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, 2005

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 -

27,695,016 shares of Common Stock,
$.01 par value, outstanding as of July 22, 2005

TANGER FACTORY OUTLET CENTERS, INC.

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Part I. Financial Information

Part II. Other Information

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

	Three Months Ended June 30, 2005	Three Months Ended June 30, 2004	Six Months Ended June 30, 2005	Six Months Ended June 30, 2004
	(unaudited)		(unaudited)	
REVENUES				
<S>	<C>	<C>	<C>	<C>
Base rentals	$ 33,528	$ 32,041	$65,389	$ 63,501
Percentage rentals	1,267	958	2,153	1,669
Expense reimbursements	12,620	13,010	26,917	24,896
Other income	1,205	2,388	2,152	3,238
Total revenues	48,620	48,397	96,611	93,304
EXPENSES				
Property operating	14,611	14,719	30,851	28,142
General and administrative	3,711	3,254	6,755	6,411
Depreciation and amortization	11,420	12,955	24,350	25,112
Total expenses	29,742	30,928	61,956	59,665
Operating income	18,878	17,469	34,655	33,639
Interest expense	8,167	8,901	16,395	17,765
Income before equity in earnings of unconsolidated joint ventures, minority interests, discontinued operations and loss on sale of real estate	10,711	8,568	18,260	15,874
Equity in earnings of unconsolidated joint ventures	268	275	459	440
Minority interests				
Consolidated joint venture	(6,727)	(6,619)	(13,351)	(13,212)
Operating partnership	(772)	(409)	(974)	(568)
Income from continuing operations	3,480	1,815	4,394	2,534
Discontinued operations	---	1,930	---	2,223
Income before loss on sale of real estate	3,480	3,745	4,394	4,757
Loss on sale of real estate	---	---	(3,843)	---
Net income	$ 3,480	$ 3,745	$ 551	$ 4,757

Basic earnings per common share:				
Income from continuing operations	$ .13	$ .07	$ .02	$ .09
Net income	$ .13	$ .14	$ .02	$ .18
Diluted earnings per common share:				
Income from continuing operations	$ .13	$ .07	$ .02	$ .09
Net income	$ .13	$ .14	$ .02	$ .18
Dividends paid per common share	$ .3225	$ .3125	$ .6350	$ .6200

</TABLE>

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

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

<S>	June 30, 2005 (unaudited) <C>	December 31, 2004 <C>
ASSETS		
Rental Property		
Land	$113,284	$ 113,830
Buildings, improvements and fixtures	956,440	963,563
Construction in progress	6,044	---
	1,075,768	1,077,393
Accumulated depreciation	(237,688)	(224,622)
Rental property, net	838,080	852,771
Cash and cash equivalents	3,543	4,103
Deferred charges, net	54,818	58,851
Other assets	21,785	20,653
Total assets	$918,226	$ 936,378
LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY		
Liabilities		
Debt		
Senior, unsecured notes	$100,000	$ 100,000
Mortgages payable (including a debt premium of $7,916 and $9,346, respectively)	290,197	

		308,342
Unsecured note	53,500	53,500
Unsecured lines of credit	45,330	26,165
	489,027	488,007
Construction trade payables	9,231	11,918
Accounts payable and accrued expenses	16,984	17,026
Total liabilities	515,242	516,951
Commitments		
Minority interests		
Consolidated joint venture	225,103	222,673
Operating partnership	31,963	35,621
Total minority interests	257,066	258,294
Shareholders' equity		
Common shares, $.01 par value, 50,000,000 shares authorized, 27,695,016 and 27,443,016 shares issued and outstanding at June 30, 2005 and December 31, 2004	277	274
Paid in capital	278,811	274,340
Distributions in excess of net income	(126,436)	(109,506)
Deferred compensation	(6,372)	(3,975)
Accumulated other comprehensive loss	(362)	---
Total shareholders' equity	145,918	161,133
Total liabilities, minority interests and shareholders' equity	$918,226	$ 936,378

</TABLE>

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

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

	Six Months Ended June 30, 2005	2004
(unaudited)		
OPERATING ACTIVITIES		
<S>	<C>	<C>
Net income	$ 551	$ 4,757
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	24,350	25,559
Amortization of deferred financing costs	689	

		727
Equity in earnings of unconsolidated joint ventures	(459)	(440)
Consolidated joint venture minority interest	13,351	13,212
Operating partnership minority interest	127	1,071
Compensation expense related to restricted shares and share options granted	709	1,003
Amortization of debt premium	(1,430)	(1,245)
(Gain) loss on sale of real estate	4,690	(2,084)
Gain on sale of outparcels of land	(127)	(1,219)
Distributions received from unconsolidated joint ventures	950	750
Net accretion of market rent rate adjustment	(659)	(370)
Straight-line base rent adjustment	(651)	(218)
Increase (decrease) due to changes in:		
Other assets	(269)	(975)
Accounts payable and accrued expenses	(484)	616
Net cash provided by operating activities	41,338	41,144
INVESTING ACTIVITIES		
Additions to rental property	(13,451)	(6,907)
Additions to investments in unconsolidated joint ventures	(950)	---
Additions to deferred lease costs	(1,418)	(924)
Increase in escrow from rental property purchase	---	(6,565)
Net proceeds from sale of real estate	2,211	8,945
Net cash used in investing activities	(13,608)	(5,451)
FINANCING ACTIVITIES		
Cash dividends paid	(17,481)	(16,623)
Distributions to consolidated joint venture minority interest	(10,921)	(11,135)
Distributions to operating partnership minority interest	(3,852)	(3,763)
Net proceeds from sale of common shares	---	13,173
Proceeds from issuance of debt	74,990	40,350
Repayments of debt	(72,540)	(65,850)
Additions to deferred financing costs	(1)	(9)
Proceeds from exercise of share and unit options	1,515	7,022
Net cash used in financing activities	(28,290)	(36,835)
Net decrease in cash and cash equivalents	(560)	(1,142)
Cash and cash equivalents, beginning of period	4,103	9,836
Cash and cash equivalents, end of period	$ 3,543	$ 8,694

</TABLE>

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

TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2005
(Unaudited)

1. Business

Tanger Factory Outlet Centers, Inc., a fully-integrated, self-administered, self-managed real estate investment trust ("REIT"), develops, owns and operates factory outlet centers. We are recognized as one of the largest owners and operators of factory outlet centers in the United States of America with ownership interests in or management responsibilities for 33 centers in 22 states totaling 8.7 million square feet of gross leasble area ("GLA") as of June 30, 2005. We provide all development, leasing and management services for our centers. 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.

Our factory outlet centers and other assets are held by and all of our operations are conducted by the Operating Partnership. The majority of the units of partnership interest issued by the Operating Partnership (the "Units") are held by two wholly owned subsidiaries, the Tanger GP and the Tanger LP Trust. The Tanger GP Trust controls the Operating Partnership as its sole general partner. The Tanger LP Trust holds a limited partnership interest. All of the remaining units are owned by the Tanger Family through the Tanger Family Limited Partnership ("TFLP").

As of June 30, 2005, our wholly owned subsidiaries owned 13,847,508 Units and TFLP owned 3,033,305 Units. The Operating Partnership and TFLP's Units are exchangeable, subject to certain limitations to preserve our status as a REIT, on a two-for-one basis for our common shares.

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, 2004. 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 including accounts of joint ventures required to be consolidated under the provisions of Financial Accounting Standards Board Interpretation No. 46 (Revised 2003): "Consolidation of Variable Interest Entities: An Interpretation of ARB No. 51 ("FIN 46R") 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.

3. Development of Rental Properties

Locust Grove, Georgia

We are currently underway with construction of a 46,400 square foot expansion at our center located in Locust Grove, Georgia. The estimated cost of the expansion is approximately $6.6 million. We currently expect to complete the expansion with stores commencing operations during the fall of 2005. Tenants will include Polo/Ralph Lauren, Sketchers, Children's Place and others. Upon completion of the expansion, our Locust Grove center will total approximately 294,000 square feet.

Foley, Alabama

We are currently underway with construction of a 21,000 square foot expansion at our center located in Foley, Alabama. The estimated cost of the expansion is approximately $3.8 million. We currently expect to complete the expansion with stores commencing operations during the fourth quarter of 2005. Leases have been executed with Ann Taylor, Skechers, Tommy Hilfiger and others. Upon completion of the expansion, the company's Foley center will total approximately 557,000 square feet.

Commitments to complete construction of the expansions to the existing properties and other capital expenditure requirements amounted to approximately $3.0 million at June 30, 2005. Commitments for construction represent only those costs contractually required to be paid by us.

Interest costs capitalized during the three months ended June 30, 2005 and 2004 amounted to $80,000 and $63,000, respectively, and for the six months ended June 30, 2005 and 2004 amounted to $113,000 and $124,000, respectively.

4. Investments in Unconsolidated Real Estate Joint Ventures

Our investments in unconsolidated real estate joint ventures aggregated $6.8 and $6.7 million as of June 30, 2005 and December 31, 2004, respectively. We are members of the following unconsolidated real estate joint ventures:

Joint Venture	Our Ownership %	Project Location
TWMB Associates, LLC	50%	Myrtle Beach, South Carolina
Tanger Wisconsin Dells, LLC	50%	Wisconsin Dells, Wisconsin
Deer Park Enterprise, LLC	33%	Deer Park, New York

These investments are recorded initially at cost and subsequently adjusted for our net equity in the venture's income (loss) and cash contributions and distributions. Our investments in real estate joint ventures are included in other assets and are also reduced by 50% of the profits earned for leasing and development services we provide to TWMB Associates, LLC ("TWMB"), a joint venture in which we have a 50% ownership interest. The following management, leasing and development fees were recognized from services provided to TWMB during the three and six month periods ended June 30, 2005 and 2004 (in thousands):

	Three Months Ended June 30, 2005	Three Months Ended June 30, 2004	Six Months Ended June 30, 2005	Six Months Ended June 30, 2004
Fee:				
Management	$ 78	$ 69	$ 156	$ 137
Leasing	---	78	5	139
Development	---	17	---	22
Total Fees	$ 78	$ 164	$ 161	$ 298

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.

TWMB Associates, LLC

During March 2005,TWMB, entered into an interest rate swap agreement with Bank of America for a notional amount of $35 million for five years. Under this agreement, TWMB receives a floating interest rate based on the 30 day LIBOR index and pays a fixed interest rate of 4.59%. This swap effectively changes the payment of interest on $35 million of variable rate mortgage debt to fixed rate debt for the contract period at a rate of 5.99%.

In April 2005, TWMB obtained permanent financing to replace the construction loan debt that was utilized to build the outlet center in Myrtle Beach, South Carolina. The new mortgage amount is $35.8 million with a rate of LIBOR + 1.40%. The note is for a term of five years with payments of interest only. In April 2010, TWMB has the option to extend the maturity date of the loan two more years until 2012. All debt incurred by this unconsolidated joint venture is collateralized by its property.

Tanger Wisconsin Dells, LLC

In March 2005, we established Tanger Wisconsin Dells, LLC ("Wisconsin Dells"), a joint venture in which we have a 50% ownership interest with Tall Pines

Development of Wisconsin Dells, LLC ("Tall Pines") as our venture partner, to construct and operate a Tanger Outlet center in Wisconsin Dells, Wisconsin. We have begun the early development and leasing of the site and we and our partner each made a capital contribution of $50,000 to the joint venture in June 2005. We currently expect the center to be approximately 250,000 square feet upon total build out with the initial phase scheduled to open in 2006. We have evaluated the accounting treatment for the joint venture under the guidance of FIN 46R and have concluded based on the current facts and circumstances that the equity method of accounting should be used to account for the joint venture.

Deer Park Enterprise, LLC

In October 2003, Deer Park Enterprise, LLC ("Deer Park"), a joint venture in which we have a one-third ownership interest, entered into a sale-leaseback transaction for the location on which it ultimately will develop a shopping center that will contain both outlet and big box retail tenants in Deer Park, New York. The agreement consisted of the sale of the property to Deer Park for $29 million which was being leased back to the seller under an operating lease agreement. In November 2004, the tenant gave notice (within the terms of the lease) that they intended to, and subsequently did, vacate the facility in May 2005. Annual rents received from the tenant were $3.4 million. During the first six months of 2005, we made additional equity contributions totaling $900,000 to Deer Park. Both of the other members made equity contributions equal to ours during the period.

Condensed combined 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, 2005	As of December 31, 2004
Assets:		
Investment properties at cost, net	$67,446	$69,865
Cash and cash equivalents	4,253	2,449
Deferred charges, net	1,433	1,973
Other assets	4,245	2,826
Total assets	$77,377	$77,113
Liabilities and Owners' Equity:		
Mortgages payable	$61,024	$59,708
Construction trade payables	477	578
Accounts payable and other liabilities	1,956	702
Total liabilities	63,457	60,988
Owners' equity	13,920	16,125
Total liabilities and owners' equity	$77,377	$77,113

<TABLE>
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Consolidated Statements of Operations - Unconsolidated Joint Ventures	Three Months Ended June 30, 2005	Three Months Ended June 30, 2004	Six Months Ended June 30, 2005	Six Months Ended June 30, 2004
<S>	<C>	<C>	<C>	<C>
Revenues	$ 2,933	$ 2,507	$5,444	$ 4,582
Expenses:				
Property operating	1,067	946	2,041	1,721
General and administrative	15	12	15	13
Depreciation and amortization	769	631	1,536	1,254
Total expenses	1,851	1,589	3,592	2,988
Operating income	1,082	918	1,852	1,594
Interest expense	574	405	991	785
Net income	$ 508	$ 513	$ 861	$ 809
Tanger's share of:				
Net income	$ 268	$ 275	$ 459	$ 440
Depreciation (real estate related)	370	304	739	604

</TABLE>

5. Disposition of Properties

In February 2005, we completed the sale of the outlet center on a portion of our property located in Seymour, Indiana and recognized a loss of $3.8 million, net of minority interest of $847,000. Net proceeds received from the sale of the center were approximately $2.0 million. We continue to have a significant involvement in this location by retaining several outparcels and significant excess land adjacent to the disposed property. As such, the results of operations from the property continue to be recorded as a component of income from continuing operations and the loss on sale of real estate is reflected outside the caption discontinued operations under the guidance of Regulation S-X 210.3-15.

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.

Below is a summary of the results of operations for the North Conway, New Hampshire and Dalton, Georgia properties sold during the second and third quarters of 2004, which are accounted for under the provisions of Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("FAS 144") which requires that all current and prior periods presented reflect the discontinued operations (in thousands):

<TABLE>
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	Three Months Ended June 30, 2004	Six Months Ended June 30, 2004
Revenues		
<S>	<C>	<C>
Base rentals	$572	$ 1,173
Percentage rentals	1	1
Expense reimbursements	244	507
Other income	9	18
Total revenues	826	1,699
Expenses:		
Property operating	316	604
General and administrative	4	6
Depreciation and amortization	228	447
Total expenses	548	1,057
Discontinued operations before gain on sale of real estate and minority interest	278	642
Gain on sale of real estate	2,084	2,084
Discontinued operations before minority interest	2,362	2,726
Minority interest	(432)	(503)
Discontinued operations	$1,930	$ 2,223

</TABLE>

6. Debt

In April 2005, we paid in full at maturity a $13.7 million, 9.77% mortgage with New York Life with amounts available under our unsecured lines of credit. The collateral securing the mortgage, our Lancaster, Pennsylvania property, was released upon satisfaction of the loan.

7. Other Comprehensive Income - Derivative Financial Instruments

During the first quarter of 2005, TWMB entered into an interest rate swap. 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, 2005, our portion of the fair value of TWMB's hedge is recorded as a reduction to investment in joint ventures of approximately $442,000.
<TABLE>
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	Three Months Ended	Six Months Ended

	June 30, 2004	2005	June 30, 2005	2004
<S>	<C>	<C>	<C>	<C>
Net income	$ 3,480	$ 3,745	$ 551	$ 4,757
Other comprehensive income (loss):				
Change in fair value of our portion of TWMB cash flow hedge, net of minority interest of ($64) and $27 and ($80) and $33	(290)	8	(362)	29
Total comprehensive income	$ 3,190	$ 3,753	$ 189	$ 4,786

</TABLE>

8. Earnings Per Share

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

<TABLE>
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	Three Months Ended June 30, 2005	2004	Six Months Ended June 30, 2005	2004
Numerator:				
<S>	<C>	<C>	<C>	<C>
Income from continuing operations - basic and diluted	$ 3,480	$1,815	$4,394	$2,534
Loss on sale of real estate not included in discontinued operations	---	---	(3,843)	---
Adjusted income from continuing operations	3,480	1,815	551	2,534
Discontinued operations	---	1,930	---	2,223
Net income - basic and diluted	$ 3,480	$ 3,745	$551	$4,757
Denominator:				
Basic weighted average common shares	27,357	27,008	27,330	26,840
Effect of outstanding share and unit options	165	168	173	232
Effect of unvested restricted share awards	54	12	43	10
Diluted weighted average common shares	27,576	27,188	27,546	27,082
Basic earnings per common share:				
Income from continuing operations	$ .13	$ .07	$ .02	$ .09
Discontinued operations	---	.07	---	.09
Net income	$ .13	$ .14	$ .02	$ .18
Diluted earnings per common share:				
Income from continuing operations	$ .13	$ .07	$ .02	$ .09
Discontinued operations	---	.07	---	.09
Net income	$ .13	$ .14	$ .02	$ .18

</TABLE>

The computation of diluted earnings per share excludes options to purchase common shares when the exercise price is greater than the average market price of the common shares for the period. Options excluded from the computation of diluted earnings per share were 7,000 and 214,000 for the three months ended June 30, 2005 and 2004, respectively. For the six months ended June 30, 2005 and 2004, 6,000 and 107,000 options were excluded from the computation, respectively. The assumed conversion of the partnership units held by the minority interest limited partner as of the beginning of the year, which would result in the elimination of earnings allocated to the minority interest 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.

9. Deferred Compensation

In March 2005, the Board of Directors approved the grant of 138,000 restricted common shares to the independent directors and certain executive officers. As a result of the granting of the restricted common shares, we recorded a charge to deferred compensation of $3.1 million in the shareholders' equity section of the consolidated balance sheet. Compensation expense related to the amortization of the deferred compensation amount is being recognized in accordance with the vesting schedule of the restricted shares. The independent directors' restricted common shares vest ratably over a three year period. The executive officer's restricted common shares vest over a five year period with 50% of the award vesting ratably over that period and 50% vesting based on the attainment of certain market performance criteria.

10. Non-Cash Investing and Financing Activities

We purchase capital equipment and incur costs relating to construction of facilities, including tenant finishing allowances. Capitalized costs included in construction trade payables as of June 30, 2005 and 2004 amounted to $9.2 million and $6.3 million, respectively. We recognized charges to deferred compensation related to the issuance of restricted common shares and share and unit options of $3.1 and $4.4 million during the six month periods ended June 30, 2005 and 2004, respectively.

11. New Accounting Pronouncements

In December 2004, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 123 (revised 2004), "Share-Based Payment" ("FAS 123R"), which replaces FAS 123 which we adopted effective January 1, 2003. We expect to adopt FAS 123R on January 1, 2006. We are currently evaluating the effect of the adoption of FAS 123R on our consolidated financial statements.

In June 2005, the FASB ratified the EITF's consensus on Issue No. 04-5 "Determining Whether a General Partner, or the General Partners as a Group, Controls a Limited Partnership or Similar Entity When the Limited Partners Have Certain Rights". This consensus establishes the presumption that general partners in a limited partnership control that limited partnership regardless of the extent of the general partners ownership interest in the limited partnership. The consensus further establishes that the rights of the limited partners can overcome the presumption of control by the general partners, if the limited partners have either (a) the substantive ability to dissolve (liquidate) the limited partnership or otherwise remove the general partners without cause or (b) substantive participating rights. Whether the presumption of control is overcome is a matter of judgment based on the facts and circumstances, for which the consensus provides additional guidance. This consensus is currently applicable to us for new or modified partnerships, and will otherwise be applicable to existing partnerships in 2006. This consensus applies to limited partnerships or similar entities, such as limited liability companies that have governing provisions that are the functional equivalent of a limited partnership. We believe this consensus will have no impact on the accounting treatment currently applied to our joint ventures.

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, 2005 with the three and six months ended June 30, 2004. 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;

- - the risk that historically high fuel prices may impact consumer travel and spending habits;

- - 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 we incur a material, uninsurable loss of our capital investment and anticipated profits from one of our properties, such as those results from wars, earthquakes or hurricanes;

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

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

- - business disruptions;

- - the ability to attract and retain qualified personnel;

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

- - retention of earnings.

General Overview

At June 30, 2005, we had ownership interests in or management responsibilities for 33 centers in 22 states totaling 8.7 million square feet compared to 38 centers in 23 states totaling 9.3 million square feet at June 30, 2004. The activity in our portfolio of properties since June 30, 2004 is summarized below:

	No. of Centers	GLA (000's)	States
As of June 30, 2004	38	9,321	23
Expansion:			
Myrtle Beach Hwy 17, South Carolina - (unconsolidated joint venture)	---	28	---
Dispositions:			
Dalton, Georgia (wholly-owned)	(1)	(173)	---
Vero Beach, Florida (managed)	(1)	(329)	---
Seymour, Indiana (wholly-owned)	(1)	(141)	(1)
North Conway, New Hampshire (managed)	(2)	(40)	---
Other	---	(5)	---
As of June 30, 2005	33	8,661	22

A summary of the operating results for the three and six months ended June 30, 2005 and 2004 is presented in the following table, expressed in amounts calculated on a weighted average GLA basis.

	Three Months Ended June 30, 2005	Three Months Ended June 30, 2004	Six Months Ended June 30, 2005	Six Months Ended June 30, 2004
GLA at end of period (000's)				
Wholly owned	4,923	5,240	4,923	5,240
Partially-owned (consolidated) (1)	3,271	3,273	3,271	3,273
Partially owned (unconsolidated) (2)	402	374	402	374
Managed	65	434	65	434
Total GLA at end of period (000's)	8,661	9,321	8,661	9,321
Weighted average GLA (000's) (1) (3)	8,196	8,339	8,238	8,339
Occupancy percentage at end of period (4)	97%	95%	97%	95%
Per square foot for wholly owned and partially owned (consolidated) properties				
Revenues				
Base rentals	$4.09	$3.84	$7.94	$7.61
Percentage rentals	.15	.11	.26	.20
Expense reimbursements	1.54	1.56	3.27	2.99
Other income	.15	.29	.26	.39
Total revenues	5.93	5.80	11.73	11.19
Expenses				
Property operating	1.78	1.77	3.74	3.38
General and administrative	.45	.39	.82	.77
Depreciation and amortization	1.39	1.55	2.96	3.01

Total expenses	3.62	3.71	7.52	7.16
Operating income	2.31	2.09	4.21	4.03
Interest expense	1.00	1.07	1.99	2.13
Income before equity in earnings of unconsolidated joint ventures, minority interests, discontinued operations and loss on sale of real estate	$1.31	$1.02	$2.22	$1.90

</TABLE>

(1) Represents properties that are currently held through a consolidated joint venture in which we own a one-third interest.
(2) Represents property that is currently held through an unconsolidated joint venture in which we own a 50% interest.
(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.
(4) Represents occupancy only at centers in which we have an ownership interest.

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, 2005.

Location	GLA (sq. ft.)	% Occupied
Riverhead, NY (1)	729,497	99
Rehoboth, DE (1) (2)	568,873	100
Foley, AL (2)	535,494	99
San Marcos, TX	442,510	99
Myrtle Beach Hwy 501, SC (2)	427,417	93
Sevierville, TN (1)	419,038	100
Myrtle Beach Hwy 17, SC (1) (3)	401,992	100
Hilton Head, SC (2)	393,094	90
Commerce II, GA	340,656	99
Howell, MI	324,631	96
Park City, UT (2)	300,602	99
Westbrook, CT (2)	291,051	92
Branson, MO	277,883	100
Williamsburg, IA	277,230	96
Lincoln City, OR (2)	270,280	92
Tuscola, IL (2)	256,514	76
Lancaster, PA	255,152	99
Locust Grove, GA	247,454	98
Gonzales, LA	245,199	100
Tilton, NH (2)	227,998	96
Fort Meyers, FL	198,924	91
Commerce I, GA	185,750	86
Terrell, TX	177,490	99
North Branch, MN	134,480	100
West Branch, MI	112,120	97
Barstow, CA	108,950	98
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
	8,596,371	97

(1) These properties or a portion thereof are subject to a ground lease.
(2) Represents properties that are currently held through a consolidated joint venture in which we own a one-third interest.
(3) Represents property that is currently held through an unconsolidated joint

venture in which we own a 50% interest.

The table set forth below summarizes certain information as of June 30, 2005 related to GLA and debt with respect to our existing centers in which we have an ownership interest and which serve as collateral for existing mortgage loans.

<TABLE>
<CAPTION>

Location	GLA (sq. ft.)	Mortgage Debt (000's) as of June 30, 2005	Interest Rate	Maturity Date
<S>	<C>	<C>	<C>	<C> <C>
Commerce I, GA	185,750	$ 7,012	9.125%	9/10/2005
Williamsburg, IA	277,230			
San Marcos I, TX	221,073			
West Branch, MI	112,120			
Kittery I, ME	59,694			
	670,117	59,730	7.875%	4/01/2009
San Marcos II, TX	221,437	18,266	7.980%	4/01/2009
Blowing Rock, NC	105,332	9,286	8.860%	9/01/2010
Nags Head, NC	82,178	6,301	8.860%	9/01/2010
Rehoboth Beach, DE	568,873			
Foley, AL	535,494			
Myrtle Beach Hwy 501, SC	427,417			
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	227,998			
	3,271,323	181,686	6.590%	7/10/2008
Debt premium		7,916		
Totals	4,536,137	$290,197		

</TABLE>

RESULTS OF OPERATIONS

Comparison of the three months ended June 30, 2005 to the three months ended June 30, 2004

Base rentals increased $1.5 million, or 5%, in the 2005 period when compared to the same period in 2004. The increase is primarily due to an increase in the overall occupancy rate and increasing rental rates on renewals. Base rent per weighted average GLA increased by $.25 per square foot from $3.84 per square foot in the 2004 period to $4.09 per square foot in the 2005 period. The overall portfolio occupancy at June 30, 2005 increased 2% compared to June 30, 2004 from 95% to 97%, while the average increase in base rental rates on lease renewals and re-tenanting of vacant space during the 2005 period was 6%. Also, base rent is impacted by the amortization of above/below market rate lease values recorded as a part of the required purchase price allocation associated with the acquisition of the Charter Oaks Partners' portfolio of nine factory outlet centers totaling 3.3 million square feet in December 2003. We and an affiliate of Blackstone Real Estate Advisors ("Blackstone") acquired the portfolio through a consolidated joint venture in the form of a limited liability company, COROC Holdings, LLC ("COROC"). 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 2005 period, we recorded an increase of $613,000 to rental income for the net amortization of market leases compared with an increase of $310,000 for the 2004 period. 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 positively or negatively. For the period from June 30, 2004 to June 30, 2005, 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 $309,000 or 32%, and on a weighted average GLA basis, increased $.04 per square foot in 2005 compared to 2004. The percentage rents in 2004 were reduced by an allocation to the previous owner of the COROC portfolio for their pro-rata share of percentage rents associated with tenants whose sales lease year began prior to December 19, 2003, the date of COROC's acquisition of the portfolio. Reported same-space sales per square foot for the rolling twelve months ended June 30, 2005 were $316 per square foot. This represents a 3% increase compared to the same period in 2004. 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 fluctuate consistently with the related reimbursable property operating expenses. Expense reimbursements, expressed as a percentage of property operating expenses, decreased from 88% in the 2004 period to 86% in the 2005 period primarily as a result of higher non-reimbursable expenses.

Other income decreased $1.2 million, or 50%, in 2005 compared to 2004 and on a weighted average GLA basis, decreased $.14 per square foot from $.29 to $.15. Other income in the 2004 period includes gains from the sale of outparcels of land of $1.2 million compared to one outparcel sale in the 2005 period with a related gain of approximately $127,000.

General and administrative expenses increased $457,000, or 14%, in the 2005 period as compared to the 2004 period and on a weighted average GLA basis, increased $.06 from $.39 to $.45. The increase is primarily due to compensation expense related to employee share options in the second quarter of 2004 and restricted shares granted in 2004 and 2005 all of which are accounted for under Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" ("FAS 123"). As a percentage of total revenues, general and administrative expenses increased from 7% in the 2004 to 8% in 2005.

Depreciation and amortization per weighted average GLA decreased from $1.55 per square foot in the 2004 period to $1.39 per square foot in the 2005 period. This was due principally to the accelerated depreciation and amortization of certain assets in the acquisition of the COROC properties in December 2003 accounted for under Statement of Financial Accounting Standards No. 141 "Business Combinations" ("FAS 141") for tenants that terminated their leases during the 2004 period.

Interest expense decreased $734,000, or 8%, during the 2005 period as compared to 2004 period due primarily to the decrease in overall debt outstanding in the 2005 period versus the 2004 period. Outstanding debt has been reduced through proceeds from property sales during 2004 and 2005 and proceeds from the exercise of employee share options.

During the second and third quarters of 2004, we sold properties in North Conway, New Hampshire and Dalton, Georgia that qualified for treatment as discontinued operations based on the guidance of Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("FAS 144"). For these properties, the results of operations from the first quarter of 2004 are recorded in discontinued operations.

Comparison of the six months ended June 30, 2005 to the six months ended June 30, 2004

Base rentals increased $1.9 million, or 3%, in the 2005 period when compared to the same period in 2004. The increase is primarily due to an increase in the overall occupancy rate and increasing rental rates on renewals. Base rent per weighted average GLA increased by $.33 per square foot from $7.61 per square foot in the 2004 period to $7.94 per square foot in the 2005 period. The overall portfolio occupancy at June 30, 2005 increased 2% compared to June 30, 2004 from 95% to 97%, while the average increase in base rental rates on lease renewals and re-tenanting of vacant space during the 2005 period was 7%. Also, base rent is impacted by the amortization of above/below market rate lease values recorded as part of 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 2005 period, we recorded an increase of $659,000 to rental income for the net amortization of market leases compared with an increase of $370,000 for the 2004 period. 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 positively or negatively. For the period from June 30, 2004 to June 30, 2005, 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 $484,000 or 29%, and on a weighted average GLA basis, increased $.06 per square foot to $.26 in 2005 compared to $.20 in 2004. The percentage rents in 2004 were reduced by an allocation to the previous owner of the COROC portfolio for their pro-rata share of percentage rents associated with tenants whose sales lease year began prior to December 19, 2003, the date of COROC's acquisition of the portfolio. Reported same-space sales per square foot for the rolling twelve months ended June 30, 2005 were $316 per square foot. This represents a 3% increase compared to the same period in 2004. 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 fluctuate consistently with the related reimbursable property operating expenses. Expense reimbursements, expressed as a percentage of property operating expenses, decreased from 88% in the 2004 period to 87% in the 2005 period primarily as a result of higher non-reimbursable expenses.

Other income decreased $1.1 million, or 34%, in 2005 compared to 2004 and on a weighted average GLA basis, decreased $.13 per square foot from $.39 to $.26. Other income in the 2004 period includes gains from the sale of outparcels of land of $1.2 million compared to one outparcel sale in the 2005 period with a related gain of approximately $127,000.

Property operating expenses increased by $2.7 million, or 10%, in the 2005 period as compared to the 2004 period and, on a weighted average GLA basis, increased $.36 per square foot from $3.38 to $3.74. The increase is due primarily to higher snow removal costs in our northeastern properties in 2005 versus 2004 and other increases in advertising and common area maintenance expenses.

General and administrative expenses increased $344,000, or 5%, in the 2005 period as compared to the 2004 period. The increase is primarily due to compensation expense related to employee share options in the second quarter of 2004 and restricted shares granted in 2004 and 2005 all of which are accounted for under FAS 123. As a percentage of total revenues, general and administrative expenses were 7% in both the 2004 and 2005 periods.

Depreciation and amortization per weighted average GLA decreased from $3.01 per square foot in the 2004 period to $2.96 per square foot in the 2005 period. This was due principally to the accelerated depreciation and amortization of certain assets in the acquisition of the COROC properties in December 2003 accounted for under FAS 141 for tenants that terminated their leases during the 2004 period.

Interest expense decreased $1.4 million or 8%, during the 2005 period as compared to 2004 period due primarily to the decrease in overall debt outstanding in the 2005 period versus the 2004 period. Outstanding debt has been reduced through proceeds from property sales during 2004 and 2005 and proceeds from the exercise of employee share options.

During the first quarter of 2005 we sold our center in Seymour, Indiana. However, under the provisions of FAS 144, the sale did not qualify for treatment as discontinued operations. During the second and third quarters of 2004, we sold properties in North Conway, New Hampshire and Dalton, Georgia that qualified for treatment as discontinued operations based on the guidance of FAS 144. For these properties, the results of operations from the first quarter of 2004 are recorded in discontinued operations.

We recorded a loss on sale of real estate of $3.8 million, net of minority interest of $847,000, for the sale of the outlet center at our property in Seymour, Indiana in February 2005. Net proceeds received for the center were $2.0 million.

LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by operating activities was $41.3 million and $41.1 million for the six months ended June 30, 2005 and 2004, respectively. Net cash used in investing activities was $13.6 million and $5.5 million during the first six months of 2005 and 2004, respectively. The increase was due primarily to cash used in the 2005 period for the expansions at our Locust Grove, Georgia and Foley, Alabama centers and significant tenant allowances paid. Net cash used in financing activities was $28.3 million and $36.8 million during the first six months of 2005 and 2004, respectively. Cash used was lower in 2005 due to a change of $28 million in cash provided by net proceeds from debt from 2004 to 2005, offset by the sale of common shares for net proceeds of $13.2 million and proceeds from the exercise of share options of $7.0 million in 2004.

Developments, Dispositions and Joint Ventures

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. In addition, we regularly evaluate acquisition or disposition proposals and engage from time to time in negotiations for acquisitions or dispositions of properties. We may also enter into letters of intent for the purchase or sale of properties. Any prospective acquisition or disposition that is being evaluated or which is subject to a letter of intent may not be consummated, or if consummated, may not result in an increase in net income.

DEVELOPMENTS

We are currently underway with the construction of a 46,400 square foot expansion at our center located in Locust Grove, Georgia. The estimated cost of the expansion is approximately $6.6 million. We currently expect to complete the expansion with stores commencing operations during the fall of 2005. Tenants will include Polo/Ralph Lauren, Sketchers, Children's Place and others. Upon completion of the expansion, our Locust Grove center will total approximately 294,000 square feet.

We are currently underway with construction of a 21,000 square foot expansion at our center located in Foley, Alabama. The estimated cost of the expansion is approximately $3.8 million. We currently expect to complete the expansion with stores commencing operations during the fourth quarter of 2005. Leases have been executed with Ann Taylor, Skechers, Tommy Hilfiger and others. Upon completion of the expansion, the company's Foley center will total approximately 557,000 square feet.

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 350,000 square feet upon total build out with the initial phase scheduled to open in 2006.

We have an option to purchase land and have begun the early development and leasing of a site located approximately 30 miles south of 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 2007.

DISPOSITIONS

In February 2005, we completed the sale of the outlet center on a portion of our property located in Seymour, Indiana. Net proceeds received from the sale of the center were approximately $2.0 million. We recorded a loss on sale of real estate of $3.8 million, net of minority interest of $847,000, during the first quarter of 2005. We continue to have a significant involvement in this location by retaining several outparcels and significant excess land adjacent to the disposed property. Management is considering various alternatives, including the potential sale of the remaining property.

JOINT VENTURES

TWMB Associates, LLC

During March 2005, TWMB Associates, LLC ("TWMB"), a joint venture in which we have a 50% ownership interest, entered into an interest rate swap agreement with Bank of America for a notional amount of $35 million for five years. Under this agreement, TWMB receives a floating interest rate based on the 30 day LIBOR index and pays a fixed interest rate of 4.59%. This swap effectively changes the payment of interest on $35 million of variable rate mortgage debt to fixed rate debt for the contract period at a rate of 5.99%.

In April 2005, TWMB obtained permanent financing to replace the construction loan debt that was utilized to build the outlet center in Myrtle Beach, South Carolina. The new mortgage amount is $35.8 million with a rate of LIBOR + 1.40%. The note is for a term of five years with payments of interest only. In April 2010, TWMB has the option to extend the maturity date of the loan two more years until 2012. All debt incurred by this unconsolidated joint venture is collateralized by its property.

Either member 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 member's interest. However, we do not expect this event to occur in the near future based on the positive results and operating performance of this outlet center located in the Myrtle Beach, South Carolina area.

Tanger Wisconsin Dells, LLC

In March 2005, we established Tanger Wisconsin Dells, LLC ("Wisconsin Dells"), a joint venture in which we have a 50% ownership interest with Tall Pines Development of Wisconsin Dells, LLC ("Tall Pines") as our venture partner, to construct and operate a Tanger Outlet center in Wisconsin Dells, Wisconsin. In June 2005, we and our partner each made a capital contribution of $50,000 to the joint venture. We have begun the early development and leasing of the site. We currently expect the center to be approximately 250,000 square feet upon total build out with the initial phase scheduled to open in 2006.

Deer Park Enterprise, LLC

In October 2003, Deer Park Enterprise, LLC ("Deer Park"), a joint venture in which we have a one-third ownership interest, entered into a sale-leaseback transaction for the location on which it ultimately will develop a shopping center that will contain both outlet and big box retail tenants in Deer Park, New York. The agreement consisted of the sale of the property to Deer Park for $29 million which was being leased back to the seller under an operating lease agreement. In November 2004, the tenant gave notice (within the terms of the lease) that they intended to, and subsequently did, vacate the facility in May 2005. Annual rents received from the tenant were $3.4 million. During the first six months of 2005, we made additional equity contributions totaling $900,000 to Deer Park. Both of the other members made equity contributions equal to ours during the period.

Financing Arrangements

In April 2005, we paid in full at maturity a $13.7 million, 9.77% mortgage with New York Life with amounts available under our unsecured lines of credit. The collateral securing the mortgage, our Lancaster, Pennsylvania property, was released upon satisfaction of the loan. In September 2005, a $7.0 million, 9.125% mortgage with New York Life matures and we currently expect to pay off the mortgage with amounts available under our unsecured lines of credit. The collateral securing the mortgage, our Commerce I, Georgia property, will be released upon satisfaction of the loan.

During June 2005, Moody's Investors Service announced an upgrade to our senior unsecured debt rating to an investment grade rating of Baa3, citing our success in integrating the Charter Oak portfolio of properties purchased in December 2003, improved performance and progress in unencumbering several of our properties. The upgrade also considered our laddered debt maturity schedule and adequate liquidity.

At June 30, 2005, approximately 41% of our outstanding long-term debt, excluding debt premium, was unsecured and approximately 44% of the gross book value of our real estate portfolio was unencumbered. The weighted average interest rate, including loan cost amortization, on average debt outstanding for the three months ended June 30, 2005 and 2004 was 7.35% and 7.54%, respectively.

We intend to retain the ability to raise additional capital, including public debt or equity, to pursue attractive investment opportunities that may arise and to otherwise act in a manner that we believe to be in our shareholders' best interests. During the third quarter of 2005, we expect to replenish our shelf registration to allow us to issue up to $600 million in either all debt or all equity or any combination thereof. To generate capital for reinvestment 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 $125 million at June 30, 2005. All of our lines of credit have maturity dates of June 30, 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 2005.

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 14, 2005, our Board of Directors declared a $.3225 cash dividend per common share payable on August 15, 2005 to each shareholder of record on July 29, 2005, and caused a $.6450 per Operating Partnership unit cash distribution to be paid to the Operating Partnership's minority interest.

Off-Balance Sheet Arrangements

As of April 2005, upon obtaining permanent financing, we are no longer a party to a joint and several guarantee with respect to the original $36.2 million construction loan of the TWMB property. We are a party to a joint and several guarantee with respect to the $19 million loan obtained by Deer Park related to its potential site in Deer Park, New York.

New Accounting Pronouncements

In December 2004, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 123 (revised 2004), "Share-Based Payment" ("FAS 123R"), which replaces FAS 123 which we adopted effective January 1, 2003. We expect to adopt FAS 123R on January 1, 2006. We are currently evaluating the effect of the adoption of FAS 123R on our consolidated financial statements.

In June 2005, the FASB ratified the EITF s consensus on Issue No. 04-5 "Determining Whether a General Partner, or the General Partners as a Group, Controls a Limited Partnership or Similar Entity When the Limited Partners Have Certain Rights". This consensus establishes the presumption that general partners in a limited partnership control that limited partnership regardless of the extent of the general partners ownership interest in the limited partnership. The consensus further establishes that the rights of the limited partners can overcome the presumption of control by the general partners, if the limited partners have either (a) the substantive ability to dissolve (liquidate) the limited partnership or otherwise remove the general partners without cause or (b) substantive participating rights. Whether the presumption of control is overcome is a matter of judgment based on the facts and circumstances, for which the consensus provides additional guidance. This consensus is currently applicable to us for new or modified partnerships, and will otherwise be applicable to existing partnerships in 2006. This consensus applies to limited partnerships or similar entities, such as limited liability companies that have governing provisions that are the functional equivalent of a limited partnership. We believe this consensus will have no impact on the accounting treatment currently applied to our joint ventures.

Critical Accounting Policies and Estimates

Refer to our 2004 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 2005.

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 2005, we have approximately 1,821,000 square feet, or 21% 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, 2005, we have renewed approximately 1,074,000 square feet, or 59% of the square feet scheduled to expire in 2005. The existing tenants have renewed at an average base rental rate approximately 8% higher than the expiring rate. We also re-tenanted approximately 322,000 square feet of vacant space during the first six months of 2005 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 5.5% of our combined base and percentage rental revenues for the three months ended June 30, 2005. 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, 2005 and 2004, our centers were 97% 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.

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, 2005, TWMB had an interest rate swap agreement effective through March 2010 with a notional amount of $35 million. Under this agreement, TWMB receives a floating interest rate based on the 30 day LIBOR index and pays a fixed interest rate of 4.59%. This swap effectively changes the payment of interest on $35 million of variable rate construction debt to fixed rate debt for the contract period at a rate of 5.99%.

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, 2005, TWMB would have paid approximately $883,000 to terminate the agreement. A 1% decrease in the 30 day LIBOR index would increase the amount paid by TWMB by $154,000 to approximately $1.0 million. The fair value is based on dealer quotes, considering current interest rates and remaining term to maturity. TWMB does not intend to terminate the interest rate swap agreement prior to its maturity. The fair value of this derivative is currently recorded as a liability in TWMB's 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, 2005 was $506.2 million and its recorded value was $489.0 million. A 1% increase from prevailing interest rates at June 30, 2005 would result in a decrease in fair value of total long-term debt by approximately $11.7 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, 2005 (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 13, 2005, we held our Annual Meeting of Shareholders. The matter on which common shareholders voted was the election of six 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	25,851,089	193,420
Steven B. Tanger	25,861,264	183,245
Jack Africk	24,870,922	1,173,587
William G. Benton	25,753,625	290,884
Thomas E. Robinson	25,753,225	291,284
Allan L. Schuman	25,841,748	202,761

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

10.8 Amended and Restated Employment Agreement of Wilard A. Chafin. (Note 1)

10.18 Form of Restricted Share Agreement between the Company and certain Officers. (Note 1)

10.19 Form of Restricted Share Agreement between the Company and certain Officers with certain performance criteria vesting. (Note 1)

10.20 Form of Restricted Share Agreement between the Company and certain Directors. (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 of Form 10-Q for the quarter ended March 31, 2005.

(b) Reports on Form 8-K

April 26, 2005 - We furnished a Current Report on Form 8-K containing under Item 2.02, Results of Operations and Financial Condition, our press release for the quarter ended March 31, 2005 and under Item 7.01, Regulation FD Disclosure, the March 31, 2005 Supplemental Operating and Financial Data.

April 27, 2005 - We furnished a Current Report on Form 8-K/A, amending the press release furnished on April 26, 2005 for the quarter ended March 31, 2005.

May 13, 2005 - We filed a Current Report on Form 8-K containing under Item 8.01, Other Events, our press release announcing the election of directors and officers to serve for the ensuing year and the retirement of Rochelle G. Simpson, Executive Vice President of Administration and Secretary, effective May 31, 2005.

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 5, 2005

Exhibit Index

Exhibit No.	Description
10.8	Amended and Restated Employment Agreement of Wilard A. Chafin. (Note 1)
10.21	Form of Restricted Share Agreement between the Company and certain Officers. (Note 1)
10.22	Form of Restricted Share Agreement between the Company and certain Officers with certain performance criteria vesting. (Note 1)
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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.
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32.1	Principal Executive Officer Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes - Oxley Act of 2002.
32.2	Principal Financial Officer Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes - Oxley Act of 2002.

Exhibit 31.1

CERTIFICATION

I, Stanley K. Tanger certify that:

1. I have reviewed this quarterly report on Form 10-Q of Tanger Factory Outlet Centers, Inc. for the quarter ended June 30, 2005;

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 5, 2005

/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, 2005;

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 5, 2005

/s/ Frank C. Marchisello, Jr.

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

Exhibit 32.2

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, 2005 (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 5, 2005

/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, 2005 (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 5, 2005

/s/ Frank C. Marchisello, Jr.

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