6.3% of our combined base and percentage rental revenues for the nine months ended September 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 September 30, 2003 and 2002, our centers were 95% 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 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 September 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 September 30, 2003, TWMB would have paid approximately $236,000 to terminate the agreement. A 1% decrease in the 30 day LIBOR index would increase the amount paid by TWMB by $175,000 to approximately $411,000. 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 September 30, 2003 was $355.3 million and its recorded value was $327.3 million. A 1% increase from prevailing interest rates at September 30, 2003 would result in a decrease in fair value of total long-term debt by approximately $11.0 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 September 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 6. Exhibits and Reports on Form 8-K

(a) Exhibits

10.1 Amended and Restated Employment Agreement for Frank C. Marchisello Jr., as of July 1, 2003.

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 September 30, 2003:

Current Report on Form 8-K dated July 29, 2003 to file the June 30, 2003 Supplemental Operating and Financial Data and the Company's 2nd 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: November 12, 2003

Exhibit Index

Exhibit No.	Description
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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.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT is executed and made effective as of July 1, 2003 between TANGER PROPERTIES LIMITED PARTNERSHIP, a North Carolina Limited Partnership, whose address is P.O. Box 10889, Greensboro, N.C. 27404 (the "Company") and FRANK C. MARCHISELLO, Jr, a resident of North Carolina, whose address is 600 Brookfield Drive, Gibsonville, NC 27249 ("Marchisello").

RECITALS

A) Company and Marchisello entered into an employment agreement dated as of January 1, 1996 which was amended and restated as of January 1, 1999, August 16, 1999 and January 1, 2002 (the "Existing Employment Contract").

B) This agreement supercedes and replaces the Existing Employment Contract and to enter into this agreement in place thereof.

Now therefore, in consideration of the promises contained herein and other valuable consideration, the parties agree as follows:

1) Certain Definitions.

a) "Annual Base Salary" is defined in Section 5(a).

b) "Benefits" is defined in Section 5(b)(iv).

c) "Cause": For purposes of this Agreement, the Company shall have "Cause" to terminate Marchisello's employment hereunder upon (i) Marchisello causing material harm to the Company through a material act of dishonesty in the performance of his duties hereunder, (ii) his conviction of a felony involving moral turpitude, fraud or embezzlement, or (iii) his willful failure to perform his material duties under this Agreement (other than a failure due to disability) after written notice specifying the failure and a reasonable opportunity to cure (it being understood that if his failure to perform is not of a type requiring a single action to cure fully, that he may commence the cure promptly after such written notice and thereafter diligently prosecute such cure to completion).

d) "Change of Control" shall mean (A) the sale, lease, exchange or other transfer (other than pursuant to internal reorganization) by the Company or Tanger Factory Outlet Centers, Inc. (the "TFOC") of more than 50% of its assets to a single purchaser or to a group of associated purchasers; (B) a merger, consolidation or similar transaction in which TFOC or the Company does not survive as an independent, publicly owned corporation or TFOC or an entity wholly owned by TFOC ceases to be the sole general partner of the Company; or (C) the acquisition of securities of TFOC or the Company in one or a related series of transactions (other than pursuant to an internal reorganization) by a single purchaser or a group of associated purchasers (other than Marchisello or any of his lineal descendants, lineal ancestors or siblings) which results in their ownership of twenty-five (25%) percent or more of the number of Common Shares of TFOC (treating any Partnership Units or Preferred Shares acquired by such purchaser or purchasers as if they had been converted to Common Shares) that would be outstanding if all of the Partnership Units and Preferred Shares were converted into Common Shares; (E) a merger involving TFOC if, immediately following the merger, the holders of TFOC's shares immediately prior to the merger own less than fifty (50%) of the surviving company's outstanding shares having unlimited voting rights or less than fifty percent (50%) of the value of all of the surviving company's outstanding shares; or (F) a majority of the members of the Company's Board of Directors are replaced during any twelve month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election.

e) "Disability" shall mean the absence of Marchisello from Marchisello's duties to the Company and/or TFOC on a full-time basis for a total of 16 consecutive weeks during any 12 month period as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected by the Company and acceptable to Marchisello or Marchisello's legal representative (such agreement as to acceptability not to be withheld unreasonably).

f) A "Contract Year" shall be a calendar year.

g) "Good Reason": Marchisello shall have Good Reason to terminate his employment upon the occurrence of any of the following events:

(1) any material adverse change in his job titles, duties, responsibilities, perquisites granted hereunder, or authority without his consent;

(2) if, after a Change of Control, either the principal duties of Marchisello are required to be performed at a location other than the Greensboro, North Carolina metropolitan area without his consent;

(3) a material breach of this Employment Agreement by the Company, including without limitation, the failure to pay compensation or benefits when due hereunder if such failure is not cured within 30 days after delivery to the Company of Marchisello's written demand for payment thereof; or

(4) if Marchisello elects to terminate his employment by written notice to the Company within the 180 day period following a Change of Control.

h) "Contract Term " is defined in Section 2(b).

2) EMPLOYMENT.

a) Marchisello's employment by the Company is continued under this Agreement, which supercedes and replaces the Existing Employment Contract, during the Contract Term (as defined below) upon the terms and conditions herein provided, unless Marchisello's employment is terminated earlier as provided in Section 6 hereof.

b) The initial Contract Term of this Employment Agreement shall begin as of January 1, 2003 (the "Commencement Date") and shall end on December 31, 2005 (the "Initial Contract Term"). On January 1, 2004 and on the first day of January of each calendar year thereafter (an "Extension Date"), the Contract Term shall be automatically extended by one year unless (i) Marchisello's employment has been earlier terminated as provided in Section 6 or (ii) the Company gives written notice to Marchisello one hundred eighty (180) days prior to the Extension Date that the Contract Term shall not be automatically extended. For purposes of illustration, if Marchisello's employment has not been terminated as provided in Section 6 and if the Company has not given written notice to Marchisello at least 180 days prior to January 1, 2004 that the Contract Term will not be extended, on January 1, 2004, the Contract Term will be extended to and including December 31, 2006.

If the Contract Term is extended as provided herein, Marchisello's employment may be terminated (other than upon expiration) only as provided in Section 6. References herein to the "Contract Term" shall refer to the Initial Contract Term as extended pursuant to this Section 2.

3) Position and Duties. Marchisello shall serve in the following manner:

a) During Marchisello's employment hereunder, he shall serve as:

(1) an executive employee of the Company and shall report to a designated senior executive officer of the Company, and

(2) the Executive Vice President and Chief Financial Officer of TFOC and shall have such duties, functions, responsibilities and authority as are consistent with those positions.

4) Competition.

a) Marchisello shall be prohibited from engaging in Competition (as defined in subsection 4(b) below) with the Company or TFOC during the following described periods: (i) during the period beginning on the date hereof and extending through the date on which Marchisello's employment hereunder is terminated; (ii) if Marchisello's employment is terminated by the Company for Cause or by Marchisello without Good Reason, from the date of such termination through the date of the first anniversary of such termination date and (iii) if Marchisello receives the Severance Payment described in Section 7(a) because of a termination of his employment by the Company without Cause or by Marchisello for Good Reason, from the date of such termination through the date of the third anniversary of such termination date.

b) During the period prior to the termination of Marchisello's employment hereunder, the term "Competition" for purposes of this Agreement shall mean Marchisello's management, development or construction of any factory outlet centers or competing retail commercial property outside the Company and TFOC or any other active or passive investment in property connected with a factory outlet center or a competing retail commercial property outside the Company and TFOC, with the exception of

(1) the ownership of up to 1% of any class of securities of any publicly traded company, and

(2) service on the board of directors of any publicly traded company, whether or not such company engages in Competition as defined in

this subsection 4(b).

Provided however, for any period following the termination of Marchisello's employment, Marchisello shall be considered as engaging in "Competition" prohibited by this Section only if Marchisello engages in the prohibited activities with respect to a property that is within a fifty (50) mile radius of the site of any commercial property owned, leased or operated by TFOC and/or the Company on the date Marchisello's employment terminated or with respect to a property that is within a fifty (50) mile radius of any commercial property which TFOC and/or Company actively negotiated to acquire, lease or operate within the six (6) month period ending on the date of the termination of Marchisello's employment.

c) Marchisello covenants that a breach of subsection 4(a) above would immediately and irreparably harm the Company and TFOC and that a remedy at law would be inadequate to compensate the Company and TFOC for their losses by reason of such breach and therefore that the Company and/or TFOC shall, in addition to any other rights and remedies available under this Agreement, at law or otherwise, be entitled to an injunction to be issued by any court of competent jurisdiction enjoining and restraining Marchisello from committing any violation of subsection 4(a) above, and Marchisello hereby consents to the issuance of such injunction.

5) Compensation and Related Matters. During Marchisello's employment hereunder, Marchisello shall be paid the compensation and shall be provided with the benefits described below:

a) Annual Base Salary. Marchisello's annual base compensation ("Annual Base Salary") payable with respect to the Contract Year ending December 31, 2003 shall be $243,101.31. The amount of Annual Base Salary payable to Marchisello with respect to each Contract Year thereafter shall be an amount negotiated between and agreed upon by Marchisello and the Board of Trustees of the Company's general partner but in no event less than Marchisello's Annual Base Salary for the prior Contract Year.

b) Benefits. Marchisello shall be entitled to (i) receive stock options (incentive or nonqualified) under the Company's Unit Option Plan; (ii) participate in the Company's 401(k) Savings Plan; (iii) receive vacation during each Contract Year in accordance with the policy of the Company; and (iv) participate in or receive benefits under any employee benefit plan or other arrangement made available by the Company to any of its employees generally and for which Marchisello is eligible (collectively "Benefits").

c) Expenses. The Company shall promptly reimburse Marchisello for all reasonable travel and other business expenses incurred by Marchisello in the performance of his duties to the Company hereunder.

6) Termination. Marchisello's employment hereunder may be terminated prior to the end of the Contract Term by the Company or Marchisello, as applicable, without any breach of this Agreement only under the following circumstances:

a) Death. Marchisello's employment hereunder shall terminate upon his death.

b) Disability. If the Disability of Marchisello has occurred during the Contract Term, the Company may give Marchisello written notice of its intention to terminate Marchisello's employment. In such event, Marchisello's employment with the Company shall terminate effective on the 30th day after receipt of such notice by Marchisello, provided that within the 30 days after such receipt, Marchisello shall not have returned to full-time performance of his duties.

c) Cause. The Company may terminate Marchisello's employment hereunder for Cause.

d) Good Reason. Marchisello may terminate his employment for Good Reason.

e) Without Cause. The Company may terminate Marchisello's employment hereunder without Cause upon 30 days notice.

f) Resignation without Good Reason. Marchisello may resign his employment without Good Reason upon 90 days written notice to the Company.

g) Notice of Termination. Any termination of Marchisello's employment hereunder by the Company or Marchisello (other than by reason of Marchisello's death) shall be communicated by a notice of termination to the other party hereto. For purposes of this Agreement, a "notice of termination" shall mean a written notice which (i) indicates the specific termination provision in the Agreement relied upon, (ii) sets forth in reasonable detail any facts and circumstances claimed to provide a basis for termination of Marchisello's employment under the provision indicated and (iii) specifies the effective date of the termination.

7) Severance Benefits.

a) Termination without Cause or for Good Reason: If Marchisello's employment shall be terminated (i) by the Company other than for Cause (as defined above) or (ii) by Marchisello for Good Reason (as defined above), the Company shall pay Marchisello an amount equal to 300% of his Annual Base Salary for the Contract Year in which the termination occurs. Such amount shall be paid in equal consecutive monthly or bi-weekly installments in accordance with the Company's regular pay schedule over a 36 month period beginning on the effective date of the termination of Marchisello's employment.

b) Termination by Death or Disability. Upon the termination of Marchisello's employment by reason of his death or Disability, the Company shall pay to Marchisello or to the personal representatives of his estate an amount equal to the Annual Base Salary for the Contract Year within which such termination occurs. Such amount shall be paid in equal consecutive monthly or bi-weekly installments in accordance with the Company's regular pay schedule over the 12 month period beginning on the effective date of the termination of Marchisello's employment.

c) Termination for Cause or Without Good Reason. If Marchisello's employment is terminated by the Company for Cause or by Marchisello without Good Reason, Marchisello shall be entitled to all Annual Base Salary and all Benefits accrued through the date of termination.

d) Survival. Neither the termination of Marchisello's employment hereunder nor the expiration of the Contract Term shall impair the rights or obligations of any party hereto which shall have accrued hereunder prior to such termination or expiration.

e) Mitigation of Damages. In the event of any termination of Marchisello's employment by the Company, Marchisello shall not be required to seek other employment to mitigate damages, and any income earned by Marchisello from other employment or self-employment shall not be offset against any obligations of the Company to Marchisello under this Agreement.

8) Limitation on Severance Benefits.

a) Notwithstanding any other provision of this Agreement, and except as provided in paragraph 8(b) below, payments and benefits to which Executive would otherwise be entitled under the provisions of this Agreement will be reduced (or Marchisello shall make reimbursement of amounts previously paid) to the extent necessary to prevent Marchisello from having any liability for the federal excise tax levied on certain "excess parachute payments" under section 4999 of the Internal Revenue Code as it exists as of the date of this Agreement.

b) Marchisello may determine the amount (if any) of reduction for each payment or benefit that he would otherwise be entitled to receive. The extent to which the payments or benefits to Marchisello are to be reduced pursuant to paragraph 8(a) will be determined by the accounting firm servicing the Company on the date that Marchisello's employment is terminated. The Company shall pay the cost of such determination.

c) If the final determination of any reduction in any benefit or payment pursuant to this Section has not been made at the time that Marchisello is entitled to receive such benefit or payment, the Company shall pay or provide an estimated amount based on a recommendation by the accounting firm making the determination under subparagraph 8(b). When the final determination is made, the Company shall pay Marchisello any additional amounts that may be due or Marchisello shall reimburse the Company for any estimated amounts paid to Marchisello that were in excess of the amount payable hereunder.

9) Miscellaneous.

9.1) Binding on Successors. This Agreement shall be binding upon and inure to the benefit of the Company and Marchisello and their respective successors, assigns, personal and legal representatives, executors, administrators, heirs, distributees, devisees, and legatees, as applicable.

9.2) Governing Law. This Agreement is being made and executed in and is intended to be performed in the State of North Carolina, and shall be governed, construed, interpreted and enforced in accordance with the substantive laws of the State of North Carolina without any reference to principles of conflicts or choice of law under which the law of any other jurisdiction would apply.

9.3) Validity. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

9.4) Notices. Any notice, request, claim, demand, document and other communication hereunder to any party shall be effective upon receipt (or refusal of receipt) and shall be in writing and delivered personally or sent by telex, telecopy, or certified or registered mail, postage prepaid, as follows:

(a) If to the Company, to:

Mr. Stanley K. Tanger
Tanger Properties Limited Partnership
3200 Northline Avenue,
Suite 360 or P.O. Box 10889
Greensboro, NC 27408

(b) If to Marchisello, to:

Mr. Frank C. Marchisello, Jr.
600 Brookfield Drive
Gibsonville, NC 27249

or at any other address as any party shall have specified by notice in writing to the other parties.

9.5) Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same Agreement.

9.6) Entire Agreement. The terms of this Agreement are intended by the parties to be the final expression of their agreement with respect to the employment of Marchisello by the Company and may not be contradicted by evidence of any prior or contemporaneous agreement. The parties further intend that this Agreement shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding to vary the terms of this Agreement.

9.7) Amendments; Waivers. This Agreement may not be modified, amended, or terminated except by an instrument in writing, signed by Marchisello and the Company. By an instrument in writing similarly executed, Marchisello or the Company may waive compliance by the other party with any provision of this Agreement that such other party was or is obligated to comply with or perform, provided, however, that such waiver shall not operate as a waiver of, or estoppel with respect to, any other or subsequent failure. No failure to exercise and no delay in exercising any right, remedy, or power hereunder preclude any other or further exercise of any other right, remedy, or power provided herein or by law or in equity.

9.8) No Effect on Other Contractual Rights. Notwithstanding Section 6, the provisions of this Agreement, and any other payment provided for hereunder, shall not reduce any amounts otherwise payable to Marchisello under any other agreement between Marchisello and the Company, or in any way diminish Marchisello's rights under any employee benefit plan, program or arrangement of the Company to which he may be entitled as an employee of the Company.

9.9) No Inconsistent Actions. The parties hereto shall not voluntarily undertake or fail to undertake any action or course of action inconsistent with the provisions or essential intent of this Agreement. Furthermore, it is the intent of the parties hereto to act in a fair and reasonable manner with respect to the interpretation and application of the provisions of this Agreement.

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

TANGER PROPERTIES LIMITED PARTNERSHIP, a
North Carolina Limited Partnership

By: TANGER GP TRUST, its sole General Partner

By: /s/ Stanley K. Tanger
____

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

(SEAL) FRANK C. MARCHISELLO, JR.

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 September 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: November 12, 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 September 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: November 12, 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 September 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: November 12, 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 September 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: November 12, 2003

/s/ Frank C. Marchisello Jr.

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