

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 8-K

Current Report Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

APRIL 28, 1997  
Date of Report (Date of earliest event reported)

TANGER FACTORY OUTLET CENTERS, INC.  
(Exact name of registrant as specified in its charter)

NORTH CAROLINA  
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)

1-11986 56-1815473  
(COMMISSION FILE NO.) (I.R.S. EMPLOYER IDENTIFICATION NO.)

1400 WEST NORTHWOOD STREET, GREENSBORO, NC 27408  
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES, INCLUDING ZIP CODE)

(910) 274-1666  
(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)

NOT APPLICABLE  
(FORMER NAME OR FORMER ADDRESS, IF CHANGED SINCE LAST REPORT)

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

(c) Exhibits

The exhibit listed below relates to the Company's press release on April 28, 1997 to announce the financial results for the quarter ended March 31, 1997.

| Exhibit No. | Description  |
|-------------|--|
| 99          | Press release to announce the financial results for the quarter ended March 31, 1997.* |

\* Filed herewith

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.  
Vice President, Chief Financial Officer

Date: May 1, 1997



## TANGER FACTORY OUTLET CENTERS, INC.

## NEWS RELEASE

FOR RELEASE: IMMEDIATE RELEASE

CONTACT: Frank C. Marchisello, Jr.  
(910) 274-1666TANGER REPORTS COMP STORE SALES UP 10%  
FIRST QUARTER FUNDS FROM OPERATIONS UP 5%

Greensboro, NC, April 28, 1997, Tanger Factory Outlet Centers, Inc. (NYSE:SKT), today reported tenant sales for stores open the first quarter of 1997 and 1996 were up approximately 10%. Total tenant sales for all centers increased approximately 17% for the first quarter of 1997 to \$149 million compared to \$127 million for the same period of 1996.

Funds from operations (FFO), assuming full conversion of the minority interest in the operating partnership, for the first quarter ended March 31, 1997 rose 5% to \$8.2 million, or \$.77 per share on a fully-diluted basis, compared to \$7.8 million, or \$.74 per share in the same period of 1996. This marks the 15th consecutive quarter in which the Company's FFO has exceeded its FFO for the same period in the prior year.

Tanger posted the following increases during the quarter ended March 31, 1997, compared to the quarter ended March 31, 1996; base rental income increased 7.8% to \$13.2 million from \$12.3 million; total revenues increased 6.1% to \$19.2 million from \$18.1 million; and net operating income increased 10.6% to \$12.1 million from \$10.9 million.

During the quarter, the Company completed the acquisition of the Five Oaks Factory Stores (renamed Tanger Five Oaks) in Sevierville (Pigeon Forge), TN for \$18 million. This 123,000 square foot center features 29 upscale outlet stores including Polo Ralph Lauren, Tommy Hilfiger, Nautica, Gap, and Reebok. Tanger also received an upgrade from Moody's Investors Services on its Series A Cumulative Convertible Redeemable Preferred Shares from "b2" to "b1" and a change in Moody's overall ratings outlook on the Company from "stable" to "positive". In addition, on April 10, 1997, the Board of Directors approved a \$.12 per share increase in the annual cash dividend on the Company's common shares and a \$.11 per share increase on the preferred depository shares, both representing a 5.8% increase in the per share dividend rate.

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2

TANGER REPORTS COMP STORE SALES UP 10%  
FIRST QUARTER FUNDS FROM OPERATIONS UP 5%

Tanger is continuing construction on a 241,436 square foot expansion of its very successful center in Riverhead, NY. Stores are scheduled to begin opening in late April 1997 with stores continuing to open for several months, at which time the entire Riverhead center totalling 527,631 square feet will be at 100% occupancy with more than 150 tenants. The Company has also begun construction on a 26,815 square foot expansion to its property in Lancaster, PA which is scheduled to open in the fourth quarter of 1997. In addition, Tanger's Board of Directors has approved construction of a 57,851 square foot expansion to Tanger's property in Commerce, GA with completion currently estimated for late 1997.

The Company ended the quarter with approximately 3.9 million square feet of gross leasable area in operation, up 8.2% from 3.6 million at March 31, 1996, and its operating properties were 97% leased.

Stanley K. Tanger, Chairman of the Board and Chief Executive Officer, said, "We are extremely pleased with the results for the first quarter of 1997. A strategic acquisition, a ratings upgrade, a 10% increase in comp sales and a 5.8% increase in the annual dividend paid to our shareholders, together with our strong first quarter earnings and our current development activity signal an aggressive start to what we believe will be a very exciting year for our company."

Tanger Factory Outlet Centers, Inc., a fully-integrated, self-administered and self-managed publicly-traded REIT, presently owns and operates 28 factory outlet centers in 22 states coast to coast, totalling approximately 3.9 million square feet of gross leasable area.

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## TANGER FACTORY OUTLET CENTERS, INC.

## CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except share data)

|  | Three Months Ended March 31, |             |
|--|------------------------------|-------------|
|  | 1997                         | 1996        |
|  | (Unaudited)                  | (Unaudited) |
| Revenues   |                              |             |
| Base rentals (a)   | \$ 13,248                    | \$ 12,295   |
| Percentage rentals   | 398                          | 267         |
| Expense reimbursements   | 5,397                        | 5,335       |
| Other income   | 182                          | 226         |
| Total revenues   | 19,225                       | 18,123      |
| Expenses   |                              |             |
| Operating and maintenance  | 5,625                        | 5,804       |
| General and administrative   | 1,524                        | 1,403       |
| Interest   | 3,822                        | 3,063       |
| Depreciation and amortization  | 4,289                        | 3,943       |
| Total expenses   | 15,260                       | 14,213      |
| Income before minority interest and extraordinary item                                       | 3,965                        | 3,910       |
| Minority interest (b)  | (1,107)                      | (1,061)     |
| Income before extraordinary item   | 2,858                        | 2,849       |
| Extraordinary item - Loss on early extinguishment of debt, net of minority interest of \$270 | --                           | (561)       |
| Net income   | \$ 2,858                     | \$ 2,288    |
| Per common share outstanding (c):  |                              |             |
| Income before extraordinary item   | \$ 0.36                      | \$ 0.35     |
| Net income   | \$ 0.36                      | \$ 0.26     |
| Funds from operations before minority interest (d)   | \$ 8,202                     | \$ 7,820    |
| Funds from operations per share (fully diluted) (e)  | \$ 0.77                      | \$ 0.74     |
| Weighted average number of shares outstanding  | 6,705,969                    | 6,291,281   |

(a) Includes straight-line rent of \$132 and \$372, respectively.

(b) Minority interest represents the Original Owners of the Company's percentage ownership in the Operating Partnership during each period shown.

(c) Income in the per share computations are net of applicable preferred dividends.

(d) Funds from operations is defined as income (loss) before extraordinary items and gains (losses) on sale of property, plus depreciation and amortization uniquely significant to real estate.

(e) Assumes conversion of all preferred depositary shares to common shares as of January 1, 1996. Not shown in the income per share computations since the effect of conversion would be anti-dilutive.

## CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands)

|                      | March 31,<br>1997 | December 31,<br>1996 |
|----------------------|-------------------|----------------------|
|                      | (Unaudited)       |                      |
| Assets:              |                   |                      |
| Rental property, net | \$336,425         | \$311,454            |

|                           |           |           |
|---------------------------|-----------|-----------|
| Cash and cash equivalents | 2,515     | 2,585     |
| Other assets              | 16,938    | 18,099    |
|                           | -----     | -----     |
|                           | \$355,878 | \$332,138 |
|                           | =====     | =====     |
| Liabilities:              |           |           |
| Long-term debt            | \$203,650 | \$178,004 |
| Other liabilities         | 17,431    | 17,878    |
|                           | -----     | -----     |
| Total liabilities         | 221,081   | 195,882   |
| Minority interest         | 25,156    | 25,599    |
| Shareholders' equity      | 109,641   | 110,657   |
|                           | -----     | -----     |
|                           | \$355,878 | \$332,138 |
|                           | =====     | =====     |

TANGER FACTORY OUTLET CENTERS, INC.  
SUPPLEMENTAL INFORMATION  
MARCH 31, 1997  
(Unaudited and in thousands, except share data and other information)

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CALCULATION OF FUNDS FROM OPERATIONS

|  | Three Months Ended March 31, |         |
|--|------------------------------|---------|
|  | -----                        | -----   |
|  | 1997                         | 1996    |
|  | -----                        | -----   |
| Income before minority interest & extraordinary item                         | \$3,965                      | \$3,910 |
| Adjusted for:  |                              |         |
| Depreciation & amortization of assets uniquely<br>significant to real estate | 4,237                        | 3,910   |
|  | -----                        | -----   |
| Funds From Operations  | \$8,202                      | \$7,820 |
|  | =====                        | =====   |
| Funds From Operations Per Share (fully-diluted)                              | \$0.77                       | \$0.74  |
|  | =====                        | =====   |

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CALCULATION OF FULLY-DILUTED NUMBER OF SHARES

|  | Three Months Ended March 31, |            |
|--|------------------------------|------------|
|  | -----                        | -----      |
|  | 1997                         | 1996       |
|  | -----                        | -----      |
| Weighted Average Common Shares               | 6,705,969                    | 6,291,281  |
| Effect of Outstanding Stock and Unit Options | 72,658                       | 11,741     |
| Weighted Average Preferred Shares            |                              |            |
| As if Converted to Common                    | 855,376                      | 1,270,069  |
| Minority Interest Limited Partnership Units  | 3,033,305                    | 3,033,305  |
|  | -----                        | -----      |
| Total Fully-Diluted Number of Shares         | 10,667,308                   | 10,606,396 |
|  | =====                        | =====      |

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OTHER INFORMATION

|   | Three Months Ended March 31, |           |
|---|------------------------------|-----------|
|   | -----                        | -----     |
|   | 1997                         | 1996      |
|   | -----                        | -----     |
| Gross leasable area open at end of period | 3,865,369                    | 3,571,500 |
| Weighted average gross leasable area      | 3,781,430                    | 3,542,472 |
| Outlet centers in operation               | 28                           | 27        |
| New centers opened                        | 0                            | 0         |
| New centers aquired                       | 1                            | 0         |
| Centers expanded                          | 0                            | 1         |
| States operated in at end of period       | 22                           | 22        |