FORM 10-Q

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

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

For the quarterly period ended September 30, 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 -

13,718,208 shares of Common Stock,
$.01 par value, outstanding as of October 22, 2004

TANGER FACTORY OUTLET CENTERS, INC.

Index

Part I. Financial Information

Part II. Other Information

<TABLE>

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

<S>	<C>	<C>	<C>	<C>
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
	(unaudited)		(unaudited)	
REVENUES				
Base rentals	$ 32,879	$ 19,124	$ 96,380	$ 56,534
Percentage rentals	1,289	774	2,958	1,717
Expense reimbursements	13,060	8,028	37,956	24,081
Other income	1,816	1,040	5,054	2,478
Total revenues	49,044	28,966	142,348	84,810
EXPENSES				
Property operating	14,953	9,527	43,095	28,472
General and administrative	3,346	2,489	9,757	7,367
Depreciation and amortization	14,042	6,734	39,154	20,361
Total expenses	32,341	18,750	92,006	56,200
Operating income	16,703	10,216	50,342	28,610
Interest expense	8,919	6,427	26,684	19,707
Income before equity in earnings of unconsolidated joint ventures, minority interests and discontinued operations	7,784	3,789	23,658	8,903
Equity in earnings of unconsolidated joint ventures	359	267	799	639
Minority interests				
Consolidated joint venture	(7,198)	---	(20,410)	---
Operating partnership	(175)	(916)	(743)	(2,054)
Income from continuing operations	770	3,140	3,304	7,488
Discontinued operations, net of minority interest	(2,785)	380	(562)	530
Net income (loss)	(2,015)	3,520	2,742	8,018
Less applicable preferred share dividends	---	---	---	(806)
Net income (loss) available to common shareholders	$ (2,015)	$ 3,520	$ 2,742	

				$ 7,212
Basic earnings per common share:				
Income from continuing operations	$ .06	$ .30	$ .25	$ .69
Net income (loss)	$(.15)	$ .34	$ .20	$ .74
Diluted earnings per common share:				
Income from continuing operations	$ .06	$ .30	$ .24	$ .67
Net income (loss)	$(.15)	$ .33	$ .20	$ .72
Dividends paid per common share	$ .6250	$ .6150	$ 1.8650	$ 1.8425

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

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

<S> <C> <C>

	September 30, 2004 (unaudited)	December 31, 2003
ASSETS		
Rental Property		
Land	$ 113,869	$ 119,833
Buildings, improvements and fixtures	956,109	958,720
	1,069,978	1,078,553
Accumulated depreciation	(215,172)	(192,698)
Rental property, net	854,806	885,855
Cash and cash equivalents	27,135	9,836
Deferred charges, net	60,958	68,568
Other assets	19,595	23,178
Total assets	$ 962,494	$ 987,437
LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY		
Liabilities		
Debt		
Senior, unsecured notes	$ 147,509	$ 147,509
Mortgages payable (including a debt premium of $9,976 and $11,852, respectively)	310,483	370,160
Unsecured note	53,500	---
Lines of credit	---	22,650

	511,492	540,319
Construction trade payables	10,361	4,345
Accounts payable and accrued expenses	17,488	18,025
Total liabilities	539,341	562,689
Commitments		
Minority interests		
Consolidated joint venture	221,400	218,148
Operating partnership	36,533	39,182
Total minority interests	257,933	257,330
Shareholders' equity		
Common shares, $.01 par value, 50,000,000 shares authorized, 13,718,208 and 12,960,643 shares issued and outstanding at September 30, 2004 and December 31, 2003, respectively	137	130
Paid in capital	274,423	250,070
Distributions in excess of net income	(105,116)	(82,737)
Deferred compensation	(4,224)	---
Accumulated other comprehensive loss	---	(45)
Total shareholders' equity	165,220	167,418
Total liabilities, minority interests and shareholders' equity	$ 962,494	$ 987,437

</TABLE>

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

<TABLE>

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

	Nine Months Ended September 30, 2004	2003
	(unaudited)	
OPERATING ACTIVITIES		
<S>	<C>	<C>
Net income	$ 2,742	$ 8,018
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization (including discontinued operations)	39,706	21,552
Amortization of deferred financing costs	1,107	955
Equity in earnings of unconsolidated joint ventures	(799)	(639)
Consolidated joint venture minority interest	20,410	---
Operating partnership minority interest (including discontinued operations)	622	2,219
Compensation expense related to restricted shares and share options granted	1,239	76
Amortization of premium on assumed indebtedness	(1,879)	---
Loss on sale of real estate (included in discontinued operations)	1,460	735
Gain on sale of outparcels of land	(1,391)	---
Net accretion of market rent rate adjustment	(647)	---
Straight-line base rent adjustment	(300)	147
Increase (decrease) due to changes in:		
Other assets	(644)	664
Accounts payable and accrued expenses	(455)	(1,015)
Net cash provided by operating activites	61,171	32,712

INVESTING ACTIVITIES		
Additions to rental property	(9,943)	(7,970)
Acquisition of rental property	---	(4,700)
Additions to investments in unconsolidated joint ventures	---	(952)
Additions to deferred lease costs	(1,450)	(1,188)
Net proceeds from sale of real estate	20,255	2,076
Decrease in escrow from rental property purchase	---	4,006
Distributions received from unconsolidated joint ventures	1,525	1,125
Net cash provided by (used in) investing activities	10,387	(7,603)
FINANCING ACTIVITIES		
Cash dividends paid	(25,121)	(18,596)
Distributions to consolidated joint venture minority interest	(17,158)	---
Distributions to operating partnership minority interest	(5,659)	(5,588)
Net proceeds from sale of common shares	13,173	---
Payments for redemption of preferred shares	---	(372)
Proceeds from issuance of debt	43,350	73,657
Repayments of debt	(70,298)	(91,329)
Additions to deferred financing costs	(621)	(521)
Proceeds from exercise of share and unit options	8,075	16,777
Net cash used in financing activities	(54,259)	(25,972)
Net increase (decrease) in cash and cash equivalents	17,299	(863)
Cash and cash equivalents, beginning of period	9,836	1,072
Cash and cash equivalents, end of period	$ 27,135	$ 209

</TABLE>

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 September 30, 2004 and 2003 amounted to $10,361 and $7,188, respectively.
We recognized charges to deferred compensation related to the issuance of restricted common shares and share options in the 2004 period of $5,422.

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

TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 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 September 30, 2004, we had ownership interests in or management responsibilities for 37 centers in 23 states totaling 9.2 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 "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 unaudited 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 equity in the venture's net income (loss) and cash contributions and distributions. These 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 September 30, 2004 and December 31, 2003 was $6.9 million and $7.5 million, respectively. These investments include our 50% ownership investment in TWMB and our one-third ownership interest in Deer Park.

Our investment in TWMB is 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 nine months ended September 30, 2004 and 2003 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Fee:				
Management	$ 91	$ 37	$ 228	$ 105
Leasing	42	40	181	173
Development	8	(6)	30	4
Total Fees	$ 141	$ 71	$ 439	$ 282

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 of 2004, TWMB completed the construction of a 78,000 square foot third-phase expansion of the Myrtle Beach center at an approximate cost of $9.7 million. As of September 30, 2004, 66,000 square feet were open with the remainder of the stores scheduled to open during 2004. The completion of this expansion brings the total gross leasable area of TWMB's Myrtle Beach center to approximately 402,000 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 September 30, 2004, the construction loan had a balance of $34.0 million.

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 September 30, 2004	As of December 31, 2003
Assets:		
Operating real estate at cost, net	$41,842	$36,096
Other real estate investment (1)	26,773	27,803
Total real estate	68,615	63,899
Cash and cash equivalents	2,184	4,145
Deferred charges, net	2,076	1,652
Other assets	3,168	3,277
Total assets	$76,043	$72,973
Liabilities and Owners' Equity:		
Mortgages payable	$59,233	$54,683
Construction trade payables	1,328	1,164
Accounts payable and other liabilities	730	564
Total liabilities	61,291	56,411
Owners' equity	14,752	16,562
Total liabilities and owners' equity	$76,043	$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>

Consolidated Statements of Operations - Unconsolidated Joint Ventures	Three Months Ended September 30, 2004	Three Months Ended September 30, 2003	Nine Months Ended September 30, 2004	Nine Months Ended September 30, 2003
<S>	<C>	<C>	<C>	<C>
Revenues	$ 2,682	$ 2,195	$7,264	$ 6,080
Expenses:				
Property operating	918	725	2,639	2,211
General and administrative	8	1	21	21
Depreciation and amortization	723	599	1,977	1,679
Total expenses	1,649	1,325	4,637	3,911
Operating income	1,033	870	2,627	2,169
Interest expense	346	372	1,131	991
Net income	$ 687	$ 498	$ 1,496	$ 1,178
Tanger's share of:				
Net income	$ 359	$ 267	$ 799	$ 639
Depreciation	351	287	955	808

</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 September 2004, we completed the sale of our property located in Dalton, Georgia. Net proceeds received from the sale of the property were approximately $11.1 million. We recorded a loss on sale of real estate of approximately $3.5 million, which is included in discontinued operations for the three and nine months ended September 30, 2004.

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 nine months ended September 30, 2004.

In May and October 2003 respectively, we completed the sale of properties located in Martinsburg, West Virginia and Casa Grande, Arizona. 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 nine months ended September 30, 2003.

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

<TABLE>

	Three Months Ended September 30, 2004	Three Months Ended September 30, 2003	Nine Months Ended September 30, 2004	Nine Months Ended September 30, 2003
<S>	<C>	<C>	<C>	<C>
Base rentals	$ 279	$ 947	$ 1,453	$ 3,034
Percentage rentals	2	20	4	26
Expense reimbursements	112	391	618	1,253
Other income	10	32	28	72
Total revenues	403	1,390	2,103	4,385
Property operating expenses	151	546	755	1,756
General and administrative	11	3	17	8
Depreciation and amortization	106	351	554	1,191
Total expenses	268	900	1,326	2,955
Income before loss on sale of real estate	135	490	777	1,430
Loss on sale of real estate	(3,544)	---	(1,460)	(735)
Discontinued operations before minority interest	(3,409)	490	(683)	695
Minority interest	624	(110)	121	(165)
Discontinued operations	$(2,785)	$ 380	$ (562)	$ 530

</TABLE>

During the second and third quarters of 2004, we sold a total of four outparcels of undeveloped land at our Branson, Missouri; Westbrook, Connecticut; Gonzales, Louisiana and West Branch, Michigan centers, respectively. Net proceeds received were approximately $2.7 million and a gain of approximately $1.4 million was recorded in other income.

5. Debt

During the third quarter of 2004, we obtained an additional $25 million unsecured line of credit from Citicorp North America, Inc., a subsidiary of Citigroup; bringing our total committed unsecured lines of credit to $125 million. In addition, we have completed the extension of the maturity dates on all of our lines of credit until June of 2007. We also obtained the release of two properties which had been securing $53.5 million in mortgage loans with Wells Fargo Bank, thus creating an unsecured note with Wells Fargo Bank for the same face amount.

The Dalton, Georgia property, as mentioned above in Footnote 4, served as collateral in a cross-collateralized mortgage with John Hancock Life Insurance Company ("John Hancock") along with several other properties. Upon its disposition, the Dalton property was released as collateral and replaced with a $6.4 million standby letter of credit issued by Bank of America. The letter of credit includes an issuance fee of 1.25% annually. The required amount of the letter of credit decreases ratably over the remaining term of the John Hancock mortgage which matures in April 2009. Throughout the term of the letter of credit, its required amount serves as a reduction in the amount available under our unsecured $50 million line of credit with Bank of America.

6. Other Comprehensive Income - Derivative Financial Instruments

TWMB's interest rate swap agreement, which had been designated as a cash flow hedge expired during the third quarter of 2004 and therefore the fair value of the swap became zero resulting in a change in fair value of $20,000 for the quarter. 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. For the three and nine months ended September 30, 2004, the change in the fair value of the derivative instrument is recorded as $16,000 and $45,000, respectively, of other comprehensive income, net of minority interest of $4,000 and $37,000, respectively.

<TABLE>

	Three Months Ended September 30, 2004	Three Months Ended September 30, 2003	Nine Months Ended September 30, 2004	Nine Months Ended September 30, 2003
<S>	<C>	<C>	<C>	<C>
Net income (loss)	$ (2,015)	$ 3,520	$ 2,742	$ 8,018
Other comprehensive income:				
Change in fair value of our portion of TWMB cash flow hedge, net of minority interest of $4 and $7 and $37 and $5	16	24	45	16
Change in fair value of cash flow hedge, net of minority interest of $24	---	---	---	74
Other comprehensive income	16	24	45	90
Total comprehensive income (loss)	$ (1,999)	$ 3,544	$ 2,787	$ 8,108

</TABLE>

7. Earnings Per Share

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

<TABLE>

	Three Months Ended September 30, 2004	Three Months Ended September 30, 2003	Nine Months Ended September 30, 2004	Nine Months Ended September 30, 2003
Numerator:				
<S>	<C>	<C>	<C>	<C>
Income from continuing operations	$ 770	$3,140	$3,304	$7,488
Less applicable preferred share dividends	---	---	---	(806)
Income from continuing operations available to common shareholders - basic and diluted	770	3,140	3,304	6,682
Discontinued operations	(2,785)	380	(562)	530
Net income (loss) available to common shareholders - basic and diluted	$(2,015)	$3,520	$2,742	$7,212
Denominator:				
Basic weighted average common shares	13,612	10,404	13,485	9,729
Effect of outstanding share and unit options	60	195	98	227
Effect of unvested restricted share awards	11	---	9	---
Diluted weighted average common shares	13,683	10,599	13,592	9,956
Basic earnings per common share:				
Income from continuing operations	$ .06	$ .30	$ .25	$ .69
Discontinued operations	(.21)	.04	(.05)	.05
Net income (loss)	$(.15)	$ .34	$ .20	$ .74
Diluted earnings per common share:				
Income from continuing operations	$ .06	$ .30	$ .24	$ .67
Discontinued operations	(.21)	.03	(.04)	.05
Net income (loss)	$(.15)	$ .33	$ .20	$ .72

</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 299,200 for the three months ended September 30, 2004 and 171,496 for the nine months ended September 30, 2004. There were no options excluded from the computation for the three and nine months ended September 30, 2003. For the nine months ended September 30, 2003, the assumed conversion of preferred shares to common shares as of the beginning of the year would have been anti-dilutive. The assumed conversion of the partnership units held by the 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.

8. 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.

9. 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 and third quarters, we recognized expense related to the amortization of the deferred compensation of approximately $1.1 million in accordance with the vesting schedule of the restricted shares.

10. Subsequent Events

On October 25, 2004, we repaid $47.5 million, 7.875% unsecured notes at maturity, using approximately $20.2 million in net proceeds from the sale of the three properties and four parcels of land during the first nine months of 2004, plus other funds available under our unsecured lines of credit.

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 nine months ended September 30, 2004 with the three and nine months ended September 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 September 30, 2004, we had ownership interests in or management responsibilities for 37 centers in 23 states totaling 9.2 million square feet compared to 33 centers in 20 states totaling 6.3 million square feet at September 30, 2003. The activity in our portfolio of properties since September 30, 2003 is summarized below:

<TABLE>

<S>	No. of Centers <C>	GLA (000's) <C>	States <C>
As of September 30, 2003	33	6,258	20
Acquisitions/Expansions:			
Myrtle Beach Hwy 17, South Carolina - (unconsolidated joint venture)	---	72	---
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)	---
Dalton, Georgia (wholly-owned)	(1)	(173)	---
As of September 30, 2004	37	9,160	23

</TABLE>

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

<TABLE>

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
GLA at end of period (000's)				
<S>	<C>	<C>	<C>	<C>
Wholly owned	5,066	5,483	5,066	5,483
Partially-owned (consolidated) (1)	3,271	---	3,271	---
Partially owned (unconsolidated) (2)	391	318	391	318
Managed	432	457	432	457
Total GLA at end of period (000's)	9,160	6,258	9,160	6,258
Weighted average GLA (000's) (3)	8,338	5,051	8,338	5,034
Occupancy percentage at end of period (1) (2)	96%	95%	96%	95%

Per square foot for wholly owned and partially owned (consolidated) properties
Revenues

Base rentals	$3.95	$3.79	$11.56	$11.23
Percentage rentals	.15	.15	.35	.34
Expense reimbursements	1.56	1.59	4.55	4.78
Other income	.22	.20	.61	.49
Total revenues	5.88	5.73	17.07	16.84
Expenses				
Property operating	1.79	1.89	5.17	5.66
General and administrative	.40	.49	1.17	1.46
Depreciation and amortization	1.69	1.33	4.70	4.04
Total expenses	3.88	3.71	11.04	11.16
Operating income	2.00	2.02	6.03	5.68
Interest expense	1.07	1.27	3.20	3.91
Income before equity in earnings of unconsolidated joint ventures, minority interests and discontinued operations	$.93	$.75	$2.83	$1.77

</TABLE>

(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.

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

Location	GLA (sq. ft.)	% Occupied
Riverhead, NY (1)	729,238	99
Rehoboth, DE (1) (3)	568,873	99
Foley, AL (3)	535,675	99
San Marcos, TX	442,486	97
Myrtle Beach Hwy 501, SC (3)	427,388	96
Sevierville, TN (1)	419,023	100
Hilton Head, SC (3)	393,094	91
Myrtle Beach Hwy 17, SC (1) (2)	390,547	100
Commerce II, GA	342,556	98
Howell, MI	324,631	100
Park City, UT (3)	300,602	97
Westbrook, CT (3)	291,051	93
Branson, MO	277,883	100
Williamsburg, IA	277,230	97
Lincoln City, OR (3)	270,280	95
Tuscola, IL (3)	256,514	76
Lancaster, PA	255,152	99
Locust Grove, GA	247,454	98
Gonzales, LA	245,199	97

Tilton, NH (3)	227,966	98
Fort Meyers, FL	198,789	87
Commerce I, GA	185,750	68
Terrell, TX	177,490	97
Seymour, IN	141,051	85
North Branch, MN	134,480	100
West Branch, MI	112,420	100
Barstow, CA	108,950	100
Blowing Rock, NC	105,332	100
Pigeon Forge, TN (1)	94,694	96
Nags Head, NC	82,178	100
Boaz, AL	79,575	95
Kittery I, ME	59,694	100
Kittery II, ME	24,619	100
	8,727,864	96

(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 $34.0 million of construction loan debt as of September 30, 2004.
(3) Represents properties that are currently held through a consolidated joint venture in which we own a one-third interest.

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

<TABLE>

Location	GLA (sq. ft.)	Mortgage Debt (000's) as of September 30, 2004	Interest Rate	Maturity Date
<S>	<C>	<C>	<C>	<C> <C>
Lancaster, PA	255,152	$13,903	9.770%	4/10/2005
Commerce I, GA	185,750	7,426	9.125%	9/10/2005
Williamsburg, IA	277,230			
San Marcos I, TX	221,049			
West Branch, MI	112,420			
Kittery I, ME	59,694			
	670,693	60,739	7.875%	4/01/2009
San Marcos II, TX	221,437	18,513	7.980%	4/01/2009
Blowing Rock, NC	105,332	9,405	8.860%	9/01/2010
Nags Head, NC	82,178	6,382	8.860%	9/01/2010
Rehoboth Beach, DE	568,873			
Foley, AL	535,675			
Myrtle Beach Hwy 501, SC	427,388			
Hilton Head, SC	393,094			
Park City, UT	300,602			
Westbrook, CT	291,051			
Lincoln City, OR	270,280			
Tuscola, IL	256,514			
Tilton, NH	227,966			
	3,271,443	184,139	6.590%	7/10/2008
Debt premium		9,976		
Totals	4,791,985	$310,483		

</TABLE>

RESULTS OF OPERATIONS

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

Base rentals increased $13.8 million, or 72%, 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 $.16 per square foot from $3.79 per square foot in the 2003 period to $3.95 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, the overall portfolio occupancy at September 30, 2004 increased 1% from 95% to 96% compared to September 30, 2003. Also, 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. For the 2004 period we recorded an increase of $277,000 to rental income for net amortization of market leases. 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. For the period from September 30, 2003 to September 30, 2004, none of our centers experienced a negative occupancy trend of more than 10%.

Percentage rentals, which represent revenues based on a percentage of tenants' sales volume above predetermined levels (the "breakpoint"), increased $515,000 or 67%, and on a weighted average GLA basis, remained at $.15 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 September 30, 2004 were $309 per square foot. This represents a 4% 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 87% and 84% in the 2004 and 2003 periods, respectively. The increase in this percentage is due to higher reimbursement rates at the COROC portfolio.

Other income increased $776,000, or 75%, in the 2004 period compared to the 2003 period and on a weighted average GLA basis, increased $.02 per square foot from $.20 to $.22. Other income in the 2004 period includes a gain from the sale of one outparcel of land of $172,000 compared to no outparcel sales in the 2003 period. The remaining increase is primarily attributable to the COROC portfolio acquisition and increases in vending and management income.

Property operating expenses increased by $5.4 million, or 57%, in the 2004 period as compared to the 2003 period and, on a weighted average GLA basis, decreased $.10 per square foot from $1.89 to $1.79. 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 pre-acquisition portfolio average for the third quarter.

General and administrative expenses increased $857,000, or 34%, 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 9% in the 2003 period to 7% in the 2004 period and, on a weighted average GLA basis, decreased from $.49 per square foot in the 2003 period to $.40 per square foot in the 2004 period.

Depreciation and amortization per weighted average GLA increased from $1.33 per square foot in the 2003 period to $1.69 per square foot in the 2004 period due to certain assets in the acquisition of the COROC portfolio in December 2003 accounted for under SFAS 141 "Business Combinations" ("FAS 141") which were allocated to deferred lease costs and other intangible assets which are amortized over shorter lives than building costs.

Interest expense increased $2.5 million, or 39%, 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 $92,000, or 34%, in the 2004 period compared to the 2003 period due to the TWMB Associates, LLC ("TWMB"), outlet center in Myrtle Beach, South Carolina having approximately 72,000 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 amounted to $7.2 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 resulted in a net loss of $2.8 million in 2004 due mainly to the sale of the Dalton, Georgia property at a loss on sale of real estate of approximately $3.5 million.

Comparison of the nine months ended September 30, 2004 to the nine months ended September 30, 2003

Base rentals increased $39.8 million, or 70%, 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 $.33 per square foot from $11.23 per square foot in the 2003 period to $11.56 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, the overall portfolio occupancy at September 30, 2004 increased 1% from 95% to 96% compared to September 30, 2003. Also, 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. For the 2004 period we recorded an increase of $647,000 to rental income for net amortization of market leases. 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. For the period from September 30, 2003 to September 30, 2004, none of our centers experienced a negative occupancy trend of more than 10%.

Percentage rentals, which represent revenues based on a percentage of tenants' sales volume above predetermined levels (the "breakpoint"), increased $1.2 million or 72%, and on a weighted average GLA basis, increased $.01 per square foot in the 2004 period to $.35 compared to $.34 in 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 September 30, 2004 were $309 per square foot. This represents a 4% 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 in this percentage is due to higher reimbursement rates at the COROC properties.

Other income increased $2.6 million, or 104%, in the 2004 period compared to the 2003 period and on a weighted average GLA basis, increased $.12 per square foot from $.49 to $.61. Other income in the 2004 period includes gains from the sales of four outparcels of land of $1.4 million. In the 2003 period there were no sales of outparcels of land. The remaining increase is primarily attributable to the COROC portfolio acquisition and increases in vending and management income.

Property operating expenses increased by $14.6 million, or 51%, in the 2004 period as compared to the 2003 period and, on a weighted average GLA basis, decreased $.49 per square foot from $5.66 to $5.17. 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 pre-acquisition portfolio average for the first nine months of 2004.

General and administrative expenses increased $2.4 million, or 32%, 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 9% in the 2003 period to 7% in the 2004 period and, on a weighted average GLA basis, decreased from $1.46 per square foot in the 2003 period to $1.17 per square foot in the 2004 period.

Depreciation and amortization per weighted average GLA increased from $4.04 per square foot in the 2003 period to $4.70 per square foot in the 2004 period due to certain assets in the acquisition of the COROC portfolio in December 2003 accounted for under SFAS 141 "Business Combinations" ("FAS 141") which were allocated to deferred lease costs and other intangible assets which are amortized over shorter lives than building costs.

Interest expense increased $7.0 million, or 35%, 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 $160,000, or 25%, in the 2004 period compared to the 2003 period due to the TWMB having approximately 72,000 more square feet of GLA open in the 2004 period versus the 2003 period.

Consolidated joint venture minority interest amounted to $20.4 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 resulted in a loss of approximately $562,000 due mainly to the loss on sale of the Dalton, Georgia property in the 2004 period of approximately $3.5 million offset by the gain on sale of the Clover and LLBean, New Hampshire properties of approximately $2.1 million in the 2004 period. 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 $61.2 million and $32.7 million for the nine months ended September 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 provided by (used in) investing activities was $10.4 million and ($7.6) million during the first nine months of 2004 and 2003, respectively. The increase of $18.0 million in cash provided by investing activities is primarily due to the proceeds received from sales of real estate totaling $20.3 million. Net cash used in financing activities was $54.3 million and $26.0 million during the first nine months of 2004 and 2003, respectively. Cash used for financing activities 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 $26.9 million from September 30, 2003 to September 30, 2004 due primarily to: cash held in reserve at our consolidated joint venture, COROC; proceeds from the sales of our North Conway, New Hampshire properties and Dalton, Georgia property; and the sale of four outparcels of undeveloped land during the first nine months of 2004; the proceeds from which were used to help fund our repayment of the $47.5 million of bond debt which matured in October 2004.

Development and Dispositions

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.

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 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.

Property Dispositions

In September 2004, we completed the sale of our property located in Dalton, Georgia. Net proceeds received from the sale of the property were approximately $11.1 million. We recorded a loss on sale of real estate of approximately $3.5 million which is included in discontinued operations for the three and nine months ended September 30, 2004

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 nine months ended September 30, 2004.

Outparcels

During the first nine months of 2004 we sold four outparcels of undeveloped land at our Branson, Missouri; Westbrook, Connecticut; Gonzales, Louisiana; and West Branch, Michigan centers respectively. Net proceeds received were approximately $2.7 million and a gain of approximately $1.4 million was recorded in other income .

Joint Ventures

TWMB Associates, LLC

TWMB, an unconsolidated joint venture in which we have a 50% ownership interest, consists of one center located in Myrtle Beach, South Carolina. We provide operating, management, leasing and marketing services to the property for a fee. During the second quarter, TWMB completed the construction of a 78,000 square foot third-phase expansion of the Myrtle Beach center at an approximate cost of $9.7 million. As of September 30, 2004, 66,000 square feet were open with the remainder of the stores scheduled to open during the fourth quarter of 2004. The completion of this expansion brings the total GLA of the center to approximately 402,000 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 September 30, 2004, the construction loan had a balance of $34.0 million.

Deer Park Enterprise, LLC

Deer Park Enterprise, LLC ("Deer Park") is an unconsolidated 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 2007.

COROC Holdings, LLC

COROC is a consolidated joint venture in which 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 owns the Charter Oak Partners' portfolio of nine factory outlet centers totaling approximately 3.3 million square feet. The joint venture has approximately $184.1 million of cross-collateralized debt which has a stated, fixed interest rate of 6.59% and matures in July 2008.

There are buy/sell agreements in each of the three above mention joint ventures that can be triggered under certain circumstances. Should any of these events occur, there could be a material impact on our financial position.

Financing Arrangements

At September 30, 2004, approximately 39% of our outstanding long-term debt represented unsecured borrowings and approximately 42% of the gross book value of our real estate portfolio was unencumbered. The average interest rate, including loan cost amortization, on average debt outstanding for the three months ended September 30, 2004 was 7.61%.

The Dalton, Georgia property as mentioned above in "Property Dispositions" served as collateral in a cross-collateralized mortgage with John Hancock Life Insurance Company ("John Hancock") along with several other properties. Upon its disposition, the Dalton property was released as collateral and replaced with a $6.4 million standby letter of credit issued by Bank of America. The letter of credit includes an issuance fee of 1.25% annually. The required amount of the letter of credit decreases ratably over the remaining term of the John Hancock mortgage which matures in April 2009. Throughout the term of the letter of credit, its required amount serves as a reduction in the amount available under our unsecured $50 million line of credit with Bank of America.

During the third quarter of 2004, we obtained 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 completed the extension of the maturity dates on all of our lines of credit until June of 2007. We also obtained the release of two properties which had been securing $53.5 million in mortgage loans with Wells Fargo Bank, thus creating an unsecured note with Wells Fargo Bank for the same face amount. Based on cash provided by operations, existing credit facilities, ongoing negotiations with certain financial institutions and our ability to issue 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.

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 2005. 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 and disposing of outparcels on existing properties.

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 October 14, 2004, our Board of Directors declared a $.6250 cash dividend per common share payable on November 15, 2004 to each shareholder of record on October 29, 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:

|X| FFO does not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments;

|X| FFO does not reflect changes in, or cash requirements for, our working capital needs;

|X| 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;

|X| FFO may reflect the impact of earnings or charges resulting from matters which may not be indicative of our ongoing operations; and

|X| 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.

Below is a calculation of FFO for the three and nine months ended September 30, 2004 and 2003 and other data for those respective periods (in thousands):
<TABLE>

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Funds from Operations:				
<S>	<C>	<C>	<C>	<C>
Net income (loss)	$(2,015)	$ 3,520	$ 2,742	$ 8,018
Adjusted for:				
Minority interest in operating partnership	175	916	743	2,054
Minority interest adjustment - consolidated joint venture	314	---	18	---
Minority interest, depreciation and amortization attributable to discontinued operations	(518)	461	433	1,356
Depreciation and amortization uniquely significant to real estate - wholly owned	13,986	6,670	38,985	20,150
Depreciation and amortization uniquely significant to real estate - unconsolidated joint venture	351	287	955	808
Loss on sale of real estate	3,544	---	1,460	735
Funds from operations	$15,837	$ 11,854	$ 45,336	

				$ 33,121
Weighted average shares outstanding (1)	16,716	13,632	16,625	13,424

</TABLE>

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

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 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 September 30, 2004, we have renewed approximately 1,452,000 square feet, or 81% of the square feet scheduled to expire in 2004. The existing tenants have renewed at an average base rental rate approximately 6% higher than the expiring rate. We also re-tenanted approximately 420,000 square feet of vacant space during the first nine months of 2004 at a 4% increase in the average base rental rate from that which was previously charged. Our factory outlet centers typically include well-known, national, brand name companies. By maintaining a broad base of creditworthy tenants and a geographically diverse portfolio of properties located across the United States, we reduce our operating and leasing risks. No one tenant (including affiliates) accounted for more than 6.8% of our combined base and percentage rental revenues for the three months ended September 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 September 30, 2004 and 2003, our centers were 96% and 95% 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.

Sales at our outlet centers along the east coast and the Gulf of Mexico were adversely affected by the hurricanes in September of 2004. Fortunately, the structural damage caused by the hurricanes was minimal and our property insurance will cover the vast majority of the repair work that is being completed as well as lost revenues during the days the centers were closed. Customer traffic at these centers, particularly our center in Foley, Alabama, however continues to be down significantly. We do not expect this to have a material impact on our financial results.

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. During August 2004, TWMB had an interest rate swap agreement with a notional amount of $19 million expire. Under this agreement, TWMB received a floating interest rate based on the 30 day LIBOR index and paid a fixed interest rate of 2.49%. This swap effectively changed 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%. As of September 30, 2004, we had no interest rate swap agreements.

The fair market value of long-term fixed interest rate debt is subject to market risk. Generally, the fair market value of fixed interest rate debt will increase as interest rates fall and decrease as interest rates rise. The estimated fair value of our total long-term debt at September 30, 2004 was $536.9 million and its recorded value was $511.5 million. A 1% increase in prevailing interest rates at September 30, 2004 would decrease the fair value of our total long-term debt by approximately $8.2 million. Fair values were determined from quoted market prices, where available, using current interest rates considering credit ratings and the remaining terms to maturity.

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 September 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 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. (Note 1)

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

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

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.

Notes to Exhibits:

1. Incorporated by reference to the exhibits to the Company's Quarterly report on Form 10-Q for the quarter ended June 30, 2004.

(b) Reports on Form 8-K

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

Current Report on Form 8-K dated July 27, 2004 to furnish the June 30, 2004 Supplemental Operating and Financial Data

Current Report on Form 8-K dated August 23, 2004 to announce the addition of Allan L. Schuman as a member of the Company's Board of Directors

SIGNATURES

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

TANGER FACTORY OUTLET CENTERS, INC.

By: /s/ Frank C. Marchisello Jr.

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

DATE: November 8, 2004

Exhibit Index

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

Exhibit 31.1

CERTIFICATION

I, Stanley K. Tanger certify that:

1. I have reviewed this quarterly report on Form 10-Q of Tanger Factory Outlet Centers, Inc. for the quarter ended September 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: November 8, 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 September 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: November 8, 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 September 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: November 8, 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 September 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: November 8, 2004

/s/ Frank C. Marchisello, Jr.

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