**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, 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

30,725,216 shares of Common Stock,
$.01 par value, outstanding as of October 17, 2005

**TANGER FACTORY OUTLET CENTERS, INC.**

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

| | Three months ended September 30, 2005 (unaudited) | Three months ended September 30, 2004 (unaudited) | Nine months ended September 30, 2005 (unaudited) | Nine months ended September 30, 2004 (unaudited) |
|---|---|---|---|---|
| **Revenues:** | | | | |
| Base rentals | $ 33,981 | $ 32,879 | $ 99,370 | $ 96,380 |
| Percentage rentals | 1,815 | 1,289 | 3,968 | 2,958 |
| Expense reimbursements | 14,248 | 13,060 | 41,165 | 37,956 |
| Other income | 1,595 | 1,816 | 3,747 | 5,054 |
| Total revenues | 51,639 | 49,044 | 148,250 | 142,348 |
| Expenses: | | | | |
| Property operating | 16,060 | 14,953 | 46,911 | 43,095 |
| General and administrative | 3,578 | 3,346 | 10,333 | 9,757 |
| Depreciation and amortization | 12,108 | 14,042 | 36,458 | 39,154 |
| Total expenses | 31,746 | 32,341 | 93,702 | 92,006 |
| Operating income | 19,893 | 16,703 | 54,548 | 50,342 |
| Interest expense | 7,932 | 8,919 | 24,327 | 26,684 |
| Income before equity in earnings of unconsolidated joint ventures, minority interests, discontinued operations and loss on sale of real estate | 11,961 | 7,784 | 30,221 | 23,658 |
| Equity in earnings of unconsolidated joint ventures | 255 | 359 | 714 | 799 |
| Minority interests: | | | | |
| Consolidated joint venture | (6,860) | (7,198) | (20,211) | (20,410) |
| Operating partnership | (943) | (175) | (1,917) | (743) |
| Income from continuing operations | 4,413 | 770 | 8,807 | 3,304 |
| Discontinued operations, net of minority interest | --- | (2,785) | --- | (562) |
| Income before loss on sale of real estate | 4,413 | (2,015) | 8,807 | 2,742 |
| Loss on sale of real estate, net of minority interest | --- | --- | (3,843) | --- |
| Net income (loss) | $ 4,413 | $ (2,015) | $ 4,964 | $ 2,742 |
| Basic earnings per common share: | | | | |
| Income from continuing operations | $ .16 | $ .03 | $ .18 | $ .12 |
| Net income (loss) | $ .16 | $ (.07) | $ .18 | $ .10 |
| Diluted earnings per common share: | | | | |
| Income from continuing operations | $ .15 | $ .03 | $ .18 | $ .12 |
| Net income (loss) | $ .15 | $ (.07) | $ .18 | $ .10 |
| Dividends paid per common share | $ .3225 | $ .31250 | $ .9575 | $ .9325 |

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

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

| | September 30, 2005 (Unaudited) | December 31, 2004 (Unaudited) |
|---|---|---|
| **ASSETS:** | | |
| Rental property | | |
| Land | $ 113,284 | $ 113,830 |
| Buildings, improvements and fixtures | 960,105 | 963,563 |
| Construction in progress | 8,797 | --- |
| | 1,082,186 | 1,077,393 |
| Accumulated depreciation | (247,179) | (224,622) |
| Rental property, net | 835,007 | 852,771 |
| Cash and cash equivalents | 6,219 | 4,103 |
| Short-term investments | 20,000 | --- |
| Deferred charges, net | 52,873 | 58,851 |
| Other assets | 26,895 | 20,563 |
| Total assets | $ 940,994 | $ 936,378 |
| **LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY:** | | |
| Liabilities | | |
| Debt | | |
| Senior, unsecured notes | $ 100,000 | $ 100,000 |
| Mortgages payable (including a debt premium of $7,263 and $9,346, respectively) | 281,069 | 308,342 |
| Unsecured note | 53,500 | 53,500 |
| Unsecured lines of credit | --- | 26,165 |
| Total debt | 434,569 | 488,007 |
| Construction trade payables | 8,294 | 11,918 |
| Accounts payable and accrued expenses | 14,849 | 17,026 |
| Total liabilities | 457,712 | 516,951 |
| Commitments | | |
| Minority interests | | |
| Consolidated joint venture | 227,234 | 222,673 |
| Operating partnership | 42,220 | 35,621 |
| Total minority interests | 269,454 | 258,294 |
| Shareholders' equity | | |
| Common shares, $.01 par value, 50,000,000 authorized, 30,725,216 and 27,443,016 shares issued and outstanding at September 30, 2005 and December 31, 2004 | 307 | 274 |
| Paid in capital | 349,287 | 274,340 |
| Distributions in excess of earnings | (130,955) | (109,506) |
| Deferred compensation | (5,930) | (3,975) |
| Accumulated other comprehensive income | 1,119 | --- |
| Total shareholders' equity | 213,828 | 161,133 |
| Total liabilities, minority interests and shareholders' equity | $ 940,994 | $ 936,378 |

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

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

| | Nine Months ended September 30 | |
|---|---|---|
| | **2005** | **2004** |
| | **(Unaudited)** | **(Unaudited)** |
| **OPERATING ACTIVITIES** | | |
| Net income | $ 4,964 | $ 2,742 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization, including discontinued operations | 36,458 | 39,706 |
| Amortization of deferred financing costs | 1,005 | 1,107 |
| Equity in earnings of unconsolidated joint ventures | (714) | (799) |
| Consolidated joint venture minority interest | 20,211 | 20,410 |
| Operating partnership minority interest, including discontinued operations | 1,070 | 622 |
| Compensation expense related to restricted shares and share options granted | 1,136 | 1,239 |
| Amortization of debt premium | (2,082) | (1,879) |
| Loss on sale of real estate | 4,690 | 1,460 |
| Gain on sale of outparcels of land | (127) | (1,391) |
| Distributions received from unconsolidated joint ventures | 1,475 | 1,525 |
| Net accretion of market rate rent adjustment | (583) | (647) |
| Straight-line base rent adjustment | (1,357) | (300) |
| Increase (decrease) due to changes in: | | |
| Other assets | (5,082) | (644) |
| Accounts payable and accrued expenses | (761) | (455) |
| Net cash provided by operating activities | 60,303 | 62,696 |
| **INVESTING ACTIVITIES** | | |
| Additions to rental property | (20,799) | (9,943) |
| Additions to investments in unconsolidated joint ventures | (950) | --- |
| Additions to deferred lease costs | (2,216) | (1,450) |
| Increase in short-term investments | (20,000) | --- |
| Net proceeds from sale of real estate | 2,211 | 20,255 |
| Net cash provided by (used in) investing activities | (41,754) | 8,862 |
| **FINANCING ACTIVITIES** | | |
| Cash dividends paid | (26,413) | (25,121) |
| Distributions to consolidated joint venture minority interest | (16,450) | (17,158) |
| Distributions to operating partnership minority interest | (5,809) | (5,659) |
| Net proceeds from issuance of common shares | 81,020 | 13,173 |
| Proceeds from issuance of debt | 98,165 | 43,350 |
| Repayments of debt | (149,521) | (70,298) |
| Contributions from consolidated joint venture partner | 800 | --- |
| Additions to deferred financing costs | (195) | (621) |
| Proceeds from exercise of share and unit options | 1,970 | 8,075 |
| Net cash used in financing activities | (16,433) | (54,259) |
| Net increase in cash and cash equivalents | 2,116 | 17,299 |
| Cash and cash equivalents, beginning of period | 4,103 | 9,836 |
| Cash and cash equivalents, end of period | $ 6,219 | $ 27,135 |

**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, 2005
(Unaudited)

**1. Business**

Tanger Factory Outlet Centers, Inc., a fully-integrated, self-administered, self-managed real estate investment trust, or 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 leasable area, or GLA, as of September 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 through the Operating Partnership. Accordingly, the descriptions of the business, employees and properties of the Company are also descriptions of the business, employees and properties of the Operating Partnership. The majority of the units of partnership interest issued by the Operating Partnership, or Units, are held by two wholly owned subsidiaries, the Tanger GP and the Tanger LP Trust. The Tanger GP Trust serves as the general partner of the Operating Partnership. 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, or TFLP.

As of September 30, 2005, our wholly owned subsidiaries owned 15,362,608 Units and TFLP owned 3,033,305 Units. Each of TFLP's Units are exchangeable, subject to certain limitations to preserve our status as a REIT, for two of 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 in 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 rules and regulations of the Securities and Exchange Commission, or SEC. 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, or 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. Acquisition and Development of Rental Properties**

**COROC Holdings, LLC**

The minority interest in our consolidated joint venture represents our partner's ownership interest in the COROC Holdings, LLC joint venture which is consolidated under the provisions of FIN46(R).

In August 2005, we announced the agreement to acquire for $282.5 million the remaining two thirds interests in the Charter Oak portfolio owned by an affiliate of Blackstone Real Estate Advisors, or Blackstone. The Charter Oak portfolio, comprised of nine factory outlet centers (approximately 3.3 million square feet), was acquired in December 2003 by a joint venture company, owned one third by us and two thirds by Blackstone. Since then, we have provided operating, management, leasing and marketing services for the properties. As a result of this transaction, the total amount of wholly-owned square footage in our real estate portfolio will increase by 66%, from 5.0 to 8.2 million square feet. Closing of the transaction is subject to certain conditions including those contained within an existing GMAC loan currently collateralizing the properties.

Base rent is impacted by the amortization of above or below market rate lease values recorded as a part of the required purchase price allocation associated with the original acquisition of the Charter Oak portfolio in December 2003. If a tenant vacates its space prior to the contractual termination of the lease and no rental payments are being made to the lease, any unamortized balance of the related above or below market lease value will be recognized in the income statement and could materially impact our net income positively or negatively.

**Locust Grove, Georgia**

During September 2005, we substantially completed 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. Approximately 75% of the stores were open at September 30, 2005 with the remainder expected to commence operations during the fourth quarter of 2005. Tenants include Polo/Ralph Lauren, Sketchers, Children's Place and others. Upon completion of the store openings, 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 Foley center will total approximately 557,000 square feet.

**Charleston, South Carolina**

We have met our internal minimum leasing requirements and are in the process of closing on the acquisition of the land of a site located near Charleston, South Carolina, subject to closing conditions within the purchase agreement and expect to begin construction prior to the end of 2005. We currently expect the center to be approximately 350,000 square feet upon total build out with a scheduled opening date in late 2006.

Commitments to complete construction of the expansions to the existing properties and other capital expenditure requirements amounted to approximately $2.0 million at September 30, 2005. Commitments for construction represent only those costs contractually required to be paid by us.

Interest costs capitalized during the three months ended September 30, 2005 and 2004 amounted to $122,000 and $44,000, respectively, and for the nine months ended September 30, 2005 and 2004 amounted to $235,000 and $168,000, respectively.

**4. Short-term Investments**

In September 2005, we issued 3,000,000 of our common shares at a price of $27.09. See footnote 9 for discussion of the common share offering. A portion of the proceeds were invested in auction rate securities which reset in October 2005. In October 2005, we used these proceeds to repay a portion of the John Hancock Life Insurance Company mortgages as discussed in footnote 14.

**5. Investments in Unconsolidated Real Estate Joint Ventures**

Our investments in unconsolidated real estate joint ventures aggregated $6.9 and $6.7 million as of September 30, 2005 and December 31, 2004, respectively. We have evaluated the accounting treatment for the joint ventures under the guidance of FIN 46(R) and have concluded based on the current facts and circumstances that the equity method of accounting should be used to account for the joint ventures. 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 in other assets 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 reduced by 50% of the profits earned for leasing and development services we provide to TWMB Associates, LLC, or TWMB. The following management, leasing and development fees were recognized from services provided to TWMB during the three and nine month periods ended September 30, 2005 and 2004 (in thousands):

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2005 | 2004 | 2005 | 2004 |
| Fee: | | | | |
| Management | $ 78 | $ 91 | $ 234 | $ 228 |
| Leasing | (2) | 42 | 2 | 181 |
| Development | --- | 8 | --- | 30 |
| Total Fees | $ 76 | $ 141 | $ 236 | $ 439 |

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 included in other assets and 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 with 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 rate of interest on $35 million of variable rate mortgage debt to a fixed rate debt of 5.99% for the contract period.

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, or Wisconsin Dells, a joint venture in which we have a 50% ownership interest with Tall Pines Development of Wisconsin Dells, LLC, or Tall Pines, as our venture partner, to construct and operate a Tanger Outlet center in Wisconsin Dells, Wisconsin. We and our partner each made an initial capital contribution of $50,000 to the joint venture in June 2005. In August 2005, each member made equal loans to Wisconsin Dells in the amount of $275,000. During the fourth quarter of 2005, Tall Pines will be contributing land to Wisconsin Dells with a value of approximately $5.6 million and we will make an equal capital contribution to Wisconsin Dells of $5.6 million in cash. Wisconsin Dells has received a construction loan commitment the proceeds of which, together with the capital contributions, are expected to be sufficient to complete the construction of the outlet center. Construction of the outlet center, which is currently expected to be approximately 250,000 square feet upon total build out, is expected to commence during 2005. The center is scheduled to open in late 2006.

**Deer Park Enterprise, LLC**

In October 2003, Deer Park Enterprise, LLC, or 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 conjunction with the real estate purchase, Deer Park closed on a loan in the amount of $19 million due in October 2005 and a purchase money mortgage note with the seller in the amount of $7 million. In October 2005, Bank of America committed to extend the maturity of the loan until October 2006. At the end of the lease in May 2005, the tenant vacated the property. However, the tenant did not satisfy all of the conditions necessary to terminate the lease and we are currently in litigation to recover from the tenant its on-going monthly lease payments and will continue to do so until recovered. Annual rents due from the tenant are $3.4 million. We intend to demolish the building and begin construction of the shopping center as soon as these conditions are satisfied. During the first nine months of 2005, we made additional equity contributions totaling $900,000 to Deer Park. During October 2005, we made an additional equity contribution of $450,000. Both of the other members made equity contributions equal to ours during the periods described above.

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 September 30, 2005 | As of December 31, 2004 |
|---|---|---|
| **Assets:** | | |
| Investment properties at cost, net | $ 65,585 | $ 69,865 |
| Cash and cash equivalents | 4,171 | 2,449 |
| Deferred charges, net | 1,340 | 1,973 |
| Other assets | 6,073 | 2,826 |
| Total assets | $ 77,169 | $ 77,113 |
| **Liabilities and Owners' Equity:** | | |
| Mortgages payable | $ 61,066 | $ 59,708 |
| Member loans payable | 550 | --- |
| Construction trade payables | 215 | 578 |
| Accounts payable and other liabilities | 1,239 | 702 |
| Total liabilities | 63,070 | 60,988 |
| Owners' equity | 14,099 | 16,125 |
| Total liabilities and owners' equity | $ 77,169 | $ 77,113 |

| Consolidated Statements of Operations - Unconsolidated Joint Ventures | Three Months Ended September 30, 2005 | 2004 | Nine Months Ended September 30, 2005 | 2004 |
|---|---|---|---|---|
| **Revenues** | $ 2,735 | $ 2,682 | $ 8,179 | $ 7,264 |
| **Expenses:** | | | | |
| Property operating | 888 | 918 | 2,929 | 2,639 |
| General and administrative | 4 | 8 | 19 | 21 |
| Depreciation and amortization | 777 | 723 | 2,313 | 1,977 |
| Total expenses | 1,669 | 1,649 | 5,261 | 4,637 |
| **Operating income** | 1,066 | 1,033 | 2,918 | 2,627 |
| Interest expense | 584 | 346 | 1,575 | 1,131 |
| **Net income** | $ 482 | $ 687 | $ 1,343 | $ 1,496 |
| **Tanger's share of:** | | | | |
| Net income | $ 255 | $ 359 | $ 714 | $ 799 |
| Depreciation (real estate related) | 375 | 351 | 1,114 | 955 |

**6. 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 discontinued operations caption under the guidance of Regulation S-X 210.3-15.

In June and September 2004, we completed the sale of two non-core properties located in North Conway, New Hampshire and in Dalton, Georgia, respectively. Net proceeds received from the sales of these properties were approximately $17.6 million. We recorded a gain on sale of the North Conway, New Hampshire properties of approximately $2.1 million during the second quarter of 2004 and recorded a loss on the sale of the Dalton, Georgia property of approximately $3.5 million during the third quarter of 2004, resulting in a net loss for the nine months ended September 30, 2005 of $1.4 million which is included in discontinued operations.

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", or FAS 144, which requires that the results of operations of all current and prior periods presented be reflected on the face of the income statement as discontinued operations (in thousands):

| | Three Months Ended September 30, 2004 | Nine Months Ended September 30, 2004 |
|---|---|---|
| **Revenues** | | |
| Base rentals | $ 279 | $ 1,453 |
| Percentage rentals | 2 | 4 |
| Expense reimbursements | 112 | 618 |
| Other income | 10 | 28 |
| Total revenues | 403 | 2,103 |
| **Expenses:** | | |
| Property operating | 151 | 755 |
| General and administrative | 11 | 17 |
| Depreciation and amortization | 106 | 554 |
| Total expenses | 268 | 1,326 |
| **Discontinued operations before loss on sale of real estate and minority interest** | 135 | 777 |
| Loss on sale of real estate | (3,544) | (1,460) |
| **Discontinued operations before minority interest** | (3,409) | (683) |
| Minority interest | 624 | 121 |
| **Discontinued operations** | $ (2,785) | $ (562) |

In June 2005, we sold one outparcel of land at our Terrell, Texas center. Net proceeds received were $252,000 and a gain of approximately $127,000 was recorded in other income.

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.

**7. Debt**

In addition to repaying all balances outstanding under our unsecured lines of credit, in September 2005, we paid in full at maturity a $7.0 million, 9.125% mortgage with New York Life with a portion of the proceeds from our common share offering discussed in footnote 9. The collateral securing the mortgage, our Commerce I, Georgia property, was released upon satisfaction of the loan.

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.

**8. Financial Instruments - Derivatives and Hedges**

In September 2005, we entered into two forward starting interest rate lock protection agreements to hedge risks related to anticipated future financings in 2005 and 2008. The 2005 agreement locked the US Treasury index rate at 4.279% on a notional amount of $125 million for 10 years from such date in December 2005. The 2008 agreement locked the US Treasury index rate at 4.526% on a notional amount of $100 million for 10 years from such date in July 2008. We anticipate unsecured debt transactions of at least the notional amount to occur in the designated periods.

During the first quarter of 2005, TWMB entered into an interest rate swap to hedge floating rate debt on the permanent financing that was obtained in April 2005. 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.

In accordance with our derivatives policy, these derivatives were designated as cash flow hedges and assessed for effectiveness at the time the contract was entered into and will be assessed for effectiveness on an on-going basis at each quarter end. Unrealized gains and losses related to the effective portion of our derivatives are recognized in other comprehensive income and gains or losses related to ineffective portions are recognized in the income statement. At September 30, 2005, all of our derivatives were considered effective.

The following table summarizes the notional values and fair values of our derivative financial instruments as of September 30, 2005. As of September 30, 2004 we did not have any derivative financial instruments.

| Financial Instrument Type | Notional Value | Rate | Maturity | Fair Value | |
|---|---|---|---|---|---|
| **TANGER PROPERTIES LIMITED PARTNERSHIP** | | | | | |
| US Treasury Lock | $125,000,000 | 4.279% | December 2005 | $ | 838,000 |
| US Treasury Lock | $100,000,000 | 4.526% | July 2008 | $ | 579,000 |
| **TWMB, ASSOCIATES, LLC** | | | | | |
| LIBOR Interest Rate Swap | $35,000,000 | 4.59% | March 2010 | $ | (121,000) |

**9. Common Share Offering**

In September 2005, we completed a 3,000,000 common share offering at a price of $27.09 per share to Cohen & Steers Capital Management, Inc., on behalf of itself and as investment adviser to certain investment advisory clients. Net proceeds from the sale were approximately $81.0 million which were used to pay down amounts outstanding under our lines of credit, repay a mortgage with New York Life secured by our Commerce I property and to repay a portion of the John Hancock Life Insurance Company mortgages in footnote 14.

**10. 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.

**11. 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):

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2005 | 2004 | 2005 | 2004 |
| **Numerator:** | | | | |
| Income from continuing operations - basic and diluted | $ 4,413 | $ 770 | $ 8,807 | $ 3,304 |
| Loss on sale of real estate not included in discontinued operations | --- | --- | (3,843) | --- |
| Adjusted income from continuing operations | 4,413 | 770 | 4,964 | 3,304 |
| Discontinued operations | --- | (2,785) | --- | (562) |
| Net income (loss) - basic and diluted | $ 4,413 | $ (2,015) | $ 4,964 | $ 2,742 |
| **Denominator:** | | | | |
| Basic weighted average common shares | 28,374 | 27,224 | 27,682 | 26,969 |
| Effect of outstanding share and unit options | 209 | 121 | 191 | 196 |
| Effect of unvested restricted share awards | 97 | 21 | 61 | 18 |
| Diluted weighted average common shares | 28,680 | 27,366 | 27,934 | 27,183 |
| **Basic earnings per common share:** | | | | |
| Income from continuing operations | $ .16 | $ .03 | $ .18 | $ .12 |
| Discontinued operations | --- | (.10) | --- | (.02) |
| Net income (loss) | $ .16 | $ (.07) | $ .18 | $ .10 |
| **Diluted earnings per common share:** | | | | |
| Income from continuing operations | $ .15 | $ .03 | $ .18 | $ .12 |
| Discontinued operations | --- | (.10) | --- | (.02) |
| Net income (loss) | $ .15 | $ (.07) | $ .18 | $ .10 |

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 598,000 for the three months ended September 30, 2004. No options were excluded from the computation for the three months ended September 30, 2005. For the nine months ended September 30, 2005 and 2004, 7,000 and 343,000 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.

Restricted share awards are included in the diluted earnings per share computation if the effect is dilutive, using the treasury stock method. If the share based awards were granted during the period, the shares issuable are weighted to reflect the portion of the period during which the awards were outstanding.

**12. Other Comprehensive Income - Derivative Financial Instruments**

The following table illustrates our other comprehensive income calculation for the three and nine months ended September 30, 2005 and 2004, respectively.

| | Three Months Ended September30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2005 | 2004 | 2005 | 2004 |
| Net income (loss) | $ 4,413 | $ (2,015) | $ 4,964 | $ 2,742 |
| Other comprehensive income (loss): | | | | |
| Change in fair value of treasury rate locks, | | | | |
| net of minority interest of $249 and $249 | 1,167 | --- | 1,167 | --- |
| Change in fair value of our portion of | | | | |
| TWMB cash flow hedge, net of minority | | | | |
| interest of $67 and $4 and ($13) and $37 | 314 | 16 | (48) | 45 |
| Other comprehensive income | 1,481 | 16 | 1,119 | 45 |
| Total comprehensive income (loss) | $ 5,894 | $ (1,999) | $ 6,083 | $ 2,787 |

**13. 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 September 30, 2005 and 2004 amounted to $8.3 million and $10.4 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 $5.4 million during the nine month periods ended September 30, 2005 and 2004, respectively.

**14. Subsequent Events**

On October 3, 2005, we repaid in full our mortgage debt outstanding with John Hancock Life Insurance Company totaling approximately $77.4 million, with interest rates ranging from 7.875% to 7.98% and an original maturity date of April 1, 2009. We utilized amounts available under our unsecured lines of credit and the remaining portion of the proceeds from our 3,000,000 common share offering in September 2005 to fund the transaction. As a result of the early repayment, we will incur a non-recurring charge for the early extinguishment of the John Hancock mortgage debt of approximately $9.8 million in the fourth quarter of 2005. The charge consists of a prepayment premium of approximately $9.4 million and the write-off of deferred loan fees totaling approximately $400,000. The repayment of the mortgages unencumbered the following outlet centers: Kittery I, Maine; San Marcos, Texas; West Branch, Michigan and Williamsburg, Iowa.

**15. 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 evaluated the adoption of FAS 123R and do not expect it to have a material effect 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.

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**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, 2005 with the three and nine months ended September 30, 2004. Certain comparisons between the periods are made on a percentage basis as well as on a weighted average gross leasable area, or 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 loss that is uninsurable or may not be insurable in the future 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 September 30, 2005, we owned interests in or managed 33 centers in 22 states totaling 8.7 million square feet compared to 37 centers in 23 states totaling 9.2 million square feet at September 30, 2004. The activity in our portfolio of properties since September 30, 2004 is summarized below:

| | No. of Centers | GLA (000's) | States |
|---|---|---|---|
| As of September 30, 2004 | 37 | 9,160 | 23 |
| Expansion: | | | |
| Myrtle Beach Hwy 17, South Carolina - (unconsolidated joint venture) | --- | 11 | --- |
| Locust Grove, Georgia (wholly-owned) | --- | 35 | --- |
| Dispositions: | | | |
| Vero Beach, Florida (managed) | (1) | (329) | --- |
| Seymour, Indiana (wholly-owned) | (1) | (141) | (1) |
| North Conway, New Hampshire (managed) | (2) | (40) | --- |
| Other | --- | (2) | --- |
| As of September 30, 2005 | 33 | 8,694 | 22 |

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

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2005 | 2004 | 2005 | 2004 |
| GLA at end of period (000's) | | | | |
| Wholly owned | 4,956 | 5,066 | 4,956 | 5,066 |
| Partially-owned (consolidated) (1) | 3,271 | 3,271 | 3,271 | 3,271 |
| Partially owned (unconsolidated) (2) | 402 | 391 | 402 | 391 |
| Managed | 65 | 432 | 65 | 432 |
| Total GLA at end of period (000's) | 8,694 | 9,160 | 8,694 | 9,160 |
| Weighted average GLA (000's) (1) (3) | 8,207 | 8,338 | 8,227 | 8,338 |
| Occupancy percentage at end of period (4) | 97% | 96% | 97% | 96% |
| **Per square foot for wholly owned and partially owned (consolidated) properties** | | | | |
| Revenues | | | | |
| Base rentals | $ 4.14 | $ 3.95 | $ 12.08 | $ 11.56 |
| Percentage rentals | .22 | .15 | .48 | .35 |
| Expense reimbursements | 1.73 | 1.56 | 5.00 | 4.55 |
| Other income | .20 | .22 | .46 | .61 |
| Total revenues | 6.29 | 5.88 | 18.02 | 17.07 |
| Expenses | | | | |
| Property operating | 1.96 | 1.79 | 5.70 | 5.17 |
| General and administrative | .44 | .40 | 1.26 | 1.17 |
| Depreciation and amortization | 1.48 | 1.69 | 4.43 | 4.70 |
| Total expenses | 3.88 | 3.88 | 11.39 | 11.04 |
| Operating income | 2.41 | 2.00 | 6.63 | 6.03 |
| Interest expense | .97 | 1.07 | 2.96 | 3.20 |
| Income before equity in earnings of unconsolidated joint ventures, minority interests, discontinued operations and loss on sale of real estate | $ 1.44 | $ .93 | $ 3.67 | $ 2.83 |

*(1) Represents properties that are currently held through a consolidated joint venture, COROC Holdings, LLC, in which we own a one-third interest.*
*(2) Represents property that is currently held through an unconsolidated joint venture, TWMB Associates, LLC, 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 September 30, 2005.

| Location | GLA (sq. ft.) | % Occupied |
|---|---|---|
| Riverhead, NY (1) | 729,497 | 100 |
| Rehoboth, DE (1) (2) | 568,873 | 99 |
| Foley, AL (2) | 535,757 | 98 |
| San Marcos, TX | 442,510 | 99 |
| Myrtle Beach Hwy 501, SC (2) | 427,417 | 90 |
| Sevierville, TN (1) | 419,038 | 100 |
| Myrtle Beach Hwy 17, SC (1) (3) | 401,992 | 99 |
| Hilton Head, SC (2) | 393,094 | 87 |
| Commerce II, GA | 340,656 | 99 |
| Howell, MI | 324,631 | 98 |
| Park City, UT (2) | 300,602 | 99 |
| Westbrook, CT (2) | 291,051 | 92 |
| Locust Grove, GA | 282,404 | 99 |
| Branson, MO | 277,883 | 100 |
| Williamsburg, IA | 277,230 | 99 |
| Lincoln City, OR (2) | 270,280 | 94 |
| Tuscola, IL (2) | 256,514 | 76 |
| Lancaster, PA | 255,152 | 100 |
| Gonzales, LA | 243,499 | 98 |
| Tilton, NH (2) | 227,998 | 96 |
| Fort Meyers, FL | 198,924 | 91 |
| Commerce I, GA | 185,750 | 90 |
| Terrell, TX | 177,490 | 99 |
| North Branch, MN | 134,480 | 100 |
| West Branch, MI | 112,120 | 100 |
| Barstow, CA | 108,950 | 93 |
| Blowing Rock, NC | 105,332 | 100 |
| Pigeon Forge, TN (1) | 94,694 | 95 |
| Nags Head, NC | 82,178 | 98 |
| Boaz, AL | 79,575 | 95 |
| Kittery I, ME | 59,694 | 100 |
| Kittery II, ME | 24,619 | 100 |
| | 8,629,884 | 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, COROC Holdings, LLC, in which we own a one-third interest.*
*(3) Represents property that is currently held through an unconsolidated joint venture, TWMB Associates, LLC, in which we own a 50% interest.*

The table set forth below summarizes certain information as of September 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.

| Location | GLA (sq. ft.) | Mortgage Debt (000's) as of September 30, 2005 | Interest Rate | Maturity Date |
|---|---|---|---|---|
| Williamsburg, IA (1) | 277,230 | | | |
| San Marcos I, TX (1) | 221,073 | | | |
| West Branch, MI (1) | 112,120 | | | |
| Kittery I, ME (1) | 59,694 | | | |
| | 670,117 | $ 59,263 | 7.875% | 4/01/2009 |
| San Marcos II, TX (1) | 221,437 | 18,151 | 7.980% | 4/01/2009 |
| Blowing Rock, NC | 105,332 | 9,244 | 8.860% | 9/01/2010 |
| Nags Head, NC | 82,178 | 6,273 | 8.860% | 9/01/2010 |
| Rehoboth Beach, DE | 568,873 | | | |
| Foley, AL | 535,757 | | | |
| 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 | | | |
| | 3,271,586 | 180,875 | 6.590% | 7/10/2008 |
| Debt premium (2) | | 7,263 | | |
| Totals | 4,350,650 | $ 281,069 | | |

(1) Represents mortgages prepaid on October 3, 2005.

(2) Represents a premium on mortgage debt with an imputed interest rate of 4.97% assumed in the Charter Oak acquisition joint venture formed in December 2003, which is consolidated on our balance sheet.

**RESULTS OF OPERATIONS**

***Comparison of the three months ended September 30, 2005 to the three months ended September 30, 2004***

Base rentals increased $1.1 million, or 3%, in the 2005 period when compared to the same period in 2004. The increase is primarily due to increasing rental rates on renewals. The average increase in base rental rates on lease renewals and re-tenanting of vacant space during the 2005 period was 6%. Base rent per weighted average GLA increased by $.19 per square foot from $3.95 per square foot in the 2004 period to $4.14 per square foot in the 2005 period. Base rent is impacted by the amortization of above or 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, or Blackstone, acquired the portfolio through a consolidated joint venture in the form of a limited liability company, COROC Holdings, LLC, or 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 a decrease of $76,000 to rental income for the net amortization of market lease values compared with an increase of $277,000 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 or below market lease value will be written off and could materially impact our net income positively or negatively. For the period from September 30, 2004 to September 30, 2005, one 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 $526,000 or 41%, and on a weighted average GLA basis, increased $.07 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 September 30, 2005 were $317 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, increased from 87% in the 2004 period to 89% in the 2005 period primarily as a result of lower non-reimbursable expenses.

Other income decreased $221,000, or 12%, in 2005 compared to 2004 and on a weighted average GLA basis, decreased $.02 per square foot from $.22 to $.20. Other income in the 2004 period includes gains from the sale of outparcels of land of $172,000 compared to none in the 2005 period.

Property operating expenses increased by $1.1 million, or 7%, in the 2005 period as compared to the 2004 period and, on a weighted average GLA basis, increased $.17 per square foot from $1.79 to $1.96. The increase is due primarily to increases in advertising and common area maintenance expenses.

General and administrative expenses increased $232,000, or 7%, in the 2005 period as compared to the 2004 period and on a weighted average GLA basis, increased $.04 from $.40 to $.44. The increase is primarily due to compensation expense of approximately $212,000 related to restricted shares granted in March 2005 which are accounted for under Statement of Financial Accounting Standards No. 123, “Accounting for Stock-Based Compensation”, or 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 $1.69 per square foot in the 2004 period to $1.48 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”, or FAS 141, for lease related intangibles associated with tenants that terminated their leases during the 2004 period.

Interest expense decreased $987,000, or 11%, during the 2005 period as compared to the 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 mortgage repayments and with proceeds from the September 2005 common share offering and the exercise of employee share options during 2005. The average debt outstanding for the 2005 period was $461.8 million versus $512.5 million for the 2004 period.

Earnings allocated to the minority interest in the Operating Partnership increased $768,000 in direct correlation to the changes in the earnings from the Operating Partnership as described in the preceding paragraphs.

During the third quarter of 2004, we sold our property in 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”, or FAS 144. For this property, the results of operations from the third quarter of 2004 are recorded in discontinued operations.

***Comparison of the nine months ended September 30, 2005 to the nine months ended September 30, 2004***

Base rentals increased $3.0 million, or 3%, in the 2005 period when compared to the same period in 2004. The increase is primarily due to increasing rental rates on renewals. The average increase in base rental rates on lease renewals and re-tenanting of vacant space during the 2005 period was 7%. Base rent per weighted average GLA increased by $.52 per square foot from $11.56 per square foot in the 2004 period to $12.08 per square foot in the 2005 period. Base rent is impacted by the amortization of above or 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 $583,000 to rental income for the net amortization of market lease values compared with an increase of $647,000 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 or below market lease value will be written off and could materially impact our net income positively or negatively. For the period from September 30, 2004 to September 30, 2005, one 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 $1.0 million or 34%, and on a weighted average GLA basis, increased $.13 per square foot to $.48 in 2005 compared to $.35 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 September 30, 2005 were $317 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, were 88% in both the 2005 and 2004 periods.

Other income decreased $1.3 million, or 26%, in 2005 compared to 2004 and on a weighted average GLA basis, decreased $.15 per square foot from $.61 to $.46. Other income in the 2004 period includes gains from the sale of outparcels of land of $1.4 million compared to one outparcel sale in the 2005 period with a related gain of approximately $127,000.

Property operating expenses increased by $3.8 million, or 9%, in the 2005 period as compared to the 2004 period and, on a weighted average GLA basis, increased $.53 per square foot from $5.17 to $5.70. The increase is due primarily to higher snow removal costs by approximately $715,000 in our northeastern properties in 2005 versus 2004 and other increases in advertising and common area maintenance expenses.

General and administrative expenses increased $576,000, or 6%, in the 2005 period as compared to the 2004 period and on a weighted average GLA basis, increased $.09 from $1.17 to $1.26. The increase is primarily due to compensation expense related to employee share options granted 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 $4.70 per square foot in the 2004 period to $4.43 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 lease related intangibles associated with tenants that terminated their leases during the 2004 period.

Interest expense decreased $2.4 million, or 9%, 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 mortgage repayments and with proceeds from the September 2005 common share offering and the exercise of employee share options during 2005. The average debt outstanding for the 2005 period was $461.3 million versus $525.9 million for the 2004 period.

Earnings allocated to the minority interest in the Operating Partnership increased $1.2 million in direct correlation to the changes in the earnings from the Operating Partnership as described in the preceding paragraphs.

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 for the nine months ended September 30, 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 $60.3 million and $62.7 million for the nine months ended September 30, 2005 and 2004, respectively. Net cash provided by operating activities decreased primarily due to changes in other assets. Net cash (used in) provided by investing activities was ($41.8) million and $8.9 million during the first nine months of 2005 and 2004, respectively. The increase in cash used 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 plus investments in short-term investments. This increase was offset by cash provided in the 2004 period of $20.3 million from sales of real estate. Net cash used in financing activities was $16.4 million and $54.3 million during the first nine months of 2005 and 2004, respectively. Cash used in financing activities was lower in 2005 due to the issuance of 3,000,000 common shares in September 2005. A portion of the proceeds were used to pay down outstanding lines of credit during September 2005. The remainder of the proceeds were used to repay a portion of the John Hancock Life Insurance Company mortgages after September 30, 2005 on October 3, 2005. As of September 30, 2005, the remaining proceeds of approximately $20.0 million were held in short-term, interest-bearing investments.

**Acquisitions, 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.

ACQUISITIONS

In August 2005, we announced the agreement to acquire for $282.5 million the remaining two thirds interests in the Charter Oak portfolio owned by an affiliate of Blackstone Real Estate Advisors, or Blackstone. The Charter Oak portfolio, comprised of nine factory outlet centers (approximately 3.3 million square feet), was acquired in December 2003 by a joint venture company, owned one third by us and two thirds by Blackstone. Since then, we have provided operating, management, leasing and marketing services for the properties. As a result of this transaction, the total amount of wholly-owned square footage in our real estate portfolio will increase by 66%, from 5.0 to 8.2 million square feet. Closing of the transaction is subject to certain conditions including those contained within an existing GMAC loan currently collateralizing the properties. We expect the transaction to close during November 2005.

DEVELOPMENTS

During September 2005, we substantially completed 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. Approximately 75% of the stores were open at September 30, 2005 with the remainder expected to commence operations during the fourth quarter of 2005. Tenants include Polo/Ralph Lauren, Sketchers, Children's Place and others. Upon completion of the store openings, 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 Foley center will total approximately 557,000 square feet.

We have met our internal minimum leasing requirements and are in the process of closing on the acquisition of the land of a site located near Charleston, South Carolina, subject to closing conditions within the purchase agreement and expect to begin construction prior to the end of 2005. We currently expect the center to be approximately 350,000 square feet upon total build out with a scheduled opening date in late 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.

We are also in the process of early development and leasing of sites in Deer Park, New York and Wisconsin Dells, Wisconsin through joint venture arrangements. See further discussion below.

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, or Wisconsin Dells, a joint venture in which we have a 50% ownership interest with Tall Pines Development of Wisconsin Dells, LLC, or Tall Pines, as our venture partner, to construct and operate a Tanger Outlet center in Wisconsin Dells, Wisconsin. We and our partner each made an initial capital contribution of $50,000 to the joint venture in June 2005. In August 2005, each member made equal loans to Wisconsin Dells in the amount of $275,000. During the fourth quarter of 2005, Tall Pines will be contributing land to Wisconsin Dells with a value of approximately $5.6 million and we will make an equal capital contribution to Wisconsin Dells of $5.6 million in cash. Wisconsin Dells has received a construction loan commitment the proceeds of which, together with the capital contributions, are expected to be sufficient to complete the construction of the outlet center. Construction of the outlet center, which is currently expected to be approximately 250,000 square feet upon total build out, is expected to commence during 2005. The center is scheduled to open in late 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, or 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 conjunction with the real estate purchase, Deer Park closed on a loan in the amount of $19 million due in October 2005 and a purchase money mortgage note with the seller in the amount of $7 million. In October 2005, Bank of America committed to extend the maturity of the loan until October 2006. At the end of the lease in May 2005, the tenant vacated the property. However, the tenant did not satisfy all of the conditions necessary to terminate the lease and we are currently in litigation to recover from the tenant its on-going monthly lease payments and will continue to do so until recovered. Annual rents due from the tenant are $3.4 million. We intend to demolish the building and begin construction of the shopping center as soon as these conditions are satisfied. During the first nine months of 2005, we made additional equity contributions totaling $900,000 to Deer Park. During October 2005, we made an additional equity contribution of $450,000. Both of the other members made equity contributions equal to ours during the periods described above.

**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, we paid in full at maturity a $7.0 million, 9.125% mortgage with New York Life with amounts from our common share offering. The collateral securing the mortgage, our Commerce I, Georgia property, was 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.

In September 2005, we completed a 3,000,000 common share offering at a price of $27.09 per share to Cohen & Steers Capital Management, Inc., on behalf of itself and as investment adviser to certain investment advisory clients. Net proceeds from the sale were approximately $81.0 million which were used to pay down amounts outstanding under our lines of credit and to repay a portion of the John Hancock mortgages discussed below.

On October 3, 2005, we repaid in full our mortgage debt outstanding with John Hancock Life Insurance Company totaling approximately $77.4 million, with interest rates ranging from 7.875% to 7.98% and an original maturity date of April 1, 2009. As a result of the early repayment, we will incur a non-recurring charge for the early extinguishment of the John Hancock mortgage debt of approximately $9.8 million in the fourth quarter of 2005. The charge consists of a prepayment premium of approximately $9.4 million and the write-off of deferred loan fees totaling approximately $400,000. The repayment of the mortgages unencumbered the following outlet centers: Kittery I, Maine; San Marcos, Texas; West Branch, Michigan and Williamsburg, Iowa.

Following the early repayment of the John Hancock Life Insurance Company mortgage debt, Standard & Poor's Ratings Service announced an upgrade of our senior unsecured debt rating to an investment grade rating of BBB-, citing our progress in unencumbering a number of our properties resulting in over half of the Company's fully consolidated net operating income being generated by unencumbered properties.

At September 30, 2005, approximately 36% of our outstanding long-term debt, excluding debt premium, was unsecured and approximately 46% of the gross book value of our real estate portfolio was unencumbered. Giving effect to the unencumbrance of the properties that secured the John Hancock Life Insurance Company mortgages on October 3, 2005, approximately 54% of the gross book value of our real estate portfolio would be unencumbered. The weighted average interest rate, including loan cost amortization, on average debt outstanding for the three months ended September 30, 2005 and 2004 was 7.69% and 7.61%, 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 replenished our shelf registration to allow us to issue up to $600 million in either all debt or all equity or any combination thereof. It is our intent to draw on the shelf registration to finance the Blackstone acquisition previously discussed using an offering of a combination of preferred shares and unsecured debt. 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 September 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 and 2006.

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, or 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 13, 2005, our Board of Directors declared a $.3225 cash dividend per common share payable on November 15, 2005 to each shareholder of record on October 31, 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", or 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 evaluated the adoption of FAS 123R and do not expect it to have a material effect 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 September 30, 2005, we have renewed approximately 1,302,000 square feet, or 72% of the square feet scheduled to expire in 2005. The existing tenants have renewed at an average base rental rate approximately 7% higher than the expiring rate. We also re-tenanted approximately 395,000 square feet of vacant space during the first nine months of 2005 at a 7% 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 7.2% of our combined base and percentage rental revenues for the three months ended September 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 September 30, 2005 and 2004, our centers were 97% and 96% occupied, respectively. Consistent with our long-term strategy of re-merchandising centers, we will continue to hold space off the market until an appropriate tenant is identified. While we believe this strategy will add value to our centers in the long-term, it may reduce our average occupancy rates in the near term.

**Item 3. Quantitative and Qualitative Disclosures about Market Risk**

We are exposed to various market risks, including changes in interest rates. Market risk is the potential loss arising from adverse changes in market rates and prices, such as interest rates. We may periodically enter into certain interest rate protection and interest rate swap agreements to effectively convert floating rate debt to a fixed rate basis and to hedge anticipated future financings. We do not enter into derivatives or other financial instruments for trading or speculative purposes.

In September 2005, we entered into two forward starting interest rate lock protection agreements to hedge risk related to anticipated future financings in 2005 and 2008. The likelihood of the occurrence of these anticipated transactions is dependent upon the closing in the fourth quarter of 2005 of the acquisition of the two-thirds interest in the COROC joint venture and the maturity of certain bonds in 2008 and or the maturity of the COROC mortgage with GMAC. The 2005 agreement locked the 10 year US Treasury index rate on or before December 16, 2005 at 4.279% on a notional amount of $125 million. The 2008 agreement locked the US Treasury index rate on or before July 11, 2008 at 4.526% on a notional amount of $100 million. We anticipate unsecured debt transactions of at least the notional amount to occur in the designated periods.

The fair value of the interest rate protection agreements represents the estimated receipts or payments that would be made to terminate the agreement. At September 30, 2005, we would have received approximately $1.4 million if we terminated the agreements. A 1% decrease in the US Treasury rate index would decrease the amount we would receive if the agreements were terminated by $17.6 million. The fair value is based on dealer quotes, considering current interest rates and remaining term to maturity. We do not intend to terminate the agreements prior to their maturity.

During the first quarter of 2005, TWMB entered into an interest rate swap to hedge floating rate debt on the permanent financing that was obtained in April 2005. The swap involves the exchange of fixed and variable interest rate payments based on a contractual principal amount and time period. Payments or receipts on the agreements are recorded as adjustments to interest expense. At September 30, 2005, TWMB's interest rate swap agreement was effective through March 2010 with a notional amount of $35 million. Under this agreement, TWMB receives payment based on the 30 day LIBOR index and makes payment based on 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 September 30, 2005, TWMB would have paid approximately $121,000 to terminate the agreement. A 1% decrease in the 30 day LIBOR index would increase the amount paid by TWMB by $1.1 million to approximately $1.3 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 September 30, 2005 was $447.8 million and its recorded value was $434.6 million. A 1% increase from prevailing interest rates at September 30, 2005 would result in a decrease in fair value of total long-term debt by approximately $10.5 million. Fair values were determined from quoted market prices, where available, using current interest rates considering credit ratings and the remaining terms to maturity.

**Item 4. Controls and Procedures**

Based on the most recent evaluation, the Company's Chief Executive Officer and Chief Financial Officer believe the Company's disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) were effective as of September 30, 2005. There were no changes to the Company's internal controls over financial reporting during the third quarter ended September 30, 2005, that materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

## 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

10.18 Amended and Restated Employment Agreement of Willard A. Chafin. (Note 1)

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

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

10.21 Form of Restricted Share Agreement between the Company and certain Directors. (Note 1)

10.22 Purchase and Sale Agreement for interest in COROC Holdings, LLC between BROC Portfolio, L.L.C. and Tanger COROC, LLC

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

July 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 June 30, 2005 and under Item 7.01, Regulation FD Disclosure, the June 30, 2005 Supplemental Operating and Financial Data.

August 23, 2005 - We filed a Current Report on Form 8-K containing under Item 1.01, Entry into a Definitive Material Agreement, our press release announcing the entry into a purchase and sale agreement with Blackstone to acquire for $282.5 million the remaining two thirds interests in the Charter Oak portfolio.

August 31, 2005 - We filed a Current Report on Form 8-K containing under Item 9.01, Financial Statements and Exhibits, the proforma financial statements required under related to the pending acquisition of the remaining two thirds interests in the Charter Oak portfolio owned by Blackstone.

August 31, 2005 - We filed a Current Report on Form 8-K containing under Item 1.01, Entry into a Definitive Material Agreement, the announcement of an executed purchase and sale agreement for 3,000,000 of the Company's common shares to Cohen & Steers Capital Management, Inc.

**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: October 24, 2005

**Exhibit Index**

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

# AGREEMENT

THIS AGREEMENT is entered into and made effective as of August 22, 2005 (the "**Agreement Date**") by and between **BROC PORTFOLIO L.L.C.** ("**Seller**"), a Delaware Limited Liability Company and **TANGER COROC, LLC** ("**Buyer**"), a North Carolina Limited Liability Company. Seller and Buyer are herein sometimes referred to as the "**Parties**".

RECITALS:

A. COROC Holdings L.L.C. (the "**Company**") is a Delaware limited liability company operated pursuant to a Limited Liability Company Agreement dated October 3, 2003 (the "**Company Operating Agreement**"). Capitalized terms used herein which are not otherwise defined herein shall have the meanings such terms have in the Company Operating Agreement.

B. Seller and Buyer are the owners and holders of all of the Company's Interests.

C. Seller has agreed to sell to Buyer, and Buyer has agreed to purchase from Seller, all of Seller's Interests in the Company upon and subject to the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the respective agreements and commitments set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the Parties, the Parties agree as follows:

1. Basic Transaction.

1.1 Sale and Purchase of Seller's Interests. On and subject to the terms and conditions of this Agreement, Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, all of Seller's Interests in the Company (the "**Acquired Interest**").

1.2 Purchase Price. Buyer shall pay Seller at the Closing Two Hundred Eighty-Two Million Five Hundred Thousand Dollars ($282,500,000.00) (the "**Purchase Price**") in cash by wire transfer or delivery of other immediately available guaranteed U.S. funds. There shall be no adjustments to the Purchase Price.

1.3 The Closing. Provided all conditions precedent for Closing set forth in this Agreement have been satisfied or waived by the appropriate party, the consummation of the transaction contemplated herein (herein called the "**Closing**") shall take place at the offices of Simpson Thacher & Bartlett, 425 Lexington Avenue, New York, New York 10017 at 10:00 a.m. on the thirtieth ($30^{th}$) calendar day (or if such day is not a Business Day, the next succeeding Business Day) following satisfaction of the condition set forth in Section 4.7, and notice of such

satisfaction has been received by both Parties (the "**Closing Date**"); provided however, the Closing shall take place on such earlier Business Day as set by Buyer in a written notice (a "**Closing Date Notice**") received by Seller at least sixteen (16) calendar days (or such shorter notice period as the Parties shall mutually agree upon) in advance of said earlier Closing Date; and provided further, unless the Parties mutually agree otherwise, the Closing Date shall not be later than November 30, 2005.

1.4 Delivery at Closing. At the Closing, (i) Seller will deliver to Buyer the various certificates, instruments and documents referred to in Paragraph 6.3(a) below, (ii) Buyer will deliver to Seller the various certificates, instruments and documents referred to in Paragraph 6.3(b) below, and (iii) Buyer will pay and deliver to Seller the consideration specified in Section 1.2 hereof.

1.5 Minimum Primary Return. The Parties agree that contemporaneously with the Closing, as a condition to Seller's obligations to close hereunder, the Company shall make a distribution to Seller pursuant to Section 5.4(a)(i) of the Company Operating Agreement in an amount sufficient to reduce Seller's Primary Return Account to zero.

1.6 Tanger Management Fee. The Parties agree that prior to Closing, as a condition to Buyer's obligations to close hereunder, the Company shall pay Tanger Properties Limited Partnership ("**TPLP**") a pro rated portion of the Incentive Fee (as defined in the Management Agreement) payable to TPLP pursuant to the Shopping Center Management Agreement dated December 19, 2003 (the "**Management Agreement**"). Such pro rated Incentive Fee shall be an amount determined by multiplying (i) the Incentive Fee that would be payable for the full 2005 calendar year if the Company's Net Operating Income (as determined in the Management Agreement) for the year had been $50,340,000 by (ii) a fraction the numerator of which is the number of days in 2005 prior to and through the Closing Date and the denominator of which is 365.

2. Representations and Warranties of Seller. Seller represents and warrants to Buyer that the statements contained in this Section are correct and complete as of the date of this Agreement and will be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this Section) except as set forth in the Disclosure Schedule delivered by Seller to Buyer on the date hereof and initialed by the Parties (the "**Seller's Disclosure Schedule**"). The Seller's Disclosure Schedule will be arranged in paragraphs corresponding to the lettered and numbered paragraphs contained in this Section 2.

2.1 Representations and Warranties Concerning the Transaction

(a) Organization of Seller. Seller is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware.

(b) Authorization of Transaction. Seller has full power and authority (including full power and authority as a limited liability company) to execute and deliver this Agreement and to perform its obligations hereunder. This Agreement constitutes the valid and legally binding obligation of Seller, enforceable in accordance with its terms and conditions. Seller need not give any notice to, make any filings with, or obtain any authorization, consent, or approval of, any government or governmental agency in order to consummate the transactions contemplated by this Agreement. The execution, delivery and performance of this Agreement and all other agreements contemplated hereby have been duly authorized by Seller, including, without limitation, due authorization by all of Seller's members.

(c) Noncontravention. Neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will (i) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge or other restriction of any government, governmental agency or court to which Seller is subject or any provision of the Articles of Organization or Operating Agreement of Seller; (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument or other arrangement to which Seller is a party or by which it is bound or to which any of its assets is subject; or (iii) result in the imposition or creation of a Lien upon or with respect to the Acquired Interest. Seller is not required to give any notice to, make any filing with, or obtain any authorization, consent or approval of any government or governmental agency in order for the Parties to consummate the transactions contemplated by this Agreement.

(d) Brokers' Fees. Seller has no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement for which Buyer could become liable or obligated.

(e) Ownership and Transfer of Acquired Interest. Seller holds of record and owns beneficially the Acquired Interest free and clear of any restrictions on transfer (other than any restriction under (i) the Securities Act and state securities laws, and (ii) the Company Operating Agreement), taxes, Liens, options, warrants, purchase rights, contracts, commitments, equities, claims and demands. Seller is not a party to any option, warrant, purchase right or other contract or commitment (other than this Agreement and the Company Operating Agreement) that could require Seller to sell, transfer or otherwise dispose of any ownership interest in the Company. Seller is not a party to any agreement or understanding with respect to the voting of any ownership interest in the Company other than the Company Operating Agreement.

2.2 Representations and Warranties Concerning the Company

(a) Seller has not received notice of, and has no Knowledge of, (i) any third party claim against the Company or any of its Subsidiaries, or (ii) any violation by the Company or any of its Subsidiaries of any statute, regulation, rule, injunction, order, decree, ruling, or charge of any government, governmental agency or court, in each case which claim or violation has not been disclosed to Buyer or of which Buyer is not otherwise aware.

(b) Seller has not taken any action that, to its Knowledge, (i) would bind or obligate the Company, (ii) is in material violation of the Company Operating Agreement, or (iii) would cause the Company or any Subsidiary to take any action in violation of the limited liability company agreement of any of its Subsidiaries, except, in each case (A) pursuant to a Member Consent approved by the Tanger Member or (B) as otherwise permitted by the Company Operating Agreement without a Member Consent, provided that in the case of this clause (B) Seller has disclosed such action to Buyer or Buyer has Knowledge of such action.

3. Representations and Warranties of Buyer. Buyer represents and warrants to Seller that the statements contained in this Section 3 are correct and complete as of the date of this Agreement and will be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this Section 3) except as set forth in the Disclosure Schedule delivered by Buyer to Seller on the date hereof and initialed by the Parties (the "**Buyer's Disclosure Schedule**"). The Buyer's Disclosure Schedule will be arranged in paragraphs corresponding to the lettered and numbered paragraphs contained in this Section 3.

3.1 Organization of Buyer. Buyer is a limited liability company duly formed, validly existing and in good standing under the laws of the State of North Carolina.

3.2 Authorization of Transaction. Buyer has full power and authority (including full power and authority acting as a limited liability company) to execute and deliver this Agreement and to perform its obligations hereunder. This Agreement constitutes the valid and legally binding obligation of Buyer enforceable in accordance with its terms and conditions. Buyer need not give any notice to, make any filings with or obtain any authorization, consent or approval of any government or governmental agency in order to consummate the transactions contemplated by this Agreement.

3.3 Noncontravention. Neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will (i) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge or other restriction of any government, governmental agency, or court to which Buyer is subject or any provision of the articles of organization or operating agreement of Buyer; or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify or cancel or require any notice under any agreement, contract, lease, license instrument or other arrangement to which Buyer is a party or by which it is bound or to which any of its assets are subject. Buyer is not required to give any notice to, make any filing with, or obtain any authorization, consent or approval of any government or governmental agency in order for the Parties to consummate the transactions contemplated by this Agreement.

3.4 Brokers' Fees. Buyer has no liability or obligation to pay any fee or commissions to any broker, finder or agent other than Compass Advisers, LLP ("**Compass**") with respect to the transactions contemplated by this Agreement for which Seller could become liable or obligated. Buyer shall pay any fees or commissions payable to Compass pursuant to a separate agreement between Buyer and Compass.

4. Pre-Closing Covenants. The Parties agree as follows with respect to the period between the execution of this Agreement and the Closing:

4.1 General. Each of the Parties will use its reasonable best efforts to take all action and to do all things necessary, proper or advisable in order to consummate and make effective the transactions contemplated by this Agreement (including satisfaction, but not waiver, of the closing conditions set forth in Section 6 below).

4.2 Notices and Consents. Each Party will give any notices, make any filings with, and use its reasonable best efforts to obtain any authorizations, consents and approvals of governments and governmental agencies in connection with the matters, if any, referred to in Sections 2 and 3 above.

4.3 Operation of Business. Seller will not take any action that (i) would bind or obligate the Company, (ii) is in material violation of the Company Operating Agreement, or (iii) would cause the Company or any Subsidiary to take any action in violation of the limited liability company agreement of any of its Subsidiaries, except, in each case (A) pursuant to a Member Consent approved by the Tanger Member or (B) as otherwise permitted by the Company Operating Agreement without a Member Consent, provided that in the case of this clause (B) Seller has disclosed such action to Buyer or Buyer has Knowledge of such action.

4.4 Intentionally Omitted.

4.5 Notice of Developments. Each Party will give prompt, written notice to the other Party of any material adverse development causing a breach of any of its own representations and warranties in Sections 2 and 3 above. No disclosure by any Party pursuant to this Section 4 however, shall be deemed to amend or supplement the Disclosure Schedule or to prevent or cure any misrepresentation, breach of warranty or breach of covenant.

4.6 Exclusivity. During the term of this Agreement, Seller will not (and Seller will not exercise its rights as a Member of the Company to cause or permit the Company or any of its Subsidiaries to) (i) solicit, initiate or encourage the submission of any proposal or offer from any Person relating to the acquisition of Seller's Interests in the Company or any substantial portion of the assets of the Company or any of its Subsidiaries; or (ii) participate in any discussions or negotiations regarding, furnish any information with respect to, assist or participate in, or facilitate in any other manner any effort or attempt by any Person to do or seek any of the foregoing. During the term of this Agreement, Seller will not vote its Interests in favor of any such acquisition without Buyer's consent, and will notify Buyer immediately if any Person makes any proposal, offer, inquiry of contract to Seller with respect to any of the foregoing.

4.7 GMAC Conditions. Seller and Buyer will each use their reasonable best efforts to satisfy such conditions in connection with the sale and purchase of the Acquired Interest pursuant to the loan documents evidencing and securing a loan from GMAC Commercial Mortgage Corporation in the original aggregate principal amount of $200 Million assumed by the Company and its Subsidiaries; provided that such reasonable best efforts shall not be deemed to required either Party to agree to pay GMAC any fees, prepayments or other amounts except as expressly provided in the loan documents for such loan. Buyer and Seller shall be responsible for and each shall pay one-half of any costs or fees associated with satisfying such conditions.

5. Post Closing Covenants. The Parties agree as follows with respect to the period following the Closing:

5.1. General. In case at any time after the Closing any further actions are necessary to carry out the purposes of this Agreement, each of the Parties will take such further actions (including the execution and delivery of such further instruments and documents) as any other Party may reasonably request, all at the sole costs and expense of the requesting party (unless the requesting party is entitled to indemnification therefore under Section 8 of this Agreement). Seller acknowledges and agrees that, from and after the Closing, Buyer will be entitled to possession of all documents, books, records (including tax records), agreements and financial data of any sort relating to the Company and its Subsidiaries, provided that Seller shall be entitled to retain a copy of any such financial data, records, agreements or documents currently in Seller's possession to the extent necessary for Seller's tax filings, accounting or financial reporting. For a period of three years after the Closing, at Seller's request, Buyer shall provide Seller with reasonable access to the books and records of the Company for the period prior to the Closing to the extent reasonably necessary for Seller's tax filings, accounting or financial reporting, such agreement to survive the Closing.

5.2 Litigation Support. In the event and for so long as any Party actively is contesting or defending against any action, suit, proceeding, hearing, investigation, charge, complaint, claim or demand in connection with (i) any transaction contemplated under this Agreement; or (ii) any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act or transaction on or prior to the Closing Date involving the Company or any of its Subsidiaries, each of the other Parties will cooperate with it and/or its counsel in the contest or defense, make available its personnel and provide such testimony and access to its books and records as shall be required in connection with the contest or defense, all at the sole costs and expense of the contesting or defending party (unless the contesting or defending party is entitled to indemnification therefore under Section 8 of this Agreement). This Section 5.2 shall not apply to any action, suit, proceeding, hearing, investigation, charge, complaint, claim or demand between Seller and Buyer.

5.3. Intentionally Omitted.

5.4. Confidentiality. Seller will treat and hold as such all of the Confidential Information, refrain from using any of the Confidential Information, except in connection with this Agreement, and deliver promptly to Buyer or destroy, at Seller's option, all tangible embodiments (and all copies) of the Confidential Information that are in its possession. In the event that Seller is requested or required pursuant to oral or written question or request for information or documents in any legal proceeding, interrogatories, subpoena, civil investigation, demand, or similar process to disclose any Confidential Information, Seller will notify Buyer promptly of the request or requirement so that Buyer may seek an appropriate protective order or waive compliance with the provisions of this sub-section 5.4. If, in the absence of a protective order, or the receipt of a wavier hereunder, Seller is, on advice of counsel, compelled to disclose any Confidential Information to any tribunal, Seller may disclose the Confidential Information to the tribunal; provided, however, that Seller shall use its reasonable best efforts to obtain, at the reasonable request of Buyer and at Buyer's sole cost and expense, an order or other assurance that confidential treatment will be accorded to such portion of the Confidential Information required to be disclosed as Buyer shall designate.

5.5. Intentionally Omitted.

6. Conditions to Obligation to Close.

6.1 Conditions to Obligations of Buyer. The obligations of Buyer to consummate the transactions to be performed by it in connection with the Closing are subject to satisfaction of the following conditions:

(a) The representations and warranties of Seller set forth in Section 2 above shall be true and correct in all material respects at and as of the Closing Date;
(b) Seller shall have performed and complied with all of its covenants hereunder in all material respects through the Closing;

(c) The Company and its Subsidiaries shall have procured any of the third party consents specified in Section 2 above and the Seller's Disclosure Schedule;

(d) No action, suit or proceeding shall have been brought by any Person (other than the parties hereto or any of such parties' affiliates) and be pending before any court or quasi judicial or administrative agency of any federal, state, local or foreign jurisdiction or before any arbitrator wherein an unfavorable injunction, judgment, order, decree, ruling or charge would (A) prevent consummation of any of the transactions contemplated by this Agreement, (B) cause any of the transactions contemplated by this Agreement to be rescinded following consummation, (C) materially and adversely affect the right of Buyer to acquire the Acquired Interest or (D) materially and adversely affect the right of the Company or any of its Subsidiaries to own its assets and to operate its business (and no such injunction, judgment, order, decree, ruling or charge shall be in effect);

(e) Seller shall have delivered to Buyer a certificate to the effect that each of the conditions specified in Paragraphs (a) through (d) of this Section 6.1 is satisfied in all respects;

(f) Buyer shall not have terminated this Agreement in accordance with the provisions of Sections 7 hereof.

(g) The opinion of Seller's counsel provided to Buyer contemporaneously with the execution of this Agreement shall be updated as of the Closing Date.

(h) Buyer shall have received the resignations, effective as of the Closing, of each of the directors and officers of the Company and its Subsidiaries listed on **Exhibit 6.1(h)** attached hereto;

(i) Buyer shall have obtained reasonably satisfactory assurances that it shall be able to obtain sufficient financing (from third party lenders, public markets, or otherwise) to consummate the transactions contemplated hereby;

(j) The Parties, the Company and its Subsidiaries shall have received all other material authorizations, consents, and approvals of governments and governmental agencies, if any, described in Sections 2.1(b) and 2.1(c) of the Seller's Disclosure Schedule and in Sections 3.2 and 3.3 of the Buyer's Disclosure Schedule.

At least sixteen (16) calendar days prior to Closing (or in the Closing Date Notice in the event of an early Closing Date), Buyer shall give Seller written notice of whether or not the conditions described in Section 6.1(i) have been satisfied. If Buyer notifies Seller in such written notice that the condition in Section 6.1(i) has not been satisfied, or if Buyer fails to timely give such notice, then Seller shall have the right to immediately terminate this Agreement by written notice to Buyer, in which case Buyer shall promptly reimburse Seller for all of the out-of-pocket expenses actually incurred by Seller in connection with this Agreement and the transactions contemplated hereby (but not to exceed $25,000), and upon such payment all rights and obligations of the Parties hereunder shall terminate without any liability or any party to any other party.

Buyer may waive any conditions specified in this Section 6.1 if it executes a writing so stating at or prior to the Closing.

6.2 Conditions to Obligation of Seller. The obligation of Seller to consummate the transactions to be performed by it in connection with the Closing is subject to satisfaction of the following conditions:

(a) Representations and warranties of Buyer set forth in Section 3 above shall be true and correct in all material respects at and as of the Closing Date;

(b) Buyer shall have performed and complied with all of its covenants hereunder in all material respects through the Closing;

(c) No action, suit or proceeding shall have been brought by any Person (other than the parties hereto or any of such parties' affiliates) and be pending before any court or quasi judicial or administrative agency of any federal, state, local or foreign jurisdiction or before any arbitrator wherein and unfavorable injunction, judgment, order, decree, ruling or charge would (A) prevent consummation of any of the transactions contemplated by this Agreement or (B) cause any of the transactions contemplated by this Agreement to be rescinded following consummation (and no such injunction, judgment, order, decree, ruling or charge shall be in effect);

(d) Buyer shall have delivered to Seller a certificate to the effect that each of the conditions specified in Sub-paragraphs (a) through (c) of this Section 6.2 is satisfied in all respects;

(e) The Parties, the Company and its Subsidiaries shall have received all other material authorizations, consents, and approvals of governments and governmental agencies, if any, described in Sections 2.1(b) and 2.1(c) of Seller's Disclosure Schedule and in Sections 3.2 and 3.3 of Buyer's Disclosure Schedule.

(f) Seller shall not have terminated this Agreement in accordance with the provisions of Section 7 or the second to last paragraph of Section 6.1 hereof; and

(g) The opinion of Buyer's counsel provided to Seller contemporaneously with the execution of this Agreement shall be updated as of the Closing Date.

Seller may waive any conditions specified in this Section 6.2 if it executes a writing so stating at or prior to the Closing.

6.3 Closing Documents; Transfer Taxes.

(a) At the Closing, Seller will execute and/or deliver to Buyer all documents necessary to consummate the transactions contemplated hereunder, including, without limitation, the following:

(1) an assignment by Seller to Buyer in substantially the form attached hereto as **Exhibit 6.3(a)(1)** (the "**Assignment Agreement**") transferring all of Seller's ownership interests in the Company to Buyer;

(2) a certified copy of a Consent of Members signed by all of the members of Seller having approval rights over the transactions contemplated herein authorizing such transactions, the execution and delivery of all documents required to effectuate such and designating the persons authorized to execute and deliver such documents on behalf of Seller, together with a certificate of incumbency with respect to such persons; and

(3) a release of the Tanger Guaranty.

(b) At the Closing, Buyer will execute and/or deliver to Seller all documents necessary to consummate the transactions contemplated hereunder, including, without limitation, the following:

(1) payment of the Purchase Price in cash by wire transfer or in other immediately available guaranteed U.S. funds;

(2) the Assignment Agreement;

(3) a certified copy of a Consent of Members signed by all of the members of Buyer authorizing the transactions contemplated herein, the execution and delivery of all documents required to effectuate such and designating the persons authorized to execute and deliver such documents on behalf of Buyer, together with a certificate of incumbency with respect to such persons; and

(4) a release of the Blackstone Guaranty.

(c) Seller and Buyer will each pay one-half of any transfer or excise tax which is payable by reason of the transfer of the Acquired Interest pursuant to this Agreement, whether attributable to the Acquired Interest or to the real property of the Company or any of its Subsidiaries.

7. Termination.

7.1 Termination of Agreement. Certain of the Parties may terminate this Agreement as provided below:

(a) Buyer and Seller may terminate this Agreement by mutual, written consent at any time prior to the Closing;

(b) Buyer may terminate this Agreement by giving written notice to Seller at any time prior to the Closing (A) in the event Seller has breached any material representation, warranty or covenant contained in this Agreement in any material respect, Buyer has notified Seller of the breach and the breach has continued without cure for a period of thirty (30) days after the notice of breach; or (B) if the Closing shall not have occurred on or before November 30, 2005 by reason of the failure of any Condition Precedent under Section 6.1 hereof (unless the failure results primarily from Buyer itself breaching any representation, warranty or covenant contained in this Agreement); and

(c) Seller may terminate this Agreement by giving written notice to Buyer at any time prior to the Closing (A) in the event Buyer has breached any material representation, warranty or covenant contained in this Agreement in any material respect, Seller has notified Buyer of the breach, and the breach has continued without cure

for a period of thirty (30) days after the notice of breach or (B) if the Closing shall not have occurred on or before November 30, 2005 by reason of the failure of any Conditions Precedent under Section 6.2 hereof (unless the failure results primarily from Seller itself breaching any representation, warranty or covenant contained in this Agreement).

7.2 Effect of Termination. If any Party terminates this Agreement pursuant to Section 7.1 above, all rights and obligations of the Parties hereunder shall terminate without any liability of any party to any other party (except for any liability of any party then in breach).

8. Remedies for Breaches of This Agreement.

8.1. Survival of Representations and Warranties. Except as provided below, all of the representations and warranties of the Parties contained in this Agreement (including the representations and warranties of the Parties contained in Sections 2.1 and 3 hereof) shall survive the Closing and continue in full force and effect until thirty (30) days following the expiration of the applicable statute of limitations (including any extensions thereto). All of the covenants of the Parties contained in Section 4 shall not survive the Closing. All of the representations of the Seller contained in Section 2.2 hereof and all of the covenants of the Parties contained in Section 5 shall survive the Closing for a period of one year after the Closing Date. Seller shall have no liability with respect to any of Seller's representations and warranties in Section 2 hereof if, prior to the Closing, Buyer has actual Knowledge that any such representation or warranty is untrue or incorrect, and Buyer nevertheless consummates the transactions contemplated by this Agreement.

8.2. Indemnification Provisions for Buyer's Benefit. In the event Seller breaches any of its representations, warranties and covenants contained herein, and provided that Buyer makes a written claim for indemnification against Seller within the survival period then Seller shall be obligated to indemnify Buyer from and against the entirety of any Adverse Consequences Buyer may suffer (including any Adverse Consequences Buyer may suffer after the end of any applicable survival period) resulting from, arising out of, relating to, in the nature of or caused by the breach.

8.3 Indemnification Provisions for Seller's Benefit. In the event Buyer breaches any of its representations, warranties and covenants contained herein and provided that Seller makes a written claim for indemnification against Buyer within the survival period, then Buyer agrees to indemnify Seller from and against the entirety of any Adverse Consequences suffered (including any Adverse Consequences may suffer after the end of any applicable survival period) resulting from, arising out of, relating to, in the nature of, or caused by the breach.

8.4. Matters Involving Third Parties.

(a) If any third party notifies any Party (the "**Indemnified Party**") with respect to any matter (the "**Third Party Claim**") that may give rise to a claim for indemnification against any other party (the "**Indemnifying Party**") under this Section 8, then the Indemnified Party shall promptly notify the Indemnifying Party thereof in writing; provided, however, that no delay on the part of the Indemnified Party in notifying any Indemnifying Party shall relieve the Indemnifying Party from any obligation hereunder unless (and then solely to the extent) the Indemnifying Party is thereby prejudiced.

(b) Any Indemnifying Party will have the right to assume the defense of the Third Party Claim with counsel of its choice reasonably satisfactory to the Indemnified Party at any time within fifteen (15) days after the Indemnified Party has given notice of the Third Party Claim; provided, however, that the Indemnifying Party must conduct the defense of the Third Party Claim actively and diligently thereafter in order to preserve its rights in this regard; and provided, further, that the Indemnified Party may retain separate co-counsel at its sole costs and expense and participate in the defense of the Third Party Claim.

(c) So long as the Indemnifying Party has assumed and is conducting the defense of the Third Party Claim in accordance with Section 8.4(b) above, (A) the Indemnifying Party will not consent to the entry of any judgment on or entry into any settlement with respect to the Third Party Claim without the prior written consent of the Indemnified Party (not to be unreasonably withheld) unless the judgment or proposed settlement involves only the payment of money damages by one or more of the Indemnifying Parties and does not impose an injunction or other equitable relief upon the Indemnified Party and (B) the Indemnified Party will not consent to the entry of any judgment on or enter into any settlement with respect to the Third Party Claim without the prior written consent of the Indemnifying Party (not to be unreasonably withheld).

(d) In the event the Indemnifying Party does not assume and conduct the defense of the Third Party Claim in accordance with Section 8.4(b) above (A) the Indemnified Party may defend against, and consent to the entry of any judgment on or enter into any settlement with respect to, the Third Party Claim in any manner it may reasonably deem appropriate (and the Indemnified Party need not consult with, or obtain any consent from, the Indemnifying Party in connection therewith) and (B) the Indemnifying Party will remain responsible for any Adverse Consequences the Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of, or caused by the Third Party Claim to the fullest extent provided in this Section 8.

9. Definitions.

"**Acquired Interest**" shall have the meaning ascribed to the term in Section 1.1 hereof.

"**Adverse Consequences**" means all actions, suits, proceedings, hearings, investigations, charges, complaints, claims, demands, injunctions, judgments, orders, decrees, rulings, damages, dues, penalties, fines, costs, amounts paid in settlement, Liabilities, obligations, Taxes, Liens, losses, expenses, and fees, including court costs and reasonable attorneys' fees and expenses.

"**Business Day**" means any day other than a Saturday, Sunday or other day on which commercial banks in New York are authorized or required to close under the laws of the State of New York and are actually closed.

"**Buyer**" means Tanger COROC, LLC.

"**Buyer's Disclosure Schedule**" means the disclosure schedule described in Section 3 hereof.

"**Closing**" shall have the meaning ascribed to the term in Section 1.3 hereof.

"**Closing Date**" shall have the meaning ascribed to the term in Section 1.3 hereof

"**Company**" means COROC Holdings L.L.C.

"**Company Operating Agreement**" shall have the meaning ascribed to the term in Rectal A hereof.

"**Confidential Information**" means any information concerning the business and affairs of the Company and its Subsidiaries existing as of the Closing Date other than (i) any information that is or was already generally available to the public or (ii) was independently developed by or on behalf of Buyer.

"**Knowledge**" means, (i) with respect to the Seller, the actual knowledge of Jonathan Gray, Gary Sumers or Alan Miyasaki, and (ii) with respect to the Buyer, the actual knowledge of Stanley K, Tanger, Steven B. Tanger or Frank Marchisello.

"**Liability**" means any liability (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due), including any liability for Taxes.

"**Lien**" means any mortgage, pledge, lien, encumbrance, charge or other security interest.

"**Management** Agreement" shall have the meaning ascribed to the term in Section 1.6 hereof.

"**Net Operating Income**" shall have the meaning ascribed to the term in Section 1.6 hereof.

"**Person**" means an individual, a partnership, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or a

governmental entity (or any department, agency or political subdivision thereof).

"**Purchase Price**" shall have the meaning ascribed to the term in Section 1.2 hereof.

"**Securities Act**" means the Securities Act of 1933, as amended.

"**Seller**" means BROC Portfolio L.L.C.

"**Seller's Disclosure Schedule**" means the disclosure schedule identified in Section 2 hereof

"**Subsidiaries**" means the subsidiaries of the Company set forth on **Exhibit 9**.

"**TFOC**" means Tanger Factory Outlet Centers, Inc., a North Carolina corporation.

"**TPLP**" means Tanger Properties Limited Partnership, a North Carolina limited partnership.

10. Miscellaneous.

10.1 Survival of Representations and Warranties 10.1 Survival of Representations and Warranties . All of the representations and warranties of the Parties contained in this Agreement shall survive the Closing hereunder as and to the extent provided herein.

10.2 Press Releases and Public Announcements 10.2 Press Releases and Public Announcements . No Party shall issue any press release or make any public announcement relating to the subject matter of this Agreement prior to the Closing without the prior written approval of the other Party; provided, however, that any Party may make any public disclosure it believes in good faith is required by applicable law or any listing or trading agreement concerning its publicly-traded securities (in which case the disclosing party will use its reasonable best efforts to advise the other Party prior to making the disclosure). The Parties understand that TFOC will be required to make a filing under the Securities Act and to publicly announce the proposed transaction when this Agreement is signed to comply with the Securities Act and the rules of the New York Stock Exchange. Any such public announcement shall be a joint statement approved by both Parties.

10.3 No Third-Party Beneficiaries 10.3 No Third-Party Beneficiaries . This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

10.4 Entire Agreement 10.4 Entire Agreement . This Agreement (including the documents referred to herein) constitutes the entire agreement between the Parties and supersedes any prior understandings, agreements, or representations by or between the Parties, written or oral, to the extent they related in any way to the subject matter hereof.

10.5 Succession and Assignment 10.5 Succession and Assignment . This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. No Party may assign either this Agreement or any of its rights, interest, or obligations hereunder without the prior written approval of the other Party.

10.6 Counterparts 10.6 Counterparts . This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument.

10.7 Headings 10.7 Headings . The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

10.8 Notices 10.8 Notices . All notices, requests, demands, claims, and other communications hereunder will be in writing. Any notice, request, demand, claim or other communication hereunder shall be deemed duly given (i) when delivered personally to the recipient, (ii) two (2) Business Day after being sent to the recipient by reputable overnight courier service (charges prepaid) or (iii) four (4) Business Days after being mailed to the recipient by registered or certified mail, return receipt requested, postage prepaid, and addressed to the intended recipient as set forth below.

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|---|---|
| If to Seller, to: | BROC Portfolio L.L.C.<br>c/o Blackstone Real Estate Acquisitions IV L.L.C.<br>345 Park Avenue<br>New York, NY 10154<br>Attention: Mr. Jonathan D. Gray |
| With a copy to: | Mr. Gregory J. Ressa<br>Simpson Thacher & Bartlett LLP<br>425 Lexington Avenue<br>New York, NY 10017 |
| If to Buyer, to: | Tanger COROC, LLC<br>3200 Northline Avenue, Suite 360<br>Greensboro, NC 27408<br>Attention: Mr. Stanley K. Tanger |
| With a copy to: | Mr. John H. Vernon, III<br>Vernon, Vernon, Wooten, Brown, Andrews & Garrett, P.A.<br>P.O. Drawer 2958<br>Burlington, NC 27216-2958 |

Any party may send any notice, request, demand, claim, or other communication hereunder to the intended recipient at the address set forth above using any other means (including messenger service, telecopy, telex, ordinary mail, or electronic mail), but no such notice, request, demand, claim, or other communication shall be deemed to have been duly given unless and until it actually is received by the intended recipient. Any Party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Party notice in the manner herein set forth.

10.9 Governing Law 10.9 Governing Law . This Agreement shall be governed by and construed in accordance with the domestic laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

10.10 Amendments and Waivers 10.10 Amendments and Waivers . No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by Buyer and Seller. No waiver by any Party of any provision of this Agreement or any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be valid unless the same shall be in writing and signed by the Party making such waiver nor shall such waiver be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

10.11 Severability 10.11 Severability . A term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

10.12 Expenses 10.12 Expenses . Each of Buyer and Seller will bear its own costs and expenses (including legal fees and expenses) incurred in connection with this Agreement and the transactions contemplated hereby.

10.13 Construction 10.13 Construction . The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "including" shall mean including without limitation. Nothing in the Disclosure Schedule shall be deemed adequate to disclose an exception to a representation or warranty made herein unless the Disclosure Schedule identifies the exception with reasonable particularity and describes the relevant facts in reasonable detail. Without limiting the generality of the foregoing, the mere listing (or inclusion of a copy) of a document or other item shall not be deemed adequate to disclose an exception to a representation or warranty made herein (unless the representation or warranty has to do with the existence of the document or other item itself). The Parties intend that each representation, warranty, and covenant contained herein shall have independent significance. If any Party has breached any representation, warranty, or covenant contained herein in any respect, the fact that there exists another representation, warranty, or covenant relating to the same subject matter (regardless of the relative levels of specificity) which the Party has not breached shall not detract from or mitigate the fact that the Party is in breach of the first representation, warranty or covenant.

10.14 Incorporation of Exhibits and Schedules 10.14 Incorporation of Exhibits and Schedules . The Exhibits and Schedules identified in this Agreement are incorporated herein by reference and made a part hereof.

10.15 Specific Performance 10.15 Specific Performance . Each of the Parties acknowledges and agrees that the other Party would be damaged irreparably in the event any of the provisions of this Agreement are not performed in accordance with their specific terms or otherwise are breached. Accordingly, each of the Parties agree that the other Party shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof in any action instituted in any court of the United States or any state thereof having jurisdiction over the Parties and the matter in addition to any other remedy to which it may be entitled, at law or in equity.

11. Mutual Release.

Upon the Closing Date, (a) Seller shall, on behalf of itself and each of its predecessors, successors, present and former affiliates, subsidiaries, parents, assigns, officers, directors, stockholders, partners, managers, members, employees and agents and each and all of their respective affiliates and subsidiaries (collectively, the "**Seller Related Parties**") release and forever discharge Buyer and its respective predecessors, successors, present and former affiliates, subsidiaries, parents, assigns, officers, directors, stockholders, partners, managers, members, employees and agents and each and all of their respective affiliates and subsidiaries (collectively, the "**Buyer Related Parties**") from any and all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, controversies, agreements, promises, damages, (whether compensatory, punitive, statutory, interest, costs, attorneys' fees or otherwise), judgments, executions, claims, counterclaims, demands, and other forms of liability howsoever denominated, whether at law or in equity, whether based on contract, tort, statute or otherwise (collectively, the "**Released Claims**"), which each and all of the Seller Related Parties now owns or holds, has at any time heretofore owned or held or may hereafter own or hold against any one or more of the Buyer Related Parties as a result of, arising out of or relating in any way to the Company Operating Agreement, the Management Agreement, the Company, the Subsidiaries or the Property and any other lease, license, agreement, arrangement or understanding (whether written or otherwise) in any way related to or arising out of the foregoing (collectively, the "**Property-Related Obligations**") and (b) Buyer shall, on behalf of itself and its predecessors, successors, present and former affiliates, subsidiaries, parents, assigns, officers, directors, stockholders, partners, managers, members, employees and agents and each and all of their respective affiliates and subsidiaries (collectively, the "**Buyer Related Parties**"), release and forever discharge each and all of the Seller Related Parties from the Released Claims which each and all of the Buyer Related Parties now owns or holds, has at any time heretofore owned or held or may hereafter own or hold against any one or more of the Seller Related Parties as a result of, arising out of or relating in any way to the Property-Related Obligations. Notwithstanding the foregoing, the term "**Released Claims**" shall not include any claims arising out of obligations under this Agreement. The releases described this Section 11 shall be self-operative upon the Closing and shall not require the execution of any additional instrument. The provisions of this Section 11 shall survive the Closing.

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

**SELLER**:

**BROC PORTFOLIO L.L.C.**, a Delaware limited liability company

By: ____________________

Alan Miyasaki

Secretary

**BUYER:**

**TANGER COROC, LLC**, a North Carolina limited liability company

By: Tanger Devco, LLC, its Manager

By: ____________________

Stanley K. Tanger

Chief Executive Officer

**EXHIBIT 6.1(h)**

**DIRECTORS AND OFFICERS
OF THE COMPANY AND ITS SUBSIDIARIES
THAT SHALL RESIGN AT CLOSING**

Officers:

Gary M. Sumers Co-President of each Subsidiary

Jonathan D. Gray Vice President of each Subsidiary

Alan Miyasaki Secretary of each Subsidiary

Directors:

Gary M. SumersDirector of each GMAC Borrower

Alan MiyasakiDirector of each GMAC Borrower

**EXHIBIT 6.3(a)1)**

**FORM OF INTEREST ASSIGNMENT AND ASSUMPTION AGREEMENT**

Assignment and Assumption of Interests

ASSIGNMENT AND ASSUMPTION OF MEMBERSHIP INTERESTS (this "Assignment") dated as of ___________ __, 2005, by and among BROC Portfolio L.L.C., a Delaware limited liability company having an address at c/o Blackstone Real Estate Acquisitions IV L.L.C., 345 Park Avenue, New York, New York 10154 ("Assignor"), and Tanger COROC, LLC, a North Carolina limited liability company having an address at c/o 3200 Northline Avenue, Suite 360, Greensboro, NC 27408 ("Assignee").

Background

This Assignment and Assumption of Interests is being executed and delivered pursuant to that certain Agreement dated as of August 22, 2005 (the "Purchase Agreement") between Assignor

and Assignee. All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Purchase Agreement.

Assignment and Assumption

In consideration of Ten ($10.00) Dollars in hand paid by Assignee, the receipt and sufficiency of which is hereby acknowledged, Assignor does hereby assign, transfer and set over unto Assignee, all of Assignor's right, title and interest in and to Assignor's membership interests in COROC Holdings L.L.C. (the "Company") (collectively, the "Interests").

Assignee hereby accepts the foregoing assignment and assumes all of Assignor's duties and obligations with respect to the Interests arising from and after the date of this Assignment (whether such duties and obligations arise under the relevant organizational documents of the Company or applicable law), all pursuant to the terms and conditions of the Purchase Agreement.

This Assignment is made without warranty or representation, express or implied, by or recourse against Assignor of any kind or nature whatsoever except as set forth in the Purchase Agreement.

This Assignment may be executed in one or more counterparts, each of which when so executed and delivered shall be deemed an original, but all of which taken together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, Assignor and Assignee have duly executed this instrument as of the day first above written.

ASSIGNOR:

BROC Portfolio l.l.c., a Delaware limited liability company

By: ________________________________
Name:
Title:

ASSIGNEE:

TANGER COROC, LLC, a North Carolina limited liability company

By: Tanger Devco, LLC, its Manager

By: __________________________
Name:
Title:

**EXHIBIT 9**

**LIST OF SUBSIDIARIES**

GMAC Borrowers

1.COROC/Riviera L.L.C.

2.COROC/Tuscola L.L.C.

3.COROC/Hilton Head I L.L.C.

4.COROC/Hilton Head II L.L.C.

5.COROC/Westbrook I L.L.C.

6.COROC/Lake Regions L.L.C.

7.COROC/Myrtle Beach L.L.C.

8.COROC/Rehoboth I L.L.C.

9.COROC/Rehoboth II L.L.C.

10.COROC/Rehoboth III L.L.C.

11.COROC/Lincoln City L.L.C.

12.COROC/Park City L.L.C.

Owners of Surplus Land

1.COROC/Clinton CHR L.L.C.

2.COROC/Clinton WR L.L.C.

3.BRE/ROC Holding L.L.C.

4.COROC/Westbrook II L.L.C.

**SELLER'S DISCLOSURE SCHEDULE**

None

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**BUYER'S DISCLOSURE SCHEDULE**

None

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, 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: October 24, 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 September 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: October 24, 2005

/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. § 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, 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: October 24, 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. § 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, 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: October 24, 2005

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