SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1998
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 number 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.)
1400 WEST NORTHWOOD STREET GREENSBORO, NC 27408	(336) 274-1666
(Address of principal executive offices)	(Registrant's telephone number)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of exchange on which registered
Common Shares, $.01 par value	New York Stock Exchange
Series A Cumulative Convertible Redeemable Preferred Shares, $.01 par value	New York Stock Exchange

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Securities registered pursuant to Section 12(g) of the Act: None

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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.[ ]

The aggregate market value of voting shares held by nonaffiliates of the Registrant was approximately $135,938,000 based on the closing price on the New York Stock Exchange for such stock on March 1, 1999.

The number of Common Shares of the Registrant outstanding as of March 1, 1999 was 7,874,706.

DOCUMENTS INCORPORATED BY REFERENCE

Part III incorporates certain information by reference from the Registrant's definitive proxy statement to be filed with respect to the Annual Meeting of Shareholders to be held May 7, 1999.

PART I

ITEM 1. BUSINESS

THE COMPANY

Tanger Factory Outlet Centers, Inc. (the "Company"), a fully-integrated, self-administered and self-managed real estate investment trust ("REIT"), focuses exclusively on developing, acquiring, owning and operating factory outlet centers, and provides all development, leasing and management services for its centers. According to Value Retail News, an industry publication, the Company is one of the largest owners and operators of factory outlet centers in the United States. As of December 31, 1998, the Company owned and operated 31 factory outlet centers (the "Centers") with a total gross leasable area ("GLA") of approximately 5.1 million square feet. These centers were approximately 97% leased, contained over 1,180 stores and represented over 250 brand name companies as of such date.

The Centers are presently held by, and all of the Company's operations are conducted by, the Company's majority-owned subsidiary, Tanger Properties Limited Partnership (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 Company is the sole managing general partner of the Operating Partnership and The Tanger Family Limited Partnership ("TFLP") is the sole limited partner. As of December 31, 1998, the ownership interests in the Operating Partnership (the "Units") consisted of 7,897,606 partnership Units and 88,270 preferred partnership Units (which are convertible into approximately 795,309 general partnership Units) held by the Company and 3,033,305 partnership Units held by the limited partner. The Units held by the limited partner are exchangeable, subject to certain limitations to preserve the Company's status as a REIT, into common shares. See "Business-The Operating Partnership". Management of the Company beneficially owns approximately 27% of all outstanding common Shares (assuming the Series A Preferred Shares and the limited partner's Units are exchanged for common shares but without giving effect to the exercise of any outstanding stock and partnership Unit options).

Ownership of the Company's common and preferred shares are restricted to preserve the Company's status as a REIT for federal income tax purposes. Subject to certain exceptions, a person may not actually or constructively own more than 4% of the Company's common shares (including common shares which may be issued as a result of conversion of Series A Preferred Shares) or more than 29,400 Series A Preferred Shares (or a lesser number in certain cases). The Company also operates in a manner intended to enable it to preserve its status as a REIT, including, among other things, making distributions with respect to its outstanding common and preferred shares equal to at least 95% of its taxable income each year.

The Company is a North Carolina corporation that was formed in March 1993. The executive offices are currently located at 1400 West Northwood Street, Greensboro, North Carolina, 27408 and the telephone number is (336) 274-1666. Management anticipates completing the move to a new office at a nearby facility in April 1999. The Company's new address will be 3200 Northline Drive, Suite 360, Greensboro, North Carolina, 27408 and the new telephone number will be (336) 292-3010.

RECENT DEVELOPMENTS

During 1998, the Company added a total of 569,086 square feet to its portfolio including: Dalton Factory Stores, a 173,430 square foot factory outlet center located in Dalton, GA, acquired in March 1998; Sanibel Factory Stores, a 186,070 square foot factory outlet center located in Fort Myers, FL, acquired in July 1998; 132,223 square feet of expansions which were under construction at the end of 1997; a 25,069 square foot expansion to its property in Branson, MO and 52,294 square feet out of a total of 243,674 square feet of expansion space which is currently under construction throughout six of its centers. The remaining 191,380 square feet is scheduled to open during the second half of 1999. Also during 1998, the Company completed the sale of its 8,000 square foot, single tenant property in Manchester, VT for $1.85 million.

The Company also is in the process of developing plans for additional expansions and new centers for completion in 1999 and beyond. Currently, the Company is in the preleasing stages for a future center in Bourne, Massachusetts and for further expansions of three existing Centers. However, these anticipated or planned developments or expansions may not be started or completed as scheduled, or may not result in accretive funds from operations. In addition, the Company regularly evaluates acquisition or disposition proposals, engages from time to time in negotiations for

acquisitions or dispositions and may from time to time 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 also may not be consummated, or if consummated, may not result in accretive funds from operations.

During 1998, the Company discontinued the development of its Concord, North Carolina; Romulus, Michigan and certain other projects as the economics of these transactions did not meet an adequate return on investment for the Company. As a result, the Company recorded a $2.7 million charge in the fourth quarter to write-off the carrying amount of these projects, net of proceeds received from the sale of the Company's interest in the Concord project to an unrelated third party.

During 1998, the Company terminated a $50 million secured line of credit and increased its unsecured lines of credit by $25 million. At December 31, 1998, approximately 76% of the outstanding long-term debt represented unsecured borrowings and approximately 79% of the Company's real estate portfolio was unencumbered. The weighted average interest rate on debt outstanding on December 31, 1998 was 8.2%.

During March 1999, the Company refinanced its 8.92% notes which had a carrying amount of $47.4 million at December 31, 1998. The refinancing reduced the interest rate to 7.875%, increased the loan amount to $66.5 million and extended the maturity date to April 2009. The additional proceeds were used to reduce amounts outstanding under the revolving lines of credit. As a result of this refinance, management expects to realize a savings in interest cost of approximately $300,000 over the next twelve months. In addition, the Company extended the maturity of one of its revolving lines of credit from June 2000 to June 2001.

THE FACTORY OUTLET CONCEPT

Factory outlets are manufacturer-operated retail stores that sell primarily first quality, branded products at significant discounts from regular retail prices charged by department stores and specialty stores. Factory outlet centers offer numerous advantages to both consumers and manufacturers. Manufacturers selling in factory outlet stores are often able to charge customers lower prices for brand name and designer products by eliminating the third party retailer, and because factory outlet centers typically have lower operating costs than other retailing formats. Factory outlet centers enable manufacturers to optimize the size of production runs while continuing to maintain control of their distribution channels. In addition, factory outlet centers benefit manufacturers by permitting them to sell out-of-season, overstocked or discontinued merchandise without alienating department stores or hampering the manufacturer's brand name, as is often the case when merchandise is distributed via discount chains.

The Company's factory outlet centers range in size from 11,000 to 699,644 square feet of GLA and are typically located at least 10 miles from downtown areas, where major department stores and manufacturer-owned full-price retail stores are usually located. Manufacturers prefer these locations so that they do not compete directly with their major customers and their own stores. Many of the Company's factory outlet centers are located near tourist destinations to attract tourists who consider shopping to be a recreational activity and are typically situated in close proximity to interstate highways to provide accessibility and visibility to potential customers.

Management believes that factory outlet centers continue to present attractive opportunities for capital investment by the Company, particularly with respect to strategic expansions of existing centers. Management believes that under present conditions such development or expansion costs, coupled with current market lease rates, permit attractive investment returns. Management further believes, based upon its contacts with present and prospective tenants, that many companies, including prospective new entrants into the factory outlet business, desire to open a number of new factory outlet stores in the next several years, particularly where there are successful factory outlet centers in which such companies do not have a significant presence or where there are few factory outlet centers. Thus, the Company believes that its commitment to developing and expanding factory outlet centers is justified by the potential financial returns on such centers.

With the decline in the real estate debt and equity markets, the Company may not, in the short term, be able to access these markets on favorable terms in order to maintain its historical rate of external growth. See ABusiness-Capital Strategy" below.

THE COMPANY'S FACTORY OUTLET CENTERS

The Company's factory outlet centers are designed to attract national brand name tenants. As one of the original participants in this industry, the Company has developed long-standing relationships with many national and regional

manufacturers. Because of its established relationships with many manufacturers, the Company believes it is well positioned to capitalize on industry growth.

As of December 31, 1998, the Company had a diverse tenant base comprised of over 250 different well-known, upscale, national designer or brand name companies, such as Liz Claiborne, Reebok International, Ltd., Tommy Hilfiger, Polo Ralph Lauren, Off 5th- SAKS Fifth Avenue Outlet Store, The Gap, Nautica and Nike. A majority of the factory outlet stores leased by the Company are directly operated by the respective manufacturer. During 1998, the Company added approximately 17 new national designers and brand name companies to its tenant base.

No single tenant (including affiliates) accounted for 10% or more of combined base and percentage rental revenues during 1998, 1997 and 1996. As of March 1, 1999, the Company's largest tenant accounted for approximately 6.6% of its GLA. Because the typical tenant of the Company is a large, national manufacturer, the Company has not experienced any material problems with respect to rent collections or lease defaults.

Revenues from fixed rents and operating expense reimbursements accounted for approximately 92% of the Company's total revenues in 1998. Revenues from contingent sources, such as percentage rents, which fluctuate depending on tenant's sales performance, accounted for approximately 6% of 1998 revenues. As a result, only a small portion of the Company's revenues are dependent on contingent revenue sources.

BUSINESS HISTORY

Stanley K. Tanger, the Company's founder, Chairman and Chief Executive Officer, entered the factory outlet center business in 1981. Prior to founding the Company, Stanley K. Tanger and his son, Steven B. Tanger, the Company's President and Chief Operating Officer, built and managed a successful family owned apparel manufacturing business, Tanger/Creighton Inc. ("Tanger/Creighton"), which business included the operation of five factory outlet stores. Based on their knowledge of the apparel and retail industries, as well as their experience operating Tanger/Creighton's factory outlet stores, the Tangers recognized that there would be a demand for factory outlet centers where a number of manufacturers could operate in a single location and attract a large number of shoppers.

From 1981 to 1986, Stanley K. Tanger solely developed the first successful factory outlet centers. Steven Tanger joined the company in 1986 and by June 1993, together, the Tangers had developed 17 Centers with a total GLA of approximately 1.5 million square feet. In June of 1993, the Company completed its initial public offering ("IPO"), making Tanger Factory Outlet Centers, Inc. the first publicly traded outlet center company. Since its IPO, the Company has developed nine Centers and acquired six Centers and, together with expansions of existing Centers, added approximately 3.5 million square feet of GLA to its portfolio, bringing its portfolio of properties as of December 31, 1998 to 31 Centers totaling approximately 5.1 million square feet of GLA.

BUSINESS AND OPERATING STRATEGY

The Company intends to increase its cash flow and the value of its portfolio over the long-term by continuing to own, manage, acquire, develop, and expand factory outlet centers. The Company's strategy is to increase revenues through new development, selective acquisitions and expansions of factory outlet centers while minimizing its operating expenses by designing low maintenance properties and achieving economies of scale. In connection with the ownership and management of its properties, the Company places an emphasis on regular maintenance and intends to make periodic renovations as necessary.

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.

As part of its strategy of aggressively managing its assets, the Company is strengthening the tenant base in several of its centers by adding strong new anchor tenants, such as Nike, GAP and Nautica. To accomplish this goal, stores may remain vacant for a longer period of time in order to recapture enough space to meet the size requirement of these upscale, high volume tenants. Consequently, the Company anticipates that its average occupancy level will remain strong, but may be more in line with the industry average.

The Company typically seeks locations for its new centers that have at least 3.5 million people residing within an hour's drive, an average household income within a 50 mile radius of at least $35,000 per year and access to a highway with a traffic count of at least 35,000 cars per day. The Company will vary its minimum conditions based on the particular

characteristics of a site, especially if the site is located near or at a tourist destination. The Company's current goal is to target sites that are large enough to support centers with approximately 75 stores totaling at least 300,000 square feet of GLA. Generally, the Company will build such centers in phases, with the first phase containing 150,000 to 200,000 square feet of GLA. Future phases have historically been less expensive to build than the first phase because the Company generally consummates land acquisition and finishes most of the site work, including parking lots, utilities, zoning and other developmental work, in the first phase.

The Company generally preleases at least 50% of the space in each center prior to acquiring the site and beginning construction. Historically, the Company has not begun construction until it has obtained a significant amount of signed leases. Typically, construction of a new factory outlet center has taken the Company four to six months from groundbreaking to the opening of the first tenant store. Construction of expansions to existing properties typically takes less time, usually between three to four months.

CAPITAL STRATEGY

The Company's capital strategy is to maintain a strong and flexible financial position by: (1) maintaining a low level of leverage, (ii) extending and sequencing debt maturity dates, (iii) managing its floating interest rate exposure, (iv) maintaining its liquidity and (v) reinvesting a significant portion of its cash flow by maintaining a low distribution payout ratio (defined as annual distributions as a percent of funds from operations ("FFO" See discussion of FFO below) for such year).

FFO and EBITDA are widely accepted financial indicators used by certain investors and analysts to analyze and compare one equity REIT with another on the basis of operating performance. FFO is generally defined as net income (loss), computed in accordance with generally accepted accounting principles, before extraordinary items and gains (losses) on sale of properties, plus depreciation and amortization uniquely significant to real estate. EBITDA is generally defined as earnings before minority interest, interest expense, income taxes, depreciation and amortization. The Company cautions that the calculations of FFO and EBITDA may vary from entity to entity and as such the presentation of FFO and EBITDA by the Company may not be comparable to other similarly titled measures of other reporting companies. Neither FFO nor EBITDA represent net income or cash flow from operations as defined by generally accepted accounting principles and neither should be considered an alternative to net income as an indication of operating performance or to cash from operations as a measure of liquidity. FFO and EBITDA are not necessarily indicative of cash flows available to fund dividends to shareholders and other cash needs.

The Company has successfully increased its dividend each of its first five years as a public company. At the same time, the Company continues to have of one of the lowest payout ratios in the REIT industry. The distribution payout ratio for the year ended December 31, 1998 was 71%. As a result, the Company retained approximately $11.6 million of its 1998 FFO. A low distribution payout ratio policy allows the Company to retain capital to maintain the quality of its portfolio as well as to develop, acquire and expand properties.

The Company's ratio of EBITDA to Annual Service Charge (defined as the amount which is expensed or capitalized for interest on debt, excluding amortization of deferred finance charges) was a strong 2.8 for the year ended December 31, 1998. The Company's ratio of debt to total market capitalization (defined as the value of the Company's outstanding Common Shares on a fully diluted basis after giving effect to the conversion or exchange of outstanding partnership Units in the Operating Partnership held by TFLP and the Series A Preferred Shares, plus total consolidated debt) at December 31, 1998 was approximately 55% (assuming a value for the Common Shares of the Company at December 31, 1998 of $21.1875 per share).

The Company intends to retain the ability to raise additional capital, including additional debt, to pursue attractive investment opportunities that may arise and to otherwise act in a manner that it believes to be in the best interest of the Company and its shareholders. The Company maintains revolving lines of credit which provide for unsecured borrowings up to $100 million, of which $20.3 million was available for additional borrowings at December 31, 1998. As a general matter, the Company anticipates utilizing its lines of credit as an interim source of funds to acquire, develop and expand factory outlet centers and repaying the credit lines with longer-term debt or equity when management determines that market conditions are favorable. Under joint shelf registration, the Company and the Operating Partnership could issue up to $100 million in additional equity securities and $100 million in additional debt securities. With the decline in the real estate debt and equity markets, the Company may not, in the short term, be able to access these markets on favorable terms. Management believes the decline is temporary and may utilize these funds as the markets improve to continue its external growth. In the interim, the Company may consider the use of operational and developmental joint ventures and other related strategies to generate additional cash funding. Based on cash provided

by operations, existing credit facilities, ongoing negotiations with certain financial institutions and funds available under the shelf registration, management believes that the Company has access to the necessary financing to fund the planned capital expenditures during 1999.

THE OPERATING PARTNERSHIP

The Centers and other assets of the Company are held by, and all of the Company's operations are conducted by, the Operating Partnership. As of December 31, 1998, the ownership interests in the Operating Partnership consisted of 7,897,606 partnership Units and 88,270 preferred partnership Units (which are convertible into approximately 795,309 general partnership Units) held by the Company and 3,033,305 partnership Units held by TFLP, the sole limited partner. Each partnership Unit held by TFLP is exchangeable into one Common Share (subject to certain antidilution adjustments and certain limitations on exchange to preserve the Company's status as a REIT).

Each preferred partnership Unit entitles the Company to receive distributions from the Operating Partnership, in an amount equal to the distribution payable with respect to a share of Series A Preferred Shares, prior to the payment by the Operating Partnership of distributions with respect to the general partnership Units. Preferred partnership Units will be automatically converted by holders into general partnership Units to the extent that the Series A Preferred Shares are converted into Common Shares and will be redeemed by the Operating Partnership to the extent that the Series A Preferred Shares are redeemed by the Company.

COMPETITION

The Company carefully considers the degree of existing and planned competition in a proposed area before deciding to develop, acquire or expand a new center. The Company's centers compete for customers primarily with factory outlet centers built and operated by different developers, traditional shopping malls and full- and off-price retailers. However, management believes that the majority of the Company's customers visit factory outlet centers because they are intent on buying name-brand products at discounted prices. Traditional full- and off-price retailers are often unable to provide such a variety of name-brand products at attractive prices.

Tenants of factory outlet centers typically avoid direct competition with major retailers and their own specialty stores, and, therefore, generally insist that the outlet centers be located not less than 10 to 20 miles from the nearest major department store or the tenants' own specialty stores. For this reason, the Company's centers compete only to a very limited extent with traditional malls in or near metropolitan areas.

Management believes that the Company competes favorably with as many as three large national developers of factory outlet centers and numerous small developers. Competition with other factory outlet centers for new tenants is generally based on cost, location, quality and mix of the centers' existing tenants, and the degree and quality of the support and marketing services provided. The Company believes that its centers have an attractive tenant mix, as a result of the Company's decision to lease substantially all of its space to manufacturer operated stores rather than to off-price retailers, and also as a result of the strong brand identity of the Company's major tenants.

CORPORATE AND REGIONAL HEADQUARTERS

The Company currently owns a small office building in Greensboro, North Carolina in which its corporate headquarters is located. The Company has outgrown this space and has entered into an agreement to lease a larger office space at a nearby facility in Greensboro, North Carolina to relocate its corporate headquarters in April 1999. The current office building in Greensboro will be offered for sale. In addition, the Company rents a regional office in New York City, New York under a lease agreement and sublease agreement, respectively to better service its principal fashion-related tenants, many of whom are based in and around that area.

The Company maintains offices and employee on-site managers at 26 Centers. The managers closely monitor the operation, marketing and local relationships at each of their centers.

INSURANCE

Management believes that the Centers are covered by adequate fire, flood and property insurance provided by reputable companies and with commercially reasonable deductibles and limits.

EMPLOYEES

As of March 1, 1999, the Company had 125 full-time employees, located at the Company's corporate headquarters in North Carolina, its regional office in New York and its 26 business offices.

ITEM 2. BUSINESS AND PROPERTIES

As of March 1, 1999, the Company's portfolio consisted of 31 Centers located in 23 states. The Company's Centers range in size from 11,000 to 699,644 square feet of GLA. These Centers are typically strip shopping centers which enable customers to view all of the shops from the parking lot, minimizing the time needed to shop. The Centers are generally located near tourist destinations or along major interstate highways to provide visibility and accessibility to potential customers.

The Company believes that the Centers are well diversified geographically and by tenant and that it is not dependent upon any single property or tenant. The only Center that represents more than 10% of the Company's consolidated total assets or consolidated gross revenues as of and for the year ended December 31, 1998 is the property in Riverhead, NY. See "Business and Properties - Significant Property". No other Center represented more than 10% of the Company's consolidated total assets or consolidated gross revenues as of December 31, 1998.

LOCATION OF CENTERS (AS OF MARCH 1, 1999)
<TABLE>

<S>	<C>	<C>	<C>
State	Number of Centers	GLA (sq. ft.)	% of GLA
Georgia	4	886,794	17%
New York	1	699,644	14
Texas	2	414,830	8
Tennessee	2	362,280	7
Missouri	1	280,142	5
Iowa	1	277,237	5
Louisiana	1	245,325	5
Pennsylvania	1	230,063	4
Oklahoma	1	197,878	4
Florida	1	186,072	4
Arizona	1	186,018	4
North Carolina	2	179,870	4
Indiana	1	141,051	3
Minnesota	1	134,480	3
Michigan	1	112,120	2
California	1	105,950	2
Oregon	1	97,749	2
Kansas	1	88,200	2
Maine	2	84,897	2
Alabama	1	80,730	1

New Hampshire	2	61,915	1
West Virginia	1	49,252	1
Massachusetts	1	23,417	---
Total	31	5,125,914	100%

</TABLE>

Management has an ongoing strategy of acquiring Centers, developing new Centers and expanding existing Centers. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources" for a discussion of the cost of such programs and the sources of financing thereof.

Certain of the Company's Centers serve as collateral for mortgage notes payable. Of the 31 Centers, the Company owns the land underlying 28 and has ground leases on three. The land on which the Pigeon Forge and Sevierville Centers are located are subject to long-term ground leases expiring in 2086 and 2046, respectively. The land on which the original Riverhead Center is located, approximately 47 acres, is also subject to a ground lease with an initial term expiring in 2004, with renewal at the option of the Company for up to seven additional terms of five years each. The land on which the Riverhead Center expansion is located, approximately 43 acres, is owned by the Company.

The term of the Company's typical tenant lease ranges from five to ten years. Generally, leases provide for the payment of fixed monthly rent in advance. There are often contractual base rent increases during the initial term of the lease. In addition, the rental payments are customarily subject to upward adjustments based upon tenant sales volume. Most leases provide for payment by the tenant of real estate taxes, insurance, common area maintenance, advertising and promotion expenses incurred by the applicable Center. As a result, substantially all operating expenses for the Centers are borne by the tenants.

The table set forth below summarizes certain information with respect to the Company's existing centers as of March 1, 1999.
<TABLE>

DATE OPENED		LOCATION	GLA (SQ. FT.)		% LEASED	MORTGAGE DEBT OUTSTANDING (000'S) (4)	FEE OR GROUND LEASE
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Jun.	1986	Kittery I, ME	60,194		100%	$5,878	Fee
Mar.	1987	Clover, North Conway, NH	11,000		100	---	Fee
Nov.	1987	Martinsburg, WV	49,252		69	---	Fee
Apr.	1988	LL Bean, North Conway, NH	50,915		100	---	Fee
Jul.	1988	Pigeon Forge, TN	94,750		94	---	Ground lease
Aug.	1988	Boaz, AL	80,730		96	---	Fee
Jun.	1989	Kittery II, ME	24,703		100	---	Fee
Jul.	1989	Commerce, GA	185,750		97	9,805	Fee
Oct.	1989	Bourne, MA	23,417		100	---	Fee
Feb.	1991	West Branch, MI	112,120		88	6,732	Fee
May	1991	Williamsburg, IA	277,237	(1)	99	16,686	Fee
Feb.	1992	Casa Grande, AZ	186,018		83	---	Fee
Aug.	1992	Stroud, OK	197,878		77	---	Fee
Dec.	1992	North Branch, MN	134,480		91	---	Fee
Feb.	1993	Gonzales, LA	245,325		94	---	Fee
May	1993	San Marcos, TX	237,395	(2)	100	10,050	Fee
Dec.	1993	Lawrence, KS	88,200		48	---	Fee
Dec.	1993	McMinnville, OR	97,749		77	---	Fee
Aug.	1994	Riverhead, NY	699,644	(6)	98	---	Ground lease (3)
Aug.	1994	Terrell, TX	177,435		96	---	Fee
Sep.	1994	Seymour, IN	141,051		86	8,059	Fee
Oct.	1994 (5)	Lancaster, PA	230,063	(6)	96	15,580	Fee
Nov.	1994	Branson, MO	280,142		99	---	Fee
Nov.	1994	Locust Grove, GA	248,854		93	---	Fee
Jan.	1995	Barstow, CA	105,950		92	---	Fee
Dec.	1995	Commerce II, GA	278,760		100	---	Fee
Feb.	1997 (5)	Sevierville, TN	267,530	(6)	100	---	Ground lease
Sep.	1997 (5)	Blowing Rock, NC	97,408		93	---	Fee
Sep.	1997 (5)	Nags Head, NC	82,462		100	---	Fee
Mar.	1998 (5)	Dalton, GA	173,430		97	---	Fee
Jul.	1998 (5)	Fort Myers, FL	186,072		97	---	Fee
TOTAL			5,125,914		94%	$72,790	

</TABLE>

(1) GLA EXCLUDES 21,781 SQUARE FOOT LAND LEASE ON OUTPARCEL OCCUPIED BY PIZZA HUT.
(2) GLA EXCLUDES 17,400 SQUARE FOOT LAND LEASE ON OUTPARCEL OCCUPIED BY WENDY'S.
(3) THE ORIGINAL RIVERHEAD CENTER IS SUBJECT TO A GROUND LEASE WHICH MAY BE RENEWED AT THE OPTION OF THE COMPANY FOR UP TO SEVEN ADDITIONAL TERMS OF FIVE YEARS EACH. THE LAND ON WHICH THE RIVERHEAD CENTER EXPANSION IS LOCATED IS OWNED BY THE COMPANY.

(4) AS OF DECEMBER 31, 1998. THE WEIGHTED AVERAGE INTEREST RATE FOR DEBT OUTSTANDING AT DECEMBER 31, 1998 WAS 8.2% AND THE WEIGHTED AVERAGE MATURITY DATE WAS APRIL 2002.
(5) REPRESENTS DATE ACQUIRED BY THE COMPANY.
(6) GLA INCLUDES SQUARE FEET OF NEW SPACE NOT YET OPEN AS OF DECEMBER 31, 1998, WHICH TOTALED 114,554 SQUARE FEET (RIVERHEAD - 45,689; LANCASTER - 2,677; SEVIERVILLE - 66,188)
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LEASE EXPIRATIONS

The following table sets forth, as of March 1, 1999, scheduled lease expirations, assuming none of the tenants exercise renewal options. Most leases are renewable for five year terms at the tenant's option.
<TABLE>

Year	No. of Leases Expiring(1)	Approx. GLA (sq.ft.)(1)	Average Annualized Base Rent per sq. ft.	Annualized Base Rent (000's)(2)	% of Gross Annualized Base Rent Represented by Expiring Leases
<S>	<C>	<C>	<C>	<C>	<C>
1999	115	386,000	$13.06	$5,040	8%
2000	176	663,000	13.73	9,103	14
2001	181	652,000	13.84	9,025	14
2002	254	942,000	15.11	14,232	22
2003	207	889,000	14.23	12,652	20
2004	112	549,000	15.15	8,319	13
2005	22	123,000	13.00	1,599	2
2006	8	80,000	12.70	1,016	2
2007	8	62,000	14.23	882	1
2008	8	56,000	13.54	758	1
2009 & thereafter	28	254,000	8.26	2,097	3
Total	1,119	4,656,000	$13.90	$64,723	100%

</TABLE>

(1) EXCLUDES LEASES THAT HAVE BEEN ENTERED INTO BUT WHICH TENANT HAS NOT YET TAKEN POSSESSION, VACANT SUITES AND MONTH-TO-MONTH LEASES TOTALING APPROXIMATELY 470,000 SQUARE FEET.
(2) BASE RENT IS DEFINED AS THE MINIMUM PAYMENTS DUE, EXCLUDING PERIODIC CONTRACTUAL FIXED INCREASES.

RENTAL AND OCCUPANCY RATES

The following table sets forth information regarding the expiring leases during each of the last five calendar years.

<TABLE>

	Total Expiring		Renewed by Existing Tenants		Re-leased to New Tenants	
Year	GLA (sq. ft.)	% of Total Center GLA	GLA (sq. ft.)	% of Expiring GLA	GLA (sq.ft.)	% of Expiring GLA
<S>	<C>	<C>	<C>	<C>	<C>	<C>
1998	548,504	11%	407,837	74%	38,526	7%
1997	238,250	5	195,380	82	18,600	8
1996	149,689	4	134,639	90	15,050	10
1995	93,650	3	91,250	97	2,400	3
1994	115,697	3	105,697	91	10,000	9

</TABLE>

The following table sets forth the average base rental rate increases per square foot upon re-leasing stores that were turned over or renewed during each of the last five calendar years.
<TABLE>

	Renewals of Existing Leases				Stores Re-leased to New Tenants (1)			
		Average Annualized Base Rents ($ per sq. ft.)				Average Annualized Base Rents ($ per sq. ft.)		
Year	GLA (sq.ft.)	Expiring	New	% Increase	GLA (sq.ft.)	Expiring	New	% Change
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1998	407,387	$13.83	$14.07	2%	220,890	$15.33	$13.87	(9)%

1997	195,380	14.21	14.41	1	171,421	14.59	13.42	(8)
1996	134,639	12.44	14.02	13	78,268	14.40	14.99	4
1995	91,250	11.54	13.03	13	59,445	13.64	14.80	9
1994	105,697	14.26	16.56	16	71,350	12.54	14.30	14

</TABLE>

- ---------------------

(1) THE SQUARE FOOTAGE RELEASED TO NEW TENANTS FOR 1998, 1997, 1996, 1995 AND 1994 CONTAIN 38,526, 18,600, 15,050, 2,400, AND 10,000 SQUARE FEET, RESPECTIVELY, THAT WAS RELEASED TO NEW TENANTS UPON EXPIRATION OF AN EXISTING LEASE. THE REMAINING SPACE WAS RETENANTED PRIOR TO ANY LEASE EXPIRATION.

The following table shows certain information on rents and occupancy rates for the Centers during each of the last five calendar years.

<TABLE>

Year	% Leased	Average Annualized Base Rent per sq.ft.(1)	GLA Open at End of Each Year	Number of Centers	Aggregate Percentage Rents (000's)
<S>	<C>	<C>	<C>	<C>	<C>
1998	97%	$13.88	5,011,000	31	$3,087
1997	98%	14.04	4,458,000	30	2,637
1996	99%	13.89	3,739,000	27	2,017
1995	99%	13.92	3,507,000	27	2,068
1994	99%	13.43	3,115,000	25	1,658

</TABLE>

- ---------------------

(1) REPRESENTS TOTAL BASE RENTAL REVENUE DIVIDED BY WEIGHTED AVERAGE GLA OF THE PORTFOLIO, WHICH AMOUNT DOES NOT TAKE INTO CONSIDERATION FLUCTUATIONS IN OCCUPANCY THROUGHOUT THE YEAR.

OCCUPANCY COSTS

The Company believes that its ratio of average tenant occupancy cost (which includes base rent, common area maintenance, real estate taxes, insurance, advertising and promotions) to average sales per square foot is low relative to other forms of retail distribution. The following table sets forth, for each of the last five years, tenant occupancy costs per square foot as a percentage of reported tenant sales per square foot.

Year	Occupancy Costs as a % of Tenant Sales
1998	7.9%
1997	8.2
1996	8.7
1995	8.5
1994	7.4

TENANTS

The following table sets forth certain information with respect to the Company's ten largest tenants and their store concepts as of March 1, 1999.

<TABLE>

Tenant	Number of Stores	GLA (sq. ft.)	% of Total GLA open
<S>	<C>	<C>	<C>
PHILLIPS-VAN HEUSEN CORPORATION:			
Bass	22	146,053	2.8%
Van Heusen	21	89,656	1.8
Geoffrey Beene Co. Store	13	51,640	1.0
Izod	17	39,617	0.8
Gant	4	10,500	0.2
	77	337,466	6.6
LIZ CLAIBORNE, INC.:			
Liz Claiborne	24	277,041	5.4
Liz Claiborne Shoes	1	2,000	---
Elizabeth	6	23,700	0.5
DKNY Jeans	2	5,820	0.1
	33	308,561	6.0
REEBOK INTERNATIONAL, LTD.	24	172,161	3.4

SARA LEE CORPORATION:			
L'eggs, Hanes, Bali	26	117,809	2.3
Champion	1	4,000	0.1
Coach	11	26,561	0.5
Socks Galore	7	8,680	0.2
	45	157,050	3.1
DRESS BARN INC.	16	107,878	2.1
AMERICAN COMMERCIAL, INC.:			
Mikasa Factory Store	13	105,500	2.0
BROWN GROUP RETAIL, INC.:			
Factory Brand Shoes	14	71,880	1.4
Naturalizer	8	20,240	0.4
Brown Shoes	2	10,500	0.2
	24	102,620	2.0
COUNTY SEAT STORES, INC. (1):			
County Seat	3	15,000	0.3
Levi's by County Seat	7	81,700	1.6
	10	96,700	1.9
CORNING REVERE	19	83,267	1.6
VF FACTORY OUTLET, INC.	3	78,697	1.5
Total of all tenants listed in table	264	1,549,900	30.2%

</TABLE>

(1) COUNTY SEAT STORES, INC. ("COUNTY SEAT") IS CURRENTLY IN BANKRUPTCY PROCEEDINGS. MANAGEMENT BELIEVES THAT THIS BANKRUPTCY WILL NOT HAVE A MATERIAL EFFECT ON THE COMPANY'S RESULTS OF OPERATIONS OR FINANCIAL CONDITION.

SIGNIFICANT PROPERTY

The Center in Riverhead, New York is the Company's only Center which comprises more than 10% of consolidated total assets or consolidated total revenues. The Riverhead Center was originally constructed in 1994. Upon completion of expansions currently underway totaling approximately 68,000 square feet, the Riverhead Center will total 699,644 square feet.

Tenants at the Riverhead Center principally conduct retail sales operations. The occupancy rate as of the end of 1998, 1997, and 1996, excluding expansions under construction, was 97%, 99%, and 100%. Average annualized base rental rates during 1998, 1997, and 1996 were $18.89, $18.65, and $17.73 per weighted average GLA.

Depreciation on the Riverhead Center is recognized on a straight-line basis over 33.33 years, resulting in a depreciation rate of 3% per year. At December 31, 1998, the net federal tax basis of this Center was approximately $84,975,000. Real estate taxes assessed on this Center during 1998 amounted to $1,623,000. Real estate taxes for 1999 are estimated to be approximately $2.1 million.

The following table sets forth, as of March 1, 1999, scheduled lease expirations at the Riverhead Center assuming that none of the tenants exercise renewal options:

<TABLE>

Year	No. of Leases Expiring (1)	GLA (sq. ft.)(1)	Annualized Base Rent per sq. ft.	Annualized Base Rent (000) (2)	% of Gross Annualized Base Rent Represented by Expiring Leases
<S>	<C>	<C>	<C>	<C>	<C>
1999	9	27,000	$21.96	$593	5%
2000	5	18,000	19.72	355	3
2001	8	48,000	19.23	923	8
2002	68	227,000	21.19	4,809	40
2003	21	86,000	18.90	1,625	14
2004	27	127,000	19.31	2,452	20
2005	1	2,000	17.50	35	---
2006	---	---	---	---	---
2007	3	21,000	16.76	352	3
2008	1	7,000	19.29	135	1
2009 & thereafter	5	73,000	9.95	726	6
Total	148	636,000	$18.88	$12,005	100%

</TABLE>

(1) EXCLUDES LEASES THAT HAVE BEEN ENTERED INTO BUT WHICH TENANT HAS NOT TAKEN POSSESSION AND EXCLUDES MONTH-TO-MONTH LEASES. (2) BASE RENT IS DEFINED AS THE MINIMUM PAYMENTS DUE, EXCLUDING PERIODIC CONTRACTUAL FIXED INCREASES.

ITEM 3.LEGAL PROCEEDINGS

Except for claims arising in the ordinary course of business, which are covered by the Company's liability insurance, the Company is not presently involved in any litigation involving claims against the Company, nor, to its knowledge, is any material litigation threatened against the Company or its Centers which would have a material adverse effect on the Company, its Centers or its operations.

ITEM 4.SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of security holders, through solicitation of proxies or otherwise, during the fourth quarter of the fiscal year ended December 31, 1998.

EXECUTIVE OFFICERS OF THE REGISTRANT

The following table sets forth certain information concerning the executive officers of the Company:
<TABLE>
<S> <C> <C>

NAME	AGE	POSITION
Stanley K. Tanger................	75	Founder, Chairman of the Board of Directors and Chief Executive Officer
Steven B. Tanger.................	50	Director, President and Chief Operating Officer
Rochelle G. Simpson	60	Secretary and Executive Vice President - Administration and Finance
Willard A. Chafin, Jr............	61	Executive Vice President - Leasing, Site Selection, Operations and Marketing
Frank C. Marchisello, Jr.........	40	Senior Vice President - Chief Financial Officer
Joseph H. Nehmen.................	50	Senior Vice President - Operations
Virginia R. Summerell............	40	Treasurer and Assistant Secretary
C. Randy Warren, Jr..............	34	Senior Vice President - Leasing
Carrie A. Johnson-Warren.........	36	Vice President - Marketing
Kevin M. Dillon..................	40	Vice President - Construction

</TABLE>

The following is a biographical summary of the experience of the executive officers of the Company:

STANLEY K. TANGER. Mr. Tanger is the founder, Chief Executive Officer and Chairman of the Board of Directors of the Company. He also served as President from inception of the Company to December 1994. Mr. Tanger opened one of the country's first outlet shopping centers in Burlington, North Carolina in 1981. Before entering the factory outlet center business, Mr. Tanger was President and Chief Executive Officer of his family's apparel manufacturing business, Tanger/Creighton, Inc., for 30 years.

STEVEN B. TANGER. Mr. Tanger is a director of the Company and was named President and Chief Operating Officer effective January 1, 1995. Previously, Mr. Tanger served as Executive Vice President since joining the Company in 1986. He has been with Tanger-related companies for most of his professional career, having served as Executive Vice President of Tanger/Creighton for 10 years. He is responsible for all phases of project development, including site selection, land acquisition and development, leasing, marketing and overall management of existing outlet centers. Mr. Tanger is a graduate of the University of North Carolina at Chapel Hill and the Stanford University School of Business Executive Program. Mr. Tanger is the son of Stanley K. Tanger.

ROCHELLE G. SIMPSON. Ms. Simpson was named Executive Vice President - Administration and Finance in January 1999. She previously held the position of Senior Vice President - Administration and Finance since October 1995. She is also the Secretary of the Company and previously served as Treasurer from May 1993 through May 1995. She entered the factory outlet center business in January 1981, in general management and as chief accountant for Stanley K. Tanger and later became Vice President - Administration and Finance of the Predecessor Company. Ms. Simpson oversees the accounting and finance departments and has overall management responsibility for the Company's headquarters.

WILLARD A. CHAFIN, JR. Mr. Chafin was named Executive Vice President - Leasing, Site Selection, Operations and Marketing of the Company in January 1999. Mr. Chafin previously held the position of Senior Vice President - Leasing, Site Selection, Operations and Marketing since October 1995. He joined the Company in April 1990, and since has held various executive positions where his major responsibilities included supervising the Marketing, Leasing and Property Management Departments, and leading the Asset Management Team. Prior to joining the Company, Mr. Chafin was the Director of Store Development for the Sara Lee Corporation, where he spent 21 years. Before joining Sara Lee, Mr. Chafin was employed by Sears Roebuck & Co. for nine years in advertising/sales promotion, inventory control and merchandising.

FRANK C. MARCHISELLO, JR. Mr. Marchisello was named Senior Vice President and Chief Financial Officer in January 1999. He was named Vice President and Chief Financial Officer in November 1994. Previously, he served as Chief Accounting Officer since joining the Company in January 1993 and Assistant Treasurer since February 1994. He was employed by Gilliam, Coble & Moser, certified public accountants, from 1981 to 1992, the last six years of which he was a partner of the firm in charge of various real estate clients. While at Gilliam, Coble & Moser, Mr. Marchisello

worked directly with the Tangers since 1982. Mr. Marchisello is a graduate of the University of North Carolina at Chapel Hill and is a certified public accountant.

JOSEPH H. NEHMEN. Mr. Nehmen was named Senior Vice President of Operations in January 1999. He joined the Company in September 1995 and was named Vice President of Operations in October 1995. Mr. Nehmen has over 20 years experience in private business. Prior to joining Tanger, Mr. Nehmen was owner of Merchants Wholesaler, a privately held distribution company in St. Louis, Missouri. He is a graduate of Washington University. Mr. Nehmen is the son-in-law of Stanley K. Tanger and brother-in-law of Steven B. Tanger.

VIRGINIA R. SUMMERELL. Ms. Summerell was named Treasurer of the Company in May 1995 and Assistant Secretary in November 1994. Previously, she held the position of Director of Finance since joining the Company in August 1992, after nine years with NationsBank. Her major responsibilities include cash management and oversight of all project and corporate finance transactions. Ms. Summerell is a graduate of Davidson College and holds an MBA from the Babcock School at Wake Forest University.

C. RANDY WARREN, JR. Mr. Warren was named Senior Vice President of Leasing in January 1999. He joined the Company in November 1995 as Vice President of Leasing. He was previously director of anchor leasing at Prime Retail, L.P., where he managed anchor tenant relations and negotiation on a national basis. Prior to that, he worked as a leasing executive for the company. Before entering the outlet industry, he was founder of Preston Partners, a development consulting firm in Baltimore, MD. Mr. Warren is a graduate of Towson State University and holds an MBA from Loyola College. Mr. Warren is the husband of Ms. Carrie Johnson-Warren.

CARRIE A. JOHNSON-WARREN. Ms. Johnson-Warren was named Vice President - Marketing in September 1996. Previously, she held the position of Assistant Vice President - Marketing since joining the Company in December 1995. Prior to joining Tanger, Ms. Johnson-Warren was with Prime Retail, L.P. for 4 years where she served as Regional Marketing Director responsible for coordinating and directing marketing for five outlet centers in the southeast region. Prior to joining Prime Retail, L.P., Ms. Johnson-Warren was Marketing Manager for North Hills, Inc. for five years and also served in the same role for the Edward J. DeBartolo Corp. for two years. Ms. Johnson-Warren is a graduate of East Carolina University and is the wife of Mr. C. Randy Warren, Jr.

KEVIN M. DILLON. Mr. Dillon was named Vice President - Construction in October 1997. Previously, he held the position of Director of Construction from September 1996 to October 1997 and Construction Manager from November 1993, the month he joined the Company, to September 1996. Prior to joining the Company, Mr. Dillon was employed by New Market Development Company for six years where he served as Senior Project Manager. Prior to joining New Market, Mr. Dillon was the Development Director of Western Development Company where he spent 6 years.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED SHAREHOLDERS' MATTERS

The Common Shares commenced trading on the New York Stock Exchange on May 28, 1993. The initial public offering price was $22.50 per share. The following table sets forth the high and low sales prices of the Common Shares as reported on the New York Stock Exchange Composite Tape, during the periods indicated.

<TABLE>

1998	High	Low	Common Dividends Paid
<S>	<C>	<C>	<C>
First Quarter	$31.1875	$28.5625	$.55
Second Quarter	31.8750	29.1250	.60
Third Quarter	31.8125	22.0000	.60

Fourth Quarter	23.8750	18.8125	.60
Year 1998	$31.8750	$18.8125	$2.35

1997	High	Low	Common Dividends Paid
First Quarter	$27.500	$24.000	$.52
Second Quarter	27.250	23.000	.55
Third Quarter	29.875	26.875	.55
Fourth Quarter	31.000	26.500	.55
Year 1997	$31.000	$23.000	$2.17

</TABLE>

As of March 1, 1999, there were approximately 519 shareholders of record. Certain of the Company's debt agreements limit the payment of dividends such that dividends shall not exceed FFO, as defined in the agreements, for the prior fiscal year on an annual basis or 95% of FFO on a cumulative basis. Based on continuing favorable operations and available funds from operations, the Company intends to continue to pay regular quarterly dividends.

<TABLE>

ITEM 6. SELECTED FINANCIAL DATA

	1998	1997	1996	1995	1994
	(In thousands, except per share and center data)				
<S>	<C>	<C>	<C>	<C>	<C>
OPERATING DATA					
Total revenues	$ 97,766	$ 85,271	$ 75,500	$ 68,604	$ 45,988
Income before minority interest and extraordinary item	16,103	17,583	16,177	15,352	15,147
Income before extraordinary item	12,159	12,827	11,752	11,218	11,168
Net income	11,827	12,827	11,191	11,218	11,168
SHARE DATA					
Basic:					
Income before extraordinary item	$ 1.30	$ 1.57	$ 1.46	$ 1.36	$ 1.32
Net income	$ 1.26	$ 1.57	$ 1.37	$ 1.36	$ 1.32
Weighted average common shares	7,886	7,028	6,402	6,095	5,177
Diluted:					
Income before extraordinary item	$ 1.28	$ 1.54	$ 1.46	$ 1.36	$ 1.31
Net income	$ 1.24	$ 1.54	$ 1.37	$ 1.36	$ 1.31
Weighted average common shares	8,009	7,140	6,408	6,096	5,211
Common dividends paid	$ 2.35	$ 2.17	$ 2.06	$ 1.96	$ 1.80
BALANCE SHEET DATA					
Real estate assets, before depreciation	$ 529,247	$ 454,708	$ 358,361	$ 325,881	$ 292,406
Total assets	471,795	416,014	332,138	315,130	294,802
Long-term debt	302,485	229,050	178,004	156,749	121,323
Shareholders' equity	114,039	122,119	101,738	107,560	115,413
OTHER DATA					
EBITDA (1)	$ 60,285	$ 52,857	$ 46,633	$ 41,058	$ 26,089
Funds from operations (1)	$ 39,748	$ 35,840	$ 32,313	$ 29,597	$ 23,189
Cash flows provided by (used in):					
Operating activities	$ 35,787	$ 39,214	$ 38,051	$ 32,423	$ 21,304
Investing activities	$ (79,236)	$ (93,636)	$ (36,401)	$ (44,788)	$(143,683)
Financing activities	$ 46,172	$ 55,444	$ (4,176)	$ 13,802	$ 80,661
Gross leasable area open at year end	5,011	4,458	3,739	3,507	3,115
Number of centers	31	30	27	27	25

</TABLE>

(1) EBITDA and Funds from Operations ("FFO") are widely accepted financial indicators used by certain investors and analysts to analyze and compare companies on the basis of operating performance. EBITDA represents earnings before minority interest, interest expense, income taxes, depreciation and amortization. Funds from operations is defined as net income (loss), computed in accordance with generally accepted accounting principles, before extraordinary items and gains (losses) on sale of properties, plus depreciation and amortization uniquely significant to real estate. The Company cautions that the calculations of EBITDA and FFO may vary from entity to entity and as such the presentation of EBITDA and FFO by the Company may not be comparable to other similarly titled measures of other reporting companies. EBITDA and FFO are not intended to represent cash flows for the period. EBITDA and FFO have not been presented as an alternative to operating income as an indicator of operating performance, and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with generally accepted accounting principles.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the consolidated financial statements appearing elsewhere in this report. Historical results and percentage relationships set forth in the consolidated statements of operations, including trends which might appear, are not necessarily indicative of future operations.

The discussion of the Company's results of operations reported in the consolidated statements of operations compares the years ended December 31, 1998 and 1997, as well as December 31, 1997 and 1996. Certain comparisons between the periods are made on a percentage basis as well as on a weighted average gross leasable area ("GLA") basis, a technique which adjusts for certain increases or decreases in the number of centers and corresponding square feet related to the development, acquisition, expansion or disposition of rental properties. The computation of weighted average GLA, however, does not adjust for fluctuations in occupancy which may occur subsequent to the original opening date.

CAUTIONARY STATEMENTS

Certain statements made below are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Company intends 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:

- general economic and local real estate conditions could change (for example, our tenant's business may change if the economy changes, which might effect (1) the amount of rent they pay us or their ability to pay rent to us, (2) their demand for new space, or (3) our ability to renew or re-lease a significant amount of available space on favorable terms;
- the laws and regulations that apply to us could change (for instance, a change in the tax laws that apply to REITs could result in unfavorable tax treatment for us);
- capital availability (for instance, financing opportunities may not be available to us, or may not be available to us on favorable terms);
- our operating costs may increase or our costs to construct or acquire new properties or expand our existing properties may increase or exceed our original expectations.

GENERAL OVERVIEW

During 1998, the Company added a total of 569,086 square feet to its portfolio including: Dalton Factory Stores, a 173,430 square foot factory outlet center located in Dalton, GA, acquired in March 1998; Sanibel Factory Stores, a 186,070 square foot factory outlet center located in Fort Myers, FL, acquired in July 1998; 132,223 square feet of expansions which were under construction at the end of 1997; a 25,069 square foot expansion to its property in Branson, MO and 52,294 square feet out of a total of 243,674 square feet of expansion space which is currently under construction throughout six of its centers. The remaining 191,380 square feet is scheduled to open during the second half of 1999. Also during 1998, the Company completed the sale of its 8,000 square foot, single tenant property in Manchester, VT for $1.85 million.

A summary of the operating results for the years ended December 31, 1998, 1997 and 1996 is presented in the following table, expressed in amounts calculated on a weighted average GLA basis.

<TABLE>
<S> <C> <C> <C>

	1998	1997	1996
GLA open at end of period (000's)	5,011	4,458	3,739
Weighted average GLA (000's) (1)	4,768	4,046	3,642
Outlet centers in operation	31	30	27
New centers acquired	2	3	---
Centers sold	1	---	---
Centers expanded	1	5	6
States operated in at end of period	23	23	22
PER SQUARE FOOT			
Revenues			
Base rentals	$13.88	$14.04	$13.89
Percentage rentals	.65	.65	.55
Expense reimbursements	5.63	6.10	6.04

Other income	.34	.29	.25
Total revenues	20.50	21.08	20.73
Expenses			
Property operating	6.10	6.49	6.47
General and administrative	1.40	1.52	1.50
Interest	4.62	4.16	3.84
Depreciation and amortization	4.65	4.56	4.52
Total expenses	16.77	16.73	16.33
Income before gain on sale of real estate, minority interest and extraordinary item	$3.73	$4.35	$4.40

</TABLE>

(1) GLA WEIGHTED BY MONTHS OF OPERATIONS. GLA IS NOT ADJUSTED FOR FLUCTUATIONS IN OCCUPANCY WHICH MAY OCCUR SUBSEQUENT TO THE ORIGINAL OPENING DATE.

RESULTS OF OPERATIONS

1998 COMPARED TO 1997

Base rentals increased $9.4 million, or 17%, in 1998 when compared to the same period in 1997 primarily as a result of the 18% increase in weighted average GLA. The increase in weighted average GLA is due primarily to the acquisitions in October 1997 (180,000 square feet), March 1998 (173,000 square feet), and July 1998 (186,000 square feet), as well as expansions completed in the fourth quarter of 1997 and first quarter 1998. The decrease in base rentals per weighted average GLA of $.16 in 1998 compared to 1997 reflects (1) the impact of these acquisitions which collectively have a lower average base rental rate per square foot and (2) lower average occupancy rates in 1998 compared to 1997. Base rentals per weighted average GLA, excluding these acquisitions, during the 1998 period decreased $.08 per square foot to $13.96.

Percentage rentals increased $450,000, or 17%, in 1998 compared to 1997 due to the acquisitions and expansions completed in 1997. Same store sales, defined as the weighted average sales per square foot reported for tenant stores open all of 1998 and 1997, decreased 2.7% to approximately $242 per square foot.

Expense reimbursements, which represent the contractual recovery from tenants of certain common area maintenance, insurance, property tax, promotional and advertising and management expenses generally fluctuates consistently with the reimbursable property operating expenses to which it relates. Expense reimbursements, expressed as a percentage of property operating expenses, decreased from 94% in 1997 to 92% in 1998 primarily as a result of the decrease in occupancy.

Property operating expenses increased by $2.8 million, or 11%, in 1998 as compared to 1997. On a weighted average GLA basis, property operating expenses decreased from $6.49 from $6.10 per square foot. Higher expenses for real estate taxes per square foot were offset by considerable decreases in advertising and promotion and common area maintenance expenses per square foot. The decrease in property operating expenses per square foot is also attributable

to the acquisitions which collectively have a lower average operating cost per square foot. Excluding the acquisitions, property operating expenses during 1998 were $6.19 per square foot.

General and administrative expenses increased $524,000 in 1998 compared to 1997. As a percentage of revenues, general and administrative expenses decreased from 7.2% in 1997 to 6.8% in 1998. On a weighted average GLA basis, general and administrative expenses decreased $.12 per square foot to $1.40 in 1998, reflecting the absorption of the acquisitions in 1997 and 1998 without relative increases in general and administrative expenses.

Interest expense increased $5.2 million during 1998 as compared to 1997 due to higher average borrowings outstanding during the period and due to less interest capitalized during 1998 as a result of a decrease in ongoing construction activity during 1998 compared to 1997. Average borrowings have increased principally to finance the acquisitions and expansions to existing centers (see "General Overview" above). Depreciation and amortization per weighted average GLA increased from $4.56 per square foot to $4.65 per square foot.

The asset write-down of $2.7 million in 1998 represents the write-off of pre-development costs capitalized for certain projects, primarily the Romulus, MI project, which were discontinued and terminated during the year.

The gain on sale of real estate for 1998 represents the sale of an 8,000 square foot, single tenant property in Manchester, VT for $1.85 million and the sale of three outparcels at other centers for sales prices aggregating $940,000. The extraordinary item in 1998 represents a write-off of unamortized deferred financing costs due to the termination of a $50 million secured line of credit.

1997 COMPARED TO 1996

Base rentals increased $6.2 million, or 12%, in 1997 when compared to the same period in 1996 primarily as a result of the 11% increase in weighted average

GLA. Base rent increased approximately $1.5 million due to the effect of a full year's operation of expansions completed in 1996 and approximately $4.8 million for new or acquired leases added during 1997.

Percentage rentals increased $620,000, or $.10 per square foot, in 1997 compared to 1996. The increase is primarily attributable to leases acquired during 1997, leases added in 1996 completing their first full year of operation in 1997 and due to increases in tenant sales. Same store sales, defined as weighed average sales per square foot reported for tenant stores open all of 1997 and 1996, increased approximately 2.3% to $241 per square foot.

Expense reimbursements, which represent the contractual recovery from tenants of certain common area maintenance, insurance, property tax, promotional and advertising and management expenses generally fluctuates consistently with the reimbursable property operating expenses to which it relates. Expense reimbursements, expressed as a percentage of property operating expenses, increased from 93% in the 1996 period to 94% in the 1997 period due primarily to a reduction in nonreimbursable property operating expenses.

Property operating expenses increased by $2.7 million, or 11%, in 1997 as compared to the 1996 period. On a weighted average GLA basis, property operating expenses increased to $6.49 from $6.47 per square foot. Slightly lower promotional, real estate taxes, and insurance expenses per square foot incurred in the 1997 period compared to the 1996 period were offset by higher common area maintenance expenses per square foot due to additional customer service amenities, such as trolleys, customer service counters and security and as a result of expanding the Riverhead Center which has a cost per foot higher than the portfolio average.

General and administrative expenses increased $678,000 in 1997 as compared to 1996. As a percentage of revenues, general and administrative expenses remained level at 7.2% in each year. On a weighted average GLA basis, general and administrative expenses increased $.02 to $1.52 in 1997.

Interest expense increased $2.8 million during the 1997 period as compared to the 1996 period due to higher average borrowings outstanding during the period. Average borrowings increased principally to finance the first quarter acquisition of Five Oaks Factory Stores and expansions to existing centers until the Company was able to issue additional equity in October 1997. Depreciation and amortization per weighted average GLA increased from $4.52 per square foot to $4.56 per square foot. The increase reflects the effect of accelerating the recognition of depreciation expense on certain tenant finishing allowances related to vacant space.

The extraordinary item in the 1996 period represents a write-off of the unamortized deferred financing costs related to the lines of credit which were extinguished using the proceeds from the Company's $75 million senior unsecured notes issued in March 1996.

LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by operating activities was $35.8, $39.2 and $38.1 million for the years ended December 31, 1998, 1997 and 1996, respectively. Net cash provided by operating activities during 1997 and 1996 increased primarily due to the incremental operating income associated with acquired or expanded centers. Net cash provided by operating activities decreased $3.4 million in 1998 compared to 1997 as decreases in accounts payable offset the increases from the incremental operating income associated with acquired or expanded centers. Net cash used in investing activities amounted to $79.2, $93.6 and $36.4 million during 1998, 1997 and 1996, respectively, and reflects the fluctuation in construction and acquisition activity during each year. Net cash used in investing activities also decreased in 1998 compared to 1997 due to approximately $2.6 million in net proceeds received from the sale of one factory outlet center and three parcels of land from other existing centers. Cash provided by (used in) financing activities of $46.2, $55.4 and $(4.2) million in 1998, 1997 and 1996, respectively, and has fluctuated consistently with the capital needed to fund the current development and acquisition activity. In 1998, net cash provided by financing activities was further reduced by the dividends paid on the additional 1.1 million common shares outstanding during all of 1998 as a result of a common share offering in September of 1997.

During 1998, the Company added a total of 569,086 square feet to its portfolio including: Dalton Factory Stores, a 173,430 square foot factory outlet center located in Dalton, GA, acquired in March 1998; Sanibel Factory Stores, a 186,070 square foot factory outlet center located in Fort Myers, FL, acquired in July 1998; 132,223 square feet of expansions which were under construction at the end of 1997; a 25,069 square foot expansion to its property in Branson, MO and 52,294 square feet out of a total of 243,674 square feet of expansion space which is currently under construction throughout six of its centers. The remaining 191,380 square feet is scheduled to open during the second half of 1999 (See "General Overview"). Commitments for construction of these projects (which represent only those costs contractually required to be paid by the Company) amounted to $5.6 million at December 31, 1998.

The Company also is in the process of developing plans for additional expansions and new centers for completion in 1999 and beyond. Currently, the Company is in the preleasing stages for a future center in Bourne, Massachusetts and for further expansions of three existing Centers. However, these anticipated or planned developments or expansions may not be started or completed as scheduled, or may not result in accretive funds from operations. In addition, the Company regularly evaluates acquisition or disposition proposals, engages from time to time in negotiations for acquisitions or dispositions and may from time to time 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 also may not be consummated, or if consummated, may not result in accretive funds from operations.

During 1998, the Company discontinued the development of its Concord, North Carolina; Romulus, Michigan and certain other projects as the economics of these transactions did not meet an adequate return on investment for the Company. As a result, the Company recorded a $2.7 million charge in the fourth quarter to write-off the carrying amount of these projects, net of proceeds received from the sale of the Company's interest in the Concord project to an unrelated third party.

The Company maintains revolving lines of credit which provide for unsecured borrowings up to $100 million, of which $20.3 million was available for additional borrowings at December 31, 1998. As a general matter, the Company anticipates utilizing its lines of credit as an interim source of funds to acquire, develop and expand factory outlet centers and repaying the credit lines with longer-term debt or equity when management determines that market conditions are favorable. Under joint shelf registration, the Company and the Operating Partnership could issue up to $100 million in additional equity securities and $100 million in additional debt securities. With decline in the real estate debt and equity markets, the Company may not, in the short term, be able to access these markets on favorable terms. Management believes the decline is temporary and may utilize these funds as the markets improve to continue its external growth. In the interim, the Company may consider the use of operational and developmental joint ventures and other related strategies to generate additional capital. Based on cash provided by operations, existing credit facilities, ongoing negotiations with certain financial institutions and funds available under the shelf registration, management believes that the Company has access to the necessary financing to fund the planned capital expenditures during 1999.

During 1998, the Company terminated a $50 million secured line of credit and increased its unsecured lines of credit by $25 million. At December 31, 1998, approximately 76% of the outstanding long-term debt represented unsecured borrowings and approximately 79% of the Company's real estate portfolio was unencumbered. The weighted average interest rate on debt outstanding on December 31, 1998 was 8.2%.

During March 1999, the Company refinanced its 8.92% notes which had a carrying amount of $47.4 million at December 31, 1998. The refinancing reduced the interest rate to 7.875%, increased the loan amount to $66.5 million and extended the maturity date to April 2009. The additional proceeds were used to reduce amounts outstanding under the revolving lines of credit. As a result of this refinance, management expects to realize a savings in interest cost of approximately $300,000 over the next twelve months. In addition, the Company extended the maturity of one of its revolving lines of credit from June 2000 to June 2001.

The Company anticipates that adequate cash will be available to fund its operating and administrative expenses, regular debt service obligations, and the payment of dividends in accordance with REIT requirements in both the short and long term. Although the Company receives most of its 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. Certain of the Company's debt agreements limit the payment of dividends such that dividends will not exceed funds from operations ("FFO"), as defined in the agreements, for the prior fiscal year on an annual basis or 95% of FFO on a cumulative basis from the date of the agreement.

MARKET RISK

The Company is 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. The Company does not enter into derivatives or other financial instruments for trading or speculative purposes.

The Company enters into interest rate swap agreements to manage its exposure to interest rate changes. The swaps involve the exchange of fixed and variable interest rate payments based on a contractual principal amount and time period. Payments or receipts on the agreements are recorded as adjustments to interest expense. At December 31, 1998, the Company had an interest rate swap agreement effective through October 2001 with a notional amount of $20 million. Under this agreement, the Company receives a floating interest rate based on the 30 day LIBOR index and pays a fixed interest rate of 5.47%. These swaps effectively change the Company's payment of interest on $20 million of variable rate debt to fixed rate debt for the contract period.

The fair value of the interest rate swap agreement represents the estimated receipts or payments that would be made to terminate the agreements. At December 31, 1998, the Company would have paid $218,000 to terminate the agreements. A 1% decrease in the 30 day LIBOR index would increase the amount paid by approximately $491,000. The fair value is based on dealer quotes, considering current interest rates.

The fair market value of long-term fixed interest rate debt is subject to interest rate 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 the Company's total long-term debt at December 31, 1998 was $309.1 million. A 1% increase from prevailing interest rates at December 31, 1998 would result in a decrease in fair value of total long-term debt by approximately $4.2 million. Fair values were determined from quoted market prices, where available, using current interest rates considering credit ratings and the remaining terms to maturity.

NEW ACCOUNTING PRONOUNCEMENTS

In June 1997, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 131, DISCLOSURES ABOUT SEGMENTS OF AN ENTERPRISE AND RELATED INFORMATION ("SFAS 131"). SFAS 131 requires public business enterprises to adopt its provisions for fiscal years beginning after December 15, 1997, and to report certain information about operating segments in complete sets of financial statements of the enterprise issued to shareholders. The Company believes all of its centers have similar economic characteristics and provide similar products and services to similar types and classes of customers. In accordance with the provisions of SFAS 131, the Company has aggregated the financial information of all of its centers into one reportable operating segment.

On June 15, 1998, the FASB issued Statement of Financial Accounting Standards No. 133, ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES (ASFAS 133"). SFAS 133 is effective for all fiscal quarters of all fiscal years beginning after June 15, 1999. SFAS 133 requires that all derivative instruments be recorded on the balance sheet at their fair value. Changes in the fair value of derivatives are recorded each period in current earnings or other comprehensive income, depending on whether a derivative is designated as part of a hedge transaction and, if it is, the type of hedge transaction. Management of the Company anticipates that, due to its limited use of derivative instruments, the adoption of SFAS 133 will not have a significant effect on the Company's results of operations or its financial position.

FUNDS FROM OPERATIONS

Management believes that for a clear understanding of the consolidated historical operating results of the Company, FFO should be considered along with net income as presented in the audited consolidated financial statements included elsewhere in this report. FFO is presented because it is a widely accepted financial indicator used by certain investors and analysts to analyze and compare one equity real estate investment trust ("REIT") with another on the basis of operating performance. FFO is generally defined as net income (loss), computed in accordance with generally accepted accounting principles, before extraordinary items and gains (losses) on sale of properties, plus depreciation and amortization uniquely significant to real estate. The Company cautions that the calculation of FFO may vary from entity to entity and as such the presentation of FFO by the Company may not be comparable to other similarly titled measures of other reporting companies. FFO does not represent net income or cash flow from operations as defined by generally accepted accounting principles and should not be considered an alternative to net income as an indication of operating performance or to cash from operations as a measure of liquidity. FFO is not necessarily indicative of cash flows available to fund dividends to shareholders and other cash needs.

Below is a calculation of funds from operations for the years ended December 31, 1998, 1997 and 1996 as well as actual cash flow and other data for those respective years (in thousands):

<TABLE>

<S>	<C> 1998	<C> 1997	<C> 1996
FUNDS FROM OPERATIONS:			
Income before gain on sale of real estate, minority interest and extraordinary item	$15,109	$17,583	$16,018
Adjusted for:			
Depreciation and amortization uniquely significant to real estate	21,939	18,257	16,295
Asset write-down	2,700	--	--
Funds from operations before minority interest	$39,748	$35,840	$32,313
CASH FLOWS PROVIDED BY (USED IN):			
Operating activities	$35,787	$39,214	$38,051
Investing activities	$(79,236)	$(93,636)	$(36,401)
Financing activities	$46,172	$55,444	$(4,176)
WEIGHTED AVERAGE SHARES OUTSTANDING (1)	11,847	11,000	10,601

</TABLE>

(1) ASSUMES THE PARTNERSHIP UNITS OF THE OPERATING PARTNERSHIP HELD BY THE MINORITY INTEREST, PREFERRED SHARES OF THE COMPANY AND SHARE AND UNIT OPTIONS ARE ALL CONVERTED TO COMMON SHARES OF THE COMPANY.

ECONOMIC CONDITIONS AND OUTLOOK

The majority of the Company's leases contain provisions designed to mitigate the impact of inflation. Such provisions include clauses for the escalation of base rent and clauses enabling the Company to receive percentage rentals based on tenants' gross sales (above predetermined levels, which the Company believes often are lower than traditional retail industry standards) which 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.

As part of its strategy of aggressively managing its assets, the Company is strengthening the tenant base in several of its centers by adding strong new anchor tenants, such as Nike, GAP and Nautica. To accomplish this goal, stores may remain vacant for a longer period of time in order to recapture enough space to meet the size requirement of these upscale, high volume tenants. Consequently, the Company anticipates that its average occupancy level will remain strong, but may be more in line with the industry average.

Approximately 29% of the Company's lease portfolio is scheduled to expire during the next two years. Approximately 778,000 square feet of space is up for renewal during 1999 and approximately 663,000 square feet will come up for renewal in 2000. If the Company were unable to successfully renew or release 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.

Existing tenants' sales have remained stable and renewals by existing tenants have remained strong. Approximately 323,000, or 41%, of the square feet scheduled to expire in 1999 has already been renewed. In addition, the Company continues to attract and retain additional tenants. The Company's 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, the Company reduces its operating and leasing risks. No one tenant (including affiliates) accounts for more than 8% of the Company's combined base and percentage rental revenues. Accordingly, management currently does not expect any material adverse impact on the Company's results of operation and financial condition as a result of leases to be renewed or stores to be released.

YEAR 2000 COMPLIANCE

The year 2000 ("Y2K") issue refers generally to computer applications using only the last two digits to refer to a year rather than all four digits. As a result, these applications could fail or create erroneous results if they recognize "00" as the year 1900 rather than the year 2000. The Company has taken Y2K initiatives in three general areas which represent the areas that could have an impact on the company - Information technology systems, non-information technology systems and third-party issues. The following is a summary of these initiatives:

INFORMATION TECHNOLOGY SYSTEMS. The Company has focused its efforts on the high-risk areas of the corporate office computer hardware, operating systems and software applications. The Company's assessment and testing of existing equipment and software revealed that certain older desktop personal computers, the network operating system and the DOS-based accounting system were not Y2K compliant. The non-compliant personal computers have since been replaced. The Company is currently in the process of installing and testing current upgrades for the DOS-based accounting and the network operating systems which will make these systems compliant with Y2K and expects to complete this process by June 30, 1999.

NON-INFORMATION TECHNOLOGY SYSTEMS. Non-information technology consists mainly of facilities management systems such as telephone, utility and security systems for the corporate office and the outlet centers. The Company is in the process of relocating its corporate office to a nearby facility. The Company has reviewed the corporate facility management systems and made inquiry of the building owner/manager and concluded that the corporate office building systems including telephone, utilities, fire and security systems are Y2K compliant. The Company is in the process of identifying date sensitive systems and equipment including HVAC units, telephones, security systems and alarms, fire warning systems and general office systems at its 31 outlet centers. Assessment and testing of these systems is about 84% complete and expected to be completed by June 30, 1999. Critical non-compliant systems will be replaced in early 1999. Based on preliminary assessment, the cost of replacement is not expected to be significant.

THIRD PARTIES. The Company has third-party relationships with approximately 260 tenants and over 8,000 suppliers and contractors. Many of these third parties are publicly-traded corporations and subject to disclosure requirements. The Company has begun assessment of major third parties' Y2K readiness including tenants, key suppliers of outsourced services including stock transfer, debt servicing, banking collection and disbursement, payroll and benefits, while simultaneously responding to their inquiries regarding the Company's readiness. The majority of the Company's vendors are small suppliers that the Company believes can manually execute their business and are readily replaceable. Management also believes there is no material risk of being unable to procure necessary supplies and services from third

parties who have not already indicated that they are currently Y2K compliant. Third-party assessment is abut 50% complete and the Company is diligently working to substantially complete this part of the project. The Company also intends to monitor Y2K disclosures in SEC filings of publicly-owned third parties commencing with the current quarter filings.

COSTS. The accounting software and network operating system upgrades are being executed under existing maintenance and support agreements with software vendors, and thus the Company does not expect to incur additional costs to bring those systems in compliance . Approximately $220,000 has been spent to upgrade or replace equipment or systems specifically to bring them in compliance with Y2K. The total cost of Y2K compliance activities, expected to be less than $400,000, has not been, and is not expected to be material to the operating results or financial position of the Company.

The identification and remediation of systems at the outlet centers is being accomplished by in-house business systems personnel and outlet center general managers whose costs are recorded as normal operating expenses. The assessment of third-party readiness is also being conducted by in-house personnel whose costs are recorded as normal operating expenses. The Company is not yet in a position to estimate the cost of third-party compliance issues, but has no reason to believe, based upon its evaluations to date, that such costs will exceed $100,000.

RISKS. The principal risks to the Company relating to the completion of its accounting software conversion is failure to correctly bill tenants by December 31, 1999 and to pay invoices when due. Management believes it has adequate resources, or could obtain the needed resources, to manually bill tenants and pay bills until the systems became operational.

The principal risks to the Company relating to non-information systems at the outlet centers are failure to identify time-sensitive systems and inability to find a suitable replacement system. The Company believes that adequate replacement components or new systems are available at reasonable prices and are in good supply. The Company also believes that adequate time and resources are available to remediate these areas as needed.

The principal risks to the Company in its relationships with third parties are the failure of third-party systems used to conduct business such as tenants being unable to stock stores with merchandise, use cash registers and pay invoices; banks being unable to process receipts and disbursements; vendors being unable to supply needed materials and services to the centers; and processing of outsourced employee payroll. Based on Y2K compliance work done to date, the Company has no reason to believe that key tenants, banks and suppliers will not be Y2K compliant in all material respects or can not be replaced within an acceptable time frame. The Company will attempt to obtain compliance certification from suppliers of key services as soon as such certifications are available.

CONTINGENCY PLANS. The Company intends to deal with contingency planning during the first half of 1999 after the results of the above assessments are known. The Company description of its Y2K compliance issues are based upon information obtained by management through evaluations of internal business systems and from tenant and vendor compliance efforts. No assurance can be given that the Company will be able to address the Y2K issues for all its systems in a timely manner or that it will not encounter unexpected difficulties or significant expenses relating to adequately addressing the Y2K issue. If the Company or the major tenants or vendors with whom the Company does business fail to address their major Y2K issues, the Company's operating results or financial position could be materially adversely affected.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required by this Item is set forth at the pages indicated in Item 14(a) below.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

PART III

Certain information required by Part III is omitted from this Report in that the registrant will file a definitive proxy statement pursuant to Regulation 14A (the "Proxy Statement") not later than 120 days after the end of the fiscal year covered by this Report, and certain information included therein is incorporated herein by reference. Only those sections of the Proxy Statement which specifically address the items set forth herein are incorporated by reference.

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information concerning the Company' directors required by this Item is incorporated by reference to the Company's Proxy Statement.

The information concerning the Company's executive officers required by this Item is incorporated by reference herein to the section in Part I, Item 4, entitled "Executive Officers of the Registrant".

The information regarding compliance with Section 16 of the Securities and Exchange Act of 1934 is to be set forth in the Proxy Statement and is hereby incorporated by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is incorporated by reference to the Company's Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by this Item is incorporated by reference to the Company's Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by this Item is incorporated by reference to the Company's Proxy Statement.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENTS SCHEDULES, AND REPORTS ON FORM 8-K

(A) DOCUMENTS FILED AS A PART OF THIS REPORT:

<TABLE>
<S> <C>

1. Financial Statements	
Report of Independent Accountants	F-1
Consolidated Balance Sheets-December 31, 1998 and 1997	F-2
Consolidated Statements of Operations- Years Ended December 31, 1998, 1997 and 1996	F-3
Consolidated Statements of Shareholders' Equity- For the Years Ended December 31, 1998, 1997 and 1996	F-4
Consolidated Statements of Cash Flows- Years Ended December 31, 1998, 1997 and 1996	F-5
Notes to Consolidated Financial Statements	F-6 to F-14
2. Financial Statement Schedule	
Schedule III	
Report of Independent Accountants	F-15
Real Estate and Accumulated Depreciation	F-16 to F-17

</TABLE>

All other schedules have been omitted because of the absence of conditions under which they are required or because the required information is given in the above-listed financial statements or notes thereto.

<TABLE>

3. Exhibits

<S> <C>

Exhibit No.	Description
3.1	Amended and Restated Articles of Incorporation of the Company. (Note 7)
3.1A	Amendment to Amended and Restated Articles of Incorporation dated May 29, 1996. (Note 7)
3.1B	Amendment to Amended and Restated Articles of Incorporation dated August 20, 1998.
3.2	Restated By-Laws of the Company.
3.3	Amended and Restated Agreement of Limited Partnership for the Operating Partnership. (Note 1)
4.1	Form of Deposit Agreement, by and between the Company and the Depositary, including Form of Depositary Receipt. (Note 1)
4.2	Form of Preferred Stock Certificate. (Note 1)
4.3	Rights Agreement, dated as of August 20, 1998, between Tanger Factory Outlet Centers, Inc. and BankBoston, N.A., which includes the form of Articles of Amendment to the Amended and Restated Articles of Incorporation, designating the preferences, limitations and relative

rights of the Class B Preferred Stock as Exhibit A, the form of Right Certificate as Exhibit B and the Summary of Rights as Exhibit C. (Note 9)

10.1 Amended and Restated Unit Option Plan.

10.2 Amended and Restated Share Option Plan of the Company.

10.3 Form of Stock Option Agreement between the Company and certain Directors. (Note 3)

10.4 Form of Unit Option Agreement between the Operating Partnership and certain employees. (Note 3)

10.5 Amended and Restated Employment Agreement for Stanley K. Tanger, as of January 1, 1998.

10.6 Amended and Restated Employment Agreement for Steven B. Tanger, as of January 1, 1998.

10.7 Amended and Restated Employment Agreement for Willard Albea Chafin, Jr., as of January 1, 1999.

10.8 Amended and Restated Employment Agreement for Rochelle Simpson, as of January 1, 1999.

10.9 Amended and Restated Employment Agreement for Joseph Nehmen, as of January 1, 1999.

10.10 Registration Rights Agreement among the Company, the Tanger Family Limited Partnership and Stanley K. Tanger. (Note 2)

10.10A Amendment to Registration Rights Agreement among the Company, the Tanger Family Limited Partnership and Stanley K. Tanger. (Note 5)

10.11 Agreement Pursuant to Item 601(b)(4)(iii)(A) of Regulation S-K. (Note 2)

10.12 Assignment and Assumption Agreement among Stanley K. Tanger, Stanley K. Tanger & Company, the Tanger Family Limited Partnership, the Operating Partnership and the Company. (Note 2)

10.13 Promissory Notes by and between the Operating Partnership and John Hancock Mutual Life Insurance Company aggregating $50,000,000, dated as of December 13, 1994. (Note 4)

10.14 Form of Senior Indenture. (Note 6)

</TABLE>

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10.15 Form of First Supplemental Indenture (to Senior Indenture). (Note 6)

10.15A Form of Second Supplemental Indenture (to Senior Indenture) dated October 24, 1997 among Tanger Properties Limited Partnership, Tanger Factory Outlet Centers, Inc. and State Street Bank & Trust Company. (Note 8)

21.1 List of Subsidiaries. (Note 2)

23.1 Consent of PricewaterhouseCoopers LLP.

Notes to Exhibits:

1. Incorporated by reference to the exhibits to the Company's Registration Statement on Form S-11 filed October 6, 1993, as amended.
2. Incorporated by reference to the exhibits to the Company's Registration Statement on Form S-11 filed May 27, 1993, as amended.
3. Incorporated by reference to the exhibits to the Company's Annual Report on Form 10-K for the year ended December 31, 1993.
4. Incorporated by reference to the exhibits to the Company's Annual Report on Form 10-K for the year ended December 31, 1994.
5. Incorporated by reference to the exhibits to the Company's Annual Report on Form 10-K for the year ended December 31, 1995.
6. Incorporated by reference to the exhibits to the Company's Current Report on Form 8-K dated March 6, 1996.
7. Incorporated by reference to the exhibits to the Company's Annual Report on Form 10-K for the year ended December 31, 1996.
8. Incorporated by reference to the exhibits to the Company's Current Report on Form 8-K dated October 24, 1997.
9. Incorporated by reference to Exhibit 1.1 to the Company's Registration Statement on Form 8-A, filed August 24, 1998.

(B) REPORTS ON FORM 8-K - none.
</TABLE>

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities 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/ Stanley K. Tanger
Stanley K. Tanger
Chairman of the Board and
Chief Executive Officer

March 26, 1999

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

<TABLE>
<S> <C> <C>

Signature	Title	Date
/s/ Stanley K. Tanger Stanley K. Tanger	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	March 26, 1999
/s/ Steven B. Tanger Steven B. Tanger	Director, President and Chief Operating Officer	March 26, 1999
/s/ Frank C. Marchisello, Jr. Frank C. Marchisello, Jr.	Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	March 26, 1999
/s/ Jack Africk Jack Africk	Director	March 26, 1999
/s/ William G. Benton William G. Benton	Director	March 26, 1999
/s/ Thomas E. Robinson Thomas E. Robinson	Director	March 26, 1999

</TABLE>

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders of
TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARY:

We have audited the accompanying consolidated balance sheets of Tanger Factory Outlet Centers, Inc. and Subsidiary as of December 31, 1998 and 1997, and the related consolidated statements of operations, shareholders' equity and cash flows for each of the three years in the period ended December 31, 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Tanger Factory Outlet Centers, Inc. and Subsidiary as of December 31, 1998 and 1997, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1998 in conformity with generally accepted accounting principles.

PricewaterhouseCoopers LLP

Greensboro, NC
January 18, 1999

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

<TABLE>

<S>	DECEMBER 31, 1998 <C>	1997 <C>
ASSETS		
Rental property		
Land	$53,869	$48,059
Buildings, improvements and fixtures	458,546	379,842
Developments under construction	16,832	26,807
	529,247	454,708
Accumulated depreciation	(84,685)	(64,177)
Rental property, net	444,562	390,531
Cash and cash equivalents	6,330	3,607
Deferred charges, net	8,218	8,651
Other assets	12,685	13,225
TOTAL ASSETS	$471,795	$416,014
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Long-term debt		
Senior, unsecured notes	$150,000	$150,000
Mortgages payable	72,790	74,050
Lines of credit	79,695	5,000
	302,485	229,050
Construction trade payables	9,224	12,913
Accounts payable and accrued expenses	10,723	13,526
TOTAL LIABILITIES	322,432	255,489
Commitments		
Minority interest	35,324	38,406
SHAREHOLDERS' EQUITY		
Preferred shares, $.01 par value, 1,000,000 shares authorized, 88,270 and 90,689 shares issued and outstanding at December 31, 1998 and 1997	1	1
Common shares, $.01 par value, 50,000,000 shares authorized, 7,897,606 and 7,853,936 shares issued and outstanding at December 31, 1998 and 1997	79	78
Paid in capital	137,530	137,020
Distributions in excess of net income	(23,571)	(14,980)
TOTAL SHAREHOLDERS' EQUITY	114,039	122,119
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$471,795	$416,014

</TABLE>

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

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

<TABLE>

<S>	YEAR ENDED DECEMBER 31, 1998 <C>	1997 <C>	1996 <C>
REVENUES			
Base rentals	$66,187	$56,807	$50,596

Percentage rentals	3,087	2,637	2,017
Expense reimbursements	26,852	24,665	21,991
Other income	1,640	1,162	896
Total revenues	97,766	85,271	75,500
EXPENSES			
Property operating	29,106	26,269	23,559
General and administrative	6,669	6,145	5,467
Interest	22,028	16,835	13,998
Depreciation and amortization	22,154	18,439	16,458
Asset write-down	2,700	---	---
Total expenses	82,657	67,688	59,482
INCOME BEFORE GAIN ON SALE OF REAL ESTATE, MINORITY INTEREST AND EXTRAORDINARY ITEM	15,109	17,583	16,018
Gain on sale of real estate	994	---	159
INCOME BEFORE MINORITY INTEREST AND EXTRAORDINARY ITEM	16,103	17,583	16,177
Minority interest	(3,944)	(4,756)	(4,425)
INCOME BEFORE EXTRAORDINARY ITEM	12,159	12,827	11,752
Extraordinary item - Loss on early extinguishment of debt, net of minority interest of $128 in 1998 and $270 in 1996	(332)	---	(561)
NET INCOME	11,827	12,827	11,191
Less preferred share dividends	(1,911)	(1,808)	(2,399)
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS	$9,916	$11,019	$8,792
BASIC EARNINGS PER COMMON SHARE:			
Income before extraordinary item	$ 1.30	$ 1.57	$ 1.46
Extraordinary item	(.04)	---	(.09)
Net income	$ 1.26	$ 1.57	$ 1.37
DILUTED EARNINGS PER COMMON SHARE:			
Income before extraordinary item	$ 1.28	$ 1.54	$ 1.46
Extraordinary item	(.04)	---	(.09)
Net income	$ 1.24	$ 1.54	$ 1.37

</TABLE>

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

TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 1998, 1997, AND 1996
(In thousands, except share data)

<TABLE>

<S> <C> <C> <C> <C> <C>

	Preferred Shares	Common Shares	Paid in Capital	Distributions in Equity Excess of Net Income	Total Shareholders'
BALANCE, DECEMBER 31, 1995	$1	$ 63	$113,905	$(6,409)	$107,560
Conversion of 35,065 preferred shares into 315,929 common shares	---	3	(3)	---	---
Compensation under Unit Option Plan	---	---	229	---	229
Adjustment for minority interest in the Operating Partnership	---	---	(1,666)	---	(1,666)
Net income	---	---	---	11,191	11,191
Preferred dividends ($18.56 per share)	---	---	---	(2,416)	(2,416)
Common dividends ($2.06 per share)	---	---	---	(13,160)	(13,160)
BALANCE, DECEMBER 31, 1996	1	66	112,465	(10,794)	101,738
Conversion of 15,730 preferred shares into 141,726 common shares	---	1	(1)	---	---
Issuance of 29,700 common shares upon exercise of unit options	---	---	703	---	703
Issuance of 1,080,000 common shares, net of issuance costs	---	11	29,230	---	29,241
Compensation under Unit Option Plan	---	---	234	---	234
Adjustment for minority interest in the Operating Partnership	---	---	(5,611)	---	(5,611)
Net income	---	---	---	12,827	12,827
Preferred dividends ($19.55 per share)	---	---	---	(1,789)	(1,789)
Common dividends ($2.17 per share)	---	---	---	(15,224)	(15,224)
BALANCE, DECEMBER 31, 1997	1	78	137,020	(14,980)	122,119

Conversion of 2,419 preferred shares into 21,790 common shares	---	1	(1)	---	---
Issuance of 31,880 common shares upon exercise of unit options	---	---	762	---	762
Repurchase and retirement of 10,000 common shares	---	---	(216)	---	(216)
Compensation under Unit Option Plan	---	---	142	---	142
Adjustment for minority interest in the Operating Partnership	---	---	(177)	---	(177)
Net income	---	---	---	11,827	11,827
Preferred dividends ($21.17 per share)	---	---	---	(1,894)	(1,894)
Common dividends ($2.35 per share)	---	---	---	(18,524)	(18,524)
BALANCE, DECEMBER 31, 1998	$ 1	$ 79	$137,530	$(23,571)	$114,039

</TABLE>

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

<TABLE>

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

	YEAR ENDED DECEMBER 31, 1998	1997	1996
<S>	<C>	<C>	<C>
OPERATING ACTIVITIES			
Net income	$11,827	$12,827	$11,191
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	22,154	18,439	16,458
Amortization of deferred financing costs	1,076	1,094	953
Minority interest	3,816	4,756	4,155
Loss on early extinguishment of debt	460	---	831
Asset write-down	2,700	---	---
Gain on sale of real estate	(994)	---	(159)
Straight-line base rent adjustment	(688)	(347)	(1,192)
Compensation under Unit Option Plan	195	338	338
Increase (decrease) due to changes in:			
Other assets	(1,956)	(1,861)	597
Accounts payable and accrued expenses	(2,803)	3,968	4,879
NET CASH PROVIDED BY OPERATING ACTIVITIES	35,787	39,214	38,051
INVESTING ACTIVITIES			
Acquisition of real estate	(44,650)	(37,500)	---
Additions to rental properties	(35,252)	(54,795)	(35,408)
Additions to deferred lease costs	(1,895)	(1,341)	(1,167)
Proceeds from sale of real estate	2,561	---	174
NET CASH USED IN INVESTING ACTIVITIES	(79,236)	(93,636)	(36,401)
FINANCING ACTIVITIES			
Net proceeds from issuance of common shares	---	29,241	---
Repurchase of common shares	(216)	---	---
Cash dividends paid	(20,418)	(17,013)	(15,576)
Distributions to minority interest	(7,128)	(6,583)	(6,249)
Proceeds from notes payable	---	75,000	75,000
Repayments on mortgages payable	(1,260)	(1,154)	(1,019)
Proceeds from revolving lines of credit	152,760	118,450	70,301
Repayments on revolving lines of credit	(78,065)	(141,250)	(123,027)
Additions to deferred financing costs	(263)	(1,950)	(3,606)
Proceeds from exercise of unit options	762	703	---
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	46,172	55,444	(4,176)
Net increase (decrease) in cash and cash equivalents	2,723	1,022	(2,526)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	3,607	2,585	5,111
CASH AND CASH EQUIVALENTS, END OF PERIOD	$6,330	$3,607	$2,585

</TABLE>

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION AND FORMATION OF THE COMPANY

Tanger Factory Outlet Centers, Inc. (the "Company"), a fully-integrated, self-administered, self-managed real estate investment trust ("REIT"), develops, owns and operates factory outlet centers. Recognized as one of the largest owners and operators of factory outlet centers in the United States, the Company owned and operated 31 factory outlet centers located in 23 states with a total gross leasable area of approximately 5.1 million square feet at the end of 1998. The Company provides all development, leasing and management services for its centers.

The factory outlet centers and other assets of the Company's business are held by, and all of its operations are conducted by, the Company's majority owned subsidiary, Tanger Properties Limited Partnership (the "Operating Partnership"). The Company is the sole general partner of the Operating Partnership and the Tanger Family Limited Partnership ("TFLP") is the sole limited partner. Stanley K. Tanger, the Company's Chairman of the Board and Chief Executive Officer, is the general partner of TFLP.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION - The Company, as sole general partner, consolidates the Operating Partnership for financial reporting purposes. All significant intercompany balances and transactions have been eliminated in consolidation.

MINORITY INTEREST - Minority interest reflects the limited partner's percentage ownership of Operating Partnership Units (the "Units"). Income is allocated to the limited partner based on its respective ownership interest (See Note 7).

USE OF ESTIMATES - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

OPERATING SEGMENTS - The Company aggregates the financial information of all its centers into one reportable operating segment because the centers all have similar economic characteristics and provide similar products and services to similar types and classes of customers.

RENTAL PROPERTIES - Rental properties are recorded at cost less accumulated depreciation. Costs incurred for the acquisition, construction, and development of properties are capitalized. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets. The Company generally uses estimated lives ranging from 25 to 33 years for buildings, 15 years for land improvements and seven years for equipment. Expenditures for ordinary maintenance and repairs are charged to operations as incurred while significant renovations and improvements, including tenant finishing allowances, that improve and/or extend the useful life of the asset are capitalized and depreciated over their estimated useful life.

Buildings, improvements and fixtures consist primarily of permanent buildings and improvements made to land such as landscaping and infrastructure and costs incurred in providing rental space to tenants. Interest costs capitalized during 1998, 1997 and 1996 amounted to $762,000, $1,877,000 and $1,044,000, and development costs capitalized amounted to $1,903,000, $1,637,000 and $1,321,000, respectively. Depreciation expense for each of the years ended December 31, 1998, 1997 and 1996 was $20,873,000, $17,327,000 and $15,449,000, respectively.

The pre-construction stage of project development involves certain costs to secure land control and zoning and complete other initial tasks essential to the development of the project. These costs are transferred from other assets to developments under construction when the pre-construction tasks are completed. Costs of potentially unsuccessful pre-construction efforts are charged to operations.

CASH AND CASH EQUIVALENTS - All highly liquid investments with an original maturity of three months or less at the date of purchase are considered to be cash and cash equivalents. Cash balances at a limited number of banks may periodically exceed insurable amounts. The Company believes that it mitigates its risk by investing in or through major financial institutions. Recoverability of investments is dependent upon the performance of the issuer.

DEFERRED CHARGES - Deferred lease costs consist of fees and costs incurred to initiate operating leases and are amortized over the average minimum lease term. Deferred financing costs include fees and costs incurred to obtain long-term financing and are being amortized over the terms of the respective loans. Unamortized deferred financing costs are charged to expense when debt is retired before the maturity date.

IMPAIRMENT OF LONG-LIVED ASSETS - The Company has adopted Statement of

Financial Accounting Standards No. 121, ACCOUNTING FOR IMPAIRMENT OF LONG-LIVED ASSETS AND LONG-LIVED ASSETS TO BE DISPOSED OF. This statement requires that long-lived assets and certain intangibles to be held and used by an entity be reviewed for impairment in the event that facts and circumstances indicate the carrying amount of an asset may not be recoverable. In such an event, the Company compares the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount, and if less, recognizes an impairment loss in an amount by which the carrying amount exceeds its fair value. The Company believes that no material impairment existed at December 31, 1998.

DERIVATIVES - The Company selectively enters into interest rate protection agreements to mitigate changes in interest rates on its variable rate borrowings. The notional amounts of such agreements are used to measure the interest to be paid or received and do not represent the amount of exposure to loss. None of these agreements are used for speculative or trading purposes. The cost of these agreements are included in deferred financing costs and are being amortized on a straight-line basis over the life of the agreements.

REVENUE RECOGNITION - Minimum rental income is recognized on a straight line basis over the term of the lease. Substantially all leases contain provisions which provide additional rents based on tenants' sales volume ("percentage rentals") and reimbursement of the tenants' share of advertising and promotion, common area maintenance, insurance and real estate tax expenses. Percentage rentals are recognized when specified targets that trigger the contingent rent are met. Expense reimbursements are recognized in the period the applicable expenses are incurred. Payments received from the early termination of leases are recognized when the applicable space is released, or, otherwise are amortized over the remaining lease term.

INCOME TAXES - The Company operates in a manner intended to enable it to qualify as a REIT under the Internal Revenue Code (the "Code"). A REIT which distributes at least 95% of its taxable income to its shareholders each year and which meets certain other conditions is not taxed on that portion of its taxable income which is distributed to its shareholders. The Company intends to continue to qualify as a REIT and to distribute substantially all of its taxable income to its shareholders. Accordingly, no provision has been made for Federal income taxes. The Company paid preferred dividends per share of $21.17, $19.55, and $18.56 in 1998, 1997, and 1996, respectively, all of which are treated as ordinary income. The table below summarizes the common dividends paid per share and the amount representing estimated return of capital.

Common dividends per share:	1998	1997	1996
Ordinary income	$1.340	$1.779	$1.607
Return of capital	1.010	.391	.453
	$2.350	$2.170	$2.060

CONCENTRATION OF CREDIT RISK - The Company's management performs ongoing credit evaluations of their tenants. Although the tenants operate principally in the retail industry, the properties are geographically diverse. No single tenant accounted for 10% or more of combined base and percentage rental income during 1998, 1997 and 1996.

SUPPLEMENTAL CASH FLOW INFORMATION - The Company purchases capital equipment and incurs costs relating to construction of new facilities, including tenant finishing allowances. Expenditures included in construction trade payables as of December 31, 1998, 1997 and 1996 amounted to $9,224,000, $12,913,000 and $8,320,000 respectively. Interest paid, net of interest capitalized, in 1998, 1997 and 1996 was $20,690,000, $12,337,000 and $10,637,000, respectively.

3. DEFERRED CHARGES

Deferred charges as of December 31, 1998 and 1997 consist of the following (in thousands):

	1998	1997
Deferred lease costs	$9,551	$7,658
Deferred financing costs	5,691	6,607
	15,242	14,265
Accumulated amortization	7,024	5,614
	$8,218	$8,651

Amortization of deferred lease costs for the years ended December 31, 1998, 1997 and 1996 was $1,019,000, $873,000 and $799,000, respectively. Amortization of deferred financing costs, included in interest expense in the accompanying consolidated statements of operations, for the years ended December 31, 1998, 1997 and 1996 was $1,076,000, $1,094,000 and $953,000 respectively. During 1998 and 1996, the Company expensed the remaining unamortized financing costs totaling $460,000 and $831,000 related to debt extinguished prior to its respective maturity date. Such amounts are shown as extraordinary items in the accompanying consolidated statements of operations.

4. ASSET WRITE-DOWN

During 1998, the Company discontinued the development of its Concord, North Carolina, Romulus, Michigan and certain other projects as the economics of these transactions did not meet an adequate return on investment for the Company. As a result, the Company recorded a $2.7 million charge in the fourth quarter to write-off the carrying amount of these projects, net of proceeds received from the sale of the Company's interest in the Concord project to an unrelated third party.

5. LONG-TERM DEBT

Long-term debt at December 31, 1998 and 1997 consists of the following (in thousands):

	1998	1997
8.75% Senior, unsecured notes, maturing March 2001	$75,000	$75,000
7.875% Senior, unsecured notes, maturing October 2004	75,000	75,000
Mortgage notes with fixed interest at:		
8.92%, maturing January 2002	47,405	48,142
8.625%, maturing September 2000	9,805	10,121
9.77%, maturing April 2005	15,580	15,787
Revolving lines of credit with variable interest rates ranging from either prime less .25% to prime or from LIBOR plus 1.55% to LIBOR plus 1.60%	79,695	5,000
	$302,485	$229,050

The Company maintains revolving lines of credit which provide for borrowing up to $100 million. The agreements expire at various times through the year 2001. Interest is payable based on alternative interest rate bases at the Company's option. Amounts available under these facilities at December 31, 1998 totaled $20.3 million. Certain of the Company's properties, which had a net book value of approximately $85.1 million at December 31, 1998, serve as collateral for the fixed rate mortgages.

The credit agreements require the maintenance of certain ratios, including debt service coverage and leverage, and limit the payment of dividends such that dividends and distributions will not exceed funds from operations, as defined in the agreements, for the prior fiscal year on an annual basis or 95% of funds from operations on a cumulative basis. All three existing fixed rate mortgage notes are with insurance companies and contain prepayment penalty clauses.

During March 1999, the Company refinanced its 8.92% notes. The refinancing reduced the interest rate to 7.875%, increased the loan amount to $66.5 million and extended the maturity date to April 2009. The additional proceeds were used to reduce amounts outstanding under the revolving lines of credit. In addition, the Company extended the maturity of one of its revolving lines of credit from June 2000 to June 2001.

Maturities of the existing long-term debt, after giving consideration to the refinance and extension as described above, are as follows (in thousands):

Year	Amount	%
1999	$1,461	---
2000	15,273	5
2001	132,316	44
2002	1,403	---
2003	1,521	1
Thereafter	150,511	50
	$302,485	100

6. DERIVATIVES AND FAIR VALUE OF FINANCIAL INSTRUMENTS

In October 1998, the Company entered into an interest rate swap agreement effective through October 2001 with a notional amount of $20 million which fixed the 30 day LIBOR index at 5.47%. A similar agreement with a notional amount of $10 million at a fixed 30 day LIBOR index of 5.99% expired during 1998 . The impact of these agreements had an insignificant effect on interest expense during 1998, 1997 and 1996.

In anticipation of offering the senior, unsecured notes due 2004, the Company entered into an interest rate protection agreement on October 3, 1997 which fixed the index on the 10 year US Treasury rate at 5.995% for 30 days on a notional amount of $70 million. The transaction settled on October 21, 1997, the trade date of the $75 million offering, and, as a result of an increase in the US Treasury rate, the Company received proceeds of $714,000. Such amount is being amortized as a reduction to interest expense over the life of the notes and results in an overall effective interest rate on the notes of 7.75%.

The carrying amount of cash equivalents approximates fair value due to the short-term maturities of these financial instruments. The fair value of long-term debt at December 31, 1998, which is estimated as the present value of future cash flows, discounted at interest rates available at the reporting date for new debt of similar type and remaining maturity, was approximately $309.1 million. The estimated fair value of the interest rate swap agreement at December 31, 1998, as determined by the issuing financial institution, was an unrealized loss of approximately $218,000.

On June 15, 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES ("SFAS 133"). SFAS 133 is effective for all fiscal quarters of all fiscal years beginning after June 15, 1999. SFAS 133 requires that all derivative instruments be recorded on the balance sheet at their fair value. Changes in the fair value of derivatives are recorded each period in current earnings or other comprehensive income, depending on whether a derivative is designated as part of a hedge transaction and, if it is, the type of hedge transaction. Management of the Company anticipates that, due to its limited use of derivative instruments, the adoption of SFAS 133 will not have a significant effect on the Company's results of operations or its financial position.

7. SHAREHOLDERS' AND PARTNERSHIP EQUITY

During 1997, the Company completed an additional public offering of 1,080,000 common shares at a price of $29.0625 per share, receiving net proceeds of approximately $29.2 million. The net proceeds, which were contributed to the Operating Partnership in exchange for 1,080,000 partnership units, were used to acquire, expand and develop factory outlet centers and for general corporate purposes.

The Series A Cumulative Convertible Redeemable Preferred Shares (the "Preferred Shares") were sold to the public during 1993 in the form of Depositary Shares, each representing 1/10 of a Preferred Share. Proceeds from this offering, net of underwriters discount and estimated offering expenses, were contributed to the Operating Partnership in return for preferred partnership Units. The Preferred Shares have a liquidation preference equivalent to $25 per Depositary Share and dividends accumulate per Depositary Share equal to the greater of (i) $1.575 per year or (ii) the dividends on the common shares or portion thereof, into which a depositary share is convertible. The Preferred Shares rank senior to the common shares in respect of dividend and liquidation rights.

The Preferred Shares are convertible at the option of the holder at any time into common shares at a rate equivalent to .901 common shares for each Depositary Share. At December 31, 1998, 795,309 common shares were reserved for the conversion of Depositary Shares. The Preferred Shares and Depositary Shares may be redeemed at the option of the Company, in whole or in part, at a redemption price of $25 per Depositary Share, plus accrued and unpaid dividends.

As of December 31, 1998, the ownership interests of the Operating Partnership consisted of 7,897,606 partnership Units held by the Company, 88,270 preferred partnership Units (which are convertible into approximately 795,309 general partnership Units) held by the Company and 3,033,305 partnership Units held by the limited partner. The limited partner's Units are exchangeable, subject to certain limitations to preserve the Company's status as a REIT, on a one-for-one basis for common shares of the Company. Preferred Units are automatically converted into general partnership Units to the extent of any conversion of Preferred Shares of the Company into common shares of the Company.

On October 13, 1998, the Company's Board of Directors authorized the repurchase of up to $5 million of the Company's common shares. The timing and amount of purchases will be at the discretion of management. As of December 31, 1998, the Company had paid $216,000 for the repurchase and retirement of 10,000 common shares, leaving a balance of $4,784,000 authorized for future repurchases.

8. SHAREHOLDERS' RIGHTS PLAN

On July 30, 1998, the Company's Board of Directors declared a distribution of one Preferred Share Purchase Right (a "Right") for each then outstanding common share of the Company to shareholders of record on August 27, 1998. The Rights are exercisable only if a person or group acquires 15% or more of the Company's outstanding common shares or announces a tender offer the consummation of which would result in ownership by a person or group of 15% or more of the common shares. Each Right entitles shareholders to buy one-hundredth of a share of a new series of Junior Participating Preferred Shares of the Company at an exercise price of $120, subject to adjustment.

If an acquiring person or group acquires 15% or more of the Company's outstanding common shares, an exercisable Right will entitle its holder (other than the acquirer) to buy, at the Right's then-current exercise price, common shares of the Company having a market value of two times the exercise price of one Right. If an acquirer acquires at least 15%, but less than 50%, of the Company's common shares, the Board may exchange each Right (other than those of the acquirer) for one common share (or one-hundredth of a Class B Preferred Share) per Right. In addition, under certain circumstances, if the Company is involved in a merger or other business combination where it is not the surviving corporation, an exercisable Right will entitle its holder to buy, at the Right's then-current exercise price, common shares of the acquiring company having a market value of two times the exercise price of one Right. The Company may redeem the Rights at $.01 per Right at any time prior to a person or group acquiring a 15% position. The Rights will expire on August 26, 2008.

9. EARNINGS PER SHARE

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, for the years ended December 31, 1998, 1997 and 1996 is set forth as follows (in thousands, except per share amounts):

<TABLE>

<S>	<C> 1998	<C> 1997	<C> 1996
Numerator:			
Income before extraordinary item	$12,159	$12,827	$11,752
Less preferred share dividends	(1,911)	(1,808)	(2,399)
Income available to common shareholders - numerator for basic and diluted earnings per share	$10,248	$11,019	$9,353
Denominator:			
Basic weighted average common shares	7,886	7,028	6,402
Effect of outstanding share and unit options	123	112	6
Diluted weighted average common shares	8,009	7,140	6,408
Basic earnings per share before extraordinary item	$ 1.30	$ 1.57	$ 1.46
Diluted earnings per share before extraordinary item	$ 1.28	$ 1.54	$ 1.46

</TABLE>

Options to purchase common shares excluded from the computation of diluted earnings per share during 1998, 1997 and 1996 because the exercise price was greater than the average market price of the common shares totaled 268,569, 9,000, and 150,992 shares. The assumed conversion of the preferred shares as of the beginning of each year would have been anti-dilutive. The assumed conversion of the Units held by the limited partner as of the beginning of the year, which would result in the elimination of earnings allocated to the minority interest, would have no impact on earnings per share since the allocation of earnings to an Operating Partnership Unit is equivalent to earnings allocated to a common share.

10. EMPLOYEE BENEFIT PLANS

The Company has a non-qualified and incentive stock option plan ("The 1993 Stock Option Plan") and the Operating Partnership has a non-qualified Unit option plan ("The 1993 Unit Option Plan"). Units received upon exercise of Unit options are exchangeable for common shares. The Company accounts for these plans under APB Opinion No. 25, under which no compensation cost has been recognized.

Had compensation cost for these plans been determined for options granted since January 1, 1995 consistent with Statement of Financial Accounting Standards No. 123, ACCOUNTING FOR STOCK-BASED COMPENSATION (SFAS 123), the Company's net income and earnings per share would have been reduced to the following pro forma amounts (in thousands, except per share amounts):

		1998	1997	1996
Net income:	As reported	$11,827	$12,827	$11,191
	Pro forma	$11,651	$12,696	$11,114
Basic EPS:	As reported	$ 1.26	$ 1.57	$ 1.37
	Pro forma	$ 1.24	$ 1.55	$ 1.36
Diluted EPS:	As reported	$ 1.24	$ 1.54	$ 1.37
	Pro forma	$ 1.22	$ 1.53	$ 1.36

Because the SFAS 123 method of accounting has not been applied to options granted prior to January 1, 1995, the resulting pro forma compensation cost may not be representative of that to be expected in future years. The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions used for grants in 1998 and 1996, respectively: expected dividend yields ranging from 8% to 10%; expected lives ranging from 5 years to 7 years; expected volatility 20%; and risk-free interest rates ranging from 5.42% to 6.75%.

The Company may issue up to 1,750,000 shares under The 1993 Stock Option Plan and The 1993 Unit Option Plan. The Company has granted 1,131,240 options, net of options forfeited, through December 31, 1998. Under both plans, the option exercise price is determined by the Stock and Unit Option Committee of the Board of Directors. Non-qualified stock and Unit options granted expire 10 years from the date of grant and are exercisable in five equal installments commencing one year from the date of grant.

Options outstanding at December 31, 1998 have exercise prices between $22.50 and $31.25, with a weighted average exercise price of $25.27 and a weighted average remaining contractual life of 6.6 years. On January 8, 1999, the Company granted to its directors and employees options to purchase an additional 15,000 common shares and 229,300 Units in the Operating Partnership (which are exchangeable for 229,300 common shares of the Company). The exercise price per share and unit was set at the previous day's market closing price of $22.125.

Unamortized stock compensation, which relates to options that were granted at an exercise price below the fair market value at the time of grant, was fully amortized in 1998 and was $195,000 and $533,000 at December 31, 1997 and 1996. Compensation expense recognized during 1998, 1997 and 1996 was $195,000, $338,000 and $338,000, respectively.

A summary of the status of the Company's two plans at December 31, 1998, 1997 and 1996 and changes during the years then ended is presented in the table and narrative below:

	1998		1997		1996	
	Shares	Wtd Avg Ex Price	Shares	Wtd Avg Ex Price	Shares	Wtd Avg Ex Price
Outstanding at beginning of year	874,230	$23.76	915,950	$23.77	680,650	$23.58
Granted	277,600	30.15	---	---	237,700	24.29
Exercised	(31,880)	23.91	(29,700)	23.68	---	---
Forfeited	(50,890)	26.94	(12,020)	24.41	(2,400)	23.59
Outstanding at end of year	1,069,060	$25.27	874,230	$23.76	915,950	$23.77
Exercisable at end of year	608,520	$23.51	470,750	$23.46	320,410	$23.31
Weighted average fair value of options granted	$1.59		---		$2.70	

The Company has a qualified retirement plan, with a salary deferral feature designed to qualify under Section 401 of the Code (the "401(k) Plan"), which covers substantially all officers and employees of the Company. The 401(k) Plan permits employees of the Company, in accordance with the provisions of Section 401(k) of the Code, to defer up to 20% of their eligible compensation on a pre-tax basis subject to certain maximum amounts. Employee contributions are fully vested and are matched by the Company at a rate of compensation deferred to be determined annually at the Company's discretion. The matching contribution is subject to vesting under a schedule providing for 20% annual vesting starting with the third year of employment and 100% vesting after seven years of employment.

11. SUPPLEMENTARY INCOME STATEMENT INFORMATION

The following amounts are included in property operating expenses for the years ended December 31, 1998, 1997 and 1996 (in thousands):

	1998	1997	1996
Advertising and promotion	$ 9,069	$ 8,452	$7,691
Common area maintenance	11,929	11,113	9,497
Real estate taxes	6,202	5,004	4,699
Other operating expenses	1,906	1,700	1,672
	$29,106	$26,269	$23,559

12. LEASE AGREEMENTS

The Company is the lessor of a total of 1,182 stores in 31 factory outlet centers, under operating leases with initial terms that expire from 1999 to 2017. Most leases are renewable for five years at the lessee's option. Future minimum lease receipts under noncancellable operating leases as of December 31, 1998 are as follows (in thousands):

1999	$63,145
2000	54,895
2001	46,451
2002	36,508
2003	20,956
Thereafter	35,479
	$257,434

13. COMMITMENTS

At December 31, 1998, commitments for construction of new developments and additions to existing properties amounted to $5.6 million. Commitments for construction represent only those costs contractually required to be paid by the Company.

The Company purchased the rights to lease land on which two of the outlet centers are situated for $1,520,000. These leasehold rights are being amortized on a straight-line basis over 30 and 40 year periods. Accumulated amortization was $517,000 and $468,000 at December 31, 1998 and 1997, respectively. These land leases and other land and equipment noncancellable operating leases, with initial terms in excess of one year, have terms that expire from 2000 to 2085. Annual rental payments for these leases aggregated $1,090,000, $778,000, and $315,000 for the years ended December 31, 1998, 1997 and 1996, respectively. Minimum lease payments for the next five years and thereafter are as follows (in thousands):

1999	$1,522
2000	1,777
2001	1,715
2002	1,669
2003	1,550
Thereafter	56,604
	$64,837

14. QUARTERLY FINANCIAL INFORMATION

The following table sets forth summary quarterly financial information for the years ended December 31, 1998 and 1997 (unaudited and in thousands, except per share data).

<TABLE>

<S>	<C>	<C>	<C>	<C>
1998 BY QUARTER	First	Second	Third	Fourth
Total revenues	$22,806	$24,350	$25,067	$25,543
Income before minority interest and extraordinary item	5,523	4,335	3,891	2,354
Income before extraordinary item	4,115	3,265	2,945	1,834
Net income	3,783	3,265	2,945	1,834
Basic earnings per common share:				
Income before extraordinary item	.46	.35	.31	.17
Net income	.42	.35	.31	.17
Diluted earnings per common share:				
Income before extraordinary item (1)	.45	.34	.31	.17
Net income (1)	.41	.34	.31	.17
1997 BY QUARTER	First	Second	Third	Fourth
Total revenues	$19,225	$20,456	$21,657	$23,933
Income before minority interest	3,965	3,857	4,369	5,392
Net income	2,858	2,814	3,162	3,993
Basic net income per common share (1)	.36	.34	.40	.45
Diluted net income per common share (1)	.36	.34	.39	.44

</TABLE>

(1) Quarterly amounts do not add to annual amounts due to the effect of rounding on a quarterly basis.

15. ACQUISITIONS

During 1998, the Company completed the acquisitions of two factory outlet centers containing approximately 359,000 square feet of gross leasable area for purchase prices which aggregated $44.7 million. During 1997, the Company completed the acquisitions of three factory outlet centers containing approximately 303,000 square feet for purchase prices which aggregated $37.5 million. The acquisitions were accounted for using the purchase method whereby the purchase price was allocated to assets acquired based on their fair values. The results of operations of the acquired properties have been included in the consolidated results of operations since the applicable acquisition date.

The pro forma information is presented for informational purposes only and may not be indicative of what actual results of operations would have been had the acquisitions occurred at the beginning of each period presented, nor does it purport to represent the results of operations for future periods. The following unaudited summarized pro forma results of operations reflect adjustments to present the historical information as if the all of the acquisitions had occurred as of the January 1, 1997 (unaudited and in thousands, except per share data).

	1998	1997
Total revenues	$100,840	$93,988
Income before extraordinary item	12,349	13,020
Net income	12,017	13,020
Basic net income per common share:		
Income before extraordinary item	1.32	1.60
Net income	1.28	1.60
Diluted net income per common share:		
Income before extraordinary item	1.30	1.57
Net income	1.26	1.57

REPORT OF INDEPENDENT ACCOUNTANTS

Our report on the consolidated financial statements of Tanger Factory Outlet Centers, Inc. and Subsidiary is included on page F-1 of this Form 10-K. In connection with our audits of such financial statements, we have also audited the related financial statement schedule listed in the index on page 25 of this Form 10-K.

In our opinion, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly, in all material respects, the information required to be included therein.

PricewaterhouseCcoopers LLP

Greensboro, North Carolina
January 18, 1999

TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARY
SCHEDULE III
REAL ESTATE AND ACCUMULATED DEPRECIATION
FOR THE YEAR ENDED DECEMBER 31, 1998
(In thousands)

<TABLE>

Description			Initial Cost to Company		Costs Capitalized Subsequent to Acquisition (Inprovements)		Gross Amount Carried at Close of Period 12/31/98 (1)		
Outlet Center Name	Location	Encumbrances	Land	Buildings, Improvements & Fixtures	Land	Buildings, Improvements & Fixtures	Land	Buildings, Improvements & Fixtures	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Barstow	Barstow, CA	$ ---	$3,941	$12,533	$ ---	$1,034	$3,941	$13,567	$17,508
Blowing Rock	Blowing Rock, NC	---	1,963	9,424	---	138	1,963	9,562	11,525
Boaz	Boaz, AL	---	616	2,195	---	1,153	616	3,348	3,964
Bourne	Bourne, MA	---	899	1,361	---	303	899	1,664	2,563
Branch	N. Branch, MN	---	329	5,644	249	2,349	578	7,993	8,571
Branson	Branson, MO	---	4,557	25,040	---	6,055	4,557	31,095	35,652
Casa Grande	Casa Grande, AZ	---	753	9,091	---	1,196	753	10,287	11,040
Clover	North Conway, NH	---	393	672	---	246	393	918	1,311

Commerce I	Commerce, GA	9,805	755	3,511	492	5,647	1,247	9,158	10,405
Commerce II	Commerce, GA	---	1,299	14,046	541	11,614	1,840	25,660	27,500
Dalton	Dalton, GA	---	1,641	15,596	---	---	1,641	15,596	17,237
Gonzales	Gonzales, LA	---	947	15,895	17	3,447	964	19,342	20,306
Kittery-I	Kittery, ME	5,878	1,242	2,961	229	1,193	1,471	4,154	5,625
Kittery-II	Kittery, ME	---	921	1,835	530	233	1,451	2,068	3,519
Lancaster	Lancaster, PA	15,580	3,691	19,907	---	6,074	3,691	25,981	29,672
Lawrence	Lawrence, KS	---	1,013	5,542	429	443	1,442	5,985	7,427
LL Bean	North Conway, NH	---	1,894	3,351	---	552	1,894	3,903	5,797
Locust Grove	Locust Grove, GA	---	2,609	11,801	---	7,065	2,609	18,866	21,475
Martinsburg	Martinsburg, WV	---	800	2,812	---	1,259	800	4,071	4,871
McMinnville	McMinnville, OR	---	1,071	8,162	5	756	1,076	8,918	9,994
Nags Head	Nags Head, NC	---	1,853	6,679	---	564	1,853	7,243	9,096
Pigeon Forge	Pigeon Forge, TN	---	299	2,508	---	1,334	299	3,842	4,141
Riverhead	Riverhead, NY	---	---	36,374	6,152	63,049	6,152	99,423	105,575
San Marcos	San Marcos, TX	10,050	1,953	9,440	17	9,988	1,970	19,428	21,398
Sanibel	Sanibel, FL		4,916	23,196	---	---	4,916	23,196	28,112
Sevierville	Sevierville, TN	---	---	18,495	---	13,143	---	31,638	31,638
Seymour	Seymour, IN	8,059	1,710	13,249	---	248	1,710	13,497	15,207
Stroud	Stroud, OK	---	446	7,048	---	4,840	446	11,888	12,334
Terrell	Terrell, TX	---	805	13,432	---	3,906	805	17,338	18,143
West Branch	West Branch, MI	6,732	350	3,428	120	4,323	470	7,751	8,221
Williamsburg	Williamsburg,IA	16,686	706	6,781	716	11,217	1,422	17,998	19,420
Totals		$72,789	$44,372	$312,009	$9,497	$163,369	$53,869	$475,378	$529,247

</TABLE>

<TABLE>
<CAPTION>

Description Outlet Center Name	Accumulated Depreciation	Date of Construction	Life Used to Compute Depreciation in Income Statement
<S>	<C>	<C>	<C>
Barstow	$2,793	1995	(2)
Blowing Rock	402	1997 (3)	(2)
Boaz	1,414	1988	(2)
Bourne	690	1989	(2)
Branch	2,598	1992	(2)
Branson	6,057	1994	(2)
Casa Grande	3,650	1992	(2)
Clover	361	1987	(2)
Commerce I	3,419	1989	(2)
Commerce II	3,034	1995	(2)
Dalton	398	1998 (3)	(2)
Gonzales	5,542	1992	(2)
Kittery-I	1,977	1986	(2)
Kittery-II	830	1989	(2)
Lancaster	4,558	1994 (3)	(2)
Lawrence	1,584	1993	(2)
LL Bean	1,572	1988	(2)
Locust Grove	3,516	1994	(2)
Martinsburg	1,685	1987	(2)
McMinnville	2,549	1993	(2)
Nags Head	342	1997 (3)	(2)
Pigeon Forge	1,541	1988	(2)
Riverhead	9,889	1993	(2)
San Marcos	3,918	1993	(2)
Sanibel	315	1998 (3)	(2)
Sevierville	1,321	1997 (3)	(2)
Seymour	3,123	1994	(2)
Stroud	4,007	1992	(2)
Terrell	3,795	1994	(2)
West Branch	2,277	1991	(2)
Williamsburg	5,528	1991	(2)
Totals	$84,685		

</TABLE>

(1) AGGREGATE COST FOR FEDERAL INCOME TAX PURPOSES IS APPROXIMATELY $527,122,000
(2) THE COMPANY GENERALLY USES ESTIMATED LIVES RANGING FROM 25 TO 33 YEARS FOR BUILDINGS AND 15 YEARS FOR LAND IMPROVEMENTS. TENANT FINISHING ALLOWANCES ARE DEPRECIATED OVER THE INITIAL LEASE TERM.
(3) REPRESENTS YEAR ACQUIRED

TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARY
SCHEDULE III - (CONTINUED)
REAL ESTATE AND ACCUMULATED DEPRECIATION
FOR THE YEAR ENDED DECEMBER 31, 1998
(In thousands)

The changes in total real estate for the three years ended December 31, 1998 are as follows:

	1998	1997	1996
Balance, beginning of year	$454,708	$358,361	$325,881
Acquisition of real estate	44,650	37,500	---
Improvements	31,599	59,519	32,511
Dispositions and other	(1,710)	(672)	(31)
Balance, end of year	$529,247	$454,708	$358,361

The changes in accumulated depreciation for the three years ended December 31, 1998 are as follows:

	1998	1997	1996
Balance, beginning of year	$64,177	$46,907	$31,458
Depreciation for the period	20,873	17,327	15,449
Dispositions and other	(365)	(57)	---
Balance, end of year	$84,685	$64,177	$46,907

INDEX TO EXHIBITS

Exhibit No.	Description
3.1	Amended and Restated Articles of Incorporation of the Company. (Note 7)
3.1A	Amendment to Amended and Restated Articles of Incorporation dated May 29, 1996. (Note 7)
3.1B	Amendment to Amended and Restated Articles of Incorporation dated August 20, 1998.
3.2	Restated By-Laws of the Company.
3.3	Amended and Restated Agreement of Limited Partnership for the Operating Partnership. (Note 1)
4.1	Form of Deposit Agreement, by and between the Company and the Depositary, including Form of Depositary Receipt. (Note 1)
4.2	Form of Preferred Stock Certificate. (Note 1)
4.3	Rights Agreement, dated as of August 20, 1998, between Tanger Factory Outlet Centers, Inc. and BankBoston, N.A., which includes the form of Articles of Amendment to the Amended and Restated Articles of Incorporation, designating the preferences, limitations and relative rights of the Class B Preferred Stock as Exhibit A, the form of Right Certificate as Exhibit B and the Summary of Rights as Exhibit C. (Note 9)
10.1	Amended and Restated Unit Option Plan.
10.2	Amended and Restated Share Option Plan of the Company.
10.3	Form of Stock Option Agreement between the Company and certain Directors. (Note 3)
10.4	Form of Unit Option Agreement between the Operating Partnership and certain employees. (Note 3)
10.5	Amended and Restated Employment Agreement for Stanley K. Tanger, as of January 1, 1998.
10.6	Amended and Restated Employment Agreement for Steven B. Tanger, as of January 1, 1998.
10.7	Amended and Restated Employment Agreement for Willard Albea Chafin, Jr., as of January 1, 1999.
10.8	Amended and Restated Employment Agreement for Rochelle Simpson, as of January 1, 1999.
10.9	Amended and Restated Employment Agreement for Joseph Nehmen, as of January 1, 1999.
10.10	Registration Rights Agreement among the Company, the Tanger Family Limited Partnership and Stanley K. Tanger. (Note 2)
10.10A	Amendment to Registration Rights Agreement among the Company, the Tanger Family Limited Partnership and Stanley K. Tanger. (Note 5)

10.11 Agreement Pursuant to Item 601(b)(4)(iii)(A) of Regulation S-K. (Note 2)

10.12 Assignment and Assumption Agreement among Stanley K. Tanger, Stanley K. Tanger & Company, the Tanger Family Limited Partnership, the Operating Partnership and the Company. (Note 2)

10.13 Promissory Notes by and between the Operating Partnership and John Hancock Mutual Life Insurance Company aggregating $50,000,000, dated as of December 13, 1994. (Note 4)

10.15 Form of Senior Indenture. (Note 6)

10.16 Form of First Supplemental Indenture (to Senior Indenture). (Note 6)

10.16A Form of Second Supplemental Indenture (to Senior Indenture) dated October 24, 1997 among Tanger Properties Limited Partnership, Tanger Factory Outlet Centers, Inc. and State Street Bank & Trust Company. (Note 8)

21.1 List of Subsidiaries. (Note 2)

23.1 Consent of PricewaterhouseCoopers LLP.

Notes to Exhibits:

1. Incorporated by reference to the exhibits to the Company's Registration Statement on Form S-11 filed October 6, 1993, as amended.

2. Incorporated by reference to the exhibits to the Company's Registration Statement on Form S-11 filed May 27, 1993, as amended.

3. Incorporated by reference to the exhibits to the Company's Annual Report on Form 10-K for the year ended December 31, 1993.

4. Incorporated by reference to the exhibits to the Company's Annual Report on Form 10-K for the year ended December 31, 1994.

5. Incorporated by reference to the exhibits to the Company's Annual Report on Form 10-K for the year ended December 31, 1995.

6. Incorporated by reference to the exhibits to the Company's Current Report on Form 8-K dated March 6, 1996.

7. Incorporated by reference to the exhibits to the Company's Annual Report on Form 10-K for the year ended December 31, 1996.

8. Incorporated by reference to the exhibits to the Company's Current Report on Form 8-K dated October 24, 1997.

9. Incorporated by reference to Exhibit 1.1 to the Company's Registration Statement on Form 8-A, filed August 24, 1998.

Exhibit 3.1b

ARTICLES OF AMENDMENT

to

AMENDED AND RESTATED ARTICLES OF INCORPORATION

designating the preferences, limitations and relative rights of

CLASS B PREFERRED SHARES

of

TANGER FACTORY OUTLET CENTERS, INC.

(Pursuant to Section 55-6-02 of the
North Carolina Business Corporation Act)

The undersigned corporation hereby submits these Articles of Amendment to the Secretary of State of the State of North Carolina for the purpose of amending its articles of incorporation to determine and fix the preferences, limitations and relative rights of its Class B Preferred Shares, par value $0.01 per share:

1. The name of the corporation is Tanger Factory Outlet Centers, Inc. (hereinafter called the "Corporation").

2. Pursuant to the authority Section 55-6-02 of the Business Corporation Act and the provisions of Article II. Section D of the Corporation's Amended and Restated Articles of Incorporation as heretofore amended (the "Articles of Incorporation"), the following amendment to the Articles of Incorporation was duly adopted by the Board of Directors of the Corporation at a meeting duly called and held on July 30, 1998:

The following is added as a new Paragraph I of Article II of the Corporation's Amended and Restated Articles of Incorporation:

I. Class B Preferred Shares. The 8,000,000 Class B Preferred Shares with a par value of $0.01 per share (the "Class B Preferred Shares") that the Corporation is authorized to issue pursuant to Paragraph A of this Article II shall have the following preferences, limitations and relative rights:

1. Dividends and Distributions.

(a) Subject to the rights of the holders of any shares of any class or series of Preferred Shares (or any similar shares), whether now or hereafter outstanding, ranking prior and superior to the Class B Preferred Shares with respect to dividends, the holders of Class B Preferred Shares, in preference to the holders of Common Shares, par value $0.01 per share (the "Common Shares"), of the Corporation, and of any other shares ranking junior as to dividends to the Class B Preferred Shares, shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on the first day of March, June, September and December in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a whole or fraction of a Class B Preferred Share, in an amount per share (rounded to the nearest cent) equal to the greater of (a) $1 or (b) subject to the provision for adjustment hereinafter set forth, 100 times the aggregate per share amount of all cash dividends, and 100 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions, other than a dividend payable in Common Shares or a subdivision of the outstanding Common Shares (by reclassification or otherwise), declared on the Common Shares since the immediately preceding Quarterly Dividend Payment Date or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any whole or fraction of a Class B Preferred Share. In the event the Corporation shall at any time declare or pay any dividend on the Common Shares payable in Common Shares, or effect a subdivision or combination or consolidation of the outstanding Common Shares (by reclassification or otherwise than by payment of a dividend in Common Shares) into a greater or lesser number of Common Shares, then in each such case the amount to which holders of Class B Preferred Shares were entitled immediately prior to such event under clause (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of Common Shares outstanding immediately after such event and the denominator of which is the number of Common Shares that were outstanding immediately prior to such event.

(b) The Corporation shall declare a dividend or distribution on the Class B Preferred Shares as provided in paragraph (A) of this Section immediately after it declares a dividend or distribution on the Common Shares (other than a dividend payable in Common Shares); provided that, in the event no dividend or distribution shall have been declared on the Common Shares during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, a dividend of $1 per share on the Class B Preferred Shares shall nevertheless by payable on such subsequent Quarterly Dividend Payment Date.

(c) Dividends shall begin to accrue and be cumulative on outstanding Class B Preferred Shares from the Quarterly Dividend Payment Date next preceding the date

of issue of such shares, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of Class B Preferred Shares entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the Class B Preferred Shares in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of Class B Preferred Shares entitled to receive payment of a dividend or distribution declared thereon, which record date shall be not more than 60 days prior to the date fixed for the payment thereof.

2. Voting Rights. The holders of Class B Preferred Shares shall have the following voting rights:

(a) Subject to the provision for adjustment hereinafter set forth, each Class B Preferred Share shall entitle the holder thereof to 100 votes on all matters submitted to a vote of the shareholders of the Corporation. In the event the Corporation shall at any time declare or pay any dividend on the Common Shares payable in Common Shares, or effect a subdivision or combination or consolidation of the outstanding Common Shares (by reclassification or otherwise than by payment of a dividend in Common Shares) into a greater or lessor number of Common Shares, then in each such case the number of votes per share to which holders of Class B Preferred Shares were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction, the numerator of which is the number of Common Shares outstanding immediately after such event and the denominator of which is the number of Common Shares that were outstanding immediately prior to such event.

(b) Except as otherwise provided herein, in any other Articles of Amendment to the Articles of Incorporation creating, or establishing the preferences, limitations and relative rights of, another class or series of preferred shares or any similar shares, or by law, the holders of Class B Preferred Shares and the holders of Common Shares and any other capital stock of the Corporation having general voting rights shall vote together as one class on all matters submitted to a vote of shareholders of the Corporation.

(c) Except as set forth herein, or as otherwise provided by law, holders of Class B Preferred Shares shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Shares as set forth herein) for taking any corporate action.

3. Certain Restrictions.

(a) Whenever quarterly dividends or other dividends or distributions payable on the Class B Preferred Shares as provided in Section 1 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on Class B Preferred Shares outstanding shall have been paid in full, the Corporation shall not:

(i) declare or pay dividends, or may any other distributions, on any shares ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Class B Preferred Shares;

(ii) declare or pay dividends, or make any other distributions, on any shares ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Class B Preferred Shares, except dividends paid ratably on the Class B Preferred Shares and all such parity shares on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem or purchase or otherwise acquire for consideration any shares ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Class B Preferred Shares, provided that the Corporation may at any time redeem, purchase or otherwise acquire any such junior shares in exchange for any of the Corporation's shares ranking junior (either as to dividends or upon dissolution, liquidation or winding up) to the Class B Preferred Shares; or

(iv) redeem or purchase or otherwise acquire for consideration any Class B Preferred Shares, or any shares ranking on a parity with the Class B Preferred Shares, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(b) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any of the Corporation's shares unless the Corporation could under paragraph (A) of this Section 3, purchase or otherwise acquire such shares at such time and in such manner.

4. Reacquired Shares. Any Class B Preferred Shares purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and canceled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued Class B Preferred Shares and may be reissued as part of a new series of Class B Preferred Shares subject to the conditions and restrictions on issuance set forth herein, in the Articles of Incorporation, or in any other Articles of Amendment to the Articles of

Incorporation creating a series of Class B Preferred Shares or any similar shares or as otherwise required by law.

5. Liquidation, Dissolution or Winding Up. Upon any liquidation, dissolution or winding up of the Corporation, no distribution shall be made (1) to the holders of shares ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Class B Preferred Shares unless, prior thereto, the holders of Class B Preferred Shares shall have received $100 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment, provided that the holders of Class B Preferred Shares shall be entitled to receive an aggregate amount per share, subject to the provision for adjustment hereinafter set forth, equal to 100 times the aggregate amount to be distributed per share to holders of Common Shares, or (2) to the holders of shares ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Class B Preferred Shares, except distributions made ratably on the Class B Preferred Shares and all such parity shares in proportion to the total amounts to which the holders of all such shares are entitled upon such liquidation, dissolution or winding up. In the event the Corporation shall at any time declare or pay any dividend on the Common Shares payable in Common Shares, or effect a subdivision or combination or consolidation of the outstanding Common Shares (by reclassification or otherwise than by payment of a dividend in Common Shares) into a greater or lesser number of Common Shares, then in each such case the aggregate amount to which holders of Class B Preferred Shares were entitled immediately prior to such event under the proviso in clause (1) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of Common Shares outstanding immediately after such event and the denominator of which is the number of Common Shares that were outstanding immediately prior to such event.

6. Consolidation, Merger, etc. In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the Common Shares are exchanged for or changed into other shares or securities, cash and/or any other property, then in any such case each Class B Preferred Share shall at the same time be similarly exchanged or changed into an amount per share, subject to the provision for adjustment hereinafter set forth, equal to 100 times the aggregate amount of shares, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Shares is changed or exchanged. In the event the Corporation shall at any time declare or pay any dividend on the Common Shares payable in Common Shares, or effect a subdivision or combination or consolidation of the outstanding

Common Shares (by reclassification or otherwise than by payment of a dividend in Common Shares) into a greater or lesser number of Common Shares, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of Class B Preferred Shares shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of Common Shares outstanding immediately after such event and the denominator of which is the number of Common Shares that were outstanding immediately prior to such event.

7. No Redemption. The Class B Preferred Shares shall not be redeemable.

8. Rank. The Class B Preferred Shares shall rank, with respect to the payment of dividends and the distribution of assets, junior to all series of any other class of the Corporation's Preferred Shares, whether now or hereafter outstanding.

9. Restrictions on Ownership and Transfer to Preserve Tax Benefit; Conversion and Exchange for Excess Class B Preferred Shares; Redemption of Class B Preferred Shares in Certain Circumstances. Notwithstanding anything to the contrary contained herein, the Class B Preferred Shares shall be subject to the same (i) restrictions on ownership and transfer, (ii) provisions with respect to conversion and exchange for a series of Excess Shares (as defined in the Articles of Incorporation), (iii) redemption in certain specified circumstances and (iv) all such other terms and conditions as are contained in Section H of Article II of the Articles of Incorporation (including, without limitation, paragraphs 8, 9 and 10 of Section H of Article II of the Articles of Incorporation), which, in each case, currently apply to the Series A Cumulative Convertible Redeemable Preferred Shares of the Corporation and are intended to, among other things, protect or preserve the Corporation's REIT status, and such provisions are incorporated herein by reference by replacing all references to the "Series A Cumulative Convertible Redeemable Preferred Shares" or "Series A Preferred Shares" with references to the "Class B Preferred Shares". Any question or ambiguity as to the applicability, interpretation or effect of this Section 9 or the provisions incorporated herein by reference pursuant to this Section 9 shall be determined and resolved by the Board in its sole discretion, and such determination or resolution shall be final and binding.

10. Amendment. The Articles of Incorporation shall not be amended in any manner which would materially alter or change the powers, preferences or special rights of the Class B Preferred Shares so as to affect them adversely without the affirmative vote of the holders of at least two-thirds of the outstanding Class B Preferred Shares, voting together as a single class.

This the ______ day of August, 1998.

Tanger Factory Outlet Centers, Inc.

BY: ____________________________
Stanley K. Tanger, Chairman of
the Board of Directors

Exhibit 3.2

BY-LAWS OF
TANGER FACTORY OUTLET CENTERS, INC.
[RESTATED TO REFLECT AMENDMENTS MADE JULY 29, 1998]

1. Registered Office

The initial registered office of the Corporation shall be located at 1400 West Northwood Street, Greensboro, North Carolina, 27408 or at such other place within the State of North Carolina as may be designated by the corporation from time to time.

2. Shareholders

2.1 Annual Meetings. The annual meetings of the shareholders for the election of directors and for the transaction of such other business as may properly come before the meeting shall be held at such date and time as shall be fixed by the Directors from time to time.

2.2 Substitute Annual Meeting. If the annual meeting shall not be held on the day designated by the Directors, a substitute annual meeting may be called in the manner provided for the call of a special meeting in accordance with the provisions of Section 2.3 and a substitute annual meeting so called shall be designated as and shall be treated, for all purposes, as the annual meeting.

2.3 Special Meetings. Special meetings of the shareholders may be called at any time by the Directors, the Chairman of the Board of Directors, if any, the Vice Chairman of the Board of Directors, if any, the President, or by any officer instructed by the directors or the President to call the meeting. Only business within the purpose or purposes described in the notice of meeting may be conducted at a special meeting of shareholders.

2.4 Place of Meetings. All meetings of shareholders shall be held at such place, within or outside the State of North Carolina, as may be designated by the Directors from time to time.

2.5 Notice of Meetings. The corporation shall notify shareholders of the date, time, and place of each annual and special shareholders' meeting. Such notice shall be no fewer than ten nor more than sixty days before the meeting date. Unless the North Carolina Business Corporation Act (the "Business Corporation Act") or the articles of incorporation require otherwise, notice of an annual meeting need not include a description of the purpose or purposes for which the meeting is called. Notice of a special meeting must include a description of the purpose or purposes for which the meeting is called. Unless the Business Corporation Act or the articles of incorporation require otherwise, the corporation is required to give notice only to shareholders entitled to vote at the meeting. A shareholder may waive any notice required by the Business Corporation Act, the articles of incorporation or the Bylaws before or after the time stated in the notice. The waiver must be in writing, be signed by the shareholder entitled

to the notice, and be delivered to the corporation for inclusion in the minutes or filing with the corporate records. A shareholder's attendance at a meeting waives objection to lack of notice or defective notice of the meeting, unless the shareholder at the beginning of the meeting objects to holding the meeting or transacting business at the meeting; and waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the shareholder objects to considering the matter before it is voted upon.

If a meeting shall be adjourned for more than one hundred and twenty (120) days notice of such adjourned meeting shall be given as in the case of an original meeting and if the adjournment shall be for less than one hundred and twenty (120) days no notice thereof need be given except that such adjournment shall be announced at the meeting at which the adjournment is taken. A shareholder may waive any notice required for a meeting, either before or after the meeting, by a written waiver, signed by the shareholder and delivered to the Corporation to be filed with the corporate records or made a part of the minutes of the meeting.

2.6 Voting Lists. After fixing the record date for each meeting, the corporation shall prepare an alphabetical list of the names of the shareholders entitled to vote at such meeting. The list must be arranged by voting group (and within each voting group, by class or series of shares) and set forth the address of, and the number of shares held by, each shareholder. The shareholder list must be available for inspection by any shareholder, beginning two (2) business days after notice of the meeting is given and continuing through the meeting at the corporation's principal office or at a place identified in the meeting notice in the city where the meeting will be held. A shareholder, or his agent or attorney, is entitled on written demand to inspect and, subject to the requirements of G.S. 55-16-02(c), to copy the list, during regular business hours and at his expense, during the period it is available for inspection. The corporation shall make the shareholders' list available at the meeting, and any shareholder, or his agent or attorney, is entitled to inspect the list at any time during the meeting or any adjournment of the meeting.

2.7 Quorum; Adjournment. Unless the articles of incorporation or the Business Corporation Act provides otherwise, a majority of the votes entitled to be cast on a matter by a voting group constitutes a quorum of that voting group for action on that matter. The Chairman of the meeting or a majority of the shares so represented may adjourn the meeting from time to time, whether or not there is such a quorum. Shares entitled to vote as a separate voting group may take action on a matter at a meeting only if a quorum of those shares exists with respect to that matter. Once a share is represented for any purpose at a meeting, it is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new record date is or must be set for that adjourned meeting.

2.8 Voting. Directors are elected by a plurality of the votes cast by the shares entitled to vote in the election at a meeting at which a quorum is present. If a quorum exists, action on a matter, other than the election of directors, by a voting group is approved if the votes cast within the voting group favoring the action exceed the votes cast opposing the action unless the

articles of incorporation, a Bylaw adopted by the shareholders, or the Business Corporation Act requires a greater number of affirmative votes.

A shareholder may appoint a proxy to vote or otherwise act for him by signing an appointment form, either personally or by his attorney-in-fact. A telegram, telex, facsimile, or other form of wire or wireless communication appearing to have been transmitted by a shareholder, or a photocopy or equivalent reproduction of a writing appointing one or more proxies, shall be deemed a valid appointment form. An appointment of a proxy is effective when received by the Secretary or other officer or agent authorized to tabulate votes. An appointment is valid for eleven months, unless a different period is expressly provided in the appointment form. An appointment of a proxy is revocable by the shareholder unless the appointment form conspicuously states that it is irrevocable and the appointment is coupled with an interest.

The corporation may establish a procedure by which the beneficial owner of shares that are registered in the name of a nominee is recognized by the corporation as a shareholder. The extent of this recognition may be determined in the procedure.

2.9 Notice of Shareholder Business and Nominations.

(a) Annual Meetings of Shareholders.

(1) Nominations of persons for election to the Board of Directors of the corporation and the proposal of business to be considered by the shareholders may be made at an annual meeting of shareholders (a) pursuant to the corporation's notice of meeting, (b) by or at the direction of the Board of Directors or (c) by any shareholder of the corporation who was a shareholder of record at the time of giving of notice provided for in this By-Law, who is entitled to vote at the meeting and who complies with the notice procedures set forth in this By-Law.

(2) For nominations or other business to be properly brought before an annual meeting by a shareholder pursuant to clause (c) of paragraph (a)(1) of this ByLaw, the shareholder must have given timely notice thereof in writing to the Secretary of the corporation and such other business must otherwise be a proper matter for shareholder action. To be timely, a shareholder's notice shall be delivered to the Secretary at the principal executive offices of the corporation not later than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date, notice by the shareholder to be timely must be so delivered not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made by the corporation. In no event shall the public

announcement of an adjournment of an annual meeting commence a new time period for giving of a shareholder's notice as described above. Such shareholder's notice shall set forth (a) as to each person whom the shareholder proposes to nominate for election or reelection as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); (b) as to any other business that the shareholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such shareholder and the beneficial owner, if any, on whose behalf the proposal is made; and (c) as to the shareholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such shareholder, as they appear on the corporation's books, and of such beneficial owner and (ii) the class and number of shares of the corporation which are owned beneficially and of record by such shareholder and such beneficial owner.

(3) Notwithstanding anything in the second sentence of paragraph (a)(2) of this By-Law to the contrary, in the event that the number of directors to be elected to the Board of Directors of the corporation is increased and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board of Directors made by the corporation at least 70 days prior to the first anniversary of the preceding year's annual meeting, a shareholder's notice required by this By-Law shall also be considered timely, but only with respect to nominees for any new positions created by such increase, it if shall be delivered to the Secretary at the principal executive offices of the corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the corporation.

(b) Special Meetings of Shareholders. Only business within the purpose or purposes described in the notice of meeting may be conducted at a special meeting of shareholders. Nominations of persons for election to the Board of Directors may be made at a special meeting of shareholders at which directors are to be elected pursuant to the corporation's notice of meeting (a) by or at the direction of the Board of Directors or (b) provided that the Board of Directors has determined that directors shall be elected at such meeting, by any shareholder of the corporation who is a shareholder of record at the time of giving of notice provided for in this By-Law, who shall be entitled to vote at the meeting and who complies with the notice procedures set forth in this By-Law. In the event the corporation calls a special meeting of shareholders for the purpose of electing one or more directors to the Board of Directors, any such shareholder may nominate a person or persons (as the case may be), for election to such position(s) as specified in the corporation's notice of meeting, if the shareholder's notice required by paragraph (a)(2) of this By-Law shall be delivered to the Secretary at the principal executive offices of the corporation not earlier than the close of

business on the 120th day prior to such special meeting and not later than the close of business on the later of the 90th day prior to such special meeting or the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall the public announcement of an adjournment of a special meeting commence a new time period for the giving of a shareholder's notice as described above.

(c) General.

(1) Only such persons who are nominated in accordance with the procedures set forth in this By-Law shall be eligible to serve as directors and only such business shall be conducted at a meeting of shareholders as shall have been brought before the meeting in accordance with the procedures set forth in this By-Law. Unless the Business Corporation Act, the articles of incorporation or these By-Laws require otherwise, the Chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this By-Law, and, if any

proposed nomination or business is not in compliance with this By-Law, to declare that such defective proposal or nomination shall be disregarded.

(2) For purposes of this By-Law, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(3) Notwithstanding the foregoing provisions of this By-Law, a shareholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this By-Law. Nothing in this By-Law shall be deemed to affect any rights (i) of shareholders to request inclusion of proposals in the corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or (ii) of the holders of any series of Preferred Stock to elect directors under specified circumstances.

2.10 Inspectors of Elections; Opening and Closing the Polls. The Board of Directors by resolution shall appoint one or more inspectors, which inspector or inspectors may include individuals who serve the corporation in other capacities, including, without limitation, as officers, employees, agents or representatives, to act at the meetings of shareholders and make a written report thereof. One or more persons may be designated as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate has been appointed to act or is able to act at a meeting of shareholders, the Chairman of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before discharging his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and

according to the best of his or her ability. The inspectors shall have the duties prescribed by law.

The Chairman of the meeting shall fix and announce at the meeting the date and time of the opening and the closing of the polls for each matter upon which the shareholders will vote at a meeting.

2.11 Action by Shareholders Without a Meeting. Any action required or permitted by the provisions of the Business Corporation Act to be taken at a shareholders' meeting may be taken without a meeting, if one or more written consents are signed by all the shareholders before or after such action, describing the action taken, are delivered to the corporation for inclusion in the minutes or filing with the corporate records. If the Business Corporation Act requires that notice of proposed action be given to nonvoting shareholders and the action is to be taken by unanimous consent of the voting shareholders, the corporation must give its nonvoting shareholders written notice of the proposed action at least ten days before the action is taken. The notice must contain or be accompanied by the same material that, under the Business Corporation Act, would have been required to be sent to nonvoting shareholders in a notice of a meeting at which the proposed action would have been submitted to the shareholders for action. Provided however, no action may be taken in lieu of convening an annual meeting of the shareholders which is in violation of the policies of the New York Stock Exchange.

2.12 Record Date for Action by Written Consent. In order that the corporation may determine the shareholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which date shall not be more than 10 days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. Any shareholder of record seeking to have the shareholders authorize or take corporate action by written consent shall, by written notice to the Secretary, request the Board of Directors to fix a record date. The Board of Directors shall promptly, but in all events within 10 days after the date on which such a request is received, adopt a resolution fixing the record date. If no record date has been fixed by the Board of Directors within 10 days of the date on which such a request is received, the record date for determining shareholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required by applicable law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the registered agent of the corporation at its corporation's principal office shown in its most recent annual report on file in the office of the Secretary of State. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by applicable law, the record date for determining shareholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the date on which the Board of Directors adopts the resolution taking such prior action.

2.13 Inspectors of Written Consent. In the event of the delivery, in the manner provided by Section 2.11, to the corporation of the requisite written consent or consents to take corporate action and/or any related revocation or revocations, the corporation shall engage nationally recognized independent inspectors of elections for the purpose of promptly performing a ministerial review of the validity of the consents and revocations. For the purpose of permitting the inspectors to perform such review, no action by written consent without a meeting shall be effective until such date as the independent inspectors certify to the corporation that the consents delivered to the corporation in accordance with Section 2.11 represent at least the minimum number of votes that would be necessary to take the corporate action. Nothing contained in this paragraph shall in any way be construed to suggest or imply that the Board of Directors or any shareholder shall not be entitled to contest the validity of any consent or revocation thereof, whether before or after such certification by the independent inspectors, or to take any other action (including, without limitation, the commencement, prosecution or defense of any litigation with respect thereto, and the seeking of injunctive relief in such litigation).

2.14 Effectiveness of Written Consent. Every written consent shall bear the date of signature of each shareholder who signs the consent and no written consent shall be effective to take the corporate action referred to therein unless, within 60 days of the date the earlier dated written consent was received in accordance with Section 2.10, a written consent or consents signed by a sufficient number of holders to take such action are delivered to the corporation in the manner prescribed in Section 2.10.

2.15 Conduct of Meeting. Meetings of the shareholders shall be presided over by one of the following officers in the order of seniority and if present and acting - the Chairman of the Board of Directors, if any, the Vice-Chairman of the board, if any, the President, a Vice-President, if any, or, if none of the foregoing is in office and present and acting, by a chairman to be chosen by the shareholders. The Secretary of the corporation, or in his absence, an Assistant Secretary, shall act as secretary of every meeting, but, if neither the Secretary nor an Assistant Secretary is present, the chairman of the meeting shall appoint a secretary of the meeting.

3. Board of Directors

3.1 General Powers. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation managed under the direction of, a Board of Directors.

3.2 Number Term of Office and Qualifications. A director need not be a shareholder, a citizen of the United States, or a resident of the State of North Carolina. The number of directors shall not be less than three nor more than fifteen. The number of directors may be fixed or changed, from time to time, within such minimum and maximum, by the shareholders or by the Board of Directors. If not so fixed and subject to the provisions of Subparagraph (5) of Section H of Article II of the Amended and Restated Articles of Incorporation, the number

of directors shall be five. After shares are issued, only the shareholders may change the range for the size of the Board of Directors or change from a variable-range number of directors to a fixed number of directors or vice versa.

3.3 Election, Term and Vacancy. Except as provided in this Section 3.3, the directors shall be elected at the annual meeting of shareholders by a plurality of the votes cast. If a vacancy occurs on the Board of Directors, including without limitation, a vacancy resulting from an increase in the number of directors or from the failure by the shareholders to elect the full authorized number of directors, the shareholders or the Board of Directors may fill the vacancy; or if the directors remaining in office constitute fewer than a quorum of the Board of Directors, they may fill the vacancy by the affirmative vote of a majority of all the directors, or by the sole director, remaining in office. If the vacant office was held by a director elected by a voting group of shareholders, only the remaining director or directors elected by that voting group or the holders of shares of that voting group are entitled to fill the vacancy. Directors shall hold office until their successors are elected and qualified.

3.4 Removal of Directors. The shareholders may remove one or more directors with or without cause pursuant to the provisions of Section 55-8-08 of the Business Corporation Act.

3.5 Compensation of Directors. The Board may fix the compensation of directors, provided, however, that no person who is a full-time employee of the corporation shall receive any separate compensation for serving as a director of the corporation, other than reimbursement of their expenses, if any. The directors who are not officers of the corporation shall be paid their expenses, if any, and a fixed sum for their attendance at each meeting of the Board of Directors and each committee meeting. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

3.6 Committees. The Board of Directors may create one or more committees and appoint members of the Board of Directors to serve on them. The creation of a committee and the appointment of members to it must be approved by the greater of (a) a majority of all the directors in office when the action is taken, or (b) the number of directors required by the articles of incorporation or these Bylaws to take such action under the provisions of Section 55- 8-24 of the Business Corporation Act. The provisions of Sections 55-8-20 through 55-8-24 of the Business Corporation Act, which govern meetings, action without meetings, notice and waiver of notice, and quorum and voting requirements of the Board of Directors, apply to committees and their members as well. To the extent specified by the Board of Directors, the articles of incorporation, or these Bylaws, each committee may exercise the authority of the Board of Directors under Section 55-8-01 of the Business Corporation Act except such authority as may not be delegated under the Business Corporation Act.

3.7 Transactions With Interested Directors. No transaction between the Corporation and one or more of its directors, or between the Corporation and any other corporation, firm,

association or other entity in which one or more of its directors are directors or officers or are financially interested ("Interested Directors") shall be either void or voidable for this reason alone, provided that such transaction shall be approved by a majority of the directors other than the Interested Directors present at the meeting of the Board of Directors or of the committee authorizing or confirming such transaction or otherwise complies with the provisions of the Business Corporation Act with respect to transactions with interested directors.

4. Meetings of Directors

4.1 Regular Meetings. Meetings shall be held at such time as the Board shall fix, except that the first meeting of a newly elected Board shall be held as soon after its election as the directors may conveniently assemble.

4.2 Special Meetings. No call shall be required for regular meetings for which the time and place have been fixed. Special meetings may be called by or at the direction of the Chairman of the Board, if any, of the Vice-Chairman of the Board, if any, of the President, or of a majority of the directors in office.

4.3 Place of Meetings; Conference Telephone Meetings. The Board of Directors may hold regular or special meetings in or out of the State of North Carolina as such place shall be fixed by the Board. Members of the Board of Directors, or any committee thereof, may participate in a meeting of the Board of Directors or such committee by use of any means of communication by which all persons participating may simultaneously hear each other, and such participation in a meeting shall constitute presence in person at such meeting.

4.4 Notice of Meetings and Waiver of Notice. Regular meetings of the Board of Directors may be held without notice of the date, time, place, or purpose of the meeting. Written, or oral, notice of the time and place shall be given for special meetings in sufficient time for the convenient assembly of the directors thereat. The notice of any meeting need not describe the purpose of the meeting. A director may waive any notice required by the Business Corporation Act, the articles of incorporation, or by these Bylaws before or after the date and time stated in the notice. A director's attendance at or participation in a meeting waives any required notice to the director of the meeting unless the director at the beginning of the meeting, or promptly upon his arrival, objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting. Except as hereinbefore provided, a waiver shall be in writing, signed by the director entitled to the notice, and filed with the minutes or corporate records.

4.5 Quorum and Manner of Acting. A quorum of the Board of Directors consists of a majority of the number of directors prescribed in or fixed in accordance with these Bylaws. If a quorum is present when a vote is taken, the affirmative vote of a majority of directors present is the act of the Board of Directors. The Board of Directors may permit any or all directors to participate in a regular or special meeting by, or conduct the meeting through use of, any means of communication by which all directors participating may simultaneously hear

each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

Meetings of the Board of Directors shall be presided over by the following directors in the order of seniority and if present and acting - the Chairman of the Board, if any, the Vice- Chairman of the Board, if any, the President, or any other director chosen by the Board.

4.6 Action of Directors Without a Meeting. Action required or permitted by the Business Corporation Act to be taken at a Board of Directors' meeting may be taken without a meeting if the action is taken by all members of the Board. The action must be evidenced by one or more written consents, signed by each director before or after such action, describing the action taken, and included in the minutes or filed with the corporate records. Action taken under this paragraph is effective when the last director signs the consent, unless the consent specifies a different effective date.

5. Officers

5.1 Number of Officers. The officers of the Corporation shall consist of a President, a Secretary, a Treasurer, and such Vice-Presidents, Assistant Secretaries, Assistant Treasurers and other officers as may be appointed by or under the authority of the Board of Directors. Any two or more offices may be held by the same person, but no officer may act in more than one capacity where action of two or more officers is required.

5.2 Election, Term of Office and Qualifications. The officers of the Corporation shall be appointed by the Board of Directors or by a duly appointed officer authorized by the Board of directors to appoint one or more officers or assistant officers. Each officer shall hold office until his death, resignation, retirement, removal, disqualification, or his successor shall have been appointed.

5.3 Compensation. The compensation of all officers of the Corporation shall be fixed by or under the authority of the board of Directors, and no officer shall serve the Corporation in any other capacity and receive compensation therefor unless such additional compensation shall be duly authorized. The appointment of an officer does not itself create contract rights.

5.4 Removal. Any officer may be removed by the board at any time with or without cause; but such removal shall not itself affect the officer's contract rights, if any, with the Corporation.

5.5 Resignation. Any officer may resign at any time by communicating his resignation to the corporation, orally or in writing. A resignation is effective when communicated unless it specifies in writing a later effective date. If a resignation is made effective at a later date that is accepted by the corporation, the Board of Directors may fill the pending vacancy before the effective date if the Board provides that the successor does not take

office until the effective date. An officer's resignation does not affect the corporation's contract rights, if any, with the officer.

5.6 Bonds. The Board of Directors may by resolution require any officer, agent or employee of the corporation to give bond to the Corporation, with sufficient sureties, conditioned on the faithful performance of the duties of such person's respective office or position, and to comply with such other conditions as may from time to time be required by the Board of Directors.

5.6 Vacancies. A vacancy in any office because of death, resignation, removal, or disqualification, or any other cause, shall be filled for the unexpired portion of the term in the manner prescribed by these By-Laws for regular appointments or elections to such offices.

5.7 President. The President shall be the chief executive officer of the Corporation and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Corporation. The President shall, when present, preside at all meetings of the shareholders and of the Board of Directors. The President shall sign, with the Secretary, an Assistant Secretary, or any other proper officer of the Corporation thereunto authorized by the Board of Directors, certificates for shares of the Corporation, any deeds, mortgages, bonds, contracts or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed; and in general the President shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

5.8 Vice President. In the absence of the President or in the event of his death, inability or refusal to act, the Executive Vice-President, unless otherwise determined by the Board of Directors, shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The Executive Vice-President may sign, with the Secretary or an Assistant Secretary, certificates for shares of the Corporation; and shall perform such other duties as from time to time may be prescribed by the President or Board of Directors.

5.9 Secretary. The Secretary shall: (a) keep the minutes of the meetings of shareholders, of the Board of Directors, and of all committees in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these bylaws or as required by law; (c) maintain and authenticate the records of the Corporation and be custodian of the seal of the Corporation and see that the seal of the Corporation is affixed to all documents the execution of which on behalf of the Corporation under its seal is duly authorized; (d) sign with the President, or the Executive Vice-President, certificates for shares of the Corporation, the issuance of which shall have been authorized by resolution of the Board of Directors; (e) maintain and have general charge of the share transfer books of the Corporation; (f) prepare or cause to be prepared shareholder lists prior to each meeting of

shareholders as required by law; (g) attest the signature or certify the incumbency or signature of any officer of the Corporation; and (h) in general perform all duties incident to the office of secretary and such other duties as from time to time may be prescribed by the President or by the Board of Directors.

5.10 Assistant Secretaries. In the absence of the Secretary or in the event of the Secretary's death, inability or refusal to act, the Assistant Secretaries in the order of their length of service as Assistant Secretary, unless otherwise determined by the Board of Directors, shall perform the duties of the Secretary, and when so acting shall have all the powers of and be subject to all the restrictions upon the Secretary. They shall perform such other duties as may be prescribed by the Secretary, by the President, or by the Board of Directors. Any Assistant Secretary may sign, with the President or a Vice-President, certificates for shares of the Corporation.

5.11 Treasurer. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Corporation; receive and give receipts for moneys due and payable to the Corporation from any source whatsoever, and deposit all such moneys in the name of the Corporation in such depositories as shall be selected by or under the authority of the Board of Directors; (b) maintain appropriate accounting records as required by law; (c) prepare, or cause to be prepared, annual financial statements of the Corporation that include a balance sheet as of the end of the fiscal year and an income and cash flow statement for that year, which statements, or a written notice of their availability, shall be mailed to each shareholder within 120 days after the end of such fiscal year; and (d) in general perform all of the duties incident to the office of treasurer and such other duties as from time to time may be prescribed by the President or by the Board of Directors.

5.12 Assistant Treasurers. In the absence of the Treasurer or in the event of the Treasurer's death, inability or refusal to act, the Assistant Treasurers in the order of their length of service as such, unless otherwise determined by the Board of Directors, shall perform the duties of the Treasurer, and when so acting shall have all the powers of and be subject to all the restrictions upon the Treasurer. They shall perform such other duties as may be prescribed by the Treasurer, by the President or by the Board of Directors.

6. Contracts, Loans, Checks and Deposits.

6.1 Contracts. The Board of Directors may authorize any officer or officers, agent or agents to enter into any contract or to execute and deliver any instrument on behalf of the Corporation, and such authority may be general or confined to specific instances.

6.2 Loans. No loans shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name, unless as authorized by the Board of Directors. Such authority may be general or confined to specific instances.

6.3 Checks and Drafts. All checks, drafts or other orders for the payment of money, issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by the Board of Directors.

6.4 Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such depositories as may be selected by or under the authority of the Board of Directors.

6.5 Exercise of Ownership Rights. Any share or other ownership interest in any other corporation, partnership or other entity which may from time to time be held by the Corporation may be represented and voted at any meeting of shareholders, partners or members of such other corporation, partnership or other entity by any officer duly authorized to so act on behalf of the Corporation by the Board of Directors or if no officer is so authorized, by the President or the Executive Vice President or by any proxy appointed in writing by the President or the Executive Vice President.

The President is expressly authorized to act on behalf of the Corporation in carrying out and performing the duties and responsibilities of the Corporation as the general partner of Tanger Properties Limited Partnership (the "Operating Partnership") and, acting for the Corporation as general partner, the President shall have general charge of the business, affairs and property of the Operating Partnership and control over its agents and employees in accordance with the Operating Partnership Agreement.

7. Certificates for Shares and Their Transfer

7.1 Certificate for Shares. Certificates evidencing fully-paid shares of the corporation shall set forth thereon the statements prescribed by Section 55-6-25 of the Business Corporation Act and by any other applicable provision of law, shall be signed, either manually or in facsimile, by any two of the following officers: the President, a Vice-President, the Secretary, an Assistant Secretary, the Treasurer, an Assistant Treasurer, or by any two officers designated by the Board of Directors, and may bear the corporate seal or its facsimile. If a person who signed in any capacity, either manually or in facsimile, a share certificate no longer holds office when the certificate is issued, the certificate is nevertheless valid.

7.2 Fractional Shares or Scrip. The corporation may issue fractions of a share or pay in money the value of fractions of a share; arrange for disposition of fractional shares by the shareholders; and issue scrip in registered or bearer form entitling the holder to receive a full share upon surrendering enough scrip to equal a full share. Each certificate representing scrip must be conspicuously labeled "scrip" and must contain the information required by subsection (b) of Section 55-6-25 of the Business Corporation Act. The holder of a fractional share is entitled to exercise the rights of a shareholder, including the right to vote, to receive dividends, and to participate in the assets of the corporation upon liquidation. The holder of scrip is not entitled to any of these rights unless the scrip provides for them. The Board of Directors may

authorize the issuance of scrip subject to any condition considered desirable, including (a) that the scrip will become void if not exchanged for full shares before a specified date; and (b) that the shares for which the scrip is exchangeable may be sold and the proceeds paid to the script holders.

7.3 Transfers of Shares. Upon compliance with any provisions restricting the transferability of shares that may be set forth in the articles of incorporation, these Bylaws, or any written agreement in respect thereof, transfers of shares of the corporation shall be made only on the books of the corporation by the registered holder thereof, or by his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of the corporation, or with a transfer agent or a registrar and on surrender of the certificate or certificates for such shares properly endorsed and the payment of all taxes thereon, if any. Except as may be otherwise provided by law, the articles of incorporation or these Bylaws, the person in whose name shares stand on the books of the corporation shall be deemed the owner thereof for all purposes as regards the corporation; provided that whenever any transfer of shares shall be made for collateral security, and not absolutely, such fact, if known to the Secretary of the corporation, shall be so expressed in the entry of transfer.

7.4 Record Date for Shareholders. In order to determine the shareholders who are entitled to notice of a shareholders' meeting, to demand a special meeting, to vote, or to take any other action, the Board of Directors of the corporation may fix a date as the record date for any such determination of shareholders, such date in any case to be not more than seventy days before the meeting or action requiring such determination of shareholders. A determination of shareholders entitled to notice of or to vote at a shareholders' meeting is effective for any adjournment of the meeting unless the Board of Directors fixes a new record date, which it must do if the meeting is adjourned to a date more than one hundred twenty days after the date fixed for the original meeting.

8. Indemnification.

8.1 General Indemnification of Officers and Directors. The corporation shall to the fullest extent permitted by the provisions of the North Carolina Business Corporation Act, as the same may be amended and supplemented, indemnify officers and directors whom it shall have power to indemnify under said provisions from and against any and all of the fees, expenses, charges, liabilities or obligations referred to in or covered by said provisions, and the indemnification provided for herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under the Articles of Incorporation, any other Bylaw, vote of shareholders or disinterested directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

8.2 Specific Indemnified. Without in any way limiting the indemnification provided in Section 8.1 hereof, the corporation shall indemnify and hold harmless each of the following

described persons, including the estate or personal representative of such person, against any and all the liabilities and expenses described below:

(a) Any person who serves or has served as a director or officer shall be indemnified against (i) any liability for or obligation to pay expenses, including attorneys' fees, as and when incurred by such person, in connection with any proceeding arising out of his status as a director or officer or any activities of such person in his capacity as a director or officer and (ii) any liability for or obligation to pay any judgment, settlement, penalty or fine (including an excise tax assessed with respect to an employee benefit plan) in any such proceeding; and

(b) Any person who serves or has served as a director or officer and who, at the request of the corporation, serves or has served as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust or other enterprise or as a trustee or administrator under an employee benefit plan shall be indemnified against (i) any liability for or obligation to pay expenses, including attorneys' fees, incurred by such person in connection with any proceeding arising out of his status as a director or officer of the corporation and\or as a director, officer, partner, trustee, employee or agent of such other corporation, partnership, joint venture, trust or other enterprise and\or as a trustee or administrator under an employee benefit plan or any activities of such person in any of such capacities and (ii) any liability for or obligation to pay any judgment, settlement, penalty or fine (including an excise tax assessed with respect to an employee benefit plan) in any such proceeding.

Provided however, such indemnification will not extend to any liability or expense such person may incur on account of his activities which, at the time taken, were known or believed by him to be clearly in conflict with the best interests of the corporation.

The term "proceeding" as used herein includes any threatened, pending or completed civil, criminal, administrative or investigative action, suit or proceeding (and any appeal therein), whether formal or informal and whether or not brought by or on behalf of the corporation.

8.3 Board Assistance. The Board of Directors shall take all such action as may be necessary and appropriate to authorize the corporation to pay, and to have the corporation pay, the indemnification required by this Section 8. To the extent required by law, the Board shall give notice to, and obtain approval by, the shareholders of the corporation for any decision to indemnify.

8.4 Contract Right; Reliance Upon Corporation's Indemnification. Any person who at any time after the effective date of this by-law serves or has served in a capacity that would entitle him to be indemnified under the foregoing provisions of this Section 8 shall be deemed to be serving and acting, or to have served and acted, in such capacity in reliance upon, and as consideration for, the corporation's agreement to provide the indemnification described in this Section 8. Any such person, or his legal representative, shall have a right to require the corporation to provide the indemnification described herein. The rights provided in this Section

8 shall be contract rights fully enforceable by each beneficiary thereof, and shall be in addition to, and not exclusive of, any other right to indemnification provided by contract or under applicable law.

8.5 Expenses of Enforcing Indemnification. The corporation agrees to and shall reimburse any person for whom indemnification is provided pursuant to this Section for all reasonable costs, expenses and attorneys' fees (including the costs of investigation and preparation) as and when incurred by such person in connection with the enforcement of such person's right to the indemnification granted by this Section and shall advance such amounts to such person upon demand therefor. Such reimbursable amounts shall be recoverable in any action brought to enforce the right to the indemnification granted by this Section.

9. General Provisions

9.1 Corporate Seal. The corporate seal shall be in such form as shall be required by law and as shall be approved from time to time by the Board of Directors.

9.2 Fiscal Year. The fiscal year of the corporation shall be fixed, and shall be subject to change, by the Board of Directors.

9.3 Statutory Notices to Shareholders. The Board of Directors may appoint the Treasurer or other fiscal officer and/or the Secretary or any other officer to cause to be prepared and furnished to shareholders entitled thereto any special financial notice and/or any financial statement, which may be required by any provision of law, and which, more specifically, may be required by Sections 55-16-20 and 55-16-21 of the Business Corporation Act.

9.4 Waiver of Notice. Whenever any notice is required to be given to any shareholder or director under the provisions of the North Carolina Business Corporation Act or under the provisions of the Charter or By-Laws of this Corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

9.5 Meaning of Certain Terms. As used herein in respect of the right to notice of a meeting of shareholders or a waiver thereof or to participate or vote thereat or to consent or dissent in writing in lieu of a meeting, as the case may be, the term "share" or "shares" or "shareholder" or "shareholders" refers to an outstanding share or shares and to a holder or holders of record of outstanding shares when the corporation is authorized to issue only one class of shares, and said reference is also intended to include any outstanding share or shares and any holder or holders of record of outstanding shares of any class upon which or upon whom the articles of incorporation confer such rights where there are two or more classes or series of shares or upon which or upon whom the Business Corporation Act confers such rights notwithstanding that the articles of incorporation might provide for more than one class or series of shares, one or more of which are limited or denied such rights thereunder.

9.6 Amendments. The Board of Directors may amend or repeal these Bylaws unless the articles of incorporation or the Business Corporation Act reserves this power exclusively to the shareholders in whole or in part, or the shareholders in amending or repealing a particular Bylaw provide expressly that the Board of Directors may not amend or repeal that Bylaw. The shareholders may amend or repeal these Bylaws even though the Bylaws may also be amended or repealed by the Board of Directors. A Bylaw that fixes a greater quorum or voting requirement for the Board of Directors may be amended or repealed only in accordance with the provisions of Section.3.310-22 of the Business Corporation Act.

Exhibit 10.9

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT is executed and made effective as of January 1, 1999 between TANGER PROPERTIES LIMITED PARTNERSHIP, a North Carolina Limited Partnership, whose address is P.O. Box 29168, Greensboro, N.C. 27408 (the "Company") and JOSEPH NEHMEN, ("Nehmen") a resident of North Carolina, whose address is 402 Waycross Drive, Greensboro, NC. 27410.

RECITALS

A. Company and Nehmen entered into an Employment Agreement dated January 1, 1995.

B. The parties intend to extend the term of Nehmen's employment and to modify, amend and restate the Employment Agreement upon the terms and conditions set forth herein

Now therefore, in consideration of the promises contained herein and other valuable consideration, the parties agree as follows:

1. EMPLOYMENT. Company agrees to employ Nehmen during the term of this Agreement. Nehmen agrees to devote full time and attention and his best efforts to the business affairs of the Company. Except as provided in the last paragraph of this Section, during the term of his employment hereunder, Nehmen shall not perform services for others as a consultant, employee or otherwise and shall not engage in the conduct of any other trade or business.

Company is engaged in the development and operation of retail shopping centers. Nehmen will serve as the Company's Vice President of Operations and will perform duties assigned to him by the Company in all phases of the Company's business which are generally performed by executives holding similar positions.

Notwithstanding the foregoing provisions of this Section, Nehmen may perform consulting or employment services which do not materially interfere with the performance of his duties as a full time employee of the Company as follows:

A. For a purchaser of any of the assets or capital stock of Merchants Wholesalers of Missouri, Inc. (the company in which he was formerly a part owner and with whom he was employed) in connection with the purchaser's conduct of a business for the wholesale and retail sale of cigarettes, candy, tobacco and similar items and so long as the purchaser is not engaged in activities which are in competition with the business currently conducted by the Company; and

B. For Dolgin & Associates (a firm in which Nehmen owns an interest) in connection with that firm's conduct of the business of providing tax consultation and advice and so long as that firm is not engaged in activities which are in competition with the business currently conducted by the Company.

2. TERM. The term of Nehmen's employment pursuant to this Agreement as herein amended and restated shall begin on January 1, 1999 (the "Commencement Date") and shall end on December 31, 2001 (the "Contract Term") unless sooner terminated or extended as herein provided. The twelve calendar month period beginning on the Commencement Date and on each anniversary of the Commencement Date during the Contract Term, including any extension thereof, is sometimes herein referred to as a "Contract Year".

On each anniversary of the Commencement Date, the term of the Agreement shall be automatically extended by one year (but not beyond December 31, 2004) unless Nehmen's employment has been terminated on or prior to that Anniversary Date as herein provided. For purposes of illustration, on January 1, 2000, the Contract Term will be automatically extended to December 31, 2002. On January 1, 2001, the Contract Term shall be automatically extended until December 31, 2003.

This Agreement shall survive any merger, acquisition or cessation of business by the Company and shall remain binding upon any successor of the Company or transferee of the Company's business.

3. COMPENSATION. For each Contract Year beginning on or after January 1, 1999, Employer will pay Employee for services performed pursuant to this Agreement an "Annual Base Salary" as follows:

CONTRACT YEAR ANNUAL BASE SALARY

1999	$190,000.00
2000	$200,000.00
2001	$210,000.00
2002	not less than $210,000.00
2003	not less than $210,000.00
2004	not less than $210,000.00

The Annual Base Salary shall be paid in equal installments in arrears in accordance with Company's regular pay schedule.

The Company will provide Nehmen with any medical, disability or life insurance benefits in accordance with any such plans provided by the Company for other employees and for which Nehmen is eligible.

Nehmen will be reimbursed for any necessary and reasonable expense incurred by him in performing the services requested of him by the Company during the term of employment. At least monthly, Nehmen will submit such records and paid bills supporting the amount of the expenses incurred and to be reimbursed as the Company shall reasonably require.

Company will pay and/or withhold for FICA, income and other employee taxes on compensation payable to Nehmen hereunder as required by law.

4. VACATION. Nehmen shall be entitled to a vacation during each Contract Year for the term of employment hereunder of similar length and taken under similar circumstances as the vacation taken by other members of the Company's senior management team.

5. TERMINATION; SEVERANCE BENEFITS.

A. Termination. Nehmen's employment by the Company hereunder shall be terminated as follows:

1. Death. Nehmen's employment hereunder shall terminate upon his death.

2. Disability. Nehmen's employment hereunder shall terminate upon his "Disability". "Disability" for these purposes shall mean Nehmen's inability through physical or mental illness or other cause to perform any of the material duties assigned to him by the Company for a period of one hundred and eighty (180) days or more within any twelve consecutive calendar months. Nehmen will receive the compensation provided for hereunder during any period of sickness or disability prior to the termination of his employment;

3. For Cause. The Company may terminate Nehmen's employment hereunder for "Cause". For purposes of this Agreement, the Company shall have "Cause" to terminate Nehmen's employment hereunder upon (i) a finding by the Board that he has materially harmed the Company through a material act of dishonesty in the performance of his duties hereunder, (ii) his conviction of a felony involving moral turpitude, fraud or embezzlement, or (iii) a finding by the Board of Directors that Nehmen has failed to perform his material duties under this Agreement (other than a failure due to disability) after written notice specifying the failure and a reasonable opportunity to cure (it being understood that if his failure to perform is not of a type requiring a single action to cure fully, that he may commence the cure promptly after such written notice and thereafter diligently prosecute such cure to completion).

4. Good Reason. Nehmen may terminate his employment hereunder for "Good Reason". Nehmen shall have "Good Reason" to terminate his employment in the event of any

material adverse change in his job title, duties, responsibilities, perquisites granted hereunder, or authority without his consent, the relocation of the Company headquarters outside of the Greensboro, North Carolina metropolitan area without his consent, or a material breach of this Employment Agreement by the Company.

5. Without Cause. With Board approval, the Company may terminate Nehmen's employment hereunder without Cause upon 30 days notice.

6. Resignation without Good Reason. Nehmen may terminate his employment without Good Reason upon 90 days written notice to the Company.

B. Notice of Termination. Any termination of Nehmen's employment

hereunder by the Company or Nehmen (other than by reason of Nehmen's death) shall be communicated by a notice of termination to the other party hereto. For purposes of this Agreement, a "notice of termination" shall mean a written notice which (i) indicates the specific termination provision in the Agreement relied upon, (ii) sets forth in reasonable detail any facts and circumstances claimed to provide a basis for termination of Nehmen's employment under the provision indicated and (iii) specifies the effective date of the termination.

C. Severance Benefits. Upon termination of Nehmen's employment, Nehmen shall be entitled to receive only the compensation accrued but unpaid for the period of employment prior to the date of such termination of employment and shall not be entitled to additional compensation except as follows:

1. Termination Without Cause or For Good Reason. If Nehmen's employment shall be terminated by the Company without Cause (pursuant to Section 5.A.5) or by Nehmen for Good Reason (pursuant to Section 5.A.4), the Company shall continue to pay Nehmen his Annual Base Salary and to provide all Benefits to Nehmen provided for under this Agreement until the date that his employment is terminated. In addition, the Company shall pay Nehmen as liquidated damages an amount equal to three (3) times the Annual Base Salary payable to him for the Contract Year in which his employment is terminated. Such amount shall be paid at the same time and in the same manner as the Annual Base Salary would have been paid if Nehmen's employment had not terminated.

2. Termination by Death or Disability. If Nehmen's employment is terminated by reason of his death or Disability, the Company will pay Nehmen (or, in the event of his death, his wife, Susan Nehmen or, if she is not living, his estate) as severance pay, an amount equal to his Base Annual Salary that he was receiving when his employment was terminated. Such amount shall be paid in 12 equal monthly installments beginning with the first calendar month after the month in which the employment is terminated. If Nehmen's employment is terminated after the tenth anniversary of the Commencement Date because of his death or disability during any extension of the term, the death or disability severance benefit provided in this paragraph shall not be paid.

3. Termination For Cause of Without Good Reason. If Nehmen's employment hereunder is terminated by the Company for Cause or by Nehmen without Good Reason, Nehmen shall not be paid any severance compensation.

6. COVENANT AGAINST COMPETITION AND NON-DISCLOSURE.

A. Covenant Against Competition. Nehmen covenants and agrees that during Nehmen's employment and for a period of one year after he ceases to be employed by Company, Nehmen shall not, directly or indirectly, as an employee, employer, shareholder, proprietor, partner, principal, Agent, consultant, advisor, director, officer, or in any other capacity, engage in the development or operation of a retail shopping facility within a radius of one hundred (100) miles of any retail shopping facility owned or operated by the Company at any time during Nehmen's employment hereunder or in any state in which the Company owns or operates a retail shopping facility or within a radius of one hundred (100) miles of any site for which Company has made an offer to purchase for the development of a retail shopping facility by the Company prior to the date of the termination of Nehmen's employment. Notwithstanding the foregoing, Nehmen may continue to perform the consulting services permitted by the third paragraph of Section 1 of this Agreement.

B. Disclosure of Information. Nehmen acknowledges that in and as a result of his employment hereunder, he will be making use of, acquiring and/or adding to confidential information of a special and unique nature and value relating to such matters as financial information, terms of leases, terms of financing, financial condition of tenants and potential tenants, sales and rental income of shopping centers and other specifics about Company's development, financing, construction and operation of retail shopping facilities. Nehmen covenants and agrees that he shall not, at any time during or following the term of his employment, directly or indirectly, divulge or disclose for any purpose whatsoever any such confidential information that has been obtained by, or disclosed to, him as a result of his employment by Company.

C. Reasonableness of Restrictions.

1. Nehmen has carefully read and considered the foregoing provision of this Item, and, having done so, agrees that the restrictions set forth in these paragraphs, including but not limited to the time period of restriction set forth in the covenant against competition are fair and reasonable and are reasonably required for the protection of the interests of Company and its officers, directors and other employees.

2. In the event that, notwithstanding the foregoing, any of the

provisions of this Item shall be held invalid or unenforceable, the remaining provisions thereof shall nevertheless continue to be valid and enforceable as though the invalid or unenforceable parts had not been included herein. In the event that any provision of this Item relating to the time period and/or the areas of restriction shall be declared by a court of competent jurisdiction to exceed the maximum time period or areas

such court deems reasonable and enforceable, the time period and/or areas of restriction deemed reasonable and enforceable by the court shall become and thereafter be the maximum time period and/or areas.

D. Consideration. The covenants against competition and non-disclosure by Nehmen in this Item are made in consideration of the Company's agreement to employ Nehmen upon the terms and conditions set forth herein. Such covenants against competition and of non-disclosure by Nehmen in this Item constitute the material inducement to Company to enter into this Agreement, to make confidential information developed by Company available to Nehmen and to pay the salary and bonuses provided for Nehmen herein.

E. Company's Remedies. Nehmen covenants and agrees that if he shall violate any of his covenants or agreements contained in this Item 6, then the Company shall, in addition to any other rights and remedies available to it at law or in equity, have the following rights and remedies against Nehmen:

1. The Company shall be relieved of any further obligation to Nehmen under the terms of this agreement; and

2. The Company shall be entitled to an accounting and repayment of all profits, compensation, commissions, remunerations or other benefits that Nehmen, directly or indirectly, has realized and/or may realize as a result of, growing out of or in connection with, any such violation.

The foregoing rights and remedies of the Company shall be cumulative and the election by the Company to exercise any one or more of them shall not preclude the Company's exercise of any other rights described above or otherwise available under applicable principals of law or equity.

7. NOTICES.

Any notice required or permitted to be given pursuant to this Agreement shall be hand delivered or sent by certified mail, return receipt requested, to the address of the party to whom it is directed as set forth below:

Company: Tanger Properties Limited Partnership
c/o Stanley K. Tanger
P.O. Box 29168
Greensboro, N.C. 27402

Nehmen: Joe Nehmen
402 Waycross Drive
Greensboro, NC 27410

IN WITNESS WHEREOF, the parties have executed or caused this Agreement to be executed as of the day and year first above written.

TANGER PROPERTIES LIMITED PARTNERSHIP, a
North Carolina Limited Partnership

By: TANGER FACTORY OUTLET CENTERS, INC.,
it's sole general partner

By: ________________________________
STANLEY K. TANGER,
Chairman of the Board
Chief Executive officer

______________________________ (SEAL)
JOSEPH NEHMEN

Exhibit 10.9

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

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A. Company and Nehmen entered into an Employment Agreement dated January 1, 1995.

B. The parties intend to extend the term of Nehmen's employment and to modify, amend and restate the Employment Agreement upon the terms and conditions set forth herein

Now therefore, in consideration of the promises contained herein and other valuable consideration, the parties agree as follows:

1. EMPLOYMENT. Company agrees to employ Nehmen during the term of this Agreement. Nehmen agrees to devote full time and attention and his best efforts to the business affairs of the Company. Except as provided in the last paragraph of this Section, during the term of his employment hereunder, Nehmen shall not perform services for others as a consultant, employee or otherwise and shall not engage in the conduct of any other trade or business.

Company is engaged in the development and operation of retail shopping centers. Nehmen will serve as the Company's Vice President of Operations and will perform duties assigned to him by the Company in all phases of the Company's business which are generally performed by executives holding similar positions.

Notwithstanding the foregoing provisions of this Section, Nehmen may perform consulting or employment services which do not materially interfere with the performance of his duties as a full time employee of the Company as follows:

A. For a purchaser of any of the assets or capital stock of Merchants Wholesalers of Missouri, Inc. (the company in which he was formerly a part owner and with whom he was employed) in connection with the purchaser's conduct of a business for the wholesale and retail sale of cigarettes, candy, tobacco and similar items and so long as the purchaser is not engaged in activities which are in competition with the business currently conducted by the Company; and

B. For Dolgin & Associates (a firm in which Nehmen owns an interest) in connection with that firm's conduct of the business of providing tax consultation and advice and so long as that firm is not engaged in activities which are in competition with the business currently conducted by the Company.

2. TERM. The term of Nehmen's employment pursuant to this Agreement as herein amended and restated shall begin on January 1, 1999 (the "Commencement Date") and shall end on December 31, 2001 (the "Contract Term") unless sooner terminated or extended as herein provided. The twelve calendar month period beginning on the Commencement Date and on each anniversary of the Commencement Date during the Contract Term, including any extension thereof, is sometimes herein referred to as a "Contract Year".

On each anniversary of the Commencement Date, the term of the Agreement shall be automatically extended by one year (but not beyond December 31, 2004) unless Nehmen's employment has been terminated on or prior to that Anniversary Date as herein provided. For purposes of illustration, on January 1, 2000, the Contract Term will be automatically extended to December 31, 2002. On January 1, 2001, the Contract Term shall be automatically extended until December 31, 2003.

This Agreement shall survive any merger, acquisition or cessation of business by the Company and shall remain binding upon any successor of the Company or transferee of the Company's business.

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2000	$200,000.00
2001	$210,000.00
2002	not less than $210,000.00
2003	not less than $210,000.00
2004	not less than $210,000.00

The Annual Base Salary shall be paid in equal installments in arrears in accordance with Company's regular pay schedule.

The Company will provide Nehmen with any medical, disability or life insurance benefits in accordance with any such plans provided by the Company for other employees and for which Nehmen is eligible.

Nehmen will be reimbursed for any necessary and reasonable expense incurred by him in performing the services requested of him by the Company during the term of employment. At least monthly, Nehmen will submit such records and paid bills supporting the amount of the expenses incurred and to be reimbursed as the Company shall reasonably require.

Company will pay and/or withhold for FICA, income and other employee taxes on compensation payable to Nehmen hereunder as required by law.

4. VACATION. Nehmen shall be entitled to a vacation during each Contract Year for the term of employment hereunder of similar length and taken under similar circumstances as the vacation taken by other members of the Company's senior management team.

5. TERMINATION; SEVERANCE BENEFITS.

A. Termination. Nehmen's employment by the Company hereunder shall be terminated as follows:

1. Death. Nehmen's employment hereunder shall terminate upon his death.

2. Disability. Nehmen's employment hereunder shall terminate upon his "Disability". "Disability" for these purposes shall mean Nehmen's inability through physical or mental illness or other cause to perform any of the material duties assigned to him by the Company for a period of one hundred and eighty (180) days or more within any twelve consecutive calendar months. Nehmen will receive the compensation provided for hereunder during any period of sickness or disability prior to the termination of his employment;

3. For Cause. The Company may terminate Nehmen's employment hereunder for "Cause". For purposes of this Agreement, the Company shall have "Cause" to terminate Nehmen's employment hereunder upon (i) a finding by the Board that he has materially harmed the Company through a material act of dishonesty in the performance of his duties hereunder, (ii) his conviction of a felony involving moral turpitude, fraud or embezzlement, or (iii) a finding by the Board of Directors that Nehmen has failed to perform his material duties under this Agreement (other than a failure due to disability) after written notice specifying the failure and a reasonable opportunity to cure (it being understood that if his failure to perform is not of a type requiring a single action to cure fully, that he may commence the cure promptly after such written notice and thereafter diligently prosecute such cure to completion).

4. Good Reason. Nehmen may terminate his employment hereunder for "Good Reason". Nehmen shall have "Good Reason" to terminate his employment in the event of any

material adverse change in his job title, duties, responsibilities, perquisites granted hereunder, or authority without his consent, the relocation of the Company headquarters outside of the Greensboro, North Carolina metropolitan area without his consent, or a material breach of this Employment Agreement by the Company.

5. Without Cause. With Board approval, the Company may terminate Nehmen's employment hereunder without Cause upon 30 days notice.

6. Resignation without Good Reason. Nehmen may terminate his employment without Good Reason upon 90 days written notice to the Company.

B. Notice of Termination. Any termination of Nehmen's employment

hereunder by the Company or Nehmen (other than by reason of Nehmen's death) shall be communicated by a notice of termination to the other party hereto. For purposes of this Agreement, a "notice of termination" shall mean a written notice which (i) indicates the specific termination provision in the Agreement relied upon, (ii) sets forth in reasonable detail any facts and circumstances claimed to provide a basis for termination of Nehmen's employment under the provision indicated and (iii) specifies the effective date of the termination.

C. Severance Benefits. Upon termination of Nehmen's employment, Nehmen shall be entitled to receive only the compensation accrued but unpaid for the period of employment prior to the date of such termination of employment and shall not be entitled to additional compensation except as follows:

1. Termination Without Cause or For Good Reason. If Nehmen's employment shall be terminated by the Company without Cause (pursuant to Section 5.A.5) or by Nehmen for Good Reason (pursuant to Section 5.A.4), the Company shall continue to pay Nehmen his Annual Base Salary and to provide all Benefits to Nehmen provided for under this Agreement until the date that his employment is terminated. In addition, the Company shall pay Nehmen as liquidated damages an amount equal to three (3) times the Annual Base Salary payable to him for the Contract Year in which his employment is terminated. Such amount shall be paid at the same time and in the same manner as the Annual Base Salary would have been paid if Nehmen's employment had not terminated.

2. Termination by Death or Disability. If Nehmen's employment is terminated by reason of his death or Disability, the Company will pay Nehmen (or, in the event of his death, his wife, Susan Nehmen or, if she is not living, his estate) as severance pay, an amount equal to his Base Annual Salary that he was receiving when his employment was terminated. Such amount shall be paid in 12 equal monthly installments beginning with the first calendar month after the month in which the employment is terminated. If Nehmen's employment is terminated after the tenth anniversary of the Commencement Date because of his death or disability during any extension of the term, the death or disability severance benefit provided in this paragraph shall not be paid.

3. Termination For Cause of Without Good Reason. If Nehmen's employment hereunder is terminated by the Company for Cause or by Nehmen without Good Reason, Nehmen shall not be paid any severance compensation.

6. COVENANT AGAINST COMPETITION AND NON-DISCLOSURE.

A. Covenant Against Competition. Nehmen covenants and agrees that during Nehmen's employment and for a period of one year after he ceases to be employed by Company, Nehmen shall not, directly or indirectly, as an employee, employer, shareholder, proprietor, partner, principal, Agent, consultant, advisor, director, officer, or in any other capacity, engage in the development or operation of a retail shopping facility within a radius of one hundred (100) miles of any retail shopping facility owned or operated by the Company at any time during Nehmen's employment hereunder or in any state in which the Company owns or operates a retail shopping facility or within a radius of one hundred (100) miles of any site for which Company has made an offer to purchase for the development of a retail shopping facility by the Company prior to the date of the termination of Nehmen's employment. Notwithstanding the foregoing, Nehmen may continue to perform the consulting services permitted by the third paragraph of Section 1 of this Agreement.

B. Disclosure of Information. Nehmen acknowledges that in and as a result of his employment hereunder, he will be making use of, acquiring and/or adding to confidential information of a special and unique nature and value relating to such matters as financial information, terms of leases, terms of financing, financial condition of tenants and potential tenants, sales and rental income of shopping centers and other specifics about Company's development, financing, construction and operation of retail shopping facilities. Nehmen covenants and agrees that he shall not, at any time during or following the term of his employment, directly or indirectly, divulge or disclose for any purpose whatsoever any such confidential information that has been obtained by, or disclosed to, him as a result of his employment by Company.

C. Reasonableness of Restrictions.

1. Nehmen has carefully read and considered the foregoing provision of this Item, and, having done so, agrees that the restrictions set forth in these paragraphs, including but not limited to the time period of restriction set forth in the covenant against competition are fair and reasonable and are reasonably required for the protection of the interests of Company and its officers, directors and other employees.

2. In the event that, notwithstanding the foregoing, any of the

provisions of this Item shall be held invalid or unenforceable, the remaining provisions thereof shall nevertheless continue to be valid and enforceable as though the invalid or unenforceable parts had not been included herein. In the event that any provision of this Item relating to the time period and/or the areas of restriction shall be declared by a court of competent jurisdiction to exceed the maximum time period or areas

such court deems reasonable and enforceable, the time period and/or areas of restriction deemed reasonable and enforceable by the court shall become and thereafter be the maximum time period and/or areas.

D. Consideration. The covenants against competition and non-disclosure by Nehmen in this Item are made in consideration of the Company's agreement to employ Nehmen upon the terms and conditions set forth herein. Such covenants against competition and of non-disclosure by Nehmen in this Item constitute the material inducement to Company to enter into this Agreement, to make confidential information developed by Company available to Nehmen and to pay the salary and bonuses provided for Nehmen herein.

E. Company's Remedies. Nehmen covenants and agrees that if he shall violate any of his covenants or agreements contained in this Item 6, then the Company shall, in addition to any other rights and remedies available to it at law or in equity, have the following rights and remedies against Nehmen:

1. The Company shall be relieved of any further obligation to Nehmen under the terms of this agreement; and

2. The Company shall be entitled to an accounting and repayment of all profits, compensation, commissions, remunerations or other benefits that Nehmen, directly or indirectly, has realized and/or may realize as a result of, growing out of or in connection with, any such violation.

The foregoing rights and remedies of the Company shall be cumulative and the election by the Company to exercise any one or more of them shall not preclude the Company's exercise of any other rights described above or otherwise available under applicable principals of law or equity.

7. NOTICES.

Any notice required or permitted to be given pursuant to this Agreement shall be hand delivered or sent by certified mail, return receipt requested, to the address of the party to whom it is directed as set forth below:

Company:	Tanger Properties Limited Partnership c/o Stanley K. Tanger P.O. Box 29168 Greensboro, N.C. 27402
Nehmen:	Joe Nehmen 402 Waycross Drive Greensboro, NC 27410

IN WITNESS WHEREOF, the parties have executed or caused this Agreement to be executed as of the day and year first above written.

TANGER PROPERTIES LIMITED PARTNERSHIP, a
North Carolina Limited Partnership

By: TANGER FACTORY OUTLET CENTERS, INC.,
it's sole general partner

By: _________________________________
STANLEY K. TANGER,
Chairman of the Board
Chief Executive officer

_______________________________ (SEAL)
JOSEPH NEHMEN

Exhibit 10.9

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT is executed and made effective as of January 1, 1999 between TANGER PROPERTIES LIMITED PARTNERSHIP, a North Carolina Limited Partnership, whose address is P.O. Box 29168, Greensboro, N.C. 27408 (the "Company") and JOSEPH NEHMEN, ("Nehmen") a resident of North Carolina, whose address is 402 Waycross Drive, Greensboro, NC. 27410.

RECITALS

A. Company and Nehmen entered into an Employment Agreement dated January 1, 1995.

B. The parties intend to extend the term of Nehmen's employment and to modify, amend and restate the Employment Agreement upon the terms and conditions set forth herein

Now therefore, in consideration of the promises contained herein and other valuable consideration, the parties agree as follows:

1. EMPLOYMENT. Company agrees to employ Nehmen during the term of this Agreement. Nehmen agrees to devote full time and attention and his best efforts to the business affairs of the Company. Except as provided in the last paragraph of this Section, during the term of his employment hereunder, Nehmen shall not perform services for others as a consultant, employee or otherwise and shall not engage in the conduct of any other trade or business.

Company is engaged in the development and operation of retail shopping centers. Nehmen will serve as the Company's Vice President of Operations and will perform duties assigned to him by the Company in all phases of the Company's business which are generally performed by executives holding similar positions.

Notwithstanding the foregoing provisions of this Section, Nehmen may perform consulting or employment services which do not materially interfere with the performance of his duties as a full time employee of the Company as follows:

A. For a purchaser of any of the assets or capital stock of Merchants Wholesalers of Missouri, Inc. (the company in which he was formerly a part owner and with whom he was employed) in connection with the purchaser's conduct of a business for the wholesale and retail sale of cigarettes, candy, tobacco and similar items and so long as the purchaser is not engaged in activities which are in competition with the business currently conducted by the Company; and

B. For Dolgin & Associates (a firm in which Nehmen owns an interest) in connection with that firm's conduct of the business of providing tax consultation and advice and so long as that firm is not engaged in activities which are in competition with the business currently conducted by the Company.

2. TERM. The term of Nehmen's employment pursuant to this Agreement as herein amended and restated shall begin on January 1, 1999 (the "Commencement Date") and shall end on December 31, 2001 (the "Contract Term") unless sooner terminated or extended as herein provided. The twelve calendar month period beginning on the Commencement Date and on each anniversary of the Commencement Date during the Contract Term, including any extension thereof, is sometimes herein referred to as a "Contract Year".

On each anniversary of the Commencement Date, the term of the Agreement shall be automatically extended by one year (but not beyond December 31, 2004) unless Nehmen's employment has been terminated on or prior to that Anniversary Date as herein provided. For purposes of illustration, on January 1, 2000, the Contract Term will be automatically extended to December 31, 2002. On January 1, 2001, the Contract Term shall be automatically extended until December 31, 2003.

This Agreement shall survive any merger, acquisition or cessation of business by the Company and shall remain binding upon any successor of the Company or transferee of the Company's business.

3. COMPENSATION. For each Contract Year beginning on or after January 1, 1999, Employer will pay Employee for services performed pursuant to this Agreement an "Annual Base Salary" as follows:

CONTRACT YEAR ANNUAL BASE SALARY

1999	$190,000.00
2000	$200,000.00
2001	$210,000.00
2002	not less than $210,000.00
2003	not less than $210,000.00
2004	not less than $210,000.00

The Annual Base Salary shall be paid in equal installments in arrears in accordance with Company's regular pay schedule.

The Company will provide Nehmen with any medical, disability or life insurance benefits in accordance with any such plans provided by the Company for other employees and for which Nehmen is eligible.

Nehmen will be reimbursed for any necessary and reasonable expense incurred by him in performing the services requested of him by the Company during the term of employment. At least monthly, Nehmen will submit such records and paid bills supporting the amount of the expenses incurred and to be reimbursed as the Company shall reasonably require.

Company will pay and/or withhold for FICA, income and other employee taxes on compensation payable to Nehmen hereunder as required by law.

4. VACATION. Nehmen shall be entitled to a vacation during each Contract Year for the term of employment hereunder of similar length and taken under similar circumstances as the vacation taken by other members of the Company's senior management team.

5. TERMINATION; SEVERANCE BENEFITS.

A. Termination. Nehmen's employment by the Company hereunder shall be terminated as follows:

1. Death. Nehmen's employment hereunder shall terminate upon his death.

2. Disability. Nehmen's employment hereunder shall terminate upon his "Disability". "Disability" for these purposes shall mean Nehmen's inability through physical or mental illness or other cause to perform any of the material duties assigned to him by the Company for a period of one hundred and eighty (180) days or more within any twelve consecutive calendar months. Nehmen will receive the compensation provided for hereunder during any period of sickness or disability prior to the termination of his employment;

3. For Cause. The Company may terminate Nehmen's employment hereunder for "Cause". For purposes of this Agreement, the Company shall have "Cause" to terminate Nehmen's employment hereunder upon (i) a finding by the Board that he has materially harmed the Company through a material act of dishonesty in the performance of his duties hereunder, (ii) his conviction of a felony involving moral turpitude, fraud or embezzlement, or (iii) a finding by the Board of Directors that Nehmen has failed to perform his material duties under this Agreement (other than a failure due to disability) after written notice specifying the failure and a reasonable opportunity to cure (it being understood that if his failure to perform is not of a type requiring a single action to cure fully, that he may commence the cure promptly after such written notice and thereafter diligently prosecute such cure to completion).

4. Good Reason. Nehmen may terminate his employment hereunder for "Good Reason". Nehmen shall have "Good Reason" to terminate his employment in the event of any

material adverse change in his job title, duties, responsibilities, perquisites granted hereunder, or authority without his consent, the relocation of the Company headquarters outside of the Greensboro, North Carolina metropolitan area without his consent, or a material breach of this Employment Agreement by the Company.

5. Without Cause. With Board approval, the Company may terminate Nehmen's employment hereunder without Cause upon 30 days notice.

6. Resignation without Good Reason. Nehmen may terminate his employment without Good Reason upon 90 days written notice to the Company.

B. Notice of Termination. Any termination of Nehmen's employment

hereunder by the Company or Nehmen (other than by reason of Nehmen's death) shall be communicated by a notice of termination to the other party hereto. For purposes of this Agreement, a "notice of termination" shall mean a written notice which (i) indicates the specific termination provision in the Agreement relied upon, (ii) sets forth in reasonable detail any facts and circumstances claimed to provide a basis for termination of Nehmen's employment under the provision indicated and (iii) specifies the effective date of the termination.

C. Severance Benefits. Upon termination of Nehmen's employment, Nehmen shall be entitled to receive only the compensation accrued but unpaid for the period of employment prior to the date of such termination of employment and shall not be entitled to additional compensation except as follows:

1. Termination Without Cause or For Good Reason. If Nehmen's employment shall be terminated by the Company without Cause (pursuant to Section 5.A.5) or by Nehmen for Good Reason (pursuant to Section 5.A.4), the Company shall continue to pay Nehmen his Annual Base Salary and to provide all Benefits to Nehmen provided for under this Agreement until the date that his employment is terminated. In addition, the Company shall pay Nehmen as liquidated damages an amount equal to three (3) times the Annual Base Salary payable to him for the Contract Year in which his employment is terminated. Such amount shall be paid at the same time and in the same manner as the Annual Base Salary would have been paid if Nehmen's employment had not terminated.

2. Termination by Death or Disability. If Nehmen's employment is terminated by reason of his death or Disability, the Company will pay Nehmen (or, in the event of his death, his wife, Susan Nehmen or, if she is not living, his estate) as severance pay, an amount equal to his Base Annual Salary that he was receiving when his employment was terminated. Such amount shall be paid in 12 equal monthly installments beginning with the first calendar month after the month in which the employment is terminated. If Nehmen's employment is terminated after the tenth anniversary of the Commencement Date because of his death or disability during any extension of the term, the death or disability severance benefit provided in this paragraph shall not be paid.

3. Termination For Cause of Without Good Reason. If Nehmen's employment hereunder is terminated by the Company for Cause or by Nehmen without Good Reason, Nehmen shall not be paid any severance compensation.

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A. Covenant Against Competition. Nehmen covenants and agrees that during Nehmen's employment and for a period of one year after he ceases to be employed by Company, Nehmen shall not, directly or indirectly, as an employee, employer, shareholder, proprietor, partner, principal, Agent, consultant, advisor, director, officer, or in any other capacity, engage in the development or operation of a retail shopping facility within a radius of one hundred (100) miles of any retail shopping facility owned or operated by the Company at any time during Nehmen's employment hereunder or in any state in which the Company owns or operates a retail shopping facility or within a radius of one hundred (100) miles of any site for which Company has made an offer to purchase for the development of a retail shopping facility by the Company prior to the date of the termination of Nehmen's employment. Notwithstanding the foregoing, Nehmen may continue to perform the consulting services permitted by the third paragraph of Section 1 of this Agreement.

B. Disclosure of Information. Nehmen acknowledges that in and as a result of his employment hereunder, he will be making use of, acquiring and/or adding to confidential information of a special and unique nature and value relating to such matters as financial information, terms of leases, terms of financing, financial condition of tenants and potential tenants, sales and rental income of shopping centers and other specifics about Company's development, financing, construction and operation of retail shopping facilities. Nehmen covenants and agrees that he shall not, at any time during or following the term of his employment, directly or indirectly, divulge or disclose for any purpose whatsoever any such confidential information that has been obtained by, or disclosed to, him as a result of his employment by Company.

C. Reasonableness of Restrictions.

1. Nehmen has carefully read and considered the foregoing provision of this Item, and, having done so, agrees that the restrictions set forth in these paragraphs, including but not limited to the time period of restriction set forth in the covenant against competition are fair and reasonable and are reasonably required for the protection of the interests of Company and its officers, directors and other employees.

2. In the event that, notwithstanding the foregoing, any of the

provisions of this Item shall be held invalid or unenforceable, the remaining provisions thereof shall nevertheless continue to be valid and enforceable as though the invalid or unenforceable parts had not been included herein. In the event that any provision of this Item relating to the time period and/or the areas of restriction shall be declared by a court of competent jurisdiction to exceed the maximum time period or areas

such court deems reasonable and enforceable, the time period and/or areas of restriction deemed reasonable and enforceable by the court shall become and thereafter be the maximum time period and/or areas.

D. Consideration. The covenants against competition and non-disclosure by Nehmen in this Item are made in consideration of the Company's agreement to employ Nehmen upon the terms and conditions set forth herein. Such covenants against competition and of non-disclosure by Nehmen in this Item constitute the material inducement to Company to enter into this Agreement, to make confidential information developed by Company available to Nehmen and to pay the salary and bonuses provided for Nehmen herein.

E. Company's Remedies. Nehmen covenants and agrees that if he shall violate any of his covenants or agreements contained in this Item 6, then the Company shall, in addition to any other rights and remedies available to it at law or in equity, have the following rights and remedies against Nehmen:

1. The Company shall be relieved of any further obligation to Nehmen under the terms of this agreement; and

2. The Company shall be entitled to an accounting and repayment of all profits, compensation, commissions, remunerations or other benefits that Nehmen, directly or indirectly, has realized and/or may realize as a result of, growing out of or in connection with, any such violation.

The foregoing rights and remedies of the Company shall be cumulative and the election by the Company to exercise any one or more of them shall not preclude the Company's exercise of any other rights described above or otherwise available under applicable principals of law or equity.

7. NOTICES.

Any notice required or permitted to be given pursuant to this Agreement shall be hand delivered or sent by certified mail, return receipt requested, to the address of the party to whom it is directed as set forth below:

Company:	Tanger Properties Limited Partnership c/o Stanley K. Tanger P.O. Box 29168 Greensboro, N.C. 27402
Nehmen:	Joe Nehmen 402 Waycross Drive Greensboro, NC 27410

IN WITNESS WHEREOF, the parties have executed or caused this Agreement to be executed as of the day and year first above written.

TANGER PROPERTIES LIMITED PARTNERSHIP, a
North Carolina Limited Partnership

By: TANGER FACTORY OUTLET CENTERS, INC.,
it's sole general partner

By: _________________________________
STANLEY K. TANGER,
Chairman of the Board
Chief Executive officer

_______________________________ (SEAL)
JOSEPH NEHMEN

Exhibit 10.9

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT is executed and made effective as of January 1, 1999 between TANGER PROPERTIES LIMITED PARTNERSHIP, a North Carolina Limited Partnership, whose address is P.O. Box 29168, Greensboro, N.C. 27408 (the "Company") and JOSEPH NEHMEN, ("Nehmen") a resident of North Carolina, whose address is 402 Waycross Drive, Greensboro, NC. 27410.

RECITALS

A. Company and Nehmen entered into an Employment Agreement dated January 1, 1995.

B. The parties intend to extend the term of Nehmen's employment and to modify, amend and restate the Employment Agreement upon the terms and conditions set forth herein

Now therefore, in consideration of the promises contained herein and other valuable consideration, the parties agree as follows:

1. EMPLOYMENT. Company agrees to employ Nehmen during the term of this Agreement. Nehmen agrees to devote full time and attention and his best efforts to the business affairs of the Company. Except as provided in the last paragraph of this Section, during the term of his employment hereunder, Nehmen shall not perform services for others as a consultant, employee or otherwise and shall not engage in the conduct of any other trade or business.

Company is engaged in the development and operation of retail shopping centers. Nehmen will serve as the Company's Vice President of Operations and will perform duties assigned to him by the Company in all phases of the Company's business which are generally performed by executives holding similar positions.

Notwithstanding the foregoing provisions of this Section, Nehmen may perform consulting or employment services which do not materially interfere with the performance of his duties as a full time employee of the Company as follows:

A. For a purchaser of any of the assets or capital stock of Merchants Wholesalers of Missouri, Inc. (the company in which he was formerly a part owner and with whom he was employed) in connection with the purchaser's conduct of a business for the wholesale and retail sale of cigarettes, candy, tobacco and similar items and so long as the purchaser is not engaged in activities which are in competition with the business currently conducted by the Company; and

B. For Dolgin & Associates (a firm in which Nehmen owns an interest) in connection with that firm's conduct of the business of providing tax consultation and advice and so long as that firm is not engaged in activities which are in competition with the business currently conducted by the Company.

2. TERM. The term of Nehmen's employment pursuant to this Agreement as herein amended and restated shall begin on January 1, 1999 (the "Commencement Date") and shall end on December 31, 2001 (the "Contract Term") unless sooner terminated or extended as herein provided. The twelve calendar month period beginning on the Commencement Date and on each anniversary of the Commencement Date during the Contract Term, including any extension thereof, is sometimes herein referred to as a "Contract Year".

On each anniversary of the Commencement Date, the term of the Agreement shall be automatically extended by one year (but not beyond December 31, 2004) unless Nehmen's employment has been terminated on or prior to that Anniversary Date as herein provided. For purposes of illustration, on January 1, 2000, the Contract Term will be automatically extended to December 31, 2002. On January 1, 2001, the Contract Term shall be automatically extended until December 31, 2003.

This Agreement shall survive any merger, acquisition or cessation of business by the Company and shall remain binding upon any successor of the Company or transferee of the Company's business.

3. COMPENSATION. For each Contract Year beginning on or after January 1, 1999, Employer will pay Employee for services performed pursuant to this Agreement an "Annual Base Salary" as follows:

CONTRACT YEAR	ANNUAL BASE SALARY

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Nehmen will be reimbursed for any necessary and reasonable expense incurred by him in performing the services requested of him by the Company during the term of employment. At least monthly, Nehmen will submit such records and paid bills supporting the amount of the expenses incurred and to be reimbursed as the Company shall reasonably require.

Company will pay and/or withhold for FICA, income and other employee taxes on compensation payable to Nehmen hereunder as required by law.

4. VACATION. Nehmen shall be entitled to a vacation during each Contract Year for the term of employment hereunder of similar length and taken under similar circumstances as the vacation taken by other members of the Company's senior management team.

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A. Termination. Nehmen's employment by the Company hereunder shall be terminated as follows:

1. Death. Nehmen's employment hereunder shall terminate upon his death.

2. Disability. Nehmen's employment hereunder shall terminate upon his "Disability". "Disability" for these purposes shall mean Nehmen's inability through physical or mental illness or other cause to perform any of the material duties assigned to him by the Company for a period of one hundred and eighty (180) days or more within any twelve consecutive calendar months. Nehmen will receive the compensation provided for hereunder during any period of sickness or disability prior to the termination of his employment;

3. For Cause. The Company may terminate Nehmen's employment hereunder for "Cause". For purposes of this Agreement, the Company shall have "Cause" to terminate Nehmen's employment hereunder upon (i) a finding by the Board that he has materially harmed the Company through a material act of dishonesty in the performance of his duties hereunder, (ii) his conviction of a felony involving moral turpitude, fraud or embezzlement, or (iii) a finding by the Board of Directors that Nehmen has failed to perform his material duties under this Agreement (other than a failure due to disability) after written notice specifying the failure and a reasonable opportunity to cure (it being understood that if his failure to perform is not of a type requiring a single action to cure fully, that he may commence the cure promptly after such written notice and thereafter diligently prosecute such cure to completion).

4. Good Reason. Nehmen may terminate his employment hereunder for "Good Reason". Nehmen shall have "Good Reason" to terminate his employment in the event of any

material adverse change in his job title, duties, responsibilities, perquisites granted hereunder, or authority without his consent, the relocation of the Company headquarters outside of the Greensboro, North Carolina metropolitan area without his consent, or a material breach of this Employment Agreement by the Company.

5. Without Cause. With Board approval, the Company may terminate Nehmen's employment hereunder without Cause upon 30 days notice.

6. Resignation without Good Reason. Nehmen may terminate his employment without Good Reason upon 90 days written notice to the Company.

B. Notice of Termination. Any termination of Nehmen's employment

hereunder by the Company or Nehmen (other than by reason of Nehmen's death) shall be communicated by a notice of termination to the other party hereto. For purposes of this Agreement, a "notice of termination" shall mean a written notice which (i) indicates the specific termination provision in the Agreement relied upon, (ii) sets forth in reasonable detail any facts and circumstances claimed to provide a basis for termination of Nehmen's employment under the provision indicated and (iii) specifies the effective date of the termination.

C. Severance Benefits. Upon termination of Nehmen's employment, Nehmen shall be entitled to receive only the compensation accrued but unpaid for the period of employment prior to the date of such termination of employment and shall not be entitled to additional compensation except as follows:

1. Termination Without Cause or For Good Reason. If Nehmen's employment shall be terminated by the Company without Cause (pursuant to Section 5.A.5) or by Nehmen for Good Reason (pursuant to Section 5.A.4), the Company shall continue to pay Nehmen his Annual Base Salary and to provide all Benefits to Nehmen provided for under this Agreement until the date that his employment is terminated. In addition, the Company shall pay Nehmen as liquidated damages an amount equal to three (3) times the Annual Base Salary payable to him for the Contract Year in which his employment is terminated. Such amount shall be paid at the same time and in the same manner as the Annual Base Salary would have been paid if Nehmen's employment had not terminated.

2. Termination by Death or Disability. If Nehmen's employment is terminated by reason of his death or Disability, the Company will pay Nehmen (or, in the event of his death, his wife, Susan Nehmen or, if she is not living, his estate) as severance pay, an amount equal to his Base Annual Salary that he was receiving when his employment was terminated. Such amount shall be paid in 12 equal monthly installments beginning with the first calendar month after the month in which the employment is terminated. If Nehmen's employment is terminated after the tenth anniversary of the Commencement Date because of his death or disability during any extension of the term, the death or disability severance benefit provided in this paragraph shall not be paid.

3. Termination For Cause of Without Good Reason. If Nehmen's employment hereunder is terminated by the Company for Cause or by Nehmen without Good Reason, Nehmen shall not be paid any severance compensation.

6. COVENANT AGAINST COMPETITION AND NON-DISCLOSURE.

A. Covenant Against Competition. Nehmen covenants and agrees that during Nehmen's employment and for a period of one year after he ceases to be employed by Company, Nehmen shall not, directly or indirectly, as an employee, employer, shareholder, proprietor, partner, principal, Agent, consultant, advisor, director, officer, or in any other capacity, engage in the development or operation of a retail shopping facility within a radius of one hundred (100) miles of any retail shopping facility owned or operated by the Company at any time during Nehmen's employment hereunder or in any state in which the Company owns or operates a retail shopping facility or within a radius of one hundred (100) miles of any site for which Company has made an offer to purchase for the development of a retail shopping facility by the Company prior to the date of the termination of Nehmen's employment. Notwithstanding the foregoing, Nehmen may continue to perform the consulting services permitted by the third paragraph of Section 1 of this Agreement.

B. Disclosure of Information. Nehmen acknowledges that in and as a result of his employment hereunder, he will be making use of, acquiring and/or adding to confidential information of a special and unique nature and value relating to such matters as financial information, terms of leases, terms of financing, financial condition of tenants and potential tenants, sales and rental income of shopping centers and other specifics about Company's development, financing, construction and operation of retail shopping facilities. Nehmen covenants and agrees that he shall not, at any time during or following the term of his employment, directly or indirectly, divulge or disclose for any purpose whatsoever any such confidential information that has been obtained by, or disclosed to, him as a result of his employment by Company.

C. Reasonableness of Restrictions.

1. Nehmen has carefully read and considered the foregoing provision of this Item, and, having done so, agrees that the restrictions set forth in these paragraphs, including but not limited to the time period of restriction set forth in the covenant against competition are fair and reasonable and are reasonably required for the protection of the interests of Company and its officers, directors and other employees.

2. In the event that, notwithstanding the foregoing, any of the

provisions of this Item shall be held invalid or unenforceable, the remaining provisions thereof shall nevertheless continue to be valid and enforceable as though the invalid or unenforceable parts had not been included herein. In the event that any provision of this Item relating to the time period and/or the areas of restriction shall be declared by a court of competent jurisdiction to exceed the maximum time period or areas

such court deems reasonable and enforceable, the time period and/or areas of restriction deemed reasonable and enforceable by the court shall become and thereafter be the maximum time period and/or areas.

D. Consideration. The covenants against competition and non-disclosure by Nehmen in this Item are made in consideration of the Company's agreement to employ Nehmen upon the terms and conditions set forth herein. Such covenants against competition and of non-disclosure by Nehmen in this Item constitute the material inducement to Company to enter into this Agreement, to make confidential information developed by Company available to Nehmen and to pay the salary and bonuses provided for Nehmen herein.

E. Company's Remedies. Nehmen covenants and agrees that if he shall violate any of his covenants or agreements contained in this Item 6, then the Company shall, in addition to any other rights and remedies available to it at law or in equity, have the following rights and remedies against Nehmen:

1. The Company shall be relieved of any further obligation to Nehmen under the terms of this agreement; and

2. The Company shall be entitled to an accounting and repayment of all profits, compensation, commissions, remunerations or other benefits that Nehmen, directly or indirectly, has realized and/or may realize as a result of, growing out of or in connection with, any such violation.

The foregoing rights and remedies of the Company shall be cumulative and the election by the Company to exercise any one or more of them shall not preclude the Company's exercise of any other rights described above or otherwise available under applicable principals of law or equity.

7. NOTICES.

Any notice required or permitted to be given pursuant to this Agreement shall be hand delivered or sent by certified mail, return receipt requested, to the address of the party to whom it is directed as set forth below:

Company:	Tanger Properties Limited Partnership c/o Stanley K. Tanger P.O. Box 29168 Greensboro, N.C. 27402
Nehmen:	Joe Nehmen 402 Waycross Drive Greensboro, NC 27410

IN WITNESS WHEREOF, the parties have executed or caused this Agreement to be executed as of the day and year first above written.

TANGER PROPERTIES LIMITED PARTNERSHIP, a
North Carolina Limited Partnership

By: TANGER FACTORY OUTLET CENTERS, INC.,
it's sole general partner

By: ________________________________
STANLEY K. TANGER,
Chairman of the Board
Chief Executive officer

______________________________ (SEAL)
JOSEPH NEHMEN

Exhibit 10.9

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT is executed and made effective as of January 1, 1999 between TANGER PROPERTIES LIMITED PARTNERSHIP, a North Carolina Limited Partnership, whose address is P.O. Box 29168, Greensboro, N.C. 27408 (the "Company") and JOSEPH NEHMEN, ("Nehmen") a resident of North Carolina, whose address is 402 Waycross Drive, Greensboro, NC. 27410.

RECITALS

A. Company and Nehmen entered into an Employment Agreement dated January 1, 1995.

B. The parties intend to extend the term of Nehmen's employment and to modify, amend and restate the Employment Agreement upon the terms and conditions set forth herein

Now therefore, in consideration of the promises contained herein and other valuable consideration, the parties agree as follows:

1. EMPLOYMENT. Company agrees to employ Nehmen during the term of this Agreement. Nehmen agrees to devote full time and attention and his best efforts to the business affairs of the Company. Except as provided in the last paragraph of this Section, during the term of his employment hereunder, Nehmen shall not perform services for others as a consultant, employee or otherwise and shall not engage in the conduct of any other trade or business.

Company is engaged in the development and operation of retail shopping centers. Nehmen will serve as the Company's Vice President of Operations and will perform duties assigned to him by the Company in all phases of the Company's business which are generally performed by executives holding similar positions.

Notwithstanding the foregoing provisions of this Section, Nehmen may perform consulting or employment services which do not materially interfere with the performance of his duties as a full time employee of the Company as follows:

A. For a purchaser of any of the assets or capital stock of Merchants Wholesalers of Missouri, Inc. (the company in which he was formerly a part owner and with whom he was employed) in connection with the purchaser's conduct of a business for the wholesale and retail sale of cigarettes, candy, tobacco and similar items and so long as the purchaser is not engaged in activities which are in competition with the business currently conducted by the Company; and

B. For Dolgin & Associates (a firm in which Nehmen owns an interest) in connection with that firm's conduct of the business of providing tax consultation and advice and so long as that firm is not engaged in activities which are in competition with the business currently conducted by the Company.

2. TERM. The term of Nehmen's employment pursuant to this Agreement as herein amended and restated shall begin on January 1, 1999 (the "Commencement Date") and shall end on December 31, 2001 (the "Contract Term") unless sooner terminated or extended as herein provided. The twelve calendar month period beginning on the Commencement Date and on each anniversary of the Commencement Date during the Contract Term, including any extension thereof, is sometimes herein referred to as a "Contract Year".

On each anniversary of the Commencement Date, the term of the Agreement shall be automatically extended by one year (but not beyond December 31, 2004) unless Nehmen's employment has been terminated on or prior to that Anniversary Date as herein provided. For purposes of illustration, on January 1, 2000, the Contract Term will be automatically extended to December 31, 2002. On January 1, 2001, the Contract Term shall be automatically extended until December 31, 2003.

This Agreement shall survive any merger, acquisition or cessation of business by the Company and shall remain binding upon any successor of the Company or transferee of the Company's business.

3. COMPENSATION. For each Contract Year beginning on or after January 1, 1999, Employer will pay Employee for services performed pursuant to this Agreement an "Annual Base Salary" as follows:

CONTRACT YEAR	ANNUAL BASE SALARY

1999	$190,000.00
2000	$200,000.00
2001	$210,000.00
2002	not less than $210,000.00
2003	not less than $210,000.00
2004	not less than $210,000.00

The Annual Base Salary shall be paid in equal installments in arrears in accordance with Company's regular pay schedule.

The Company will provide Nehmen with any medical, disability or life insurance benefits in accordance with any such plans provided by the Company for other employees and for which Nehmen is eligible.

Nehmen will be reimbursed for any necessary and reasonable expense incurred by him in performing the services requested of him by the Company during the term of employment. At least monthly, Nehmen will submit such records and paid bills supporting the amount of the expenses incurred and to be reimbursed as the Company shall reasonably require.

Company will pay and/or withhold for FICA, income and other employee taxes on compensation payable to Nehmen hereunder as required by law.

4. VACATION. Nehmen shall be entitled to a vacation during each Contract Year for the term of employment hereunder of similar length and taken under similar circumstances as the vacation taken by other members of the Company's senior management team.

5. TERMINATION; SEVERANCE BENEFITS.

A. Termination. Nehmen's employment by the Company hereunder shall be terminated as follows:

1. Death. Nehmen's employment hereunder shall terminate upon his death.

2. Disability. Nehmen's employment hereunder shall terminate upon his "Disability". "Disability" for these purposes shall mean Nehmen's inability through physical or mental illness or other cause to perform any of the material duties assigned to him by the Company for a period of one hundred and eighty (180) days or more within any twelve consecutive calendar months. Nehmen will receive the compensation provided for hereunder during any period of sickness or disability prior to the termination of his employment;

3. For Cause. The Company may terminate Nehmen's employment hereunder for "Cause". For purposes of this Agreement, the Company shall have "Cause" to terminate Nehmen's employment hereunder upon (i) a finding by the Board that he has materially harmed the Company through a material act of dishonesty in the performance of his duties hereunder, (ii) his conviction of a felony involving moral turpitude, fraud or embezzlement, or (iii) a finding by the Board of Directors that Nehmen has failed to perform his material duties under this Agreement (other than a failure due to disability) after written notice specifying the failure and a reasonable opportunity to cure (it being understood that if his failure to perform is not of a type requiring a single action to cure fully, that he may commence the cure promptly after such written notice and thereafter diligently prosecute such cure to completion).

4. Good Reason. Nehmen may terminate his employment hereunder for "Good Reason". Nehmen shall have "Good Reason" to terminate his employment in the event of any

material adverse change in his job title, duties, responsibilities, perquisites granted hereunder, or authority without his consent, the relocation of the Company headquarters outside of the Greensboro, North Carolina metropolitan area without his consent, or a material breach of this Employment Agreement by the Company.

5. Without Cause. With Board approval, the Company may terminate Nehmen's employment hereunder without Cause upon 30 days notice.

6. Resignation without Good Reason. Nehmen may terminate his employment without Good Reason upon 90 days written notice to the Company.

B. Notice of Termination. Any termination of Nehmen's employment

hereunder by the Company or Nehmen (other than by reason of Nehmen's death) shall be communicated by a notice of termination to the other party hereto. For purposes of this Agreement, a "notice of termination" shall mean a written notice which (i) indicates the specific termination provision in the Agreement relied upon, (ii) sets forth in reasonable detail any facts and circumstances claimed to provide a basis for termination of Nehmen's employment under the provision indicated and (iii) specifies the effective date of the termination.

C. Severance Benefits. Upon termination of Nehmen's employment, Nehmen shall be entitled to receive only the compensation accrued but unpaid for the period of employment prior to the date of such termination of employment and shall not be entitled to additional compensation except as follows:

1. Termination Without Cause or For Good Reason. If Nehmen's employment shall be terminated by the Company without Cause (pursuant to Section 5.A.5) or by Nehmen for Good Reason (pursuant to Section 5.A.4), the Company shall continue to pay Nehmen his Annual Base Salary and to provide all Benefits to Nehmen provided for under this Agreement until the date that his employment is terminated. In addition, the Company shall pay Nehmen as liquidated damages an amount equal to three (3) times the Annual Base Salary payable to him for the Contract Year in which his employment is terminated. Such amount shall be paid at the same time and in the same manner as the Annual Base Salary would have been paid if Nehmen's employment had not terminated.

2. Termination by Death or Disability. If Nehmen's employment is terminated by reason of his death or Disability, the Company will pay Nehmen (or, in the event of his death, his wife, Susan Nehmen or, if she is not living, his estate) as severance pay, an amount equal to his Base Annual Salary that he was receiving when his employment was terminated. Such amount shall be paid in 12 equal monthly installments beginning with the first calendar month after the month in which the employment is terminated. If Nehmen's employment is terminated after the tenth anniversary of the Commencement Date because of his death or disability during any extension of the term, the death or disability severance benefit provided in this paragraph shall not be paid.

3. Termination For Cause of Without Good Reason. If Nehmen's employment hereunder is terminated by the Company for Cause or by Nehmen without Good Reason, Nehmen shall not be paid any severance compensation.

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B. Disclosure of Information. Nehmen acknowledges that in and as a result of his employment hereunder, he will be making use of, acquiring and/or adding to confidential information of a special and unique nature and value relating to such matters as financial information, terms of leases, terms of financing, financial condition of tenants and potential tenants, sales and rental income of shopping centers and other specifics about Company's development, financing, construction and operation of retail shopping facilities. Nehmen covenants and agrees that he shall not, at any time during or following the term of his employment, directly or indirectly, divulge or disclose for any purpose whatsoever any such confidential information that has been obtained by, or disclosed to, him as a result of his employment by Company.

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1. Nehmen has carefully read and considered the foregoing provision of this Item, and, having done so, agrees that the restrictions set forth in these paragraphs, including but not limited to the time period of restriction set forth in the covenant against competition are fair and reasonable and are reasonably required for the protection of the interests of Company and its officers, directors and other employees.

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provisions of this Item shall be held invalid or unenforceable, the remaining provisions thereof shall nevertheless continue to be valid and enforceable as though the invalid or unenforceable parts had not been included herein. In the event that any provision of this Item relating to the time period and/or the areas of restriction shall be declared by a court of competent jurisdiction to exceed the maximum time period or areas

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D. Consideration. The covenants against competition and non-disclosure by Nehmen in this Item are made in consideration of the Company's agreement to employ Nehmen upon the terms and conditions set forth herein. Such covenants against competition and of non-disclosure by Nehmen in this Item constitute the material inducement to Company to enter into this Agreement, to make confidential information developed by Company available to Nehmen and to pay the salary and bonuses provided for Nehmen herein.

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1. The Company shall be relieved of any further obligation to Nehmen under the terms of this agreement; and

2. The Company shall be entitled to an accounting and repayment of all profits, compensation, commissions, remunerations or other benefits that Nehmen, directly or indirectly, has realized and/or may realize as a result of, growing out of or in connection with, any such violation.

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Nehmen:	Joe Nehmen 402 Waycross Drive Greensboro, NC 27410

IN WITNESS WHEREOF, the parties have executed or caused this Agreement to be executed as of the day and year first above written.

TANGER PROPERTIES LIMITED PARTNERSHIP, a
North Carolina Limited Partnership

By: TANGER FACTORY OUTLET CENTERS, INC.,
it's sole general partner

By: _________________________________
STANLEY K. TANGER,
Chairman of the Board
Chief Executive officer

_______________________________ (SEAL)
JOSEPH NEHMEN

Exhibit 10.9

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B. For Dolgin & Associates (a firm in which Nehmen owns an interest) in connection with that firm's conduct of the business of providing tax consultation and advice and so long as that firm is not engaged in activities which are in competition with the business currently conducted by the Company.

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material adverse change in his job title, duties, responsibilities, perquisites granted hereunder, or authority without his consent, the relocation of the Company headquarters outside of the Greensboro, North Carolina metropolitan area without his consent, or a material breach of this Employment Agreement by the Company.

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B. Disclosure of Information. Nehmen acknowledges that in and as a result of his employment hereunder, he will be making use of, acquiring and/or adding to confidential information of a special and unique nature and value relating to such matters as financial information, terms of leases, terms of financing, financial condition of tenants and potential tenants, sales and rental income of shopping centers and other specifics about Company's development, financing, construction and operation of retail shopping facilities. Nehmen covenants and agrees that he shall not, at any time during or following the term of his employment, directly or indirectly, divulge or disclose for any purpose whatsoever any such confidential information that has been obtained by, or disclosed to, him as a result of his employment by Company.

C. Reasonableness of Restrictions.

1. Nehmen has carefully read and considered the foregoing provision of this Item, and, having done so, agrees that the restrictions set forth in these paragraphs, including but not limited to the time period of restriction set forth in the covenant against competition are fair and reasonable and are reasonably required for the protection of the interests of Company and its officers, directors and other employees.

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1. The Company shall be relieved of any further obligation to Nehmen under the terms of this agreement; and

2. The Company shall be entitled to an accounting and repayment of all profits, compensation, commissions, remunerations or other benefits that Nehmen, directly or indirectly, has realized and/or may realize as a result of, growing out of or in connection with, any such violation.

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By: TANGER FACTORY OUTLET CENTERS, INC., it's sole general partner

By: ________________________________
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Chief Executive officer

______________________________ (SEAL)
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A. Company and Nehmen entered into an Employment Agreement dated January 1, 1995.

B. The parties intend to extend the term of Nehmen's employment and to modify, amend and restate the Employment Agreement upon the terms and conditions set forth herein

Now therefore, in consideration of the promises contained herein and other valuable consideration, the parties agree as follows:

1. EMPLOYMENT. Company agrees to employ Nehmen during the term of this Agreement. Nehmen agrees to devote full time and attention and his best efforts to the business affairs of the Company. Except as provided in the last paragraph of this Section, during the term of his employment hereunder, Nehmen shall not perform services for others as a consultant, employee or otherwise and shall not engage in the conduct of any other trade or business.

Company is engaged in the development and operation of retail shopping centers. Nehmen will serve as the Company's Vice President of Operations and will perform duties assigned to him by the Company in all phases of the Company's business which are generally performed by executives holding similar positions.

Notwithstanding the foregoing provisions of this Section, Nehmen may perform consulting or employment services which do not materially interfere with the performance of his duties as a full time employee of the Company as follows:

A. For a purchaser of any of the assets or capital stock of Merchants Wholesalers of Missouri, Inc. (the company in which he was formerly a part owner and with whom he was employed) in connection with the purchaser's conduct of a business for the wholesale and retail sale of cigarettes, candy, tobacco and similar items and so long as the purchaser is not engaged in activities which are in competition with the business currently conducted by the Company; and

B. For Dolgin & Associates (a firm in which Nehmen owns an interest) in connection with that firm's conduct of the business of providing tax consultation and advice and so long as that firm is not engaged in activities which are in competition with the business currently conducted by the Company.

2. TERM. The term of Nehmen's employment pursuant to this Agreement as herein amended and restated shall begin on January 1, 1999 (the "Commencement Date") and shall end on December 31, 2001 (the "Contract Term") unless sooner terminated or extended as herein provided. The twelve calendar month period beginning on the Commencement Date and on each anniversary of the Commencement Date during the Contract Term, including any extension thereof, is sometimes herein referred to as a "Contract Year".

On each anniversary of the Commencement Date, the term of the Agreement shall be automatically extended by one year (but not beyond December 31, 2004) unless Nehmen's employment has been terminated on or prior to that Anniversary Date as herein provided. For purposes of illustration, on January 1, 2000, the Contract Term will be automatically extended to December 31, 2002. On January 1, 2001, the Contract Term shall be automatically extended until December 31, 2003.

This Agreement shall survive any merger, acquisition or cessation of business by the Company and shall remain binding upon any successor of the Company or transferee of the Company's business.

3. COMPENSATION. For each Contract Year beginning on or after January 1, 1999, Employer will pay Employee for services performed pursuant to this Agreement an "Annual Base Salary" as follows:

CONTRACT YEAR	ANNUAL BASE SALARY

1999	$190,000.00
2000	$200,000.00
2001	$210,000.00
2002	not less than $210,000.00
2003	not less than $210,000.00
2004	not less than $210,000.00

The Annual Base Salary shall be paid in equal installments in arrears in accordance with Company's regular pay schedule.

The Company will provide Nehmen with any medical, disability or life insurance benefits in accordance with any such plans provided by the Company for other employees and for which Nehmen is eligible.

Nehmen will be reimbursed for any necessary and reasonable expense incurred by him in performing the services requested of him by the Company during the term of employment. At least monthly, Nehmen will submit such records and paid bills supporting the amount of the expenses incurred and to be reimbursed as the Company shall reasonably require.

Company will pay and/or withhold for FICA, income and other employee taxes on compensation payable to Nehmen hereunder as required by law.

4. VACATION. Nehmen shall be entitled to a vacation during each Contract Year for the term of employment hereunder of similar length and taken under similar circumstances as the vacation taken by other members of the Company's senior management team.

5. TERMINATION; SEVERANCE BENEFITS.

A. Termination. Nehmen's employment by the Company hereunder shall be terminated as follows:

1. Death. Nehmen's employment hereunder shall terminate upon his death.

2. Disability. Nehmen's employment hereunder shall terminate upon his "Disability". "Disability" for these purposes shall mean Nehmen's inability through physical or mental illness or other cause to perform any of the material duties assigned to him by the Company for a period of one hundred and eighty (180) days or more within any twelve consecutive calendar months. Nehmen will receive the compensation provided for hereunder during any period of sickness or disability prior to the termination of his employment;

3. For Cause. The Company may terminate Nehmen's employment hereunder for "Cause". For purposes of this Agreement, the Company shall have "Cause" to terminate Nehmen's employment hereunder upon (i) a finding by the Board that he has materially harmed the Company through a material act of dishonesty in the performance of his duties hereunder, (ii) his conviction of a felony involving moral turpitude, fraud or embezzlement, or (iii) a finding by the Board of Directors that Nehmen has failed to perform his material duties under this Agreement (other than a failure due to disability) after written notice specifying the failure and a reasonable opportunity to cure (it being understood that if his failure to perform is not of a type requiring a single action to cure fully, that he may commence the cure promptly after such written notice and thereafter diligently prosecute such cure to completion).

4. Good Reason. Nehmen may terminate his employment hereunder for "Good Reason". Nehmen shall have "Good Reason" to terminate his employment in the event of any

material adverse change in his job title, duties, responsibilities, perquisites granted hereunder, or authority without his consent, the relocation of the Company headquarters outside of the Greensboro, North Carolina metropolitan area without his consent, or a material breach of this Employment Agreement by the Company.

5. Without Cause. With Board approval, the Company may terminate Nehmen's employment hereunder without Cause upon 30 days notice.

6. Resignation without Good Reason. Nehmen may terminate his employment without Good Reason upon 90 days written notice to the Company.

B. Notice of Termination. Any termination of Nehmen's employment

hereunder by the Company or Nehmen (other than by reason of Nehmen's death) shall be communicated by a notice of termination to the other party hereto. For purposes of this Agreement, a "notice of termination" shall mean a written notice which (i) indicates the specific termination provision in the Agreement relied upon, (ii) sets forth in reasonable detail any facts and circumstances claimed to provide a basis for termination of Nehmen's employment under the provision indicated and (iii) specifies the effective date of the termination.

C. Severance Benefits. Upon termination of Nehmen's employment, Nehmen shall be entitled to receive only the compensation accrued but unpaid for the period of employment prior to the date of such termination of employment and shall not be entitled to additional compensation except as follows:

1. Termination Without Cause or For Good Reason. If Nehmen's employment shall be terminated by the Company without Cause (pursuant to Section 5.A.5) or by Nehmen for Good Reason (pursuant to Section 5.A.4), the Company shall continue to pay Nehmen his Annual Base Salary and to provide all Benefits to Nehmen provided for under this Agreement until the date that his employment is terminated. In addition, the Company shall pay Nehmen as liquidated damages an amount equal to three (3) times the Annual Base Salary payable to him for the Contract Year in which his employment is terminated. Such amount shall be paid at the same time and in the same manner as the Annual Base Salary would have been paid if Nehmen's employment had not terminated.

2. Termination by Death or Disability. If Nehmen's employment is terminated by reason of his death or Disability, the Company will pay Nehmen (or, in the event of his death, his wife, Susan Nehmen or, if she is not living, his estate) as severance pay, an amount equal to his Base Annual Salary that he was receiving when his employment was terminated. Such amount shall be paid in 12 equal monthly installments beginning with the first calendar month after the month in which the employment is terminated. If Nehmen's employment is terminated after the tenth anniversary of the Commencement Date because of his death or disability during any extension of the term, the death or disability severance benefit provided in this paragraph shall not be paid.

3. Termination For Cause of Without Good Reason. If Nehmen's employment hereunder is terminated by the Company for Cause or by Nehmen without Good Reason, Nehmen shall not be paid any severance compensation.

6. COVENANT AGAINST COMPETITION AND NON-DISCLOSURE.

A. Covenant Against Competition. Nehmen covenants and agrees that during Nehmen's employment and for a period of one year after he ceases to be employed by Company, Nehmen shall not, directly or indirectly, as an employee, employer, shareholder, proprietor, partner, principal, Agent, consultant, advisor, director, officer, or in any other capacity, engage in the development or operation of a retail shopping facility within a radius of one hundred (100) miles of any retail shopping facility owned or operated by the Company at any time during Nehmen's employment hereunder or in any state in which the Company owns or operates a retail shopping facility or within a radius of one hundred (100) miles of any site for which Company has made an offer to purchase for the development of a retail shopping facility by the Company prior to the date of the termination of Nehmen's employment. Notwithstanding the foregoing, Nehmen may continue to perform the consulting services permitted by the third paragraph of Section 1 of this Agreement.

B. Disclosure of Information. Nehmen acknowledges that in and as a result of his employment hereunder, he will be making use of, acquiring and/or adding to confidential information of a special and unique nature and value relating to such matters as financial information, terms of leases, terms of financing, financial condition of tenants and potential tenants, sales and rental income of shopping centers and other specifics about Company's development, financing, construction and operation of retail shopping facilities. Nehmen covenants and agrees that he shall not, at any time during or following the term of his employment, directly or indirectly, divulge or disclose for any purpose whatsoever any such confidential information that has been obtained by, or disclosed to, him as a result of his employment by Company.

C. Reasonableness of Restrictions.

1. Nehmen has carefully read and considered the foregoing provision of this Item, and, having done so, agrees that the restrictions set forth in these paragraphs, including but not limited to the time period of restriction set forth in the covenant against competition are fair and reasonable and are reasonably required for the protection of the interests of Company and its officers, directors and other employees.

2. In the event that, notwithstanding the foregoing, any of the

provisions of this Item shall be held invalid or unenforceable, the remaining provisions thereof shall nevertheless continue to be valid and enforceable as though the invalid or unenforceable parts had not been included herein. In the event that any provision of this Item relating to the time period and/or the areas of restriction shall be declared by a court of competent jurisdiction to exceed the maximum time period or areas

such court deems reasonable and enforceable, the time period and/or areas of restriction deemed reasonable and enforceable by the court shall become and thereafter be the maximum time period and/or areas.

D. Consideration. The covenants against competition and non-disclosure by Nehmen in this Item are made in consideration of the Company's agreement to employ Nehmen upon the terms and conditions set forth herein. Such covenants against competition and of non-disclosure by Nehmen in this Item constitute the material inducement to Company to enter into this Agreement, to make confidential information developed by Company available to Nehmen and to pay the salary and bonuses provided for Nehmen herein.

E. Company's Remedies. Nehmen covenants and agrees that if he shall violate any of his covenants or agreements contained in this Item 6, then the Company shall, in addition to any other rights and remedies available to it at law or in equity, have the following rights and remedies against Nehmen:

1. The Company shall be relieved of any further obligation to Nehmen under the terms of this agreement; and

2. The Company shall be entitled to an accounting and repayment of all profits, compensation, commissions, remunerations or other benefits that Nehmen, directly or indirectly, has realized and/or may realize as a result of, growing out of or in connection with, any such violation.

The foregoing rights and remedies of the Company shall be cumulative and the election by the Company to exercise any one or more of them shall not preclude the Company's exercise of any other rights described above or otherwise available under applicable principals of law or equity.

7. NOTICES.

Any notice required or permitted to be given pursuant to this Agreement shall be hand delivered or sent by certified mail, return receipt requested, to the address of the party to whom it is directed as set forth below:

Company:	Tanger Properties Limited Partnership c/o Stanley K. Tanger P.O. Box 29168 Greensboro, N.C. 27402
Nehmen:	Joe Nehmen 402 Waycross Drive Greensboro, NC 27410

IN WITNESS WHEREOF, the parties have executed or caused this Agreement to be executed as of the day and year first above written.

TANGER PROPERTIES LIMITED PARTNERSHIP, a
North Carolina Limited Partnership

By: TANGER FACTORY OUTLET CENTERS, INC.,
it's sole general partner

By: ________________________________
STANLEY K. TANGER,
Chairman of the Board
Chief Executive officer

______________________________ (SEAL)
JOSEPH NEHMEN

EXHIBIT 23.1

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the registration statements of Tanger Factory Outlet Centers, Inc. and Subsidiary on Form S-8 (File No. 33-80450) and Form S-3 (File Nos. 33-99736, 333-3526 and 333-39365) of our reports dated January 18, 1999 on our audits of the consolidated financial statements and financial statement schedule of Tanger Factory Outlet Centers, Inc. and Subsidiary as of December 31, 1998 and 1997, and for the years ended December 31, 1998, 1997 and 1996, which reports are included in this Annual Report on Form 10-K.

PricewaterhouseCoopers LLP

Greensboro, North Carolina
March 26, 1999

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The schedule contains summary financial information extracted from the financial statements as of and for the year ended December 31, 1998 included herein and is qualified in its entirety by reference to such financial statements.
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