FORM 10-Q

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

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

For the quarterly period ended June 30, 2004

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

13,686,408 shares of Common Stock,
$.01 par value, outstanding as of July 30, 2004

TANGER FACTORY OUTLET CENTERS, INC.

Index

Part I. Financial Information

	Page Number
Item 1. Financial Statements (Unaudited)	
Consolidated Statements of Operations For the three and six months ended June 30, 2004 and 2003	3
Consolidated Balance Sheets As of June 30, 2004 and December 31, 2003	4
Consolidated Statements of Cash Flows For the six months ended June 30, 2004 and 2003	5
Notes to Consolidated Financial Statements	6
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	12
Item 3. Quantitative and Qualitative Disclosures about Market Risk	25
Item 4. Controls and Procedures	26
Part II. Other Information	
Item 1. Legal proceedings	27
Item 4. Submissions of Matters to a Vote of Security Holders	27
Item 6. Exhibits and Reports on Form 8-K	28

Signatures 28

<TABLE>
<CAPTION>

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
	(unaudited)		(unaudited)	
REVENUES				
<S>	<C>	<C>	<C>	<C>
Base rentals	$ 32,440	$ 19,306	$ 64,277	$ 38,361
Percentage rentals	957	549	1,670	944
Expense reimbursements	13,173	8,226	25,189	16,435
Other income	2,395	791	3,253	1,450
Total revenues	48,965	28,872	94,389	57,190
EXPENSES				
Property operating	14,926	9,749	28,514	19,314
General and administrative	3,254	2,451	6,413	4,881
Depreciation and amortization	13,117	6,880	25,429	13,936
Total expenses	31,297	19,080	60,356	38,131
Operating income	17,668	9,792	34,033	19,059
Interest expense	8,900	6,556	17,764	13,279
Income before equity in earnings of unconsolidated joint ventures, minority interests and discontinued operations	8,768	3,236	16,269	5,780
Equity in earnings of unconsolidated joint ventures	275	279	440	372
Minority interests				
Consolidated joint venture	(6,619)	---	(13,212)	---
Operating partnership	(445)	(757)	(644)	(1,306)
Income from continuing operations	1,979	2,758	2,853	4,846
Discontinued operations	1,766	(451)	1,904	(348)
Net income	3,745	2,307	4,757	4,498
Less applicable preferred share dividends	---	(363)	---	(806)
Net income available to common shareholders	$ 3,745	$ 1,944	$ 4,757	$ 3,692

Basic earnings per common share:				
Income from continuing operations	$ .15	$ .25	$ .21	$ .43
Net income	$ .28	$ .20	$ .35	$ .39
Diluted earnings per common share:				
Income from continuing operations	$ .15	$ .24	$ .21	$ .42
Net income	$ .28	$ .20	$ .35	$ .38
Dividends paid per common share	$ .6250	$ .6150	$ 1.2400	$ 1.2275

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

<TABLE>
<CAPTION>

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

<S> <C> <C>

	June 30, 2004	December 31, 2003
	(unaudited)	
ASSETS		
Rental Property		
Land	$ 115,541	$ 119,833
Buildings, improvements and fixtures	965,394	958,720
	1,080,935	1,078,553
Accumulated depreciation	(209,359)	(192,698)
Rental property, net	871,576	885,855
Cash and cash equivalents	8,694	9,836
Deferred charges, net	64,747	68,568
Other assets	26,963	23,178
Total assets	$ 971,980	$ 987,437
LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY		
Liabilities		
Debt		
Senior, unsecured notes	$ 147,509	$ 147,509
Mortgages payable (including a debt premium of $10,608 and $11,852, respectively)	366,065	370,160
Lines of credit	---	22,650
	513,574	

	June 30, 2004	December 31, 2003
		540,319
Construction trade payables	6,300	4,345
Accounts payable and accrued expenses	18,579	18,025
Total liabilities	538,453	562,689
Commitments		
Minority interests		
Consolidated joint venture	220,225	218,148
Operating partnership	38,731	39,182
Total minority interests	258,956	257,330
Shareholders' equity		
Common shares, $.01 par value, 50,000,000 shares authorized, 13,671,770 and 12,960,643 shares issued and outstanding at June 30, 2004 and December 31, 2003	137	130
Paid in capital	272,459	250,070
Distributions in excess of net income	(94,603)	(82,737)
Deferred compensation	(3,406)	---
Accumulated other comprehensive loss	(16)	(45)
Total shareholders' equity	174,571	167,418
Total liabilities, minority interests and shareholders' equity	$ 971,980	$ 987,437

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

<TABLE>
<CAPTION>

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

	Six Months Ended June 30, 2004	2003
	(unaudited)	
OPERATING ACTIVITIES		
<S>	<C>	<C>
Net income	$ 4,757	$ 4,498
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization (including discontinued operations)	25,559	14,468
Amortization of deferred financing costs	727	623
Equity in earnings of unconsolidated joint ventures	(440)	(372)
Consolidated joint venture minority interest	13,212	---
Operating partnership minority interest (including discontinued operations)	1,071	1,193
Compensation expense related to restricted shares and share options granted	1,003	51
Amortization of premium on assumed indebtedness	(1,245)	---
(Gain) loss on sale of real estate (included in discontinued operations)	(2,084)	735
(Gain) on sale of outparcels of land	(1,219)	---
Net accretion of market rent rate adjustment	(370)	---
Straight-line base rent adjustment	(218)	112
Increase (decrease) due to changes in:		
Other assets	(975)	1,828
Accounts payable and accrued expenses	616	(1,667)
Net cash provided by operating activites	40,394	21,469

INVESTING ACTIVITIES		
Additions to rental property	(6,907)	(5,036)
Acquisition of rental property	---	(4,700)
Additions to investments in unconsolidated joint ventures	---	(952)
Additions to deferred lease costs	(924)	(836)
Net proceeds from sale of real estate	8,945	2,076
(Increase) decrease in escrow from rental property purchase	(6,565)	4,006
Distributions received from unconsolidated joint ventures	750	650
Net cash used in investing activities	(4,701)	(4,792)
FINANCING ACTIVITIES		
Cash dividends paid	(16,623)	(12,237)
Distributions to consolidated joint venture minority interest	(11,135)	---
Distributions to operating partnership minority interest	(3,763)	(3,723)
Net proceeds from sale of common shares	13,173	---
Payments for redemption of preferred shares	---	(372)
Proceeds from issuance of debt	40,350	48,815
Repayments of debt	(65,850)	(61,233)
Additions to deferred financing costs	(9)	(80)
Proceeds from exercise of share and unit options	7,022	11,284
Net cash used in financing activities	(36,835)	(17,546)
Net decrease in cash and cash equivalents	(1,142)	(869)
Cash and cash equivalents, beginning of period	9,836	1,072
Cash and cash equivalents, end of period	$ 8,694	$ 203

Supplemental schedule of non-cash activities:
The Company purchases capital equipment and incurs costs relating to construction of new facilities, including tenant finishing allowances. Expenditures included in construction trade payables as of June 30, 2004 and 2003 amounted to $6,300 and $8,010, respectively.
We recognized charges to deferred compensation related to the issuance of restricted common shares and share options in the 2004 period of $4,381.

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

</TABLE>

TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2004
(Unaudited)

1. Business

Tanger Factory Outlet Centers, Inc., a fully-integrated, self-administered, self-managed real estate investment trust ("REIT"), develops, owns, operates and manages factory outlet centers. At June 30, 2004, we had ownership interests in or management responsibilities for 38 centers in 23 states totaling 9.3 million square feet of gross leasable area ("GLA"). We provide all development, leasing and management services for our centers. The factory outlet centers and other assets of the Company's business are held by, and all of its operations are conducted by, Tanger Properties Limited Partnership. Unless the context indicates otherwise, the term the "Company" refers to Tanger Factory Outlet Centers, Inc. and subsidiaries and the term "Operating Partnership" refers to Tanger Properties Limited Partnership and subsidiaries. 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, 2003. 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 include our accounts, our wholly-owned subsidiaries, as well as the Operating Partnership and its subsidiaries and 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. Intercompany balances and transactions have been eliminated in consolidation.

Investments in real estate joint ventures that represent non-controlling ownership interests are accounted for using the equity method of accounting. 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.

In January 2003, the Financial Accounting Standards Board ("FASB") issued Financial Interpretation No. 46 "Consolidation of Variable Interest Entities, an Interpretation of Accounting Research Bulletin No. 51" ("FIN 46") (Revised December 2003) which clarified 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 were effective immediately for all variable interests in variable interest entities created after January 31, 2003. COROC Holdings, LLC ("COROC"), a joint venture entered into by us in December 2003, was evaluated under the provisions of FIN 46 and it was determined that we are considered the primary beneficiary of the joint venture and therefore the results of operations and financial position of COROC are included in our consolidated financial statements. We have evaluated Deer Park Enterprise, LLC ("Deer Park"), which was created after January 31, 2003 (Note 3) and have determined that under the current facts and circumstances we are not required to consolidate this entity under the provisions of FIN 46.

For variable interests in variable interest entities existing as of January 31, 2003, the provisions of FIN 46 are applicable as of March 31, 2004 and thereafter. We evaluated TWMB Associates, LLC ("TWMB"), a joint venture in which we have a 50% ownership interest which existed prior to January 31, 2003, and determined that under the provisions of FIN 46 the entity is not a variable interest entity. Therefore, TWMB will continue to be accounted for using the equity method of accounting.

Certain amounts in the 2003 consolidated financial statements have been reclassified to conform to the 2004 presentation. See Footnote 4.

3. Investments in Unconsolidated Real Estate Joint Ventures

Our investment in unconsolidated real estate joint ventures as of June 30, 2004 and December 31, 2003 was $7.3 million and $7.5 million, respectively. These investments include our 50% ownership investment in TWMB and our one-third ownership interest in Deer Park on Long Island, New York.

Our investment in real estate joint ventures are reduced by 50% of the profits earned for leasing and development services we provided to TWMB. The following management, leasing and development fees were recorded in other income from services provided to TWMB during the three and six months ended June 30, 2004 and 2003 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Fee:				
Management	$ 69	$ 34	$ 137	$ 68
Leasing	78	76	139	133
Development	17	(4)	22	9
Total Fees	$ 164	$ 106	$ 298	$ 210

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 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.

During the second quarter, TWMB completed the construction of a 79,000 square foot third-phase expansion of the Myrtle Beach center at an approximate cost of $9.7 million. As of June 30, 2004, 50,000 square feet were open with the remainder of the stores scheduled to open during July and August 2004. The

completion of this expansion brings the total gross leasable area of TWMB's Myrtle Beach center to approximately 403,000 square feet.

In conjunction with the construction of the center, TWMB maintains a construction loan in the amount of $36.2 million with Bank of America, NA (Agent) and SouthTrust Bank due in September 2005. As of June 30, 2004, the construction loan had a balance of $32.0 million.

<TABLE>
<CAPTION>

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

Summary Balance Sheets - Unconsolidated Joint Ventures:	As of June 30, 2004	As of December 31, 2003
Assets:		
Operating real estate at cost, net	$42,847	$36,096
Other real estate investment (1)	27,108	27,803
Total real estate	69,955	63,899
Cash and cash equivalents	1,381	4,145
Deferred charges, net	1,535	1,652
Other assets	3,879	3,277
Total assets	$76,750	$72,973
Liabilities and Owners' Equity:		
Mortgages payable	$57,156	$54,683
Construction trade payables	3,090	1,164
Accounts payable and other liabilities	508	564
Total liabilities	60,754	56,411
Owners' equity	15,996	16,562
Total liabilities and owners' equity	$76,750	$72,973

(1) Other real estate investment represents a development property that generates net income considered incidental to its intended future operation as an outlet center. As such, the net income generated from this property is recorded as a reduction to the carrying value of the property.

</TABLE>
<TABLE>
<CAPTION>

Consolidated Statements of Operations - Unconsolidated Joint Ventures	Three Months Ended June 30, 2004	Three Months Ended June 30, 2003	Six Months Ended June 30, 2004	Six Months Ended June 30, 2003
Revenues	$ 2,507	$ 2,158	$4,582	$ 3,885
Expenses:				
Property operating	946	782	1,721	1,486
General and administrative	12	3	13	20
Depreciation and amortization	631	552	1,254	1,080
Total expenses	1,589	1,337	2,988	2,586
Operating income	918	821	1,594	1,299
Interest expense	405	294	785	619
Net income	$ 513	$ 527	$ 809	$ 680
Tanger's share of:				
Net income	$ 275	$ 279	$ 440	$ 372
Depreciation (real estate related)	304	266	604	520

</TABLE>

4. Disposition of Properties

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 are reflected in the consolidated statements of operations as discontinued operations for all periods presented.

In June 2004, we completed the sale of two non-core properties located in North Conway, New Hampshire. Net proceeds received from the sales of these properties were approximately $6.5 million. We recorded a gain on sale of real estate of approximately $2.1 million which is included in discontinued operations for the three and six months ended June 30, 2004.

In May and October 2003, we completed the sale of properties located in Martinsburg, West Virginia and Casa Grande, Arizona, respectively. Net proceeds received from the sales of these properties were approximately $8.7 million. We recorded a loss on sale of real estate related to the Martinsburg sale of approximately $735,000 which is included in discontinued operations for the three and six months ended June 30, 2003.

Below is a summary of the results of operations of these properties (in thousands):

<TABLE>
<CAPTION>

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
<S>	<C>	<C>	<C>	<C>
Base rentals	$ 174	$ 531	$ 397	$ 1,136
Percentage rentals	--	6	--	6
Expense reimbursements	82	240	213	481
Other income	2	15	3	26
Total revenues	258	792	613	1,649
Property operating expenses	111	389	233	841
General and administrative	3	1	3	2
Depreciation and amortization	66	260	130	532
Total expenses	180	650	366	1,375
Income before gain (loss) on sale of real estate	78	142	247	274
Gain (loss) on sale of real estate	2,084	(735)	2,084	(735)
Discontinued operations before minority interest	2,162	(593)	2,331	(461)
Minority interest	396	(142)	427	(113)
Discontinued operations	$ 1,766	$ (451)	$1,904	$ (348)

</TABLE>

During the second quarter of 2004 we sold three outparcels of undeveloped land at our Branson, Missouri; Westbrook, Connecticut; and Gonzales, Louisiana centers respectively. Net proceeds received were approximately $2.5 million and a gain of approximately $1.2 million was recorded in other income in the second quarter of 2004.

5. Other Comprehensive Income - Derivative Financial Instruments

During the first quarter of 2003 our interest rate swap, which had been designated as a cash flow hedge, expired and therefore the fair value of the swap became zero resulting in a change in fair value of $98,000. TWMB's interest rate swap agreement has been designated as a cash flow hedge and is carried on TWMB's balance sheet at fair value. At June 30, 2004, our portion of the fair value of TWMB's hedge is recorded as a reduction to investment in joint ventures of $20,000. For the three and six months ended June 30, 2004, the change in the fair value of the derivative instrument is recorded as $8,000 and $29,000, respectively, of other comprehensive income, net of minority interest of $27,000 and $33,000, respectively.

<TABLE>
<CAPTION>

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003

<S> <C> <C> <C> <C>

Net income	$ 3,745	$ 2,307	$ 4,757	$ 4,498
Other comprehensive income:				
Change in fair value of our portion of TWMB cash flow hedge, net of minority interest of $27 and $1 and $33 and ($2)	8	3	29	(8)
Change in fair value of cash flow hedge, net of minority interest of $24	---	---	---	74
Other comprehensive income	8	3	29	66
Total comprehensive income	$ 3,753	$ 2,310	$ 4,786	$ 4,564

</TABLE>

6. Earnings Per Share

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

<TABLE>
<CAPTION>

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Numerator:				
<S>	<C>	<C>	<C>	<C>
Income from continuing operations	$ 1,979	$ 2,758	$ 2,853	$ 4,846
Less applicable preferred share dividends	---	(363)	---	(806)
Income from continuing operations available to common shareholders - basic and diluted	1,979	2,395	2,853	4,040
Discontinued operations	1,766	(451)	1,904	(348)
Net income available to common shareholders - basic and diluted	$ 3,745	$ 1,944	$4,757	$3,692
Denominator:				
Basic weighted average common shares	13,504	9,590	13,420	9,387
Effect of outstanding share and unit options	84	219	116	228
Effect of unvested restricted share awards	6	---	5	---
Diluted weighted average common shares	13,594	9,809	13,541	9,615
Basic earnings per common share:				
Income from continuing operations	$ .15	$ .25	$ .21	$ .43
Discontinued operations	.13	(.05)	.14	(.04)
Net income	$ .28	$ .20	$ .35	$ .39
Diluted earnings per common share:				
Income from continuing operations	$ .15	$ .24	$ .21	$ .42
Discontinued operations	.13	(.04)	.14	(.04)
Net income	$ .28	$ .20	$ .35	$ .38

</TABLE>

The computation of diluted earnings per share excludes options to purchase common shares when the exercise price is greater than the average market price of the common shares for the period. Options excluded totaled 214,000 for the three months ended June 30, 2004 and 107,000 and 6,000 for the six months ended June 30, 2004 and 2003, respectively. There were no options excluded from the computation for the three months ended June 30, 2003. The assumed conversion of preferred shares to common shares as of the beginning of the year would have been anti-dilutive. The assumed conversion of the partnership units held by the Operating Partnership's minority interest limited partner as of the beginning of the year, which would result in the elimination of earnings allocated to the minority interest in the Operating Partnership, 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.

7. Shareholders' Equity

In December 2003, we completed a public offering of 2,300,000 common shares at a price of $40.50 per share, receiving net proceeds of approximately $88.0 million. The net proceeds were used together with other available funds to

finance our portion of the equity required to purchase the COROC portfolio of outlet shopping centers as mentioned in Note 2 above and for general corporate purposes. In addition in January 2004, the underwriters of the December 2003 offering exercised in full their over-allotment option to purchase an additional 345,000 common shares at the offering price of $40.50 per share. We received net proceeds of approximately $13.2 million from the exercise of the over-allotment.

8. Employee Benefit Plans

During the second quarter of 2004, the Board of Directors approved amendments to the Company's Share Option Plan to add restricted shares and other share-based grants to the Plan, to merge the Operating Partnership's Unit Option Plan into the Share Option Plan and to rename the Plan as the Amended and Restated Incentive Award Plan (the "Incentive Award Plan"). The Incentive Award Plan was approved by a vote of shareholders at our Annual Shareholders' Meeting. The Board of Directors approved the grant of 106,125 restricted common shares to the independent directors and certain executive officers in April 2004. As a result of the granting of the restricted common shares, we recorded a charge to deferred compensation of $4.1 million in the shareholders' equity section of the consolidated balance sheet. During the second quarter, we recognized expense related to the amortization of the deferred compensation of approximately $932,000 in accordance with the vesting schedule of the restricted shares.

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 and subsidiaries. The terms "we", "our" and "us" refer to the Company or the Company and the Operating Partnership together, as the text requires.

The discussion of our results of operations reported in the unaudited consolidated statements of operations compares the three and six months ended June 30, 2004 with the three and six months ended June 30, 2003. Certain comparisons between the periods are made on a percentage basis as well as on a weighted average gross leasable area ("GLA") basis, a technique which adjusts for certain increases or decreases in the number of centers and corresponding square feet related to the development, acquisition, expansion or disposition of rental properties. The computation of weighted average GLA, however, does not adjust for fluctuations in occupancy which may occur subsequent to the original opening date.

Cautionary Statements

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

- national and local general economic and market conditions;
- demographic changes; our ability to sustain, manage or forecast our growth; existing government regulations and changes in, or the failure to comply with, government regulations;
- adverse publicity; liability and other claims asserted against us;
- competition;
- the risk that we may not be able to finance our planned development activities;
- risks related to the retail real estate industry in which we compete, including the potential adverse impact of external factors such as

inflation, tenant demand for space, consumer confidence, unemployment rates and consumer tastes and preferences;

- - risks associated with our development activities, such as the potential for cost overruns, delays and lack of predictability with respect to the financial returns associated with these development activities;

- - risks associated with real estate ownership, such as the potential adverse impact of changes in the local economic climate on the revenues and the value of our properties;

- - risks that a significant number of tenants may become unable to meet their lease obligations or that we may be unable to renew or re-lease a significant amount of available space on economically favorable terms;

- - fluctuations and difficulty in forecasting operating results; changes in business strategy or development plans;

- - business disruptions;

- - the ability to attract and retain qualified personnel;

- - the ability to realize planned costs savings in acquisitions; and

- - retention of earnings.

General Overview

In December 2003 we completed 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") acquired the portfolio through a joint venture in the form of a limited liability company, COROC Holdings, LLC ("COROC"). We own one-third and Blackstone owns two-thirds of the joint venture. We provide operating, management, leasing and marketing services to the properties for a fee. COROC is consolidated for financial reporting purposes under the provisions of Financial Accounting Standard Board Interpretation No. 46 ("FIN 46").

The purchase price for this transaction was $491.0 million, including the assumption of approximately $186.4 million of cross-collateralized debt which has a stated, fixed interest rate of 6.59% and matures in July 2008. We recorded the debt at its fair value of $198.3 million, with an effective interest rate of 4.97%. Accordingly, a debt premium of $11.9 million was recorded and is being amortized using the effective interest method over the life of the debt. We financed the majority of our equity in the joint venture with proceeds from the issuance of 2.3 million common shares at $40.50 per share. The successful equity financing allows us to maintain a strong balance sheet and our current financial flexibility.

At June 30, 2004, we had ownership interests in or management responsibilities for 38 centers in 23 states totaling 9.3 million square feet compared to 33 centers in 20 states totaling 6.2 million square feet at June 30, 2003. The activity in our portfolio of properties since June 30, 2003 is summarized below:

<TABLE>
<CAPTION>

	No. of Centers	GLA (000's)	States
<S>	<C>	<C>	<C>
As of June 30, 2003	33	6,215	20
Acquisitions/Expansions:			
Sevierville, Tennessee (wholly-owned)	---	35	---
Myrtle Beach Hwy 17, South Carolina - (unconsolidated joint venture)	---	65	---
Charter Oak portfolio (consolidated joint venture)			
Rehoboth, Delaware	1	569	1
Foley, Alabama	1	536	---
Myrtle Beach Hwy 501, South Carolina	1	427	---
Hilton Head, South Carolina	1	393	---
Park City, Utah	1	301	1
Westbrook, Connecticut	1	291	1
Lincoln City, Oregon	1	270	1
Tuscola, Illinois	1	258	1
Tilton, New Hampshire	1	228	---
Dispositions:			
Bourne, Massachusetts (managed)	(1)	(23)	(1)

Casa Grande, Arizona (wholly-owned)	(1)	(185)	(1)
Clover, New Hampshire (wholly-owned)	(1)	(11)	---
LLBean, New Hampshire (wholly-owned)	(1)	(51)	---
Other	---	3	---
As of June 30, 2004	38	9,321	23

</TABLE>

<TABLE>
<CAPTION>

A summary of the operating results for the three and six months ended June 30, 2004 and 2003 is presented in the following table, expressed in amounts calculated on a weighted average GLA basis.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
GLA at end of period (000's)				
<S>	<C>	<C>	<C>	<C>
Wholly owned	5,240	5,449	5,240	5,449
Partially-owned (consolidated) (1)	3,273	---	3,273	---
Partially owned (unconsolidated) (2)	374	309	374	309
Managed	434	457	434	457
Total GLA at end of period (000's)	9,321	6,215	9,321	6,215
Weighted average GLA (000's) (3)	8,513	5,201	8,513	5,199
Occupancy percentage at end of period (1) (2)	95%	96%	95%	96%
Per square foot for wholly owned properties				
Revenues				
Base rentals	$3.81	$3.71	$7.55	$7.38
Percentage rentals	.11	.11	.20	.18
Expense reimbursements	1.55	1.58	2.96	3.16
Other income	.28	.15	.38	.28
Total revenues	5.75	5.55	11.09	11.00
Expenses				
Property operating	1.75	1.88	3.35	3.71
General and administrative	.38	.47	.75	.94
Depreciation and amortization	1.54	1.32	2.99	2.68
Total expenses	3.67	3.67	7.09	7.33
Operating income	2.08	1.88	4.00	3.67
Interest expense	1.05	1.26	2.09	2.56

Income before equity in earnings of unconsolidated joint ventures, minority interest and discontinued operations	$1.03	$.62	$1.91	$1.11

(1) Includes the nine centers from the Charter Oak portfolio acquired on December 19, 2003 of which Tanger owns a one-third interest through a joint venture arrangement.
(2) Includes Myrtle Beach, South Carolina Hwy 17 property which we operate through a 50% ownership joint venture.
(3) Represents GLA of wholly-owned and partially owned consolidated operating properties weighted by months of operation. GLA is not adjusted for fluctuations in occupancy that may occur subsequent to the original opening date. Excludes GLA of properties for which their results are included in discontinued operations.

</TABLE>

The table set forth below summarizes certain information with respect to our existing centers in which we have an ownership interest as of June 30, 2004.

Location	GLA (sq. ft.)	% Occupied	Mortgage Debt Outstanding (000's) as of June 30, 2004
Riverhead, NY (1)	729,238	99	$ ---
Rehoboth, DE (1) (3)	568,787	99	39,568
Foley, AL (3)	535,675	99	32,357
San Marcos, TX	442,486	96	36,957
Myrtle Beach Hwy 501, SC (3)	427,388	97	22,973
Sevierville, TN (1)	419,023	100	---
Hilton Head, SC (3)	393,094	89	18,558
Commerce II, GA	342,556	97	29,500
Howell, MI	325,231	100	---
Myrtle Beach Hwy 17, SC (1) (2)	374,399	100	---
Park City, UT (3)	300,602	97	12,642
Westbrook, CT (3)	291,051	90	15,023
Branson, MO	277,883	100	24,000
Williamsburg, IA	277,230	96	18,870
Lincoln City, OR (3)	270,280	93	10,447
Tuscola, IL (3)	258,114	77	20,274
Lancaster, PA	255,152	96	13,997
Locust Grove, GA	247,454	99	---
Gonzales, LA	245,199	93	---
Tilton, NH (3)	227,966	98	13,054
Fort Meyers, FL	198,789	82	---
Commerce I, GA	185,750	68	7,558
Terrell, TX	177,490	97	---
Dalton, GA	173,430	79	10,812
Seymour, IN	141,051	82	---
North Branch, MN	134,480	99	---
West Branch, MI	112,420	100	6,864
Barstow, CA	108,950	95	---
Blowing Rock, NC	105,448	100	9,443
Pigeon Forge, TN (1)	94,558	93	---
Nags Head, NC	82,178	100	6,408
Boaz, AL	79,575	97	---
Kittery I, ME	59,694	100	6,152
Kittery II, ME	24,619	100	---
	8,887,240	95	355,457
Debt premium			10,608
			$366,065

(1) These properties or a portion thereof are subject to a ground lease.
(2) Represents property that is currently held through an unconsolidated joint venture in which we own a 50% interest. The joint venture had $32.0 million of construction loan debt as of June 30, 2004.
(3) Represents properties that are currently held through a consolidated joint venture in which we own a one-third interest.

RESULTS OF OPERATIONS

Comparison of the three months ended June 30, 2004 to the three months ended June 30, 2003

Base rentals increased $13.1 million, or 68%, in the 2004 period when compared to the same period in 2003. The increase is primarily due to the December 2003 acquisition of the COROC portfolio of nine outlet center properties. Base rent per weighted average GLA increased by $.10 per square foot from $3.71 per square foot in the 2003 period to $3.81 per square foot in the 2004 period. The increase is primarily the result of the COROC portfolio acquisition which had a higher average base rent per square foot compared to the pre-acquisition portfolio average. In addition, base rent is impacted by the amortization of above/below market rate lease values associated with the required purchase price allocation associated with the acquisition of the COROC portfolio. The values of the above and below market leases are amortized and recorded as either an increase (in the case of below market leases) or a decrease (in the case of above market leases) to rental income over the remaining term of the associated lease. If a tenant vacates its space prior to the contractual termination of the lease and no rental payments are being made on the lease, any unamortized balance of the related above/below market lease value will be written off and could materially impact our net income and funds from operations positively or negatively. The overall portfolio occupancy at June 30, 2004 decreased 1% from 96% to 95% compared to June 30, 2003 due to the addition of the COROC portfolio which had a lower average occupancy rate, 94% compared to the remaining properties that had an average occupancy rate of 96%. One center experienced a negative occupancy trend of at least 10% from June 30, 2003 to June 30, 2004 offset by two centers which experienced a positive occupancy gain of at least 10%.

Percentage rentals, which represent revenues based on a percentage of tenants' sales volume above predetermined levels (the "breakpoint"), increased $408,000 or 74%, and on a weighted average GLA basis, remained at $.11 per square foot in the 2004 and 2003 periods. The dollar increase was partially the result of the COROC portfolio acquisition as well as an increase in tenant sales during the last twelve months. Reported same-space sales per square foot for the rolling twelve months ended June 30, 2004 were $309 per square foot. This represents a 5% increase compared to the same period in 2003. 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.

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 88% and 84% in the 2004 and 2003 periods, respectively. The increase is due to higher reimbursement rates at the COROC portfolio.

Other income increased $1.6 million, or 203%, in the 2004 period compared to the 2003 period and on a weighted average GLA basis, increased $.13 per square foot from $.15 to $.28. Other income in the 2004 period includes gains from the sales of three outparcels of land of $1.2 million. In the 2003 period there were no sales of outparcels of land. The remaining increase is primarily attributable to increases in vending income and management fees.

Property operating expenses increased by $5.2 million, or 53%, in the 2004 period as compared to the 2003 period and, on a weighted average GLA basis, decreased $.13 per square foot from $1.88 to $1.75. The dollar increase is the result of the additional operating costs of the COROC portfolio in the 2004 period. The decrease on a weighted average GLA basis is due to expenses at the COROC portfolio per square foot being lower than the portfolio average for the second quarter.

General and administrative expenses increased $803,000, or 33%, in the 2004 period as compared to the 2003 period. The increase is primarily due to the additional employees hired as a result of the acquisition of the COROC portfolio. However, as a percentage of total revenues, general and administrative expenses decreased from 8.5% in the 2003 period to 6.6% in the 2004 period and, on a weighted average GLA basis, decreased from $.47 per square foot in the 2003 period to $.38 per square foot in the 2004 period.

Depreciation and amortization per weighted average GLA increased from $1.32 per square foot in the 2003 period to $1.54 per square foot in the 2004 period due to a higher mix of tenant finishing allowances included in buildings and improvements which are depreciated over shorter lives (i.e. over lives generally ranging from 3 to 10 years as opposed to other construction costs which are depreciated over lives ranging from 15 to 33 years). Also, certain assets in the acquisition of the COROC portfolio in December 2003 accounted for under SFAS 141 "Business Combinations" ("FAS 141") were allocated to lease costs which are amortized over shorter lives than building costs.

Interest expense increased $2.3 million, or 36%, during the 2004 period as compared to the 2003 period due to primarily to the assumption of $186.4 million of cross-collateralized debt in the fourth quarter of 2003 related to the acquisition of the COROC portfolio.

Consolidated joint venture minority interest increased $6.6 million due to the allocation of earnings to our joint venture partner with whom we own the COROC portfolio. The COROC portfolio was acquired in late December 2003. The allocation of earnings to our joint venture partner is based on a preferred return on investment as opposed to their ownership percentage and accordingly has a significant impact on our earnings.

Discontinued operations increased $2.2 million due to the sale of the Clover and LLBean, New Hampshire properties in the 2004 period resulting in a gain on sale of real estate of approximately $2.1 million. Also, included in the 2003 period is the sale of the Martinsburg, West Virginia center which was sold at a loss of approximately $735,000.

Comparison of the six months ended June 30, 2004 to the six months ended June 30, 2003

Base rentals increased $25.9 million, or 68%, in the 2004 period when compared to the same period in 2003. The increase is primarily due to the acquisition of the COROC portfolio of outlet center properties. Base rent per weighted average GLA increased by $.17 per square foot from $7.38 per square foot in the 2003 period to $7.55 per square foot in the 2004 period. The increase is primarily the result of the COROC portfolio acquisition which had a higher average base rent per square foot compared to the pre-acquisition portfolio average. In addition, base rent is impacted by the amortization of above/below market rate lease values associated with the required purchase price allocation associated with the acquisition of the COROC portfolio. The values of the above and below market leases are amortized and recorded as either an increase (in the case of below market leases) or a decrease (in the case of above market leases) to rental income over the remaining term of the associated lease. If a tenant vacates its space prior to the contractual termination of the lease and no rental payments are being made on the lease, any unamortized balance of the related above/below market lease value will be written off and could materially impact our net income and funds from operations positively or negatively. The overall portfolio occupancy at June 30, 2004 decreased 1% from 96% to 95% compared to June 30, 2003 due to the addition of the COROC portfolio which had a lower average occupancy rate, 94% compared to the remaining properties that had an average occupancy rate of 96%. One center experienced a negative occupancy trend of at least 10% from June 30, 2003 to June 30, 2004 offset by two centers which experienced a positive occupancy gain of at least 10%.

Percentage rentals, which represent revenues based on a percentage of tenants' sales volume above predetermined levels (the "breakpoint"), increased $726,000 or 77%, and on a weighted average GLA basis, increased $.02 per square foot in the 2004 period compared to the 2003 period. The increase was partially the result of the COROC portfolio acquisition as well as an increase in tenant sales during the last twelve months. Reported same-space sales per square foot for the rolling twelve months ended June 30, 2004 were $309 per square foot. This represents a 5% increase compared to the same period in 2003. 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.

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 88% and 85% in the 2004 and 2003 periods, respectively. The increase is due to higher reimbursement rates at the COROC properties.

Other income increased $1.8 million, or 124%, in the 2004 period compared to the 2003 period and on a weighted average GLA basis, increased $.10 per square foot from $.28 to $.38. Other income in the 2004 period includes gains from the sales of three outparcels of land of $1.2 million. In the 2003 period there were no sales of outparcels of land. The remaining increase is primarily attributable to increases in vending income and management fees.

Property operating expenses increased by $9.2 million, or 48%, in the 2004 period as compared to the 2003 period and, on a weighted average GLA basis, decreased $.36 per square foot from $3.71 to $3.35. The dollar increase is the result of the additional operating costs of the COROC portfolio in the 2004 period. The decrease on a weighted average GLA basis is due to expenses at the COROC portfolio per square foot being lower than the portfolio average for the first six months of 2004.

General and administrative expenses increased $1.5 million, or 31%, in the 2004 period as compared to the 2003 period. The increase is primarily due to the additional employees hired as a result of the acquisition of the COROC portfolio. However, as a percentage of total revenues, general and administrative expenses decreased from 8.5% in the 2003 period to 6.8% in the 2004 period and, on a weighted average GLA basis, decreased from $.94 per square foot in the 2003 period to $.75 per square foot in the 2004 period.

Depreciation and amortization per weighted average GLA increased from $2.68 per square foot in the 2003 period to $2.99 per square foot in the 2004 period due to a higher mix of tenant finishing allowances included in buildings and improvements which are depreciated over shorter lives (i.e. over lives generally ranging from 3 to 10 years as opposed to other construction costs which are depreciated over lives ranging from 15 to 33 years). Also, certain assets in the acquisition of the COROC portfolio in December 2003 accounted for under SFAS 141 "Business Combinations" ("FAS 141") were allocated to lease costs which are amortized over shorter lives than building costs.

Interest expense increased $4.5 million, or 34%, during the 2004 period as compared to the 2003 period due primarily to the assumption of $186.4 million of cross-collateralized debt in the fourth quarter of 2003 related to the acquisition of the COROC portfolio.

Equity in earnings from unconsolidated joint ventures increased $68,000, or 18%, in the 2004 period compared to the 2003 period due to the TWMB Associates, LLC ("TWMB"), outlet center in Myrtle Beach, South Carolina having 65,000 more square feet of GLA open in the 2004 period versus the 2003 period. TWMB is an unconsolidated joint venture in which we have a 50% ownership interest.

Consolidated joint venture minority interest increased $13.2 million due to the allocation of earnings to our joint venture partner with whom we own the COROC portfolio. The COROC portfolio was acquired in late December 2003. The allocation of earnings to our joint venture partner is based on a preferred return on investment as opposed to their ownership percentage and accordingly has a significant impact on our earnings.

Discontinued operations increased $2.3 million due to the sale of the Clover and LLBean, New Hampshire properties in the 2004 period resulting in a gain on sale of real estate of approximately $2.1 million. Also, included in the 2003 period is the sale of the Martinsburg, West Virginia center which was sold at a loss of approximately $735,000.

LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by operating activities was $40.4 million and $21.5 million for the six months ended June 30, 2004 and 2003, respectively. The increase in cash provided by operating activities is due primarily to the incremental income from the COROC acquisition in December 2003. Net cash used in investing activities was $4.7 and $4.8 million during the first six months of 2004 and 2003, respectively. Net cash used in financing activities was $36.8 million and $17.5 million during the first six months of 2004 and 2003, respectively. Cash used was higher in 2004 due primarily to increased dividends in 2004 compared to 2003, debt repayments and distributions paid to the minority interest partner in our consolidated joint venture offset by proceeds from the sale of common shares.

Our consolidated cash balance increased $8.5 million from June 30, 2003 to June 30, 2004 due primarily to cash held in reserve at our consolidated joint venture, COROC.

Development and Dispositions

Pittsburgh, Pennsylvania

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 2006.

Charleston, South Carolina

We have an option to purchase land and have begun the early development and leasing of a site located near Charleston, South Carolina. We currently expect the center to be approximately 370,000 square feet upon total build out with the initial phase scheduled to open in 2006.

Wisconsin Dells, Wisconsin

We have begun the early development and leasing of a site located near Wisconsin Dells, Wisconsin. We currently expect the center to be approximately 300,000 square feet upon total build out with the initial phase scheduled to open in 2006.

Outparcels

During the second quarter of 2004 we sold three outparcels of undeveloped land at our Branson, Missouri; Westbrook, Connecticut; and Gonzales, Louisiana centers respectively. Net proceeds received were approximately $2.5 million and a gain of approximately $1.2 million was recorded in other income in the second quarter of 2004.

Joint Ventures

TWMB Associates, LLC

During the second quarter, TWMB completed the construction of a 79,000 square foot third-phase expansion of the Myrtle Beach center at an approximate cost of $9.7 million. As of June 30, 2004, 50,000 square feet were open with the remainder of the stores scheduled to open during July and August 2004. We and our partner each made capital contributions during the fourth quarter of 2003 of $1.7 million for the third phase. The completion of this expansion brings the total gross leasable area of TWMB's Myrtle Beach center to approximately 403,000 square feet.

In conjunction with the construction of the center, TWMB maintains a construction loan in the amount of $36.2 million with Bank of America, NA (Agent) and SouthTrust Bank due in September 2005. As of June 30, 2004 the construction loan had a balance of $32.0 million. In August of 2002, TWMB entered into an interest rate swap agreement with Bank of America, NA effective through August 2004 with a notional amount of $19 million. Under this agreement, TWMB receives a floating interest rate based on the 30 day LIBOR index and pays a fixed interest rate of 2.49%. This swap effectively changes the payment of interest on $19 million of variable rate debt to fixed rate debt for the contract period at a rate of 4.49%. All debt incurred by this unconsolidated joint venture is collateralized by its property as well as joint and several guarantees by both partners.

Either partner in TWMB has the right to initiate the sale or purchase of the other party's interest at certain times. 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 partner enacts 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 our partner'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, South Carolina area.

Deer Park Enterprise, LLC

Deer Park Enterprise, LLC ("Deer Park") is a joint venture agreement in which we have a one-third ownership interest entered into by us in September 2003 with two other members for the purpose of, but not limited to, developing a site located in Deer Park, New York. We currently expect the center to be approximately 790,000 square feet upon total buildout. We expect the site will contain both outlet and big box retail tenants with the initial phase scheduled for delivery in late 2006 or early 2007.

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

Financing Arrangements

At June 30, 2004, approximately 29% of our outstanding long-term debt represented unsecured borrowings and approximately 34% of the gross book value of our real estate portfolio was unencumbered. The average interest rate, including loan cost amortization, on average debt outstanding for the three months ended June 30, 2004 was 7.54%.

In December 2003, we completed a public offering of 2,300,000 common shares at a price of $40.50 per share, receiving net proceeds of approximately $88.0 million. The net proceeds were used together with other available funds to finance our portion of the equity required to purchase the COROC portfolio of outlet shopping centers as mentioned in General Overview above and for general corporate purposes. In addition, in January 2004, the underwriters of the December 2003 offering exercised in full their over-allotment option to purchase an additional 345,000 common shares at the offering price of $40.50 per share. We received net proceeds of approximately $13.2 million from the exercise of the over-allotment.

We intend to retain the ability to raise additional capital, including public debt or equity, to pursue attractive investment opportunities that may arise and to otherwise act in a manner that we believe to be in our shareholders' best interests. Prior to the common share offerings in 2002, 2003 and 2004, we had established a shelf registration to allow us to issue up to $400 million in

either all debt or all equity or any combination thereof. We intend to restock this shelf up to its $400 million level during 2004. To generate capital to reinvest into other attractive investment opportunities, we may also consider the use of additional operational and developmental joint ventures, selling certain properties that do not meet our long-term investment criteria as well as outparcels on existing properties.

We maintain unsecured, revolving lines of credit that provided for unsecured borrowings of up to $100 million at June 30, 2004. Subsequent to June 30, 2004, we were successful in obtaining a commitment for an additional $25 million unsecured line of credit from Citicorp North America, Inc., a subsidiary of Citigroup, bringing the total committed unsecured lines of credit to $125 million. In addition, we have obtained commitments to extend the maturity dates on all of our lines of credit until June of 2007. 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 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 Real Estate Investment Trust ("REIT") requirements in both the short and long term. Although we receive most of our rental payments on a monthly basis, distributions to shareholders are made quarterly and interest payments on the senior, unsecured notes are made semi-annually. Amounts accumulated for such payments will be used in the interim to reduce the outstanding borrowings under the existing lines of credit or invested in short-term money market or other suitable instruments.

On July 15, 2004, our Board of Directors declared a $.6250 cash dividend per common share payable on August 16, 2004 to each shareholder of record on July 30, 2004, and caused a $.6250 per Operating Partnership unit cash distribution to be paid to the Operating Partnership's minority interest.

Critical Accounting Policies and Estimates

Refer to our 2003 Annual Report on Form 10-K for a discussion of our critical accounting policies which include principles of consolidation, acquisition of real estate, cost capitalization, impairment of long-lived assets and revenue recognition. There have been no material changes to these policies in 2004.

Funds from Operations ("FFO")

Funds from Operations ("FFO"), represents income 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.

FFO is intended to exclude GAAP historical cost depreciation of real estate, which assumes that the value of real estate assets diminish ratably over time. Historically, however, real estate values have risen or fallen with market conditions. Because FFO excludes depreciation and amortization unique to real estate, gains and losses from property dispositions and extraordinary items, it provides a performance measure that, when compared year over year, reflects the impact to operations from trends in occupancy rates, rental rates, operating costs, development activities and interest costs, providing perspective not immediately apparent from net income.

We present FFO because we consider it an important supplemental measure of our operating performance and believe it is frequently used by securities analysts, investors and other interested parties in the evaluation of REITs, any of which present FFO when reporting their results. FFO is widely used by us and others in our industry to evaluate and price potential acquisition candidates. The National Association of Real Estate Investment Trusts, Inc., of which we are a member, has encouraged its member companies to report their FFO as a supplemental, industry-wide standard measure of REIT operating performance. In addition, our employment agreements with certain members of management base a portion of their bonus compensation on our FFO performance.

FFO has significant limitations as an analytical tool, and should not be considered in isolation, or as a substitute for, analysis of our results as reported under GAAP. Some of these limitations are:

- FFO does not reflect our cash expenditures, or future requirements for, capital expenditures or contractual commitments;
- FFO does not reflect changes in, or cash requirements for, our working capital needs;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and FFO does not reflect any cash requirements for such replacements;
- FFO may reflect the impact of earnings or charges resulting from matters which may not be indicative of our ongoing operations; and

- - Other companies in our industry may calculate FFO differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, FFO should not be considered as a measure of discretionary cash available to us to invest in the growth of our business or our dividend paying capacity. We compensate for these limitations by relying primarily on our GAAP results and using FFO only supplementally. See the statements of cash flow included in our consolidated financial statements.

<TABLE>
<CAPTION>

Below is a calculation of FFO for the three and six months ended June 30, 2004 and 2003 and other data for those respective periods (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Funds from Operations:				
<S>	<C>	<C>	<C>	<C>
Net income	$ 3,745	$ 2,307	$ 4,757	$ 4,498
Adjusted for				
Minority interest in operating partnership	445	757	644	1,306
Minority interest adjustment - consolidated joint venture	(329)	---	(296)	---
Minority interest, depreciation and amortization attributable to discontinued operations	463	118	558	418
Depreciation and amortization uniquely significant to real estate - wholly owned	13,062	6,806	25,316	13,790
Depreciation and amortization uniquely significant to real estate - unconsolidated joint venture	304	266	604	520
(Gain)/loss on sale of real estate	(2,084)	735	(2,084)	735
Funds from operations	$ 15,606	$ 10,989	$ 29,499	$ 21,267
Weighted average shares outstanding (1)	16,627	13,432	16,574	13,304

(1) Assumes the partnership units of the Operating Partnership held by the minority interest in the Operating Partnership and share and unit options and unvested restricted share awards 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 2004, we have approximately 1,790,000 square feet, or 19% of our portfolio, coming up for renewal. If we were 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 June 30, 2004, we have renewed approximately 1,041,000 square feet, or 58% of the square feet scheduled to expire in 2004. The existing tenants have renewed at an average base rental rate approximately 8% higher than the expiring rate. We also re-tenanted approximately 282,000 square feet of vacant space during the first six months of 2004 at a 2% 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 5.8% of our combined base and percentage rental revenues for the three months ended June 30, 2004. 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 re-leased.

As of June 30, 2004 and 2003, 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.

We negotiate long-term fixed rate debt instruments and enter into interest rate swap agreements to manage our exposure to interest rate changes. The swaps involve the exchange of fixed and variable interest rate payments based on a contractual principal amount and time period. Payments or receipts on the agreements are recorded as adjustments to interest expense. At June 30, 2004, TWMB had an interest rate swap agreement effective through August 2004 with a notional amount of $19 million. Under this agreement, TWMB receives a floating interest rate based on the 30 day LIBOR index and pays a fixed interest rate of 2.49%. This swap effectively changes the payment of interest on $19 million of variable rate construction debt to fixed rate debt for the contract period at a rate of 4.49%.

The fair value of the interest rate swap agreement represents the estimated receipts or payments that would be made to terminate the agreement. At June 30, 2004, TWMB would have paid approximately $40,000 to terminate the agreement. A 1% decrease in the 30 day LIBOR index would increase the amount paid by TWMB by $32,000 to approximately $72,000. The fair value is based on dealer quotes, considering current interest rates and the 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 balance sheet; however, if held to maturity, the value of the swap will be zero at that time.

The fair market value of long-term fixed interest rate debt is subject to market risk. Generally, the fair market value of fixed interest rate debt will increase as interest rates fall and decrease as interest rates rise. The estimated fair value of our total long-term debt at June 30, 2004 was $536.6 million and its recorded value was $513.6 million. A 1% increase from prevailing interest rates at June 30, 2004 would result in a decrease in fair value of total long-term debt by approximately $8.7 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 on June 30, 2004 (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 4. Submission of Matters to a Vote of Security Holders

On May 14, 2004, we held our Annual Meeting of Shareholders. The common shareholders voted on three matters. The first matter on which common shareholders voted was the election of five directors to serve until the next Annual Meeting of Shareholders. The results of the voting are as shown below:

Nominees	Votes For	Votes Withheld
Stanley K. Tanger	11,471,471	136,970
Steven B. Tanger	11,441,152	167,289
Jack Africk	11,428,147	180,294
William G. Benton	11,458,363	150,078
Thomas E. Robinson	11,467,886	140,555

The second matter on which common shareholders voted was the ratification of the Amended and Restated Incentive Award Plan in order to add restricted shares and other share-based grants to the Plan, to reflect the merger of the Unit Option Plan of the Operating Partnership into the Plan and to amend the Plan in certain other respects. The results of the voting are as shown below:

Votes For	Votes Against	Abstain	No Vote
7,982,132	708,883	86,954	2,830,472

The third matter on which common shareholders voted was the ratification of an increase, from 2,250,000 to 3,000,000 in the aggregate number of common shares which may be issued under the Incentive Award Plan. The results of the voting are as shown below:

Votes For	Votes Against	Abstain	No Vote
4,911,609	3,787,053	79,307	2,830,472

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

10.1 Amended and Restated Employment Agreement for Stanley K. Tanger as of January 1, 2004.

10.2 Amended and Restated Employment Agreement for Steven B. Tanger as of January 1, 2004.

10.3 Amended and Restated Employment Agreement for Frank C. Marchisello, Jr. as of January 1, 2004.

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

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

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

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

(b) Reports on Form 8-K

We filed the following reports on Form 8-K during the three months ended June 30, 2004:

Current Report on Form 8-K dated April 27, 2004 to furnish the March 31, 2004 Supplemental Operating and Financial Data

SIGNATURES

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

TANGER FACTORY OUTLET CENTERS, INC.

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

DATE: August 6, 2004

Exhibit Index

Exhibit No.	Description
10.1	Amended and Restated Employment Agreement of Stanley K. Tanger as of January 1, 2004.
10.2	Amended and Restated Employment Agreement of Steven B. Tanger as of January 1, 2004.
10.3	Amended and Restated Employment Agreement of Frank C. Marchisello, Jr. as of January 1, 2004.
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.

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT is entered into and made effective as of January 1, 2004 by and among TANGER PROPERTIES LIMITED PARTNERSHIP (the "Partnership"), a North Carolina limited partnership, TANGER FACTORY OUTLET CENTERS, INC. (the "Company"), a North Carolina corporation and STANLEY K. TANGER (the "Executive").

RECITALS:

A. The Executive is the Chief Executive Officer of the Partnership, an officer of the Company and Chairman of the Board of Directors of the Company under the terms of an Amended and Restated Employment Agreement dated as of January 1, 1998 between the Executive, the Partnership and the Company (the "Existing Employment Contract"). The term of the Existing Employment Contract has been extended by its terms to end on December 31, 2006.

B. The Company, the Partnership and the Executive intend to modify and amend the Existing Employment Contract and to extend its term as provided herein.

NOW, THEREFORE, in consideration of the foregoing and of the respective covenants and agreements set forth below the parties hereto agree as follows:

1. Certain Definitions.

(a) "Annual Base Salary" is defined in Section 7(a).

(b) "Annual Bonus" is defined in Section 7(d).

(c) "Benefits" is defined in Section 7(b)(iii).

(d) "Cause" For purposes of this Agreement, the Partnership or the Company shall have "Cause" to terminate the Executive's employment hereunder upon (i) the Executive 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).

(e) "Change of Control" shall mean (A) the sale, lease, exchange or other transfer (other than pursuant to internal reorganization) by the Company or the Partnership 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 the Company or the Partnership does not survive as an independent, publicly owned corporation or the Company ceases to be the sole general partner of the Partnership; or (C) the acquisition of securities of the Company or the Partnership 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 the Executive 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 the Company (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; (D) a merger involving the Company if, immediately following the merger, the holders of the Company'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 (E) 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.

(f) "Disability" shall mean the absence of the Executive from the Executive's duties to the Partnership and/or the Company 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 Partnership or the Company and acceptable to the Executive or the Executive's legal representative (such agreement as to acceptability not to be withheld unreasonably).

(g) A "Contract Year" shall be a calendar year.

(h) "Good Reason" The Executive 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 (i) the principal duties of the Executive are required to be performed at a location other than the Greensboro, North Carolina metropolitan area without his consent or (ii) the Executive no longer reports directly to the Board of Directors;

(3) the relocation of the Company and/or the Partnership headquarters outside of the Greensboro, North Carolina metropolitan area without his consent;

(4) a material breach of this Employment Agreement by the Partnership or 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 and the Partnership of the Executive's written demand for payment thereof;

(5) if the Executive elects to terminate his employment by written notice to the Company and the Partnership within the 180 day period following a Change of Control; or

(6) if the Executive is removed, or is not re-elected as a Director of the Company.

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

2. Employment.

(a) The Partnership and the Company shall continue to employ the Executive and the Executive shall remain in the employ of the Partnership and the Company during the Contract Term (as defined in this Section 2) in the positions set forth in Section 3 and upon the other terms and conditions herein provided, unless the Executive's employment is terminated earlier as provided in Section 8 hereof.

(b) The initial Contract Term of this Amended and Restated Employment Agreement shall begin as of January 1, 2004 (the "Commencement Date") and shall end on December 31, 2006 (the "Initial Contract Term"). On January 1, 2005 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) the Executive's employment has been earlier terminated as provided in Section 8 or (ii) either the Partnership or the Company gives written notice to the Executive one hundred eighty (180) days prior to the Extension Date that the Contract Term shall not be automatically extended. For purposes of illustration, if the Executive's employment has not been terminated as provided in Section 8 and if neither the Company nor the Partnership has given written notice to the Executive at least 180 days prior to January 1, 2005 that the Contract Term will not be extended, on January 1, 2005, the Contract Term will be extended to and including December 31, 2007.

If the Contract Term is extended as provided herein, the Executive's employment may be terminated (other than upon expiration) only as provided in Section 8. References herein to the "Contract Term"shall refer to the Initial Contract Term as extended pursuant to this Section 2.

3. Position and Duties. During the Executive's employment hereunder, he shall serve as:

(a) an executive employee of the Partnership and shall have such duties, functions, responsibilities and authority as are consistent with the Executive's position,

(b) the Chief Executive Officer and Chairman of the Board of Directors of the Company and shall have such duties, functions, responsibilities and authority as are consistent with the Executive's position as the senior executive officer in charge of the general management, business and affairs of the Company (and the Partnership, through the Company's capacity as general partner of the Partnership), and

(c) if elected or appointed thereto, as a Director and Chairman of the Board of directors of the Company.

The Executive's position, duties and responsibilities may not be changed and the Executive's Annual Base Salary may not be reduced during his employment hereunder.

4. Competition.

(a) The Executive shall be permanently prohibited from engaging in Competition (as defined in subsection 4(b) below) with the Partnership or the Company.

(b) The term "Competition" for purposes of this Agreement shall mean the engagement outside the Partnership and the Company

(1) in any material commercial real estate activities, with the exception of

(i) the development or ownership of properties (or replacement properties) which were owned collectively or individually by the Executive, by members of his family or by any entity in which any of them owned an interest or which was for the benefit of any of them prior to June 30, 1993 (including the three factory outlet centers in which the Executive is a 50% partner, the shopping center on West Market Street in Greensboro, North Carolina (such four properties defined herein as the "Excluded Properties") and the interests of the Tanger Family Limited Partnership),

(ii) the direct or indirect passive investment in commercial real estate, and

(iii) 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 that,

(2) "Competition" shall include management, development or construction of any factory outlet centers or competing retail commercial property or any other active or passive investment in property connected with a factory outlet center or a competing retail commercial property, with the exception of

(i) the activities permitted in subparagraph 4(b)(i)(A) with respect to the Excluded Properties,

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

(iii) the employment under this Agreement.

(c) The Executive covenants that a breach of subsection 4 (a) above

would immediately and irreparably harm the Partnership and the Company and that a remedy at law would be inadequate to compensate the Partnership and the Company for their losses by reason of such breach and therefore that the Partnership and/or the Company 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 the Executive from committing any violation of subsection 4(a) above, and the Executive hereby consents to the issuance of such injunction.

5. Registration Rights. The Executive shall have registration rights pursuant to the Registration Rights Agreement attached hereto as Exhibit A.

6. Place of Performance. During his employment hereunder, the Executive shall be based at the Partnership's principal executive offices and the Company's principal executive offices located in Greensboro, North Carolina.

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

(a) Annual Base Salary. The Executive's annual base compensation ("Annual Base Salary") payable with respect to the Contract Year ending December 31, 2004 shall be $470,000. The amount of Annual Base Salary payable to the Executive with respect to each Contract Year thereafter shall be an amount negotiated between and agreed upon by the Executive and the Board of Directors of the Company (in its capacity as general partner and in its own behalf) but in no event less than the Executive's Annual Base Salary for the prior Contract Year.

(b) Benefits. The Executive shall be entitled to

(1) receive stock options (incentive or nonqualified) under the Company's Stock Option Plan and the Partnership's Unit Option Plan;

(2) participate in the Partnership's 401(k) Savings Plan, and

(3) participate in or receive benefits under any employee benefit plan

or other arrangement made available by the Partnership or the Company to any of its employees (collectively "Benefits"),on terms at least as favorable as those on which any other employee of the Partnership or the Company shall participate; provided, however, that the Executive shall be entitled to four weeks of paid vacation during each Contract Year, exclusive of Partnership holidays.

Without the Executive's prior written consent, the Company and/or the Partnership will not terminate or reduce any benefits paid to the Executive under this Section 7(b) unless the Executive is furnished with a benefit that is substantially equivalent.

(c) Automobile. In addition to the other compensation and benefits described in this Section 7, the Executive shall be entitled to receive a monthly automobile allowance of $800, payable at the same times Base Salary is payable hereunder. The Executive may apply such allowance in any manner, and shall be entitled to retain any portion of such allowance not applied towards his automobile expense. The Executive shall be responsible for all automobile costs and expenses in excess of the allowance provided hereunder.

(d) Annual Bonus. As additional compensation for services rendered, the Executive shall receive such bonus or bonuses as the Company's Compensation Committee may from time to time approve including without limitations awards under the Company's Incentive Award Plan.

(e) Expenses. The Partnership and the Company shall promptly reimburse the Executive for all reasonable travel and other business expenses incurred by the Executive in the performance of his duties to the Partnership and the Company, respectively, hereunder.

(f) Payment of Compensation. For each Contract Year or portion thereof covered by this Agreement, the Company shall be liable for the percentage described below (the "Company Percentage") of the cost of the Executive's Annual Base Salary, and for any awards granted by the Company to the Executive pursuant to the Incentive Award Plan of the Company and the Partnership (the "Incentive Award Plan"), and the Partnership shall be liable for the remainder of the cost of the Executive's total compensation (including any awards granted by the Partnership pursuant to the Incentive Award Plan).

The Company Percentage for each Contract Year shall be determined by the Board of Directors of the Company (in its capacity as sole owner of the general partner and in its own behalf), excluding the Executive, as the reasonable allocation of the benefits for the Executive's services.

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

(a) Death. The Executive's employment hereunder shall terminate upon his death.

(b) Disability. If the Disability of the Executive has occurred during the Contract Term, the Partnership or the Company, respectively, may give the Executive written notice in accordance with Section 15(c) of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Partnership and the Company shall terminate effective on the 30th day after receipt of such notice by the Executive, provided that within the 30 days after such receipt, the Executive shall not have returned to full-time performance of his duties.

(c) Cause. The Partnership or the Company may terminate the Executive's employment hereunder for Cause.

(d) Good Reason. The Executive may terminate his employment for Good Reason.

(e) Without Cause. The Partnership or the Company may terminate the Executive's employment hereunder without Cause upon 30 days notice.

(f) Resignation without Good Reason. The Executive may resign his employment without Good Reason upon 90 days written notice to the Partnership and the Company.

(g) Notice of Termination. Any termination of the Executive's employment hereunder by the Partnership, the Company or the Executive (other than by reason of the Executive's death) shall be communicated by a notice of termination to the other parties 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 the Executive's employment under the provision indicated and (iii) specifies the effective date of the termination.

9. Severance Benefits.

(a) Termination without Cause or for Good Reason: If the Executive's employment shall be terminated (i) by the Company or the Partnership other than for Cause (as defined above) or (ii) by the Executive for Good Reason (as defined above), the Partnership and the Company shall pay a lump sum cash payment (the "Severance Payment") to the Executive within thirty (30) days after such termination of the Executive's employment in an amount equal to 300% of the sum of (A) his Annual Base Salary, (B) his Deemed Annual Bonus for the Contract Year in which the termination occurs and (C) his annual automobile allowance under Section 7(c) hereof. In addition, the Partnership and the Company shall continue to provide all Benefits to the Executive under this Agreement for each Contract Year through the end of the Contract Term. For these purposes, the Executive's Deemed Annual Bonus for any Contract Year shall be the greater of (i)the Executive's Average Annual Bonus for that Contract Year and (ii) Executive's Annual Bonus for the prior Contract Year. The Executive's Average Annual Bonus for a Contract Year shall be an amount equal to the sum of all Annual Bonuses earned by the Executive for the Contract Years immediately preceding the Contract Year for which the calculation is being made (not exceeding three (3) Contract Years) divided by the number of such Annual Bonuses. In calculating the Executive's Annual Bonus or Average Annual Bonus for a Contract Year, the amount of any share-based award under the Incentive Award Plan that the Executive is required to recognize as income for federal income tax purposes in a Contract Year shall be included as part of the Executive's Annual Bonus for that Contract Year.

(b) Termination by Death or Disability. Upon the termination of the Executive's employment by reason of his death or Disability, the Company shall pay to the Executive or to the personal representatives of his estate (i) within thirty (30) days after the termination, a lump-sum amount equal to the amount of Annual Base Salary that would have been due through the end of the Contract Term assuming no early termination had occurred and assuming no increases or decreases in Annual Base Salary and (ii) on or before the day on which the Executive's Annual Bonus for the Contract Year in which the termination occurs would have been payable if the termination had not occurred, an amount equal to the Annual Bonus the Executive would have received for that Contract Year if the termination had not occurred multiplied by a fraction the numerator of which is the number of days in that Contract Year before the date of termination and the denominator of which is 365. This subsection 9(b) shall not limit the entitlement of the Executive, his estate or beneficiaries to any disability or other benefits then available to the Executive under any life, disability insurance or other benefit plan or policy which is maintained by the Partnership or the Company for the Executive's benefit.

(c) Termination for Cause or Without Good Reason. If the Executive's employment is terminated by the Company for Cause or by the Executive without Good Reason, the Executive shall be entitled to all Annual Base Salary and all Benefits accrued through the date of termination and to any accrued but unpaid Annual Bonus for a Contract Year prior to the Contract Year in which the Executive's employment was terminated.

(d) Assignment of Life Insurance. Upon any termination of the Executive's employment hereunder, the Partnership and the Company shall, at Executive's option (exercisable at any time during the period commencing upon the termination of his employment and ending 90 days thereafter), transfer the life insurance policy described in such Section 11(b) to Executive, for no consideration. In addition, notwithstanding any provision of the Partnership's Executive Deferred Compensation Plan to the contrary, all amounts in the Executive's account under such Plan(if there is such a Plan) shall be immediately payable to him.

(e) Survival. Neither the termination of the Executive'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.

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

10. Limitation on Severance Benefits.

(a) Notwithstanding any other provision of this Agreement, and except as provided in paragraph 10(b) below, payments and benefits to which Executive would otherwise be entitled under the provisions of this Agreement will be reduced (or the Executive shall make reimbursement of amounts previously paid)

to the extent necessary to prevent the Executive 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) The Executive 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 the Executive are to be reduced pursuant to paragraph 10(a) will be determined by the accounting firm servicing the Company on the date that the Executive'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 the Executive 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 10(b). When the final determination is made, the Company shall pay the Executive any additional amounts that may be due or the Executive shall reimburse the Company for any estimated amounts paid to the Executive that were in excess of the amount payable hereunder.

11. Insurance.

(a) Officers and Directors Fiduciary Liability Insurance: During the Executive's employment hereunder, the Company shall maintain, at its expense, officers and directors fiduciary liability insurance that would cover the Executive in an amount of no less than $3 million per year.

(b) Term Life Insurance or Other Employee Benefit: During the Executive's employment hereunder, the Company shall maintain in force a term life insurance policy on the Executive or shall provide Executive with another employee benefit selected by the Executive at an annual cost to the Company of no more than $17,150. if the Executive's employment is terminated prior to the expiration of the Contract Term (other than by reason of the Executive's death, a termination by the Company for Cause or a termination by the Executive without Good Reason), the Company shall pay, prior to the expiration of the ninety (90) period described in the preceding sentence, either to the Executive or, on behalf of the Executive, to the issuer(s) of such life insurance policy(ies) (if any), an amount sufficient to pay the premiums to maintain such policy(ies) in force for the remainder of the Contract Term but in no event more than $17,150 each Contract Year.

The Company shall be liable for the Company Percentage (as described in Section7(f)) of the annual premium for any such term life insurance policy and the Partnership shall be liable for the remainder of such premium. The beneficiary of any such insurance shall be designated, from time to time, by the Executive in his sole and absolute discretion.

12. Disputes and Indemnification.

(a) Any dispute or controversy arising under, out of, in connection with or in relation to this Agreement shall, at the election and upon written demand of any party to this Agreement, be finally determined and settled by arbitration in the City of Greensboro, North Carolina in accordance with the rules and procedures of the American Arbitration Association, and judgment upon the award may be entered in any court having jurisdiction thereof.

(b) The Partnership and/or the Company shall promptly pay pursuant to Section 7(e) as incurred, to the full extent permitted by law, all legal fees and expenses which the Executive may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Partnership, the Company, the Executive or others of the validity or enforceability of, or liability under, any provision of this Agreement.

(c) The Company and the Partnership agree that if the Executive is made a party, or is threatened to be made a party, to any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), by reason of the fact that he is or was a director, officer or employee of the Company or the Partnership or is or was serving at the request of the Company or the Partnership as a director, officer, member, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether or not the basis of such Proceeding is the Executive's alleged action in an official capacity while serving as a director, officer, member, employee or agent, the Executiveshall be indemnified and held harmless by the Company and the Partnership to the fullest extent legally permitted, against all cost, expense, liability and loss (including, without limitation, attorney's fees, judgements, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by the Executive in connection therewith, and such indemnification shall continue as to the Executive even if he has ceased to be a director, officer, member, employee or agent of the Company or the Partnership or other entity and shall inure to thebenefit of Executive's heirs, executors and administrators. The Company and/or the Partnership shall advance to the Executive all reasonable costs and expenses incurred by him in connection witha Proceeding within 20 days after receipt by them of a written request for such advance. Such request shall include an undertaking by the Executive to repay the amount of such advance, withoutinterest, if it shall ultimately be determined that he is not entitled to be indemnified against such costs and expenses.

13. Binding on Successors. This Agreement shall be binding upon and inure to the benefit of the Partnership, the Company, the Executive and their respective

successors, assigns, personal and legal representatives, executors, administrators, heirs, distributees, devisees, and legatees, as applicable.

14. Governing Law. This Agreement is being made and executed in and is intended to be perfol sued 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.

15. 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.

16. 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:

If to the Partnership, to:

Ms. Rochelle Simpson
Tanger Properties Limited Partnership
P.O. Box 10889
3200 Northline Avenue, Suite 360
Greensboro, NC 27404

If to the Company, to:

Ms. Rochelle Simpson
Tanger Factory Outlets Centers, Inc.
P.O. Box 10889
3200 Northline Avenue, Suite 360
Greensboro, NC 27404

If to the Executive, to:

Mr. Stanley K. Tanger
P.O. Box 10889
3200 Northline Avenue, Suite 360
Greensboro, NC 27404

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

17. 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.

18. 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 the Executive by the Partnership and 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 terns and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding to vary the terms of this Agreement.

19. Amendments: Waivers. This Agreement may not be modified, amended, or terminated except by an instrument in writing, signed by the Executive, a member of the Partnership and a disinterested director of the Company. By an instrument in writing similarly executed, the Executive or the Company and the Partnership may waive compliance by the other party or parties 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.

20. No Effect on Other Contractual Rights. Notwithstanding Section 8, the provisions of this Agreement, and any other payment provided for hereunder, shall not reduce any amounts otherwise payable to the Executive under any other agreement between the Executive and the Partnership and the Company, or in any way diminish the Executive's rights under any employee benefit plan, program or arrangement of the Partnership or the Company to which he may be entitled as an employee of the Partnership or the Company.

21. 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.

22. Legal Fees. The Company and/or the Partnership agree to pay all legal fees and expenses incurred by the Executive in negotiating this Agreement promptly

upon receipt of appropriate statements therefor.

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

EXECUTIVE

Stanley K. Tanger

TANGER FACTORY OUTLET CENTERS, INC.,
a North Carolina Corporation

By:

ROCHELLE SIMPSON, Executive Vice President

TANGER PROPERTIES LIMITED PARTNERSHIP
a North Carolina Limited Partnership

By: TANGER GP TRUST, its sole General Partner

By:

ROCHELLE SIMPSON, Executive Vice President

The Partnership and the Company hereby jointly and severally guarantee to the Executive the prompt payment in full of the compensation owed hereunder by the other.

TANGER PROPERTIES LIMITED PARTNERSHIP
a North Carolina Limited Partnership

By: TANGER GP TRUST, its sole General Partner

By:

ROCHELLE SIMPSON, Executive Vice President

TANGER FACTORY OUTLET CENTERS, INC.
a North Carolina corporation

By:

ROCHELLE SIMPSON, Executive Vice President

AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT is entered into and made effective as of January 1, 2004 by and among TANGER PROPERTIES LIMITED PARTNERSHIP (the "Partnership"), a North Carolina limited partnership, TANGER FACTORY OUTLET CENTERS, INC. (the "Company"), a North Carolina corporation and STEVEN B. TANGER (the "Executive").

RECITALS:

A. The Executive is the Chief Operating Officer of the Partnership and an officer and director of the Company under the terms of an Amended and Restated Employment Agreement dated as of January 1, 1998 between the Executive, the Partnership and the Company (the "Existing Employment Contract"). The term of the Existing Employment Contract has been extended by its terms to end on December 31, 2006.

B. The Company, the Partnership and the Executive intend modify and amend the Existing Employment Contract and to extend its term as provided herein.

NOW, THEREFORE, in consideration of the foregoing and of the respective covenants and agreements set forth below the parties hereto agree as follows:

1. Certain Definitions.

(a) "Annual Base Salary" is defined in Section 7(a).

(b) "Annual Bonus" is defined in Section 7(d).

(c) "Benefits" is defined in Section 7(b)(iii).

(d) "Cause" For purposes of this Agreement, the Partnership or the Company shall have "Cause" to terminate the Executive's employment hereunder upon (i) the Executive 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).

(e) "Change of Control" shall mean (A) the sale, lease, exchange or other transfer (other than pursuant to internal reorganization) by the Company or the Partnership 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 the Company or the Partnership does not survive as an independent, publicly owned corporation or the Company ceases to be the sole general partner of the Partnership; or (C) the acquisition of securities of the Company or the Partnership 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 the Executive 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 the Company (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; (D) a merger involving the Company if, immediately following the merger, the holders of the Company'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 (E) 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.

(f) "Disability" shall mean the absence of the Executive from the Executive's duties to the Partnership and/or the Company 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 Partnership or the Company and acceptable to the Executive or the Executive's legal representative (such agreement as to acceptability not to be withheld unreasonably).

(g) A "Contract Year" shall be a calendar year.

(h) "Good Reason": The Executive 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 (i) the principal duties of the Executive are required to be performed at a location other than New York, New York without his consent or (ii) the Executive no longer reports directly to the Board of Directors;

(3) a material breach of this Employment Agreement by the Partnership or 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 and the Partnership of the Executive's written demand for payment thereof;

(4) if the Executive elects to terminate his employment by written notice to the Company and the Partnership within the 180 day period following a Change of Control; or

(5) if the Executive is removed, or is not re-elected as a Director of the Company.

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

2. Employment.

(a) The Partnership and the Company shall continue to employ the Executive and the Executive shall remain in the employ of the Partnership and the Company during the Contract Term (as defined in this Section 2) in the positions set forth in Section 3 and upon the other terms and conditions herein provided, unless the Executive's employment is terminated earlier as provided in Section 8 hereof.

(b) The initial Contract Term of this Amended and Restated Employment Agreement shall begin as of January 1, 2004 (the "Commencement Date") and shall end on December 31, 2006 (the "Initial Contract Term"). On January 1, 2005 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) the Executive's employment has been earlier terminated as provided in Section 8 or (ii) either the Partnership or the Company gives written notice to the Executive one hundred eighty (180) days prior to the Extension Date that the Contract Term shall not be automatically extended. For purposes of illustration, if the Executive's employment has not been terminated as provided in Section 8 and if neither the Company nor the Partnership has given written notice to the Executive at least 180 days prior to January 1, 2005 that the Contract Term will not be extended, on January 1, 2005, the Contract Term will be extended to and including December 31, 2007.

If the Contract Term is extended as provided herein, the Executive's employment may be terminated (other than upon expiration) only as provided in Section 8. References herein to the "Contract Term" shall refer to the Initial Contract Term as extended pursuant to this Section 2.

3. Position and Duties. During the Executive's employment hereunder, he shall serve as:

(a) an executive employee of the Partnership and shall have such duties, functions, responsibilities and authority as are consistent with the Executive's position,

(b) the President and Chief Operating Officer of the Company and shall have such duties, functions, responsibilities and authority as are consistent with the Executive's position as an executive officer with respect to the general management, business and affairs of the Company (and the Partnership, through the Company's capacity as general partner of the Partnership), and

(c) if elected or appointed thereto, as a Director of the Company.

The Executive's position, duties and responsibilities may not be changed and the Executive's Annual Base Salary may not be reduced during the his employment hereunder.

4. Competition.

(a) Subject to the limitations and conditions in Section 4(e) hereof, the Executive shall be prohibited from engaging in Competition (as defined in subsection 4(b) below) with the Partnership or the Company during the following described periods: (i) during the period beginning on the date hereof and extending through the date on which the Executive's employment hereunder is terminated; (ii) if the Executive's employment is terminated by the Company for Cause or by the Executive without Good Reason, from the date of such termination through the date of the first anniversary of such termination date and (iii) if the Executive receives the Severance Payment described in Section 9(a) because of a termination of his employment by the Company without Cause or by the Executive 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 the Executive's employment hereunder, the term "Competition" for purposes of this Agreement shall mean the Executive's management, development or construction of any factory outlet centers or competing retail commercial property outside the Partnership and the Company or any other active or passive investment in property connected with a factory outlet center or a competing retail commercial property outside the Partnership and Company, with the exception of

(1) the development or ownership of properties (or replacement properties) which were owned collectively or individually by the Executive, by members of his family or by any entity in which any of them owned an interest or which was for the benefit of any of them prior to June 30, 1993 (including the three factory outlet centers in which Stanley K. Tanger is a 50% partner, the shopping center on West Market Street in Greensboro, North Carolina (such four properties defined herein as the "Excluded Properties") and the interests of the Tanger Family Limited Partnership),

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

(3) 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 the Executive's employment, the Executive shall be considered as engaging in "Competition" prohibited by this Section only if the Executive 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 the Company and/or the Partnership on the date the Executive's employment terminated or with respect to a property that is within a fifty (50) mile radius of any commercial property which the Company and/or Partnership actively negotiated to acquire, lease or operate within the six (6) month period ending on the date of the termination of the Executive's employment.

(c) The Executive covenants that a breach of subsection 4(a) above would immediately and irreparably harm the Partnership and the Company and that a remedy at law would be inadequate to compensate the Partnership and the Company for their losses by reason of such breach and therefore that the Partnership and/or the Company 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 the Executive from committing any violation of subsection 4(a) above, and the Executive hereby consents to the issuance of such injunction.

5. Registration Rights. The Executive shall have registration rights pursuant to the Registration Rights Agreement attached hereto as Exhibit A.

6. Place of Performance. During his employment hereunder, the Executive shall be based at the Partnership's principal executive offices and the Company's principal executive offices located in Greensboro, North Carolina or New York City, at the Executive's choice.

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

(a) Annual Base Salary. The Executive's annual base compensation ("Annual Base Salary") payable with respect to the Contract Year ending December 31, 2004 shall be $400,000. The amount of Annual Base Salary payable to the Executive with respect to each Contract Year thereafter shall be an amount negotiated between and agreed upon by the Executive and the Board of Directors of the Company (in its capacity as general partner and in its own behalf) but in no event less than the Executive's Annual Base Salary for the prior Contract Year.

(b) Benefits. The Executive shall be entitled to

(1) receive stock options (incentive or nonqualified) under the Company's Stock Option Plan and the Partnership's Unit Option Plan;

(2) participate in the Partnership's 401(k) Savings Plan, and

(3) participate in or receive benefits under any employee benefit plan or other arrangement made available by the Partnership or the Company to any of its employees (collectively "Benefits"),on terms at least as favorable as those on which any other employee of the Partnership or the Company shall participate; provided, however, that the Executive shall be entitled to four weeks of paid vacation during each Contract Year, exclusive of Partnership holidays.

Without the Executive's prior written consent, the Company and/or the Partnership will not terminate or reduce any benefits paid to the Executive under this Section 7(b) unless the Executive is furnished with a benefit that is substantially equivalent.

(c) Automobile. In addition to the other compensation and benefits described in this Section 7, the Executive shall be entitled to receive a fixed monthly automobile allowance of $800, payable at the same times that Base Salary is payable hereunder. The allowance shall be in lieu of reimbursement by the Company of any expense incurred by Executive to purchase or lease a vehicle that will be available for use by the Executive on Company business. The Executive shall not be required to provide the Company with supporting documentation to substantiate any such expenses and the allowance shall be payable whether or not the Executive actually incurs such automobile expenses in the amount of the allowance. The Executive shall be responsible for the expenses of leasing or purchasing an automobile which are in excess of the allowance provided hereunder.

(d) Annual Bonus. As additional compensation for services rendered, the Executive shall receive such bonus or bonuses as the Company's Board of Directorsw may from time to time approve including without limitations awards under the Company's Incentive Award Plan.

(e) Expenses. The Partnership and the Company shall promptly reimburse the Executive for all reasonable travel and other business expenses incurred by the Executive in the performance of his duties to the Partnership and the Company, respectively hereunder.

(f) Payment of Compensation. For each Contract Year or portion thereof covered by this Agreement, the Company shall be liable for the percentage described below (the "Company Percentage") of the cost of the Executive's Annual Base Salary, and for any awards granted by the Company to the Executive pursuant to the Incentive Award Plan of the Company and the Partnership (the "Incentive Award Plan"), and the Partnership shall be liable for the remainder of the cost of the Executive's total compensation (including any awards granted by the Partnership pursuant to the Incentive Award Plan).

The Company Percentage for each Contract Year shall be determined by the Board of Directors of the Company (in its capacity as sole owner of the general partner and in its own behalf), excluding the Executive, as the reasonable allocation of the benefits for the Executive's services.

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

(a) Death. The Executive's employment hereunder shall terminate upon his death.

(b) Disability. If the Disability of the Executive has occurred during the Contract Term, the Partnership or the Company, respectively, may give the Executive written notice in accordance with Section 15(c) of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Partnership and the Company shall terminate effective on the 30th day after receipt of such notice by the Executive, provided that within the 30 days after such receipt, the Executive shall not have returned to full-time performance of his duties.

(c) Cause. The Partnership or the Company may terminate the Executive's employment hereunder for Cause.

(d) Good Reason. The Executive may terminate his employment for Good Reason.

(e) Without Cause. The Partnership or the Company may terminate the Executive's employment hereunder without Cause upon 30 days notice.

(f) Resignation without Good Reason. The Executive may resign his employment without Good Reason upon 90 days written notice to the Partnership and the Company.

(g) Notice of Termination. Any termination of the Executive's employment hereunder by the Partnership, the Company or the Executive (other than by reason of the Executive's death) shall be communicated by a notice of termination to the other parties 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 the Executive's employment under the provision indicated and (iii) specifies the effective date of the termination.

9. Severance Benefits.

(a) Termination without Cause or for Good Reason: If the Executive's

employment shall be terminated (i) by the Company or the Partnership other than for Cause (as defined above) or (ii) by the Executive for Good Reason (as defined above), the Partnership and the Company shall pay a lump sum cash payment (the "Severance Payment") to the Executive within thirty (30) days after such termination of the Executive's employment in an amount equal to 300% of the sum of (A) his Annual Base Salary, (B) his Deemed Annual Bonus for the Contract Year in which the termination occurs and (C) his annual automobile allowance under Section 7(c) hereof. In addition, the Partnership and the Company shall continue to provide all Benefits to the Executive under this Agreement for each Contract Year through the end of the Contract Term. For these purposes, the Executive's Deemed Annual Bonus for any Contract Year shall be the greater of (i) the Executive's Average Annual Bonus for that Contract Year and (ii) Executive's Annual Bonus for the prior Contract Year. The Executive's Average Annual Bonus for a Contract Year shall be an amount equal to the sum of all Annual Bonuses earned by the Executive for the Contract Years immediately preceding the Contract Year for which the calculation is being made (not exceeding three (3) Contract Years) divided by the number of such Annual Bonuses. In calculating the Executive's Annual Bonus or Average Annual Bonus for a Contract Year, the amount of any share-based award under the Incentive Award Plan that the Executive is required to recognize as income for federal income tax purposes in a Contract Year shall be included as part of the Executive's Annual Bonus for that Contract Year.

(b) Termination by Death or Disability. Upon the termination of the Executive's employment by reason of his death or Disability, the Company shall pay to the Executive or to the personal representatives of his estate (i) within thirty (30) days after the termination, a lump-sum amount equal to the amount of Annual Base Salary that would have been due through the end of the Contract Term assuming no early termination had occurred and assuming no increases or decreases in Annual Base Salary and (ii) on or before the day on which the Executive's Annual Bonus for the Contract Year in which the termination occurs would have been payable if the termination had not occurred, an amount equal to the Annual Bonus the Executive would have received for that Contract Year if the termination had not occurred multiplied by a fraction the numerator of which is the number of days in that Contract Year before the date of termination and the denominator of which is 365. This subsection 9(b) shall not limit the entitlement of the Executive, his estate or beneficiaries to any disability or other benefits then available to the Executive under any life, disability insurance or other benefit plan or policy which is maintained by the Partnership or the Company for the Executive's benefit.

(c) Termination for Cause or Without Good Reason. If the Executive's employment
is terminated by the Company for Cause or by the Executive without Good Reason, the Executive shall be entitled to all Annual Base Salary and all Benefits accrued through the date of termination and to any accrued but unpaid Annual Bonus for a Contract Year prior to the Contract Year in which the Executive's employment was terminated.

(d) Assignment of Life Insurance. Upon any termination of the Executive's employment hereunder, the Partnership and the Company shall, at Executive's option (exercisable at any time during the period commencing upon the termination of his employment and ending 90 days thereafter), transfer the life insurance policy described in such Section 11(b) to Executive, for no consideration. In addition, notwithstanding any provision of the Partnership's Executive Deferred Compensation Plan to the contrary, all amounts in the Executive's account under such Plan (if there is such a Plan) shall be immediately payable to him.

(e) Survival. Neither the termination of the Executive'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.

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

10. Limitation on Severance Benefits.

(a) Notwithstanding any other provision of this Agreement, and except as provided in paragraph 10(b) below, payments and benefits to which Executive would otherwise be entitled under the provisions of this Agreement will be reduced (or the Executive shall make reimbursement of amounts previously paid) to the extent necessary to prevent the Executive 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) The Executive 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 the Executive are to be reduced pursuant to

paragraph 10(a) will be determined by the accounting firm servicing the Company on the date that the Executive'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 the Executive 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 10(b). When the final determination is made, the Company shall pay the Executive any additional amounts that may be due or the Executive shall reimburse the Company for any estimated amounts paid to the Executive that were in excess of the amount payable hereunder.

11. Insurance.

(a) Officers and Directors Fiduciary Liability Insurance: During the Executive's employment hereunder, the Company shall maintain, at its expense, officers and directors fiduciary liability insurance that would cover the Executive in an amount of no less than $3 million per year.

(b) Term Life Insurance: During the Executive's employment hereunder and for a period of ninety (90) days thereafter, the Company shall maintain in force a term life insurance policy on the Executive in the face amount of $10 million. If the Executive's employment is terminated prior to the expiration of the Contract Term (other than by reason of the Executive's death, a termination by the Company for Cause or a termination by the Executive without Good Reason), the Company shall pay, prior to the expiration of the ninety (90) period described in the preceding sentence, either to the Executive or, on behalf of the Executive, to the issuer(s) of such life insurance policy(ies), an amount sufficient to pay the premiums to maintain such policy(ies) in force for the remainder of the Contract Term.

The Company shall be liable for the Company Percentage (as described in Section 7(f)) of the annual premium for such term life insurance policy and the Partnership shall be liable for the remainder of such premium. The beneficiary of such insurance shall be designated, from time to time, by the Executive in his sole and absolute discretion.

12. Disputes and Indemnification.

(a) Any dispute or controversy arising under, out of, in connection with or in relation to this Agreement shall, at the election and upon written demand of any party to this Agreement, be finally determined and settled by arbitration in the City of New York, New York in accordance with the rules and procedures of the American Arbitration Association, and judgment upon the award may be entered in any court having jurisdiction thereof.

(b) The Partnership and/or the Company shall promptly pay pursuant to Section 7(e) as incurred, to the full extent permitted by law, all legal fees and expenses which the Executive may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Partnership, the Company, the Executive or others of the validity or enforceability of, or liability under, any provision of this Agreement.

(c) The Company and the Partnership agree that if the Executive is made a party, or is threatened to be made a party, to any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), by reason of the fact that he is or was a director, officer or employee of the Company or the Partnership or is or was serving at the request of the Company or the Partnership as a director, officer, member, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether or not the basis of such Proceeding is the Executive's alleged action in an official capacity while serving as a director, officer, member, employee or agent, the Executive shall be indemnified and held harmless by the Company and the Partnership to the fullest extent legally permitted, against all cost, expense, liability and loss (including, without limitation, attorney's fees, judgements, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by the Executive in connection therewith, and such indemnification shall continue as to the Executive even if he has ceased to be a director, officer, member, employee or agent of the Company or the Partnership or other entity and shall inure to the benefit of Executive's heirs, executors and administrators. The Company and/or the Partnership shall advance to the Executive all reasonable costs and expenses incurred by him in connection with a Proceeding within 20 days after receipt by them of a written request for such advance. Such request shall include an undertaking by the Executive to repay the amount of such advance, without interest, if it shall ultimately be determined that he is not entitled to be indemnified against such costs and expenses.

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

14. Governing Law. This Agreement shall be governed, construed, interpreted and

enforced in accordance with the substantive laws of the State of North Carolina, without reference to principles of conflicts or choice of law under which the law of any other jurisdiction would apply.

15. 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.

16. 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 Partnership, to:
Ms. Rochelle Simpson
Tanger Properties Limited Partnership
P.O. Box 10889
3200 Northline Avenue, Suite 360
Greensboro, NC 27404

(b) If to the Company, to: Ms. Rochelle Simpson
Tanger Factory Outlets Centers, Inc.
P.O. Box 10889
3200 Northline Avenue, Suite 360
Greensboro, NC 27404

(c) If to the Executive, to:
Mr. Steven B. Tanger
110 East 59th St.
29th Floor
New York, NY 10022

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

17. 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.

18 . 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 the Executive by the Partnership and 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.

19 . Amendments; Waivers. This Agreement may not be modified, amended, or terminated except by an instrument in writing, signed by the Executive, a member of the Partnership and a disinterested director of the Company. By an instrument in writing similarly executed, the Executive or the Company and the Partnership may waive compliance by the other party or parties 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.

20 . No Effect on Other Contractual Rights. Notwithstanding Section 8, the provisions of this Agreement, and any other payment provided for hereunder, shall not reduce any amounts otherwise payable to the Executive under any other agreement between the Executive and the Partnership and the Company, or in any way diminish the Executive's rights under any employee benefit plan, program or arrangement of the Partnership or the Company to which he may be entitled as an employee of the Partnership or the Company.

21 . 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.

22. Legal Fees. The Company and/or the Partnership agree to pay all legal fees and expenses incurred by the Executive in negotiating this Agreement promptly upon receipt of appropriate statements therefor.

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

EXECUTIVE

STEVEN B. TANGER

TANGER FACTORY OUTLET CENTERS, INC.,
a North Carolina Corporation

By: --

Print Name and Title: ------------------------

TANGER PROPERTIES LIMITED PARTNERSHIP
a North Carolina Limited Partnership

By: TANGER GP TRUST, its sole General Partner

By: --

Print Name and Title: ------------------------

The Partnership and the Company hereby jointly and severally guarantee to the Executive the prompt payment in full of the compensation owed hereunder by the other.

TANGER FACTORY OUTLET CENTERS, INC.,
a North Carolina Corporation

By: --

Print Name and Title: ------------------------

TANGER PROPERTIES LIMITED PARTNERSHIP
a North Carolina Limited Partnership

By: TANGER GP TRUST, its sole General Partner

By: --

Print Name and Title: ------------------------

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT is entered into and made effective as of January 1, 2004 between TANGER PROPERTIES LIMITED PARTNERSHIP, a North Carolina Limited Partnership, (the "Company") and FRANK C. MARCHISELLO, Jr, a resident of North Carolina, ("Marchisello").

RECITALS

A. Company and Marchisello entered into an employment agreement dated as of July 1, 2003 (the "Existing Employment Contract"). The term of the Existing Employment Contract has been extended by its terms to end on December 31, 2006.

B. The Company and Marchisello wish to modify and amend the Existing Employment Contract and to extend its term as provided herein.

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) "Annual Bonus" is defined in Section 5(b).

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

(d) "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).

(e) "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; (D) 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 (E) 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.

(f) "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).

(g) A "Contract Year" shall be a calendar year.

(h) "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.

(i) "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, 2004 (the "Commencement Date") and shall end on December 31, 2006 (the "Initial Contract Term"). On January 1, 2005 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, 2005 that the Contract Term will not be extended, on January 1, 2005, the Contract Term will be extended to and including December 31, 2007.

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, 2004 shall be $275,000.00. 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 Company but in no event less than Marchisello's Annual Base Salary for the prior Contract Year.

(b) Annual Bonus. As additional compensation for services rendered, Marchisello shall receive such bonus or bonuses as the Company's Board of Directors may from time to time approve including without limitations awards under the Company's Incentive Award Plan.

(c) 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").

(d) 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 the sum of (x) his Annual Base Salary and (y) (B) his Deemed Annual Bonus 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. For these purposes, Marchisello's Deemed Annual Bonus for any Contract Year shall be the greater of (i) his Average Annual Bonus for that Contract Year and (ii) his Annual Bonus for the prior Contract Year. Marchisello's Average Annual Bonus for a Contract Year shall be an amount equal to the sum of all Annual Bonuses earned by Marchisello for the Contract Years immediately preceding the Contract Year for which the calculation is being made (not exceeding three (3) Contract Years) divided by the number of such Annual Bonuses. In calculating Marchisello's Annual Bonus or Average Annual Bonus for a Contract Year, the amount of any share-based award under the Incentive Award Plan that Marchisello is required to recognize as income for federal income tax purposes in a Contract Year shall be included as part of Marchisello's Annual Bonus for that Contract Year.

(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 (i) within thirty (30) days after the termination, a lump-sum amount equal to the amount of Annual Base Salary for the Contract Year within which such termination occurs and (ii) on or before the day on which Marchisello's Annual Bonus for the Contract Year in which the termination occurs would have been payable if the termination had not occurred, an amount equal to the Annual Bonus Marchisello would have received for that Contract Year if the termination had not occurred multiplied by a fraction the numerator of which is the number of days in that Contract Year before the date of termination and the denominator of which is 365. This subsection 9(b) shall not limit the entitlement of Marchisello, his estate or beneficiaries to any disability or other benefits then available to Marchisello under any life, disability insurance or other benefit plan or policy which is maintained by the Company for his benefit.

(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.

.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.

.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.

.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.

.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.

.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.

.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.

.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.

.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 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: ____________________________________
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 June 30, 2004;

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

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

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

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

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

    c. presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the end of the period covered by this quarterly report;

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

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

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

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

Date: August 6, 2004

/s/ Stanley K. Tanger

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

Exhibit 31.2

CERTIFICATION

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

1. I have reviewed this quarterly report on Form 10-Q of Tanger Factory Outlet Centers, Inc. for the quarter ended June 30, 2004;

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

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

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

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

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

   c. presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the end of the period covered by this quarterly report;

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

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

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

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

Date: August 6, 2004

/s/ Frank C. Marchisello, Jr.

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

Exhibit 32.1

Certification of Chief Executive Officer

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

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended June 30, 2004 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

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

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

Dated: August 6, 2004

/s/ Stanley K. Tanger

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

Exhibit 32.2

Certification of Chief Financial Officer

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

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended June 30, 2004 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

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

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

Dated: August 6, 2004

/s/ Frank C. Marchisello, Jr.

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