

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

JULY 31, 1998
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)

(336) 274-1666
(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)

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

TANGER FACTORY OUTLET CENTERS, INC.

CURRENT REPORT

ON

FORM 8-K

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS

On July 31, 1998, Tanger Properties Limited Partnership, of which Tanger Factory Outlet Centers, Inc. (the "Company") is the sole general partner, completed the acquisition of Sanibel Factory Stores, a factory outlet center containing approximately 186,000 square feet, for an aggregate purchase price of \$27.65 million. Sanibel Factory Stores is located on the Gulf coast of Florida between Fort Myers and Sanibel Island.

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

The financial statements, unaudited pro forma financial information and exhibits filed herewith are as set forth below

(a)	Financial Statements	Page
(1)	Sanibel Factory Stores	
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	Statement of Revenues and Certain Operating Expenses for the Year Ended December 31, 1997	4
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(b)	Pro Forma Financial Information	
(1)	Unaudited Pro Forma Consolidated Balance Sheet as of March 31, 1998	8

(2)	Unaudited Pro Forma Consolidated Statements of Operations for the three months ended March 31, 1998 for the year ended December 31, 1997	9 10
(3)	Adjustments to Unaudited Pro Forma Consolidated Statements of Operations	11
(c)	Exhibits	

23.1 Consent of PricewaterhouseCoopers LLP*

* Filed herewith

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors of
Tanger Factory Outlet Centers, Inc:

We have audited the statement of revenues and certain operating expenses of Sanibel Factory Stores (the "Property") as described in Note 1, for the year ended December 31, 1997. This financial statement is the responsibility of the Property's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of revenues and certain operating expenses is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement of revenues and certain operating expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission for inclusion in the current report on Form 8-K of Tanger Factory Outlet Centers, Inc. as described in Note 1 and is not intended to be a complete presentation of the Property's revenues and expenses.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenues and certain operating expenses of the Property for the year ended December 31, 1997 in conformity with generally accepted accounting principles.

PricewaterhouseCoopers LLP
Greensboro, North Carolina
June 30, 1998

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SANIBEL FACTORY STORES

STATEMENT OF REVENUES AND CERTAIN OPERATING EXPENSES
For The Year Ended December 31, 1997
(In thousands)

Revenues	
Base rentals	\$2,815
Percentage rentals	148
Expense reimbursements	1,071
Other income	10

	4,044

Certain operating expenses	

Advertising and promotion	374
Common area maintenance	363
Real estate taxes	296
Insurance	49
General and administrative	60

	1,142

Excess of revenues over certain operating expenses	\$2,902
	=====

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

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NOTES TO STATEMENT OF REVENUES AND
CERTAIN OPERATING EXPENSES
(IN THOUSANDS)

1. BASIS OF PRESENTATION

The Statement of Revenues and Certain Operating Expenses relates to the operations of Sanibel Factory Stores, a factory outlet center located in Florida between Ft. Myers and Sanibel Island (the "Property"). The Property was acquired by Tanger Properties Limited Partnership which has as its sole general partner, Tanger Factory Outlet Centers, Inc. (the "Company").

The accompanying Statement of Revenues and Certain Operating Expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission. This statement is not representative of the actual operations for the period presented, as certain expenses, which may not be comparable to the expenses expected to be incurred by the Company in the future operation of the Property, have been excluded as discussed below.

Certain Operating Expenses include advertising and promotional expenses, common area maintenance, real estate taxes, and certain other operating expenses relating to the operations of the Property. In accordance with the regulations of the Securities and Exchange Commission, mortgage interest, depreciation and amortization and certain other costs have been excluded from certain operating expenses, as they are dependent upon a particular owner, purchase price or other financial arrangement. Certain other costs excluded include:

Management fees, net of	
tenant reimbursements	\$38
Leasing commissions	21

	\$59
	===

No Federal income taxes have been provided because the Company is taxed as a Real Estate Investment Trust under the provision of the Internal Revenue Code. Accordingly, the Company does not pay Federal income tax whenever income distributed to its shareholders is equal to at least 95% of real estate investment trust's taxable income and certain other conditions are met.

2. ACQUISITION CONSIDERATIONS (UNAUDITED)

In assessing the Property, the Company's management considered the existing tenant base, which is the primary revenue source, occupancy rate, the competitive nature of the market and comparative rental rates. Furthermore, current and anticipated maintenance and repair costs, real estate taxes and capital improvement requirements were evaluated. Management is not aware of any material factors that would cause the reported financial information in the accompanying Statement of Revenues and Certain Operating Expenses to be misleading or not necessarily indicative of future operating results.

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3. SIGNIFICANT ACCOUNTING POLICIES AND OPERATING LEASES

Base and percentage rental revenues are reported as income over the lease term as earned.

The preparation of the Statement of Revenues and Certain Operating Expenses in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the period reported. Actual results may differ from those estimates.

The Property is leased to tenants under operating leases with expiration dates extending to the year 2005. Future minimum rentals (assuming lease renewal options, where applicable, are not exercised) under noncancellable operating leases, exclusive of additional rents from reimbursement of operating expenses are approximately as follows:

1998	\$2,656
1999	2,280
2000	1,828
2001	1,602
2002	1,426
Thereafter	1,222

	\$11,014
	=====

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TANGER FACTORY OUTLET CENTERS, INC.
PRO FORMA CONSOLIDATED STATEMENTS OF OPERATIONS

The accompanying Pro Forma Consolidated Financial Statements are based on the historical statements of the Company after giving effect to the acquisition of Sanibel Factory Stores, which was acquired on July 31, 1998, and Dalton Factory Stores, which was acquired on March 31, 1998 (collectively, the "Acquisitions"). The unaudited Pro Forma Consolidated Statements of Operations for the three months ended March 31, 1998 and the year ended December 31, 1997 assume the Acquisitions had occurred as of the beginning of each respective period.

The Pro Forma Consolidated Financial Statements have been prepared by the Company's management. These pro forma statements may not be indicative of the results that would have actually occurred if the Acquisitions had been in effect on the date indicated, nor does it purport to represent the results of operations for future periods. The Unaudited Pro Forma Consolidated Financial Statements should be read in conjunction with the audited statement of revenues and certain operating expenses of the Sanibel Factory Stores (contained herein) for the year ended December 31, 1997, the Company's unaudited financial statements and notes thereto as of March 31, 1998 and for the three months then ended (which are contained in the Company's Form 10-Q for the period ended March 31, 1998), and the audited financial statements and notes thereto as of December 31, 1997 and for the year then ended (which are contained in the Company's Annual Report on Form 10-K for the year ended December 31, 1997).

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TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARY
PRO FORMA CONSOLIDATED BALANCE SHEETS
As of March 31, 1998
(Unaudited)
(In thousands, except share data)

	Tanger	Adjustments	Pro forma
	-----	-----	-----
ASSETS			
Rental property, net	\$406,673	\$27,650 (a)	\$434,323
Cash and cash equivalents	5,181		5,181
Deferred charges, net	8,288		8,288
Other assets	12,448		12,448
	-----		-----
TOTAL ASSETS	\$432,590	\$27,650	\$460,240
	=====		=====
LIABILITIES AND SHAREHOLDERS' EQUITY			

LIABILITIES

Long-term debt	\$253,411	\$27,650 (a)	\$281,061
Construction trade payables	8,375		8,375
Accounts payable and accrued expenses	11,521		11,521
	<hr/>		
TOTAL LIABILITIES	273,307	27,650	300,957
	<hr/>		
Commitments			
Minority interest	38,094		38,094
	<hr/>		
SHAREHOLDERS' EQUITY			
Preferred shares, \$.01 par value, 1,000,000 shares authorized, 89,649 shares issued and outstanding at March 31, 1998	1		1
Common shares, \$.01 par value, 50,000,000 shares authorized, 7,865,303 shares issued and outstanding at March 31, 1998	79		79
Paid in capital	137,075		137,075
Distributions in excess of net income	(15,966)		(15,966)
	<hr/>		
Total shareholders' equity	121,189		121,189
	<hr/>		
Total liabilities and shareholders' equity	\$432,590	\$27,650	\$460,240

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE UNAUDITED PRO FORMA
CONSOLIDATED FINANCIAL STATEMENTS.

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TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARY
PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS

For The Three Months Ended March 31, 1998

(Unaudited)

(In thousands, except per share data)

	Tanger	Sanibel	Dalton	Adjustments	Pro forma
<hr/>					
REVENUES					
Base rentals	\$15,655	\$725	\$488		\$16,868
Percentage rentals	494	20	20		534
Expense reimbursements	6,360	299	140		6,799
Other income	297	6	24		327
	<hr/>				
Total revenues	22,806	1,050	672		24,528
<hr/>					
EXPENSES					
Property operating	6,652	283	140		7,075
General and administrative	1,699	32	4		1,735
Interest	4,792			809 (b)	5,601
Depreciation and amortization	5,134			320 (c)	5,454
	<hr/>				
Total expenses	18,277	315	144	1,129	19,865
<hr/>					
INCOME BEFORE GAIN ON SALE OF REAL ESTATE, MINORITY INTEREST AND EXTRAORDINARY ITEM	4,529	735	528	(1,129)	4,663
Gain on sale of real estate	994				994
<hr/>					
Income before minority interest and extraordinary item	5,523	735	528	(1,129)	5,657
Minority interest	(1,408)			(37) (d)	(1,445)
<hr/>					
Income before extraordinary item	4,115	735	528	(1,166)	4,212
Extraordinary item, net of minority interest of \$128	(332)				(332)
<hr/>					
Net income	\$3,783	\$735	\$528	(\$1,166)	\$3,880
<hr/>					

BASIC EARNINGS PER COMMON
SHARE

Income before

extraordinary item	\$.46	\$.48
Net income	.42	.43
=====		
DILUTED EARNINGS PER COMMON SHARE		
Income before extraordinary item	\$.45	\$.47
Net income	.41	.42
=====		
WEIGHTED AVERAGE NUMBER OF SHARES		
Basic	7,858	7,858
Diluted	8,038	8,038
=====		

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE UNAUDITED PRO FORMA
CONSOLIDATED FINANCIAL STATEMENTS.

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TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARY
PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
For The Year Ended December 31, 1997
(Unaudited)
(In thousands, except per share data)

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	Tanger	Sanibel	Dalton	Adjustments	Pro forma
<S>	<C>	<C>	<C>		<C>
REVENUES					
Base rentals	\$56,807	\$2,815	\$1,858		\$61,480
Percentage rentals	2,637	148	23		2,808
Expense reimbursements	24,665	1,071	720		26,456
Other income	1,162	10	29		1,201
Total revenues	85,271	4,044	2,630		91,945
EXPENSES					
Property operating	26,269	1,082	932		28,283
General and administrative	6,145	60	8		6,213
Interest	16,835			3,237 (b)	20,072
Depreciation and amortization	18,439			1,280 (c)	19,719
Total expenses	67,688	1,142	940	4,517	74,287
INCOME BEFORE MINORITY INTEREST					
Minority interest	17,583 (4,756)	2,902	1,690	(4,517) (23) (d)	17,658 (4,779)
Net income	\$12,827	\$2,902	\$1,690	(\$4,540)	\$12,879
=====					
EARNINGS PER COMMON SHARE					
Basic	\$1.57				\$1.58
Diluted	1.54				1.55
=====					
WEIGHTED AVERAGE NUMBER OF SHARES					
Basic	7,028				7,028
Diluted	7,140				7,140
=====					

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TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARY
NOTES TO PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

- (a) Represents the cost of the acquisition of the Sanibel Factory Stores which is assumed to be financed with additional borrowings under available lines of credit. The cost of the acquisition of Dalton Factory Stores has already been included in the Company's historical Consolidated Balance Sheet as of March 31, 1998.
- (b) Represents interest from additional borrowings under available lines of credit to finance the Acquisitions at an interest rate of LIBOR plus 160 basis points (assumed to be 7.25 %).
- (c) Reflects increase in depreciation and amortization resulting from the Acquisitions depreciated over lives ranging from 15 to 33 years.
- (d) Reflects the adjustment to minority interest, after preferred dividends of \$468,000 and \$1,808,000 for the periods ended March 31, 1998 and December 31, 1997, respectively, allocable to the Acquisitions and the pro forma adjustments for mortgage interest and depreciation and amortization.

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: July 31, 1998

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the registration statements of Tanger Factory Outlet Centers, Inc. on Form S-8 (File No. 33-80450), Forms S-3 (File Nos. 33-99736, 333-3526 and 333-39365) of our report dated June 30, 1998, on our audit of the Statement of Revenues and Certain Operating Expenses of Sanibel Factory Stores for the year ended December 31, 1997, which report is included in this Current Report on Form 8-K.

PricewaterhouseCoopers LLP

Greensboro, North Carolina
July 31, 1998