

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2005

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to

Commission File No. 1-11986

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

NORTH CAROLINA
(State or other jurisdiction
of incorporation or organization)

56-1815473
(I.R.S. Employer
Identification No.)

3200 Northline Avenue, Suite 360, Greensboro, North Carolina 27408
(Address of principal executive offices)
(Zip code)

(336) 292-3010
(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Securities and Exchange Act of 1934). Yes X No -

27,611,416 shares of Common Stock,
\$.01 par value, outstanding as of April 29, 2005

1

TANGER FACTORY OUTLET CENTERS, INC.

Index

Part I. Financial Information

	Page Number
Item 1. Financial Statements (Unaudited)	
Consolidated Statements of Operations For the three months ended March 31, 2005 and 2004	3
Consolidated Balance Sheets As of March 31, 2005 and December 31, 2004	4
Consolidated Statements of Cash Flows For the three months ended March 31, 2005 and 2004	5
Notes to Consolidated Financial Statements	6
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	12
Item 3. Quantitative and Qualitative Disclosures about Market Risk	22
Item 4. Controls and Procedures	22

Part II. Other Information

Item 1. Legal proceedings	23
Item 6. Exhibits and Reports on Form 8-K	23

2

<TABLE>
<CAPTION>

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

	Three Months Ended March 31,	
	2005	2004
	(unaudited)	
REVENUES		
<S>	<C>	<C>
Base rentals	\$ 31,861	\$ 31,460
Percentage rentals	886	711
Expense reimbursements	14,297	11,886
Other income	947	850
Total revenues	47,991	44,907
EXPENSES		
Property operating	16,240	13,423
General and administrative	3,044	3,157
Depreciation and amortization	12,930	12,157
Total expenses	32,214	28,737
Operating income	15,777	16,170
Interest expense	8,228	8,864
Income before equity in earnings of unconsolidated joint ventures, minority interests, discontinued operations and loss on sale of real estate	7,549	7,306
Equity in earnings of unconsolidated joint ventures	191	165
Minority interests		
Consolidated joint venture	(6,624)	(6,593)
Operating partnership	(202)	(159)
Income from continuing operations	914	719
Discontinued operations, net of minority interest	---	293
Income before loss on sale of real estate	914	1,012
Loss on sale of real estate, net of minority interest	(3,843)	---
Net income (loss)	\$ (2,929)	\$ 1,012
Basic earnings per common share:		
Income (loss) from continuing operations	\$ (.11)	\$.03
Net income (loss)	\$ (.11)	\$.04
Diluted earnings per common share:		
Income (loss) from continuing operations	\$ (.11)	\$.03
Net income (loss)	\$ (.11)	\$.04
Dividends paid per common share	\$.3125	\$.3075

</TABLE>

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

3

<TABLE>
<CAPTION>

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

	March 31, 2005	December 31, 2004
	(unaudited)	
ASSETS		
<S>	<C>	<C>
Rental Property		

Land	\$113,355	\$ 113,830
Buildings, improvements and fixtures	955,931	963,563
-----	-----	-----
Accumulated depreciation	1,069,286 (228,252)	1,077,393 (224,622)
-----	-----	-----
Rental property, net	841,034	852,771
Cash and cash equivalents	6,531	4,103
Deferred charges, net	55,611	58,851
Other assets	21,536	20,653
-----	-----	-----
Total assets	\$924,712	\$ 936,378
-----	-----	-----
LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY		
Liabilities		
Debt		
Senior, unsecured notes	\$100,000	\$ 100,000
Mortgages payable (including a debt premium of \$8,558 and \$9,346, respectively)	305,983	308,342
Unsecured note	53,500	53,500
Unsecured lines of credit	33,455	26,165
-----	-----	-----
Construction trade payables	492,938	488,007
Accounts payable and accrued expenses	9,781	11,918
	25,753	17,026
-----	-----	-----
Total liabilities	528,472	516,951
-----	-----	-----
Commitments		
Minority interests		
Consolidated joint venture	223,895	222,673
Operating partnership	31,045	35,621
-----	-----	-----
Total minority interests	254,940	258,294
Shareholders' equity		
Common shares, \$.01 par value, 50,000,000 shares authorized, 27,611,416 and 27,443,016 shares issued and outstanding at March 31, 2005 and December 31, 2004, respectively	276	274
Paid in capital	277,857	274,340
Distributions in excess of net income	(129,917)	(109,506)
Deferred compensation	(6,844)	(3,975)
Accumulated other comprehensive loss	(72)	---
-----	-----	-----
Total shareholders' equity	141,300	161,133
-----	-----	-----
Total liabilities, minority interests and shareholders' equity	\$924,712	\$ 936,378
-----	-----	-----

</TABLE>

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

4

<TABLE>
<CAPTION>

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

	Three Months Ended March 31,	
	2005	
2004		
-----	-----	-----
		(unaudited)
OPERATING ACTIVITIES		
<S>		<C>
<C>		
Net income (loss)	\$ (2,929)	\$
1,012		
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization (including discontinued operations)	12,930	
12,376		
Amortization of deferred financing costs	353	
363		
Equity in earnings of unconsolidated joint ventures	(191)	
(165)		
Consolidated joint venture minority interest	6,624	
6,593		
Operating partnership minority interest (including discontinued operations)	(645)	
230		
Compensation expense related to restricted shares		

and share options granted	242	
14		
Amortization of premium on assumed indebtedness	(787)	
(610)		
Loss on sale of real estate	4,690	

Distributions received from unconsolidated joint ventures	450	
375		
Net accretion of market rent rate adjustment	(46)	
(60)		
Straight-line base rent adjustment	(112)	
(84)		
Increase (decrease) due to changes in:		
Other assets	(550)	
(80)		
Accounts payable and accrued expenses	(2,222)	
508		

Net cash provided by operating activities	17,807	
20,472		

INVESTING ACTIVITIES		
Additions to rental property	(6,353)	
(2,517)		
Additions to investments in unconsolidated joint ventures	(600)	

Additions to deferred lease costs	(573)	
(239)		
Net proceeds from sale of real estate	1,959	

Net cash used in investing activities	(5,567)	
(2,756)		

FINANCING ACTIVITIES		
Cash dividends paid	(8,577)	
(8,191)		
Distributions to consolidated joint venture minority interest	(5,402)	
(4,404)		
Distributions to operating partnership minority interest	(1,896)	
(1,866)		
Net proceeds from sale of common shares	---	
13,173		
Proceeds from issuance of debt	41,440	
26,075		
Repayments of debt	(35,722)	
(45,363)		
Additions to deferred financing costs	---	
(3)		
Proceeds from exercise of share and unit options	345	
3,808		

Net cash used in financing activities	(9,812)	
(16,771)		

Net increase in cash and cash equivalents	2,428	
945		
Cash and cash equivalents, beginning of period	4,103	
9,836		

Cash and cash equivalents, end of period	\$ 6,531	\$
10,781		

</TABLE>

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

Tanger Factory Outlet Centers, Inc., a fully-integrated, self-administered, self-managed real estate investment trust ("REIT"), develops, owns and operates factory outlet centers. We are recognized as one of the largest owners and operators of factory outlet centers in the United States of America with ownership interests in or management responsibilities for 33 centers in 22 states totaling 8.7 million square feet of gross leasable area ("GLA") as of March 31, 2005. We provide all development, leasing and management services for our centers. The factory outlet centers and other assets of the Company's business are held by, and all of its operations are conducted by, Tanger Properties Limited Partnership. Unless the context indicates otherwise, the term the "Company" refers to Tanger Factory Outlet Centers, Inc. and subsidiaries and the term "Operating Partnership" refers to Tanger Properties Limited Partnership and subsidiaries. The terms "we", "our" and "us" refer to the Company or the Company and the Operating Partnership together, as the context requires.

2. Basis of Presentation

Our unaudited consolidated financial statements have been prepared pursuant to accounting principles generally accepted in the United States of America and should be read in conjunction with the consolidated financial statements and notes thereto of our Annual Report on Form 10-K for the year ended December 31, 2004. Certain information and note disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to the Securities and Exchange Commission's ("SEC") rules and regulations, although management believes that the disclosures are adequate to make the information presented not misleading.

The accompanying unaudited consolidated financial statements include our accounts, our wholly-owned subsidiaries, as well as the Operating Partnership and its subsidiaries including accounts of joint ventures required to be consolidated under the provisions of Financial Accounting Standards Board Interpretation No. 46 (Revised 2003): "Consolidation of Variable Interest Entities: An Interpretation of ARB No. 51 ("FIN 46R") and reflect, in the opinion of management, all adjustments necessary for a fair presentation of the interim consolidated financial statements. All such adjustments are of a normal and recurring nature. Intercompany balances and transactions have been eliminated in consolidation.

Investments in real estate joint ventures that represent non-controlling ownership interests are accounted for using the equity method of accounting. These investments are recorded initially at cost and subsequently adjusted for our net equity in the venture's income (loss) and cash contributions and distributions. Our investments are included in other assets in our consolidated balance sheets.

Certain amounts in the 2004 consolidated financial statements have been reclassified to conform to the 2005 presentation. See Footnote 5.

6

3. Development of Rental Properties

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

4. Investments in Unconsolidated Real Estate Joint Ventures

Our investment in unconsolidated real estate joint ventures as of March 31, 2005 and December 31, 2004 was \$7.0 million and \$6.7 million, respectively. These investments are recorded initially at cost and subsequently adjusted for our net equity in the venture's income(loss) and cash contributions and distributions. Our investments in real estate joint ventures are included in other assets and are also reduced by 50% of the profits earned for leasing and development services we provide to TWMB. The following management, leasing and development fees were recognized from services provided to TWMB during the quarter ended March 31, 2005 and 2004 (in thousands):

	Three months Ended March 31,	
	2005	2004
Fee:		
Management	\$ 78	\$ 68
Leasing	5	61
Development	--	5
Total Fees	\$ 83	\$134

Our carrying value of investments in unconsolidated joint ventures differs from our share of the assets reported in the "Summary Balance Sheets - Unconsolidated

Joint Ventures" shown below due to adjustments to the book basis, including intercompany profits on sales of services that are capitalized by the unconsolidated joint ventures. The differences in basis are amortized over the various useful lives of the related assets.

TWMB Associates, LLC

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

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

7

Deer Park Enterprise, LLC

In October 2003, Deer Park Enterprise, LLC ("Deer Park"), a joint venture in which we have a one-third ownership interest, entered into a sale-leaseback transaction for the location on which it ultimately will develop a shopping center that will contain both outlet and big box retail tenants in Deer Park, New York. The agreement consisted of the sale of the property to Deer Park for \$29 million which was being leased back to the seller under an operating lease agreement. In November 2004, the tenant gave notice (within the terms of the lease) that they intended to, and subsequently did, vacate the facility in May 2005. Annual rents received from the tenant were \$3.4 million. During the first quarter of 2005, we made an equity contribution of \$600,000 to Deer Park Enterprise, LLC ("Deer Park"). Both of the other members made equity contributions equal to ours during the quarter.

Tanger Wisconsin Dells, LLC

In March 2005, we established Tanger Wisconsin Dells, LLC ("Wisconsin Dells"), a joint venture in which we have a 50% ownership interest with Tall Pines Development of Wisconsin Dells, LLC ("Tall Pines") as our venture partner, to construct and operate a Tanger Outlet center in Wisconsin Dells, Wisconsin. As of March 31, 2005, no capital contributions had been made by either member. We have begun the early development and leasing of the site. We currently expect the center to be approximately 250,000 square feet upon total build out with the initial phase scheduled to open in 2006.

Condensed combined summary unaudited financial information of joint ventures accounted for using the equity method is as follows (in thousands):

Summary Balance Sheets	As of March 31, 2005	As of December 31, 2004
- Unconsolidated Joint Ventures:		

Assets:		
Investment properties at cost, net	\$67,399	\$69,865
Cash and cash equivalents	4,319	2,449
Deferred charges, net	1,305	1,973
Other assets	3,869	2,826

Total assets	\$76,892	\$77,113

Liabilities and Owners' Equity:		
Mortgages payable	\$60,254	\$59,708
Construction trade payables	426	578
Accounts payable and other liabilities	828	702

Total liabilities	61,508	60,988
Owners' equity	15,384	16,125

Total liabilities and owners' equity	\$76,892	\$77,113

8

	2005	2004
Revenues	\$2,511	\$2,075
Expenses:		
Property operating	974	775
General and administrative	--	1
Depreciation and amortization	767	623
Total expenses	1,741	1,399
Operating income	770	676
Interest expense	417	380
Net income	\$ 353	\$ 296
Tanger's share of:		
Net income	\$ 191	\$ 165
Depreciation (real estate related)	\$ 369	\$ 300

5. Disposition of Properties

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

Below is a summary of the results of operations for the North Conway, New Hampshire and Dalton, Georgia properties sold during the second and third quarters of 2004, which are accounted for under the provisions of FAS 144 (in thousands):

	Three Months Ended March 31, 2004
Revenues	
Base rentals	\$ 601
Expense reimbursements	262
Other income	9
Total revenues	872
Expenses:	
Property operating	288
General and administrative	2
Depreciation and amortization	218
Total expenses	508
Discontinued operations before minority interest	364
Minority interest	(71)
Discontinued operations	\$ 293

9

6. Other Comprehensive Income - Derivative Financial Instruments

During the first quarter of 2005, TWMB entered into an interest rate swap. TWMB's interest rate swap agreement has been designated as a cash flow hedge and is carried on TWMB's balance sheet at fair value. At March 31, 2005, our portion of the fair value of TWMB's hedge is recorded as a reduction to investment in joint ventures of approximately \$88,000.

	Three Months Ended March 31, 2005	2004
Net income (loss)	\$ (2,929)	\$1,012
Other comprehensive income (loss):		
Change in fair value of our portion of TWMB cash flow hedge, net of minority interest of \$(16) and \$5	(72)	21

Other comprehensive income (loss)	(72)	21
Total comprehensive income (loss)	\$ (3,001)	\$ 1,033

7. Earnings Per Share

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

	Three Months Ended	
	2005	2004
Numerator:		
Income from continuing operations		
- basic and diluted	\$ 914	\$ 719
Loss on sale of real estate	(3,843)	---
Adjusted income (loss) from continuing operations	(2,929)	719
Discontinued operations	---	293
Net income (loss) - basic and diluted	\$ (2,929)	\$1,012
Denominator:		
Basic weighted average common shares	27,304	26,674
Effect of outstanding share and unit options	180	301
Effect of unvested restricted share awards	32	---
Diluted weighted average common shares	27,516	26,975
Basic earnings per common share:		
Income (loss) from continuing operations	\$ (.11)	\$.03
Discontinued operations	---	.01
Net income (loss)	\$ (.11)	\$.04
Diluted earnings per common share:		
Income (loss) from continuing operations	\$ (.11)	\$.03
Discontinued operations	---	.01
Net income (loss)	\$ (.11)	\$.04

10

The computation of diluted earnings per share excludes options to purchase common shares when the exercise price is greater than the average market price of the common shares for the period. Options excluded from the computation of diluted earnings per share for the three months ended March 31, 2005 were 6,000. No options were excluded from the March 31, 2004 calculation. The assumed conversion of the partnership units held by the minority interest limited partner as of the beginning of the year, which would result in the elimination of earnings allocated to the minority interest in the Operating Partnership, would have no impact on earnings per share since the allocation of earnings to a partnership unit is equivalent to earnings allocated to a common share.

8. Deferred Compensation

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

9. Non-Cash Investing and Financing Activities

We purchase capital equipment and incur costs relating to construction of facilities, including tenant finishing allowances. Expenditures included in construction trade payables as of March 31, 2005 and 2004 amounted to \$9.8 million and \$5.8 million, respectively. We recognized charges to deferred compensation related to the issuance of restricted common shares in the 2005 period of \$3.1 million. Also on March 1, 2005, our Board of Directors declared a \$.3225 cash dividend per common share payable on May 16, 2005 to each

shareholder of record on April 29, 2005, and caused a \$.6450 per Operating Partnership unit cash distribution to be paid to the Operating Partnership's minority interest. Since the dividend was declared prior to the quarter end date, we recorded the dividend of \$10.9 million in accounts payable and accrued expenses as of March 31, 2005.

10. Subsequent Events

On April 10, 2005 we paid in full at maturity a \$13.7 million, 9.77% mortgage with New York Life with amounts available under our unsecured lines of credit. The collateral securing the mortgage, our Lancaster, Pennsylvania property, was released upon satisfaction of the loan.

11

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion should be read in conjunction with the unaudited consolidated financial statements appearing elsewhere in this report. Historical results and percentage relationships set forth in the unaudited, consolidated statements of operations, including trends which might appear, are not necessarily indicative of future operations. Unless the context indicates otherwise, the term "Company" refers to Tanger Factory Outlet Centers, Inc. and subsidiaries and the term "Operating Partnership" refers to Tanger Properties Limited Partnership and subsidiaries. The terms "we", "our" and "us" refer to the Company or the Company and the Operating Partnership together, as the text requires.

The discussion of our results of operations reported in the unaudited, consolidated statements of operations compares the three months ended March 31, 2005 with the three months ended March 31, 2004. Certain comparisons between the periods are made on a percentage basis as well as on a weighted average gross leasable area ("GLA") basis, a technique which adjusts for certain increases or decreases in the number of centers and corresponding square feet related to the development, acquisition, expansion or disposition of rental properties. The computation of weighted average GLA, however, does not adjust for fluctuations in occupancy which may occur subsequent to the original opening date.

Cautionary Statements

Certain statements made below are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. We intend for such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Reform Act of 1995 and included this statement for purposes of complying with these safe harbor provisions. Forward-looking statements, which are based on certain assumptions and describe our future plans, strategies and expectations, are generally identifiable by use of the words "believe", "expect", "intend", "anticipate", "estimate", "project", or similar expressions. You should not rely on forward-looking statements since they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond our control and which could materially affect our actual results, performance or achievements. Factors which may cause actual results to differ materially from current expectations include, but are not limited to, the following:

- - national and local general economic and market conditions;
- - demographic changes; our ability to sustain, manage or forecast our growth; existing government regulations and changes in, or the failure to comply with, government regulations;
- - adverse publicity; liability and other claims asserted against us;
- - competition;
- - the risk that we may not be able to finance our planned development activities;
- - risks related to the retail real estate industry in which we compete, including the potential adverse impact of external factors such as inflation, tenant demand for space, consumer confidence, unemployment rates and consumer tastes and preferences;

12

- - risks associated with our development activities, such as the potential for cost overruns, delays and lack of predictability with respect to the financial returns associated with these development activities;
- - risks associated with real estate ownership, such as the potential adverse impact of changes in the local economic climate on the revenues and the value of our properties;

- - risks that we incur a material, uninsurable loss of our capital investment and anticipated profits from one of our properties, such as those results from wars, earthquakes or hurricanes;
- - risks that a significant number of tenants may become unable to meet their lease obligations or that we may be unable to renew or re-lease a significant amount of available space on economically favorable terms;
- - fluctuations and difficulty in forecasting operating results; changes in business strategy or development plans;
- - business disruptions;
- - the ability to attract and retain qualified personnel;
- - the ability to realize planned costs savings in acquisitions; and
- - retention of earnings.

General Overview

At March 31, 2005, we had ownership interests in or management responsibilities for 33 centers in 22 states totaling 8.7 million square feet compared to 40 centers in 23 states totaling 9.3 million square feet at March 31, 2004. The activity in our portfolio of properties since March 31, 2004 is summarized below:

	No. of Centers	GLA (000's)	States
As of March 31, 2004	40	9,333	23
Acquisitions/Expansions:			
Myrtle Beach Hwy 17, South Carolina - (unconsolidated joint venture)	---	78	---
Dispositions:			
North Conway, New Hampshire (wholly-owned)	(2)	(62)	---
Dalton, Georgia (wholly-owned)	(1)	(173)	---
Vero Beach, Florida (managed)	(1)	(329)	---
Seymour, Indiana (wholly-owned)	(1)	(141)	(1)
North Conway, New Hampshire (managed)	(2)	(40)	---
Other	---	(3)	---
As of March 31, 2005	33	8,663	22

13

A summary of the operating results for the three months ended March 31, 2005 and 2004 is presented in the following table, expressed in amounts calculated on a weighted average GLA basis.

	Three Months Ended March 31,	
	2005	2004
GLA at end of period (000's)		
Wholly owned	4,925	5,302
Partially owned (consolidated) (1)	3,271	3,273
Partially owned (unconsolidated) (2)	402	324
Managed	65	434
Total GLA at end of period (000's)	8,663	9,333
Weighted average GLA (000's) (1) (3)	8,281	8,339
Occupancy percentage at end of period (4)	95%	94%
Per square foot for wholly owned and partially owned (consolidated) properties		
Revenues		
Base rentals	\$ 3.85	\$ 3.77
Percentage rentals	.11	.09
Expense reimbursements	1.73	1.43
Other income	.11	.10
Total revenues	5.80	5.39
Expenses		
Property operating	1.96	1.61
General and administrative	.37	.38
Depreciation and amortization	1.56	1.46
Total expenses	3.89	3.45

Operating income	1.91	1.94
Interest expense	.99	1.06

Income before equity in earnings of unconsolidated joint ventures, minority interests, discontinued operations and loss on sale of real estate	\$.92	\$.88

- (1) Represents properties that are currently held through a consolidated joint venture in which we own a one-third interest.
- (2) Represents property that is currently held through an unconsolidated joint venture in which we own a 50% interest
- (3) Represents GLA of wholly-owned and partially owned consolidated operating properties weighted by months of operation. GLA is not adjusted for fluctuations in occupancy that may occur subsequent to the original opening date. Excludes GLA of properties for which their results are included in discontinued operations.
- (4) Represents occupancy only at centers in which we have an ownership interest.

14

The table set forth below summarizes certain information with respect to our existing centers in which we have an ownership interest as of March 31, 2005.

Location	GLA (sq. ft.)	% Occupied
Riverhead, NY (1)	729,378	99
Rehoboth, DE (1) (2)	568,873	99
Foley, AL (2)	535,514	95
San Marcos, TX	442,510	98
Myrtle Beach Hwy 501, SC (2)	427,388	92
Sevierville, TN (1)	419,038	99
Myrtle Beach Hwy 17, SC (1) (3)	401,992	97
Hilton Head, SC (2)	393,094	89
Commerce II, GA	342,556	96
Howell, MI	324,631	96
Park City, UT (2)	300,602	98
Westbrook, CT (2)	291,051	92
Branson, MO	277,883	100
Williamsburg, IA	277,230	96
Lincoln City, OR (2)	270,280	91
Tuscola, IL (2)	256,514	75
Lancaster, PA	255,152	99
Locust Grove, GA	247,454	97
Gonzales, LA	245,199	100
Tilton, NH (2)	227,998	91
Fort Meyers, FL	198,924	92
Commerce I, GA	185,750	76
Terrell, TX	177,490	100
North Branch, MN	134,480	98
West Branch, MI	112,420	98
Barstow, CA	108,950	100
Blowing Rock, NC	105,332	100
Pigeon Forge, TN (1)	94,694	93
Nags Head, NC	82,178	100
Boaz, AL	79,575	95
Kittery I, ME	59,694	100
Kittery II, ME	24,619	100
	8,598,443	95

- (1) These properties or a portion thereof are subject to a ground lease.
- (2) Represents properties that are currently held through a consolidated joint venture in which we own a one-third interest.
- (3) Represents property that is currently held through an unconsolidated joint venture in which we own a 50% interest.

15

The table set forth below summarizes certain information as of March 31, 2005 related to GLA and debt with respect to our existing centers in which we have an ownership interest and which serve as collateral for existing mortgage loans.

<TABLE>

GLA	Mortgage Debt (000's) as of		Maturity
	March 31,	Interest	

Location	(sq. ft.)	2005	Rate	Date
<S>	<C>	<C>	<C>	<C> <C>
Lancaster, PA	255,152	\$13,709	9.770%	4/10/2005
Commerce I, GA	185,750	7,153	9.125%	9/10/2005
Williamsburg, IA	277,230			
San Marcos I, TX	221,073			
West Branch, MI	112,420			
Kittery I, ME	59,694			
	670,417	60,073	7.875%	4/01/2009
San Marcos II, TX	221,437	18,350	7.980%	4/01/2009
Blowing Rock, NC	105,332	9,326	8.860%	9/01/2010
Nags Head, NC	82,178	6,329	8.860%	9/01/2010
Rehoboth Beach, DE	568,873			
Foley, AL	535,514			
Myrtle Beach Hwy 501, SC	427,388			
Hilton Head, SC	393,094			
Park City, UT	300,602			
Westbrook, CT	291,051			
Lincoln City, OR	270,280			
Tuscola, IL	256,514			
Tilton, NH	227,998			
	3,271,314	182,485	6.590%	7/10/2008
Debt premium		8,558		
Totals	4,791,580	\$305,983		

</TABLE>

16

RESULTS OF OPERATIONS

Comparison of the three months ended March 31, 2005 to the three months ended March 31, 2004

Base rentals increased \$401,000, or 1%, in the 2005 period when compared to the same period in 2004. The increase is primarily due to an increase in the overall occupancy rate and increasing rental rates on renewals. Base rent per weighted average GLA increased by \$.08 per square foot from \$3.77 per square foot in the 2004 period to \$3.85 per square foot in the 2005 period. The overall portfolio occupancy at March 31, 2005 increased 1% compared to March 31, 2004 from 94% to 95%, while the average increase in base rental rates on lease renewals and re-tenanting of vacant space during calendar year 2004 was 5.5%.

Percentage rentals, which represent revenues based on a percentage of tenants' sales volume above predetermined levels (the "breakpoint"), increased \$175,000 or 25%, and on a weighted average GLA basis, increased \$.02 per square foot in 2005 compared to 2004. The percentage rents in 2004 were reduced by an allocation to the previous owner of the COROC portfolio for their pro-rata share of percentage rents associated with tenants whose sales lease year began prior to December 19, 2003, the date of COROC's acquisition of the portfolio. Reported same-space sales per square foot for the rolling twelve months ended March 31, 2005 were \$315 per square foot. This represents a 3% increase compared to the same period in 2004. Same-space sales is defined as the weighted average sales per square foot reported in space open for the full duration of each comparison period.

Expense reimbursements, which represent the contractual recovery from tenants of certain common area maintenance, insurance, property tax, promotional, advertising and management expenses generally fluctuates consistently with the reimbursable property operating expenses to which it relates. Expense reimbursements, expressed as a percentage of property operating expenses, were 88% and 89% in the 2005 and 2004 periods, respectively.

Other income increased \$97,000, or 11%, in 2005 compared to 2004 and on a weighted average GLA basis, increased \$.01 per square foot from \$.10 to \$.11. The overall increase is due primarily to increases in vending income offset by decreases in fees from management activities. We have had a decrease of 369,000 square feet of GLA that we manage from the 2004 period to the 2005 period.

Property operating expenses increased by \$2.8 million, or 21%, in the 2005 period as compared to the 2004 period and, on a weighted average GLA basis, increased \$.35 per square foot from \$1.61 to \$1.96. The increase is due primarily to higher advertising and marketing expenses as the Easter holiday occurred in the first quarter in 2005 versus the second quarter in 2004. Also, we experienced much higher snow removal costs in our northeastern properties in 2005 versus 2004.

General and administrative expenses decreased \$113,000, or 4%, in the 2005 period as compared to the 2004 period. The decrease is primarily due to reduced travel expenses in 2005 offset by an increase in compensation expense related to employee share options and restricted shares issued in the second quarter of 2004 and accounted for under SFAS 123. As a percentage of total revenues, general and administrative expenses decreased from 7% in the 2004 to 6% in 2005 and, on a weighted average GLA basis, decreased from \$.38 per square foot in the 2004 period to \$.37 per square foot in the 2005 period.

17

Interest expense decreased \$636,000, or 7%, during the 2005 period as compared to 2004 period due primarily to the decrease in overall debt outstanding in the 2005 period versus the 2004 period. Outstanding debt has been reduced through proceeds from property sales during 2004 and 2005 and proceeds from the exercise of employee share options.

Depreciation and amortization per weighted average GLA increased from \$1.46 per square foot in the 2004 period to \$1.56 per square foot in the 2005 period. This was due principally to the accelerated depreciation and amortization of certain assets in the acquisition of the COROC properties in December 2003 accounted for under SFAS 141 "Business Combinations" ("FAS 141") for tenants that terminated their leases during the 2005 period.

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

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

LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by operating activities was \$17.8 million and \$20.5 million for the three months ended March 31, 2005 and 2004, respectively. The decrease in cash provided by operating activities is due primarily to a decrease in accounts payable and accrued expenses during the 2005 period. Net cash used in investing activities was \$5.6 million and \$2.8 million during the first three months of 2005 and 2004, respectively. The increase was due primarily to cash used in the 2005 period for the expansion at our Locust Grove, Georgia center and significant tenant allowances paid, offset by the proceeds from the sale of our center in Seymour, Indiana. Net cash used in financing activities was \$9.8 million and \$16.8 million during the first three months of 2005 and 2004, respectively. Cash used was lower in 2005 due to a change of \$25 million in cash provided by net proceeds from debt from 2004 to 2005, offset by the sale of common shares for net proceeds of \$13.2 million in 2004.

Developments, Dispositions and Joint Ventures

Any developments or expansions that we, or a joint venture that we are involved in, have planned or anticipated may not be started or completed as scheduled, or may not result in accretive net income or funds from operations. In addition, we regularly evaluate acquisition or disposition proposals and engage from time to time in negotiations for acquisitions or dispositions of properties. We may also enter into letters of intent for the purchase or sale of properties. Any prospective acquisition or disposition that is being evaluated or which is subject to a letter of intent may not be consummated, or if consummated, may not result in an increase in net income or funds from operations.

DEVELOPMENTS

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

18

We have an option to purchase land and have begun the early development and leasing of a site located approximately 30 miles south of Pittsburgh, Pennsylvania. We currently expect the center to be approximately 420,000 square feet upon total build out with the initial phase scheduled to open in 2007.

We have an option to purchase land and have begun the early development and leasing of a site located near Charleston, South Carolina. We currently expect

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

DISPOSITIONS

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

JOINT VENTURES

TWMB Associates, LLC

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

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

Either member in TWMB has the right to initiate the sale or purchase of the other party's interest at certain times. If such action is initiated, one member would determine the fair market value purchase price of the venture and the other would determine whether they would take the role of seller or purchaser. The members' roles in this transaction would be determined by the tossing of a coin, commonly known as a Russian roulette provision. If either partner enacts this provision and depending on our role in the transaction as either seller or purchaser, we could potentially incur a cash outflow for the purchase of our member's interest. However, we do not expect this event to occur in the near future based on the positive results and expectations of developing and operating an outlet center in the Myrtle Beach, South Carolina area.

19

Deer Park Enterprise, LLC

In October 2003, Deer Park Enterprise, LLC ("Deer Park"), a joint venture in which we have a one-third ownership interest, entered into a sale-leaseback transaction for the location on which it ultimately will develop a shopping center that will contain both outlet and big box retail tenants in Deer Park, New York. The agreement consisted of the sale of the property to Deer Park for \$29 million which was being leased back to the seller under an operating lease agreement. In November 2004, the tenant gave notice (within the terms of the lease) that they intended to, and subsequently did, vacate the facility in May 2005. Annual rents received from the tenant were \$3.4 million. During the first quarter of 2005, we made an equity contribution of \$600,000 to Deer Park Enterprise, LLC ("Deer Park"). Both of the other members made equity contributions equal to ours during the quarter.

Tanger Wisconsin Dells, LLC

In March 2005, we established Tanger Wisconsin Dells, LLC ("Wisconsin Dells"), a joint venture in which we have a 50% ownership interest with Tall Pines Development of Wisconsin Dells, LLC ("Tall Pines") as our venture partner, to construct and operate a Tanger Outlet center in Wisconsin Dells, Wisconsin. As of March 31, 2005, no capital contributions had been made by either member. We have begun the early development and leasing of the site. We currently expect the center to be approximately 250,000 square feet upon total build out with the initial phase scheduled to open in 2006.

Financing Arrangements

At March 31, 2005, approximately 39% of our outstanding long-term debt, excluding debt premium, represented unsecured borrowings and approximately 41% of the gross book value of our real estate portfolio was unencumbered. The average interest rate, including loan cost amortization, on average debt outstanding for the three months ended March 31, 2005 and 2004 was 7.37% and 7.30%, respectively.

We intend to retain the ability to raise additional capital, including public debt or equity, to pursue attractive investment opportunities that may arise and to otherwise act in a manner that we believe to be in our shareholders' best

interests. Prior to the common share offerings in 2002, 2003 and 2004, we had established a shelf registration to allow us to issue up to \$400 million in either all debt or all equity or any combination thereof. We intend to restock this shelf up to its \$400 million level during 2005. To generate capital to reinvest into other attractive investment opportunities, we may also consider the use of additional operational and developmental joint ventures, selling certain properties that do not meet our long-term investment criteria as well as outparcels on existing properties.

We maintain unsecured, revolving lines of credit that provided for unsecured borrowings of up to \$125 million at March 31, 2005. All of our lines of credit have maturity dates of June 30, 2007. Based on cash provided by operations, existing credit facilities, ongoing negotiations with certain financial institutions and our ability to sell debt or equity subject to market conditions, we believe that we have access to the necessary financing to fund the planned capital expenditures during 2005.

We anticipate that adequate cash will be available to fund our operating and administrative expenses, regular debt service obligations, and the payment of dividends in accordance with Real Estate Investment Trust ("REIT") requirements in both the short and long term. Although we receive most of our rental payments on a monthly basis, distributions to shareholders are made quarterly and interest payments on the senior, unsecured notes are made semi-annually. Amounts accumulated for such payments will be used in the interim to reduce the outstanding borrowings under the existing lines of credit or invested in short-term money market or other suitable instruments.

20

On March 1, 2005, our Board of Directors declared a \$.3225 cash dividend per common share payable on May 16, 2005 to each shareholder of record on April 29, 2005, and caused a \$.6450 per Operating Partnership unit cash distribution to be paid to the Operating Partnership's minority interest.

Off-Balance Sheet Arrangements

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

Critical Accounting Policies and Estimates

Refer to our 2004 Annual Report on Form 10-K for a discussion of our critical accounting policies which include principles of consolidation, acquisition of real estate, cost capitalization, impairment of long-lived assets and revenue recognition. There have been no material changes to these policies in 2005.

Economic Conditions and Outlook

The majority of our leases contain provisions designed to mitigate the impact of inflation. Such provisions include clauses for the escalation of base rent and clauses enabling us to receive percentage rentals based on tenants' gross sales (above predetermined levels, which we believe often are lower than traditional retail industry standards) that generally increase as prices rise. Most of the leases require the tenant to pay their share of property operating expenses, including common area maintenance, real estate taxes, insurance and advertising and promotion, thereby reducing exposure to increases in costs and operating expenses resulting from inflation.

While factory outlet stores continue to be a profitable and fundamental distribution channel for brand name manufacturers, some retail formats are more successful than others. As typical in the retail industry, certain tenants have closed, or will close certain stores by terminating their lease prior to its natural expiration or as a result of filing for protection under bankruptcy laws.

During 2005, we have approximately 1,821,000 square feet, or 21% of our portfolio, coming up for renewal. If we were unable to successfully renew or re-lease a significant amount of this space on favorable economic terms, the loss in rent could have a material adverse effect on our results of operations.

As of March 31, 2005, we have renewed approximately 739,000 square feet, or 41% of the square feet scheduled to expire in 2005. The existing tenants have renewed at an average base rental rate approximately 9% higher than the expiring rate. We also re-tenanted approximately 205,000 square feet of vacant space during the first three months of 2005 at an 4% increase in the average base rental rate from that which was previously charged. Our factory outlet centers typically include well-known, national, brand name companies. By maintaining a broad base of creditworthy tenants and a geographically diverse portfolio of properties located across the United States, we reduce our operating and leasing risks. No one tenant (including affiliates) accounted for more than 6.2% of our combined base and percentage rental revenues for the three months ended March 31, 2005. Accordingly, we do not expect any material adverse impact on our

results of operations and financial condition as a result of leases to be renewed or stores to be re-leased.

21

As of March 31, 2005 and 2004, our centers were 95% and 94% occupied, respectively. Consistent with our long-term strategy of re-merchandising centers, we will continue to hold space off the market until an appropriate tenant is identified. While we believe this strategy will add value to our centers in the long-term, it may reduce our average occupancy rates in the near term.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to various market risks, including changes in interest rates. Market risk is the potential loss arising from adverse changes in market rates and prices, such as interest rates. We do not enter into derivatives or other financial instruments for trading or speculative purposes.

We negotiate long-term fixed rate debt instruments and enter into interest rate swap agreements to manage our exposure to interest rate changes. The swaps involve the exchange of fixed and variable interest rate payments based on a contractual principal amount and time period. Payments or receipts on the agreements are recorded as adjustments to interest expense. At March 31, 2005, TWMB had an interest rate swap agreement effective through March 2010 with a notional amount of \$35 million. Under this agreement, TWMB receives a floating interest rate based on the 30 day LIBOR index and pays a fixed interest rate of 4.59%. This swap effectively changes the payment of interest on \$35 million of variable rate construction debt to fixed rate debt for the contract period at a rate of 5.99%.

The fair value of the interest rate swap agreement represents the estimated receipts or payments that would be made to terminate the agreement. At March 31, 2005, TWMB would have paid approximately \$176,000 to terminate the agreement. A 1% decrease in the 30 day LIBOR index would increase the amount paid by TWMB by \$160,000 to approximately \$336,000. The fair value is based on dealer quotes, considering current interest rates and remaining term to maturity. TWMB does not intend to terminate the interest rate swap agreement prior to its maturity. The fair value of this derivative is currently recorded as a liability in TWMB's balance sheet; however, if held to maturity, the value of the swap will be zero at that time.

The fair market value of long-term fixed interest rate debt is subject to market risk. Generally, the fair market value of fixed interest rate debt will increase as interest rates fall and decrease as interest rates rise. The estimated fair value of our total long-term debt at March 31, 2005 was \$512.7 million and its recorded value was \$492.9 million. A 1% increase from prevailing interest rates at March 31, 2005 would result in a decrease in fair value of total long-term debt by approximately \$9.2 million. Fair values were determined from quoted market prices, where available, using current interest rates considering credit ratings and the remaining terms to maturity.

Item 4. Controls and Procedures

The Chief Executive Officer, Stanley K. Tanger, and Chief Financial Officer, Frank C. Marchisello, Jr., evaluated the effectiveness of the registrant's disclosure controls and procedures on March 31, 2005 (Evaluation Date), and concluded that, as of the Evaluation Date, the registrant's disclosure controls and procedures were effective to ensure that information the registrant is required to disclose in its filings with the Securities and Exchange Commission under the Securities and Exchange Act of 1934 is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms, and to ensure that information required to be disclosed by the registrant in the reports that it files under the Exchange Act is accumulated and communicated to the registrant's management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

There were no significant changes in the registrant's internal controls or in other factors that could significantly affect these controls subsequent to the Evaluation Date.

22

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Neither the Company nor the Operating Partnership is presently involved in any material litigation nor, to their knowledge, is any material litigation threatened against the Company or the Operating Partnership or its properties, other than routine litigation arising in the ordinary course of business and which is expected to be covered by liability insurance.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

- 10.8 Amended and Restated Employment Agreement of Wilard A. Chafin.
- 10.18 Form of Restricted Share Agreement between the Company and certain Officers.
- 10.19 Form of Restricted Share Agreement between the Company and certain Officers with certain performance criteria vesting.
- 10.20 Form of Restricted Share Agreement between the Company and certain Directors.
- 31.1 Principal Executive Officer Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes - Oxley Act of 2002.
- 31.2 Principal Financial Officer Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes - Oxley Act of 2002.
- 32.1 Principal Executive Officer Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes - Oxley Act of 2002.
- 32.2 Principal Financial Officer Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes - Oxley Act of 2002.

(b) Reports on Form 8-K

March 1, 2005 - We furnished a Current Report on Form 8-K containing under Item 2.02, Results of Operations and Financial Condition, our press release for the quarter ended December 31, 2004 and under Item 7.01, Regulation FD Disclosure, the December 31, 2004 Supplemental Operating and Financial Data.

March 30, 2005 - We furnished a Current Report on Form 8-K, containing under Item 1.01, Entry into a material agreement, the actions from the meeting of the Compensation Committee of the Company's Board of Directors.

23

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

TANGER FACTORY OUTLET CENTERS, INC.

By: /s/ Frank C. Marchisello, Jr.

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

DATE: May 10, 2005

24

Exhibit No.	Description
10.8	Amended and Restated Employment Agreement of Willard A. Chafin.
10.18	Form of Restricted Share Agreement between the Company and certain Officers.
10.19	Form of Restricted Share Agreement between the Company and certain Officers with certain performance criteria vesting.
10.20	Form of Restricted Share Agreement between the Company and certain Directors.
31.1	Principal Executive Officer Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes - Oxley Act of 2002.
31.2	Principal Financial Officer Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes - Oxley Act of 2002.
32.1	Principal Executive Officer Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes - Oxley Act of 2002.
32.2	Principal Financial Officer Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes - Oxley Act of 2002.

AMENDED AND RESTATED EMPLOYMENT AGREEMENT
Effective as of January 1, 2005

THIS AMENDED AND RESTATED AGREEMENT is executed and made effective as of January 1, 2005 between TANGER PROPERTIES LIMITED PARTNERSHIP, a North Carolina Limited Partnership, whose address is P.O. Box 10889, Greensboro, N.C. 27404 (the "Company") and WILLARD ALBEA CHAFIN, JR., a resident of North Carolina, whose address is 8301 Case Ridge Drive, Oak Ridge, North Carolina 27310 (the "Chafin").

RECITALS

A. Company and Chafin entered into an Employment Agreement dated March 7, 1990 which was amended and restated as of October 11, 1993, January 1, 1996, January 1, 1999 and January 1, 2002.

B. The parties intend to modify, amend and restate their 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 Chafin during the term of this Agreement. Chafin agrees to devote substantial time and attention and his best efforts to the business affairs of the Company. During the term of his employment hereunder, Chafin 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. Chafin will serve as a Executive Vice President of the Company, Leasing, Marketing, Operations, Real Estate and will perform duties assigned to him by the Company in all phases of the Company's business. Chafin's major responsibilities will include site selection for new shopping centers to be developed and leasing space in new and existing shopping centers as manufacturer's outlets. Chafin will be directly involved in the management of existing and new centers. Other responsibilities will include assisting in the promotion, advertising and marketing of all Company's shopping centers and the development of a good communications program between Company and its tenants. Chafin will be required to engage in extensive travel and Chafin will work out of Company's Greensboro, North Carolina office.

2. TERM. The term of this Agreement as herein amended and restated shall begin on January 1, 2005 and shall end on December 31, 2007 (the "Contract Term") unless sooner terminated as herein provided. The twelve calendar month period beginning on January 1, 2005 and ending December 31, 2005 and each calendar year thereafter during the Contract Term is sometimes herein referred to as a "Contract Year".

1

By mutual written agreement, the parties may extend the term of employment for an additional period of three years (an "Extended Term") upon such terms and conditions as the parties may agree.

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. As compensation for Executive's services performed pursuant to this Agreement, Company will pay Executive an "Annual Base Salary" of \$280,783.00 for the Contract Year beginning January 1, 2005 and an Annual Base Salary for each Contract year thereafter in an amount set by the Company's Executive Compensation Committee but not less than \$280,783.00. The Annual Base Salary shall be paid in equal installments in arrears in accordance with Company's regular pay schedule.

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

Chafin will be reimbursed for any necessary and reasonable expense incurred by Chafin in performing the services requested of him by the Company during the term of employment. At least monthly, Chafin 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 Chafin hereunder as required by law.

4. VACATION. Chafin shall be entitled to four (4) weeks of vacation during each Contract Year for the term of employment hereunder.

5. TERMINATION. Chafin's employment by the Company hereunder shall be

terminated upon the occurrence of any of the following events:

A. If the Company and Chafin mutually agree to terminate the employment;

B. Upon the disability of Chafin. "Disability" for these purposes shall mean Chafin'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. Chafin will be paid during any sickness or disability period;

C. By either party in the event of a material breach by the other party of any of that other party's obligations under this Agreement;

2

D. By Company, if Chafin is convicted of a felony or engages in conduct or activity that has, or in the Company's reasonably held belief, will have a material adverse effect upon Company's business or future prospects;

E. Upon Chafin's death.

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

(1) If Chafin's employment is terminated by reason of his death or disability during the Contract Term, the Company will pay Chafin (or the personal representatives of his estate, in the event of his death) as a death or disability benefit, an amount equal to the Annual Base Salary payable hereunder for the Contract Year within which such termination occurs. Such amount shall be paid in 12 equal monthly installments, with the first installment payable on the last day of the first calendar month following the calendar month in which Chafin's employment is terminated;

(2) If Company materially breaches this Agreement and this Agreement is terminated or rescinded by Chafin, in addition to the compensation due Chafin under Section 3 hereinabove, Company shall pay Chafin as additional compensation an amount equal to the Annual Base Salary payable hereunder in the Contract Year within which Chafin's employment is terminated. Such amount shall be paid in twelve (12) equal monthly installments on the first of each month beginning the first day of the first month after Chafin shall terminate or rescind this Agreement in writing;

(3) If Chafin's employment is not terminated prior to the end of the Contract Term and if Chafin offers to extend the term of his employment by the Company beyond the Contract Term for one year or more upon substantially the same terms as the last Contract Year of the Contract Term but the Company elects not to continue Chafin's employment, the Company shall pay Chafin as a severance benefit an amount equal to the greater of (i) \$125,000.00 or (ii) one half (1/2) of the Annual Base Salary payable to him for the last Contract Year of the Contract Term.

3

6. COVENANT AGAINST COMPETITION AND NON-DISCLOSURE .

A. Covenant Against Competition. Chafin covenants and agrees that during Chafin's employment and for a period of one year after he ceases to be employed by Company, Chafin 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 Chafin's employment hereunder or in any state in which the Company owns or operates a retail shopping facility or within the 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 Chafin's employment.

B. Disclosure of Information. Chafin 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. Chafin 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. Chafin 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.

4

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

E. Company's Remedies. Chafin covenants and agrees that if he shall violate any of his covenants or agreements contained in this Item, then 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 Chafin:

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

2. Company shall be entitled to an accounting and repayment of all profits, compensation, commissions, remunerations or other benefits that Chafin, 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 10889 Greensboro, N.C. 27404
Chafin:	Willard Albea Chafin, Jr. 8301 Case Ridge Drive Oak Ridge, North Carolina 27310

5

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 GP TRUST, its sole General Partner

By: /s/ Stanley K. Tanger
Stanley K. Tanger, Chief Executive Officer
and Chairman of the Board

WILLARD ALBEA CHAFIN, JR.

RESTRICTED SHARE AGREEMENT

THIS RESTRICTED SHARE AGREEMENT (this "Agreement") is made effective as of _____, _____, between Tanger Factory Outlet Centers, Inc., a corporation organized under the laws of the State of North Carolina (the "Company"), Tanger Properties Limited Partnership, a limited partnership organized under the laws of the State of North Carolina (the "Employer"), and _____ (the "Restricted Shareholder").

WHEREAS, the Company has established the Amended and Restated Incentive Award Plan of Tanger Factory Outlet Centers, Inc. and Tanger Properties Limited Partnership (the "Plan");

WHEREAS, the Company wishes to carry out the Plan (the terms of which are hereby incorporated by reference and made a part of this Agreement);

WHEREAS, the Plan provides for the issuance of the Company's common shares, no par value (the "Common Shares"), subject to certain restrictions thereon ("Restricted Shares");

WHEREAS, the Committee, appointed to administer the Plan, has determined that it would be to the advantage and in the best interest of the Company and its shareholders to issue the Restricted Shares provided for herein to the Restricted Shareholder as an inducement to enter into or remain in the service of the Employer, the Company or any Subsidiary, and as an incentive for increased efforts during such service, and has advised the Company thereof and instructed the undersigned officer to issue said Restricted Shares; and

WHEREAS, all capitalized terms used herein without definition shall have the meanings ascribed to such terms in the Plan.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and for other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I.
AWARD OF RESTRICTED SHARES

Section 1.1 - Award of Restricted Shares

For good and valuable consideration, on the date hereof the Company hereby issues to the Restricted Shareholder _____ Common Shares upon the terms and conditions set forth in this Agreement at a purchase price of \$0.00 per share. Notwithstanding anything to the contrary anywhere else in this Agreement, the Restricted Shares are subject to the terms, definitions and provisions of the Plan, which is incorporated herein by reference.

Section 1.2 - Consideration to Company

In consideration for the issuance of Restricted Shares by the Company, the Restricted Shareholder agrees to render faithful and efficient services to the Employer, the Company or any Subsidiary (as applicable), with such duties and responsibilities as shall from time to time be prescribed. Nothing in this Agreement or in the Plan shall confer upon the Restricted Shareholder any right to continue in the service of the Employer, the Company or any Subsidiary or shall interfere with or restrict in any way the rights of the Employer, the Company or any Subsidiary, which are hereby expressly reserved, to discharge the Restricted Shareholder at any time for any reason whatsoever, with or without cause.

ARTICLE II.
RESTRICTIONS

Section 2.1 - Forfeiture of Restricted Shares

Immediately upon the Restricted Shareholder's Termination of Employment, the Restricted Shareholder shall forfeit any and all Restricted Shares then subject to Restrictions and the Restricted Shareholder's rights in any Restricted Shares then subject to Restrictions shall lapse; provided, however, no such forfeiture shall exist in the event of:

(a) Restricted Shareholder's Termination of Employment by Employer (i) other than for Cause or (ii) because of Restricted Shareholder's Disability;

(b) The Restricted Shareholder's Termination of Employment by the Restricted Shareholder for Good Reason; or

(b) Upon Restricted Shareholder's retirement after attaining _____ years of age, if the Committee, in its sole discretion, determines that such forfeiture shall not exist. For purposes of this Agreement, the term "Restrictions" shall mean the exposure to forfeiture set forth in this Section 2.1 and the restrictions on sale or other transfer set forth in Sections 2.4 and 2.5 and the terms "Cause," "Good Reason" and "Disability" shall have the same

meaning as those terms have in Restricted Shareholder's employment contract with Employer.

Section 2.2 - Legend

Certificates representing Restricted Shares issued pursuant to this Agreement shall, until all Restrictions lapse and new certificates are issued pursuant to Section 2.3(b) hereof, bear the following legend:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO FORFEITURE, REACQUISITION AND CERTAIN RESTRICTIONS ON TRANSFERABILITY UNDER THE TERMS OF THAT CERTAIN RESTRICTED SHARE AGREEMENT BY AND BETWEEN TANGER FACTORY OUTLET

CENTERS, INC., TANGER PROPERTIES LIMITED PARTNERSHIP AND THE REGISTERED OWNER OF SUCH SECURITIES, AND SUCH SECURITIES MAY NOT BE, DIRECTLY OR INDIRECTLY, OFFERED, TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF UNDER ANY CIRCUMSTANCES, EXCEPT PURSUANT TO THE PROVISIONS OF SUCH AGREEMENT."

Section 2.3 - Lapse of Restrictions

(a) Subject to Sections 2.1 and 3.4 hereof, the Restrictions shall lapse in accordance with the following schedule:

Date	Portion of Restricted Shares No Longer Subject to Restrictions
June 15, 2004	15%
December 15, 2004	15%
December 15, 2005	15%
December 15, 2006	15%
December 15, 2007	20%
December 15, 2008	20%

Provided further, the Restrictions shall lapse upon Restricted Shareholder's Termination of Employment (i) by Employer other than for Cause, (ii) by Restricted Shareholder for Good Reason, or (iii) because of Restricted Shareholder's Disability.

(b) Upon the lapse of the Restrictions, the Company shall cause new certificates to be issued with respect to such shares and delivered to the Restricted Shareholder or his or her legal representative, free from the legend provided for in Section 2.2 hereof and any of the other Restrictions. Notwithstanding the foregoing, no such new certificate shall be delivered to the Restricted Shareholder or his or her legal representative unless and until the

Restricted Shareholder or his or her legal representative shall have paid to the Company or the Employer, as applicable, in cash, the full amount of all federal and state withholding or other employment taxes applicable to the taxable income of the Restricted Shareholder resulting from the grant of Restricted Shares or the lapse of the Restrictions.

Section 2.4 - Restricted Shares Not Transferable

Until the Restrictions hereunder lapse or expire pursuant to this Agreement, neither the Restricted Shares (including any shares received by holders thereof with respect to Restricted Shares as a result of share dividends, share splits or any other form of recapitalization) nor any interest or right therein or part thereof shall be liable for the debts, contracts, or engagements of the Restricted Shareholder or his or her successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy) and any attempted disposition thereof shall be null and void and of no effect; provided, however, that, subject to the Ownership Limit (as defined in the Articles of Incorporation of the Company), this Section 2.4 shall not prevent transfers by will or by the applicable laws of descent and distribution.

Section 2.5 - Restrictions on New Shares

In the event that the outstanding Common Shares are changed into or exchanged for a different number or kind of capital shares or other securities of the Company or of another corporation (other than in connection with a Change

of Control) by reason of merger, consolidation, recapitalization, reclassification, share split, share dividend or combination of shares, such new or additional or different shares or securities which are issued upon conversion of or in exchange or substitution for Restricted Shares which are then subject to Restrictions shall be considered to be Restricted Shares and shall be subject to all of the Restrictions, unless the Committee provides for the expiration of the Restrictions on the Restricted Shares underlying the distribution of the new or additional or different shares or securities.

Section 2.6 - Section 83(b)

The Restricted Shareholder covenants that he or she will not make an election under Section 83(b) of the Code with respect to the receipt of any Restricted Shares without the consent of the Company, which the Company may grant or withhold in its sole discretion.

ARTICLE III. MISCELLANEOUS

Section 3.1 - Holding Period and Additional Restrictions as to Ownership and Transfer

(a) Notwithstanding any provision of this Agreement to the contrary, if the

Restricted Shareholder is subject to Section 16 of the Exchange Act on the date on which the Restricted Shares are granted, the Restricted Shares may not be sold, assigned or otherwise transferred or exchanged until at least six months and one day have elapsed from the date on which the Restricted Shares were granted.

(b) The Restricted Shares (whether or not the Restrictions have lapsed with respect to such Restricted Shares) shall be subject to the restrictions on ownership and transfer set forth in the Articles of Incorporation of the Company.

Section 3.2 - Conditions to Issuance of Share Certificates

Restricted Shares may be either previously authorized but unissued shares or issued shares which have then been reacquired by the Company. Such shares shall be fully paid and nonassessable. Neither the Company nor the Employer shall be required to issue or deliver any certificate or certificates for shares pursuant to this Agreement prior to fulfillment of all of the following conditions:

(a) The admission of such shares to listing on all stock exchanges on which such class of shares is then listed;

(b) The completion of any registration or other qualification of such shares under any state or federal law or under rulings or regulations of the Securities and Exchange Commission or of any other governmental regulatory body, which the Committee shall, in its sole discretion, deem necessary or advisable;

(c) The obtaining of any approval or other clearance from any state or federal governmental agency which the Committee shall, in its sole discretion, determine to be necessary or advisable;

(d) The lapse of such reasonable period of time as the Committee may from time to time establish for reasons of administrative convenience; and

(e) The receipt by the Company of full payment for such shares, including payment of any applicable withholding tax to the Company or the Employer, as applicable.

Section 3.3 - Escrow

(a) The Restricted Shareholder hereby authorizes and directs the Secretary of the Company, or such other person designated by the Company, to transfer the Restricted Shares which are subject to the Restrictions from the Restricted Shareholder to the Company or the Employer, as applicable, in the event of forfeiture of such shares pursuant to Section 2.1.

(b) To insure the availability for delivery of the Restricted Shares upon forfeiture pursuant to Section 2.1, the Restricted Shareholder hereby appoints

the Secretary, or any other person designated by the Company as escrow agent, as its attorney-in-fact to sell, assign and transfer unto the Company, such shares, if any, forfeited pursuant to this Agreement and shall, upon execution of this Agreement, deliver and deposit with the Secretary of the Company, or such other person designated by the Company, the share certificates representing the Restricted Shares, together with the share assignment duly endorsed in blank, attached hereto as Exhibit A. The Restricted Shares and share assignment shall be held by the Secretary in escrow, pursuant to the Joint Escrow Instructions of

the Company and the Restricted Shareholder attached hereto as Exhibit B, until all of the Restrictions expire or shall have been removed. [??As a further condition to the Company's and the Employer's obligations under this Agreement, the spouse of the Restricted Shareholder, if any, shall execute and deliver to the Company the Consent of Spouse attached hereto as Exhibit C.??] Upon the lapse of the Restrictions on the Restricted Shares, the escrow agent shall promptly deliver to the Restricted Shareholder the certificate or certificates representing such shares in the escrow agent's possession belonging to the Restricted Shareholder, and the escrow agent shall be discharged of all further obligations hereunder; provided, however, that the escrow agent shall nevertheless retain such certificate or certificates as escrow agent if so required pursuant to other restrictions imposed pursuant to this Agreement.

(c) The Company, or its designee, shall not be liable for any act it may do or omit to do with respect to holding the Restricted Shares in escrow and while acting in good faith and in the exercise of its judgment.

Section 3.4 - Ownership Limit and REIT Status.

Notwithstanding anything contained herein, the Restrictions on the Restricted Shares shall not lapse:

(a) to the extent the lapsing of such Restrictions could cause the Restricted Shareholder to be in violation of the Ownership Limit; or

(b) if, in the discretion of the Administrator, the lapsing of such Restrictions could impair the Company's status as a REIT.

Section 3.5 - Notices

Any notice to be given by the Restricted Shareholder under the terms of this Agreement shall be addressed to the Secretary of the Company. Any notice to be given to the Restricted Shareholder shall be addressed to him or her at the address given beneath his or her signature hereto. By a notice given pursuant to this Section 3.5, either party may hereafter designate a different address for notices to be given to him. Any notice which is required to be given to the Restricted Shareholder shall, if Restricted Shareholder is then deceased, be given to the Restricted Shareholder's personal representative if such representative has previously informed the Company of his or her status and address by written notice under this Section 3.5. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery or upon deposit in the United States mail by certified mail, with postage and fees prepaid, addressed as set forth above.

Section 3.6 - Rights as Shareholder

Except as otherwise provided herein, upon the delivery of Restricted Shares to the escrow holder pursuant to Section 3.3 hereof, the holder of the Restricted Shares shall have all the rights of a shareholder with respect to the Restricted Shares, including the right to vote the Restricted Shares and the right to receive all dividends or other distributions paid or made with respect to the Restricted Share.

Section 3.7 - Conformity to Securities Laws

The Restricted Shareholder acknowledges that the Plan and this Agreement are intended to conform to the extent necessary with all provisions of all applicable federal and state laws, rules and regulations (including, but not limited to the Securities Act and the Exchange Act and any and all regulations and rules promulgated by the Securities and Exchange Commission thereunder, including without limitation the applicable exemptive conditions of Rule 16b-3) and to such approvals by any listing, regulatory or other governmental authority as may, in the opinion of counsel for the Company, be necessary or advisable in connection therewith. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the Restricted Shares are granted, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Plan, this Agreement and the Restricted Shares shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

Section 3.8 - Amendments

This Agreement and the Plan may be amended without the consent of the Restricted Shareholder; provided, however, that no such amendment shall, without the consent of the Restricted Shareholder, impair any rights of the Restricted Shareholder under this Agreement.

Section 3.9 - Tax Withholding

The Company or the Employer, as applicable, shall be entitled to require payment in cash or deduction from other compensation payable to the Restricted Shareholder of any sums required by federal, state or local tax law to be withheld with respect to the issuance, vesting, exercise or payment of the Restricted Shares. The Committee may in its discretion and in satisfaction of the foregoing requirement allow the Restricted Shareholder to elect to have the

Company or the Employer, as applicable, withhold Common Shares otherwise issuable under such award (or allow the return of Common Shares) having a Fair Market Value equal to the sums required to be withheld. Notwithstanding any other provision of the Plan or this Agreement, the number of Common Shares which may be withheld with respect to the issuance, vesting or payment of the Restricted Shares (or which may be repurchased from the Restricted Shareholder within six months after such Common Shares were acquired by the Restricted Shareholder from the Company or the Employer) in order to satisfy the Restricted Shareholder's federal and state income and payroll tax liabilities with respect to the issuance, vesting or payment of the Restricted Shares shall be limited to the number of shares which have a Fair Market Value on the date of withholding or repurchase equal to the aggregate amount of such liabilities based on the minimum statutory withholding rates for federal and state tax income and payroll tax purposes that are applicable to such supplemental taxable income.

Section 3.10 - Governing Law

This Agreement shall be administered, interpreted and enforced under the internal laws of the state of North Carolina without regard to conflicts of laws thereof.

Section 3.11 - Stop Transfer Instructions

To ensure compliance with the Restrictions, the Company may issue appropriate "stop transfer" instructions to its transfer agent with respect to the Restricted Shares.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Agreement has been executed and delivered by the parties hereto.

TANGER FACTORY OUTLET CENTERS, INC.,
a corporation organized under the laws of North Carolina

By: _____

Title: _____

TANGER PROPERTIES LIMITED PARTNERSHIP, a
North Carolina Limited Partnership

By: TANGER GP TRUST, its sole General Partner

By: _____

Title: _____

RESTRICTED SHAREHOLDER

- - - - -

- - - - -

Address:

Taxpayer Identification Number: _____

EXHIBIT A TO RESTRICTED SHARES AGREEMENT
SHARE ASSIGNMENT SEPARATE FROM CERTIFICATE(S)

FOR VALUE RECEIVED, _____ hereby sells, assigns and transfers unto Tanger Factory Outlet Centers, Inc., a corporation organized under the laws of North Carolina (the "Company"), pursuant to the forfeiture provision under that certain Restricted Shares Agreement, dated ____, 2004 by and between the undersigned, the Company, and Tanger Properties Limited Partnership, a limited partnership organized under the laws of North Carolina (the "Agreement"), _____ (_____) Common Shares of the Company standing in the undersigned's name on the books of the Company

represented by Certificate No(s). _____ and does hereby irrevocably constitute and appoint the Company's Secretary to transfer said Common Shares on the books of the Company with full power of substitution in the premises.

This Share Assignment Separate from Certificate(s) may be used only in accordance with and subject to the terms and conditions of the Agreement, in connection with the forfeiture of Common Shares issued to the undersigned pursuant to the Agreement, and only to the extent that such shares remain subject to such forfeiture under the Agreement.

Dated: _____ (Signature)

(Print Name)

(INSTRUCTION: Please do not fill in any blanks other than the "Signature" line and the "Print Name" line.)

EXHIBIT B TO RESTRICTED SHARES AGREEMENT

JOINT ESCROW INSTRUCTIONS

Tanger Factory Outlet Centers
3200 Northline Avenue, Suite 360
Greensboro, North Carolina 27408

Attn: Secretary

Dear Secretary of Tanger Factory Outlet Centers, Inc.:

As Escrow Agent for Tanger Factory Outlet Centers, Inc., (the "Company") and the undersigned holder of Common Shares of the Company (the "Restricted Shareholder"), you are hereby authorized and directed to hold the documents delivered to you pursuant to the terms of that certain Restricted Shares Agreement ("Agreement"), dated _____, 2004, to which a copy of these Joint Escrow Instructions is attached as Exhibit B, in accordance with the following instructions:

1. In the event of the forfeiture of any shares pursuant to Section 2.1 of the Agreement, the Company or its assignee will give to the Restricted Shareholder and you a written notice specifying the number of Common Shares to be purchased, the purchase price, and the time for a closing hereunder at the principal office of the Company. The Restricted Shareholder and the Company hereby irrevocably authorize and direct you to close the transaction contemplated by such notice in accordance with the terms of said notice.

2. At the closing you are directed (a) to date any share assignments necessary for the transfer in question, (b) to fill in the number of shares being transferred, and (c) to deliver same, together with the certificate evidencing the Common Shares to be transferred, to the Company against the simultaneous delivery to you of the purchase price (which may include suitable acknowledgment of cancellation of indebtedness) for the number of Common Shares being forfeited.

3. The Restricted Shareholder irrevocably authorizes the Company to deposit with you any certificates evidencing Common Shares to be held by you hereunder and any additions and substitutions to said shares as specified in the Agreement. The Restricted Shareholder does hereby irrevocably constitute and appoint you as the Restricted Shareholder's attorney-in-fact and agent for the term of this escrow to execute with respect to such securities and other property all documents of assignment and/or transfer and all share certificates necessary or appropriate to make all securities negotiable and complete any transaction herein contemplated.

4. This escrow shall terminate upon expiration or exercise in full of the Restrictions described in the Agreement, whichever occurs first.

5. If at the time of termination of this escrow you should have in your possession any documents, securities, or other property belonging to the Restricted Shareholder, you shall deliver all of same to the Restricted Shareholder and shall be discharged of all further obligations hereunder; provided, however, that if at the time of termination of this escrow you are advised by the Company that the property subject to this escrow is the subject of a pledge or other security agreement, you shall deliver all such property to the pledgeholder or other person designated by the Company.

6. Except as otherwise provided in these Joint Escrow Instructions, your duties hereunder may be altered, amended, modified or revoked only by a writing signed by all of the parties hereto.

7. You shall be obligated only for the performance of such duties as are specifically set forth herein and may rely and shall be protected in relying or

refraining from acting on any instrument reasonably believed by you to be genuine and to have been signed or presented by the proper party or parties or their assignees. You shall not be personally liable for any act you may do or omit to do hereunder as Escrow Agent or as attorney-in-fact for the Restricted Shareholder while acting in good faith and any act done or omitted by you pursuant to the advice of your own attorneys shall be conclusive evidence of such good faith.

8. You are hereby expressly authorized to disregard any and all warnings given by any of the parties hereto or by any other person or corporation, excepting only orders or process of courts of law, and are hereby expressly authorized to comply with and obey orders, judgments or decrees of any court. In case you obey or comply with any such order, judgment or decree of any court, you shall not be liable to any of the parties hereto or to any other person, firm or corporation by reason of such compliance, notwithstanding any such order, judgment or decree being subsequently reversed, modified, annulled, set aside, vacated or found to have been entered without jurisdiction.

9. You shall not be liable in any respect on account of the identity, authority or rights of the parties executing or delivering or purporting to execute or deliver the Agreement or any documents or papers deposited or called for hereunder.

10. You shall not be liable for the outlawing of any rights under any statute of limitations with respect to these Joint Escrow Instructions or any documents deposited with you.

11. Your responsibilities as Escrow Agent hereunder shall terminate if you shall cease to be Secretary of the Company or if you shall resign by written notice to each party. In the event of any such termination, the Company may appoint any officer or assistant officer of the Company as successor Escrow Agent and the Restricted Shareholder hereby confirms the appointment of such successor or successors as the Restricted Shareholder's attorney-in-fact and agent to the full extent of your appointment.

12. If you reasonably require other or further instruments in connection with these Joint Escrow Instructions or obligations in respect hereto, the necessary parties hereto shall join in furnishing such instruments.

13. It is understood and agreed that should any dispute arise with respect to the delivery and/or ownership or right of possession of the securities, you are authorized and directed to retain in your possession without liability to anyone all or any part of said securities until such dispute shall have been settled either by mutual written agreement of the parties concerned or by a final order, decree or judgment of a court of competent jurisdiction after the time for appeal has expired and no appeal has been perfected, but you shall be under no duty whatsoever to institute or defend any such proceedings.

14. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery or sent by telegram or fax or upon deposit in the United States Post Office, by registered or certified mail with postage and fees prepaid, addressed to the other party at the addresses set forth on the signature pages hereto or at such other address as such party may designate by ten (10) days' advance written notice to the other party hereto.

15. By signing these Joint Escrow Instructions you become a party hereto only for the purpose of said Joint Escrow Instructions; you do not become a party to the Agreement.

16. You shall be entitled to employ such legal counsel and other experts (including without limitation the firm of Latham & Watkins) as you may deem necessary properly to advise you in connection with your obligations hereunder. You may rely upon the advice of such counsel, and may pay such counsel reasonable compensation therefor. The Company shall be responsible for all fees generated by such legal counsel in connection with your obligations hereunder.

17. These Joint Escrow Instructions shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. It is understood and agreed that references to "you" or "your" herein refer to the original Escrow Agent and to any and all successor Escrow Agents. It is understood and agreed that the Company may at any time or from time to time assign its rights under the Agreement and these Joint Escrow Instructions in whole or in part.

18. These Joint Escrow Instructions shall be governed by and interpreted and determined in accordance with the laws of the State of North Carolina, as such laws are applied by North Carolina courts to contracts made and to be performed entirely in North Carolina by residents of that state.

[SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, these Joint Escrow Instructions have been executed and delivered by the parties hereto.

TANGER FACTORY OUTLET CENTERS, INC.
a corporation organized under the laws of North Carolina

By: _____
Frank Marchisello
Chief Financial Officer

Address:

RESTRICTED SHAREHOLDER

Address:

ACKNOWLEDGED AND AGREED:

ESCROW AGENT

By: _____

Secretary

Address:

EXHIBIT C TO RESTRICTED SHARES AGREEMENT

CONSENT OF SPOUSE

I, _____, spouse of _____, have read and approve the foregoing Agreement. In consideration of granting of the right to my spouse to receive shares of Tanger Factory Outlet Centers, Inc. as set forth in the Restricted Shares Agreement (the "Agreement"), I hereby appoint my spouse as my attorney-in-fact in respect to the exercise of any rights under the Agreement and agree to be bound by the provisions of the Agreement insofar as I may have any rights in said Agreement or any shares issued pursuant thereto under the community property laws or similar laws relating to marital property in effect in the state of our residence as of the date of the signing of the foregoing Agreement.

Dated: _____, 2004

By: _____

Print Name: _____

RESTRICTED SHARE AGREEMENT

THIS RESTRICTED SHARE AGREEMENT (this "Agreement") is made effective as of _____, _____, between Tanger Factory Outlet Centers, Inc., a corporation organized under the laws of the State of North Carolina (the "Company"), Tanger Properties Limited Partnership, a limited partnership organized under the laws of the State of North Carolina (the "Employer"), and _____ (the "Restricted Shareholder").

WHEREAS, the Company has established the Amended and Restated Incentive Award Plan of Tanger Factory Outlet Centers, Inc. and Tanger Properties Limited Partnership (the "Plan");

WHEREAS, the Company wishes to carry out the Plan (the terms of which are hereby incorporated by reference and made a part of this Agreement);

WHEREAS, the Plan provides for the issuance of the Company's common shares, no par value (the "Common Shares"), subject to certain restrictions thereon ("Restricted Shares");

WHEREAS, the Committee, appointed to administer the Plan, has determined that it would be to the advantage and in the best interest of the Company and its shareholders to issue the Restricted Shares provided for herein to the Restricted Shareholder as an inducement to enter into or remain in the service of the Employer, the Company or any Subsidiary, and as an incentive for increased efforts during such service, and has advised the Company thereof and instructed the undersigned officer to issue said Restricted Shares; and

WHEREAS, all capitalized terms used herein without definition shall have the meanings ascribed to such terms in the Plan.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and for other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I.
AWARD OF RESTRICTED SHARES

Section 1.1 - Award of Restricted Shares

For good and valuable consideration, on the date hereof the Company hereby issues to the Restricted Shareholder _____ Common Shares upon the terms and conditions set forth in this Agreement at a purchase price of \$0.00 per share. Notwithstanding anything to the contrary anywhere else in this Agreement, the Restricted Shares are subject to the terms, definitions and provisions of the Plan, which is incorporated herein by reference.

Section 1.2 - Consideration to Company

In consideration for the issuance of Restricted Shares by the Company, the Restricted Shareholder agrees to render faithful and efficient services to the Employer, the Company or any Subsidiary (as applicable), with such duties and responsibilities as shall from time to time be prescribed. Nothing in this Agreement or in the Plan shall confer upon the Restricted Shareholder any right to continue in the service of the Employer, the Company or any Subsidiary or shall interfere with or restrict in any way the rights of the Employer, the Company or any Subsidiary, which are hereby expressly reserved, to discharge the Restricted Shareholder at any time for any reason whatsoever, with or without cause.

ARTICLE II.
RESTRICTIONS

Section 2.1 - Forfeiture of Restricted Shares

Immediately upon the Restricted Shareholder's Termination of Employment, the Restricted Shareholder shall forfeit any and all Restricted Shares then subject to Restrictions and the Restricted Shareholder's rights in any Restricted Shares then subject to Restrictions shall lapse; provided, however, no such forfeiture shall exist in the event of:

(a) Restricted Shareholder's Termination of Employment by Employer (i) other than for Cause or (ii) because of Restricted Shareholder's Disability;

(b) The Restricted Shareholder's Termination of Employment by the Restricted Shareholder for Good Reason; or

(c) Upon Restricted Shareholder's retirement after attaining [_____] years of age, if the Committee, in its sole discretion, determines that such forfeiture shall not exist. For purposes of this Agreement, the term "Restrictions" shall mean the exposure to forfeiture set forth in this Section 2.1 and the restrictions on sale or other transfer set forth in Sections 2.4 and 2.5 and the terms "Cause," "Good Reason" and "Disability" shall have the same

meaning as those terms have in Restricted Shareholder's employment contract with Employer.

Section 2.2 - Legend

Certificates representing Restricted Shares issued pursuant to this Agreement shall, until all Restrictions lapse and new certificates are issued pursuant to Section 2.3(b) hereof, bear the following legend:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO FORFEITURE, REACQUISITION AND CERTAIN RESTRICTIONS ON TRANSFERABILITY UNDER THE TERMS OF THAT CERTAIN RESTRICTED SHARE AGREEMENT BY AND BETWEEN TANGER FACTORY OUTLET CENTERS, INC., TANGER PROPERTIES LIMITED PARTNERSHIP AND THE REGISTERED OWNER OF SUCH SECURITIES, AND SUCH SECURITIES MAY NOT BE, DIRECTLY OR INDIRECTLY, OFFERED, TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF UNDER ANY CIRCUMSTANCES, EXCEPT PURSUANT TO THE PROVISIONS OF SUCH AGREEMENT."

Section 2.3 - Lapse of Restrictions

(a) Subject to Sections 2.1 and 3.4 hereof, the Restrictions shall lapse with respect to fifty percent (50%) of the Restricted Shares in accordance with the following schedule:

Date	Portion of Restricted Shares No Longer Subject to Restrictions
December 31, 2005	10%
December 31, 2006	10%
December 31, 2007	10%
December 31, 2008	10%
December 31, 2009	10%

(b) Subject to Sections 2.1 and 3.4 hereof, the Restrictions on ten percent (10%) of the Restricted Shares shall lapse on December 31 of each of the Company's five fiscal years beginning with the fiscal year ending December 31, 2005 (each a "Targeted Fiscal Year") with respect to which the Company achieves one of the following target levels for Total Return Performance ("TRP") either for the Targeted Fiscal Year ending on that date or an average TRP for that and all prior Targeted Fiscal Years: (i) Company TRP equals or exceeds 110% of the TRP for the Morgan Stanley REIT Index, or (ii) Company TRP equals or exceeds 10%, or (iii) Company TRP is in the top 50% of the TRP reported by the companies in the Company's Peer Group. For these purposes, "TRP" means the total return performance of a company's common shares as reported in that company's annual proxy statement and the Company's "Peer Group" is set forth on attached Exhibit D.

The following are examples of the method of determining whether the average TRS target levels are achieved:

Example #1: Assume that the Company's TRS expressed as a percentage of the Morgan Stanley REIT Index is 100% for 2005; 120% for 2006; 105% for 2007; 110% for 2008 and 115% for 2009.

On 12/31/05, the Restriction will not lapse with respect to any Restricted Shares for FY2005 for achievement of this targeted level; on 12/31/06, Restrictions will lapse with respect to 10% of the shares for each of FY2005 and FY2006; on 12/31/07, Restrictions will not lapse with respect to any shares for FY2007; on 12/31/08, Restrictions will lapse with respect to 10% of the shares for FY2008; and on 12/31/09, Restrictions will lapse with respect to 10% percent of the shares for each of FY2007 and FY2009.

Example #2: Assume that the Company's TRS is 9% for 2005; 12% for 2006; 8% for 2007; 10% for 2008 and 11% for 2009.

On 12/31/05, Restrictions will not lapse with respect to any of the Restricted Shares for FY2005 for achievement of this targeted level; on 12/31/06, Restrictions will lapse with respect to 10% of the shares for each of FY2005 and FY2006; on 12/31/07, Restrictions will not lapse with respect to any shares for FY2007; on 12/31/08, Restrictions will lapse with respect to 10% of the shares for FY2008; and on 12/31/09, Restrictions will lapse with respect to 10% percent of the shares for each of FY2007 and FY2009.

Example #3: Assume that the Company's TRS is in the following percentiles of its peer group: 55th for 2005; 45th for 2006; 54th for 2007; 50th for 2008 and 46th for 2009.

On 12/31/05, Restrictions will not lapse with respect to any Restricted Shares for FY2005 for achievement of this targeted level; on 12/31/06, Restrictions will lapse with respect to 10% of the shares for each of FY2005 and FY2006; on 12/31/07, Restrictions will not lapse with respect to any shares for FY2007; on 12/31/08, Restrictions will lapse with respect to 10% of the shares for FY2008; and on 12/31/09, Restrictions will lapse with respect to 10% percent of the shares for each of FY2007 and FY2009.

Notwithstanding anything to the contrary in this Agreement, in no event shall the Restrictions lapse pursuant to this Section 2.3(b) with respect to more than fifty percent (50%) of the Restricted Shares issued to Restricted Shareholder pursuant to Section 1.1.

(c) Restrictions shall lapse with respect to any remaining Restricted Shares upon Restricted Shareholder's Termination of Employment (i) by Employer other than for Cause, (ii) by Restricted Shareholder for Good Reason, or (iii) because of Restricted Shareholder's Disability.

(d) Upon the lapse of the Restrictions, the Company shall cause new certificates to be issued with respect to such shares and delivered to the Restricted Shareholder or his or her legal representative, free from the legend provided for in Section 2.2 hereof and any of the other Restrictions. Notwithstanding the foregoing, no such new certificate shall be delivered to the Restricted Shareholder or his or her legal representative unless and until the Restricted Shareholder or his or her legal representative shall have paid to the Company or the Employer, as applicable, in cash, the full amount of all federal and state withholding or other employment taxes applicable to the taxable income of the Restricted Shareholder resulting from the grant of Restricted Shares or the lapse of the Restrictions.

Section 2.4 - Restricted Shares Not Transferable

Until the Restrictions hereunder lapse or expire pursuant to this Agreement, neither the Restricted Shares (including any shares received by holders thereof with respect to Restricted Shares as a result of share dividends, share splits or any other form of recapitalization) nor any interest or right therein or part thereof shall be liable for the debts, contracts, or engagements of the Restricted Shareholder or his or her successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy) and any attempted disposition thereof shall be null and void and of no effect; provided, however, that, subject to the Ownership Limit (as defined in the Articles of Incorporation of the Company), this Section 2.4 shall not prevent transfers by will or by the applicable laws of descent and distribution.

Section 2.5 - Restrictions on New Shares

In the event that the outstanding Common Shares are changed into or exchanged for a different number or kind of capital shares or other securities of the Company or of another corporation (other than in connection with a Change of Control) by reason of merger, consolidation, recapitalization, reclassification, share split, share dividend or combination of shares, such new or additional or different shares or securities which are issued upon conversion of or in exchange or substitution for Restricted Shares which are then subject to Restrictions shall be considered to be Restricted Shares and shall be subject to all of the Restrictions, unless the Committee provides for the expiration of the Restrictions on the Restricted Shares underlying the distribution of the new or additional or different shares or securities.

Section 2.6 - Section 83(b)

The Restricted Shareholder covenants that he or she will not make an election under Section 83(b) of the Code with respect to the receipt of any Restricted Shares without the consent of the Company, which the Company may grant or withhold in its sole discretion.

ARTICLE III. MISCELLANEOUS

Section 3.1 - Holding Period and Additional Restrictions as to Ownership and Transfer

(a) Notwithstanding any provision of this Agreement to the contrary, if the Restricted Shareholder is subject to Section 16 of the Exchange Act on the date on which the Restricted Shares are granted, the Restricted Shares may not be sold, assigned or otherwise transferred or exchanged until at least six months and one day have elapsed from the date on which the Restricted Shares were granted.

(b) The Restricted Shares (whether or not the Restrictions have lapsed with respect to such Restricted Shares) shall be subject to the restrictions on

ownership and transfer set forth in the Articles of Incorporation of the Company.

Section 3.2 - Conditions to Issuance of Share Certificates

Restricted Shares may be either previously authorized but unissued shares or issued shares which have then been reacquired by the Company. Such shares shall be fully paid and nonassessable. Neither the Company nor the Employer shall be required to issue or deliver any certificate or certificates for shares pursuant to this Agreement prior to fulfillment of all of the following conditions:

(a) The admission of such shares to listing on all stock exchanges on which such class of shares is then listed;

(b) The completion of any registration or other qualification of such shares under any state or federal law or under rulings or regulations of the Securities and Exchange Commission or of any other governmental regulatory body, which the Committee shall, in its sole discretion, deem necessary or advisable;

(c) The obtaining of any approval or other clearance from any state or federal governmental agency which the Committee shall, in its sole discretion, determine to be necessary or advisable;

(d) The lapse of such reasonable period of time as the Committee may from time to time establish for reasons of administrative convenience; and

(e) The receipt by the Company of full payment for such shares, including payment of any applicable withholding tax to the Company or the Employer, as applicable.

Section 3.3 - Escrow

(a) The Restricted Shareholder hereby authorizes and directs the Secretary of the Company, or such other person designated by the Company, to transfer the Restricted Shares which are subject to the Restrictions from the Restricted Shareholder to the Company or the Employer, as applicable, in the event of forfeiture of such shares pursuant to Section 2.1.

(b) To insure the availability for delivery of the Restricted Shares upon forfeiture pursuant to Section 2.1, the Restricted Shareholder hereby appoints the Secretary, or any other person designated by the Company as escrow agent, as its attorney-in-fact to sell, assign and transfer unto the Company, such shares, if any, forfeited pursuant to this Agreement and shall, upon execution of this Agreement, deliver and deposit with the Secretary of the Company, or such other person designated by the Company, the share certificates representing the Restricted Shares, together with the share assignment duly endorsed in blank, attached hereto as Exhibit A. The Restricted Shares and share assignment shall be held by the Secretary in escrow, pursuant to the Joint Escrow Instructions of the Company and the Restricted Shareholder attached hereto as Exhibit B, until all of the Restrictions expire or shall have been removed. [??As a further condition to the Company's and the Employer's obligations under this Agreement, the spouse of the Restricted Shareholder, if any, shall execute and deliver to the Company the Consent of Spouse attached hereto as Exhibit C.??] Upon the lapse of the Restrictions on the Restricted Shares, the escrow agent shall promptly deliver to the Restricted Shareholder the certificate or certificates representing such shares in the escrow agent's possession belonging to the Restricted Shareholder, and the escrow agent shall be discharged of all further obligations hereunder; provided, however, that the escrow agent shall nevertheless retain such certificate or certificates as escrow agent if so required pursuant to other restrictions imposed pursuant to this Agreement.

(c) The Company, or its designee, shall not be liable for any act it may do or omit to do with respect to holding the Restricted Shares in escrow and while acting in good faith and in the exercise of its judgment.

Section 3.4 - Ownership Limit and REIT Status.

Notwithstanding anything contained herein, the Restrictions on the Restricted Shares shall not lapse:

(a) to the extent the lapsing of such Restrictions could cause the Restricted Shareholder to be in violation of the Ownership Limit; or

(b) if, in the discretion of the Administrator, the lapsing of such Restrictions could impair the Company's status as a REIT.

Section 3.5 - Notices

Any notice to be given by the Restricted Shareholder under the terms of this Agreement shall be addressed to the Secretary of the Company. Any notice to be given to the Restricted Shareholder shall be addressed to him or her at the address given beneath his or her signature hereto. By a notice given pursuant to this Section 3.5, either party may hereafter designate a different address for notices to be given to him. Any notice which is required to be given to the Restricted Shareholder shall, if Restricted Shareholder is then deceased, be

given to the Restricted Shareholder's personal representative if such representative has previously informed the Company of his or her status and address by written notice under this Section 3.5. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery or upon deposit in the United States mail by certified mail, with postage and fees prepaid, addressed as set forth above.

Section 3.6 - Rights as Shareholder

Except as otherwise provided herein, upon the delivery of Restricted Shares to the escrow holder pursuant to Section 3.3 hereof, the holder of the Restricted Shares shall have all the rights of a shareholder with respect to the Restricted Shares, including the right to vote the Restricted Shares and the right to receive all dividends or other distributions paid or made with respect to the Restricted Share.

Section 3.7 - Conformity to Securities Laws

The Restricted Shareholder acknowledges that the Plan and this Agreement are intended to conform to the extent necessary with all provisions of all applicable federal and state laws, rules and regulations (including, but not limited to the Securities Act and the Exchange Act and any and all regulations and rules promulgated by the Securities and Exchange Commission thereunder, including without limitation the applicable exemptive conditions of Rule 16b-3) and to such approvals by any listing, regulatory or other governmental authority as may, in the opinion of counsel for the Company, be necessary or advisable in connection therewith. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the Restricted Shares are granted, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Plan, this Agreement and the Restricted Shares shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

Section 3.8 - Amendments

This Agreement and the Plan may be amended without the consent of the Restricted Shareholder; provided, however, that no such amendment shall, without the consent of the Restricted Shareholder, impair any rights of the Restricted Shareholder under this Agreement.

Section 3.9 - Tax Withholding

The Company or the Employer, as applicable, shall be entitled to require payment in cash or deduction from other compensation payable to the Restricted Shareholder of any sums required by federal, state or local tax law to be withheld with respect to the issuance, vesting, exercise or payment of the Restricted Shares. The Committee may in its discretion and in satisfaction of the foregoing requirement allow the Restricted Shareholder to elect to have the Company or the Employer, as applicable, withhold Common Shares otherwise issuable under such award (or allow the return of Common Shares) having a Fair Market Value equal to the sums required to be withheld. Notwithstanding any other provision of the Plan or this Agreement, the number of Common Shares which may be withheld with respect to the issuance, vesting or payment of the Restricted Shares (or which may be repurchased from the Restricted Shareholder within six months after such Common Shares were acquired by the Restricted Shareholder from the Company or the Employer) in order to satisfy the Restricted Shareholder's federal and state income and payroll tax liabilities with respect to the issuance, vesting or payment of the Restricted Shares shall be limited to the number of shares which have a Fair Market Value on the date of withholding or repurchase equal to the aggregate amount of such liabilities based on the minimum statutory withholding rates for federal and state tax income and payroll tax purposes that are applicable to such supplemental taxable income.

Section 3.10 - Governing Law

This Agreement shall be administered, interpreted and enforced under the internal laws of the state of North Carolina without regard to conflicts of laws thereof.

Section 3.11 - Stop Transfer Instructions

To ensure compliance with the Restrictions, the Company may issue appropriate "stop transfer" instructions to its transfer agent with respect to the Restricted Shares.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Agreement has been executed and delivered by the parties hereto.

TANGER FACTORY OUTLET CENTERS, INC.,
a corporation organized under the laws of North Carolina

By: _____

Title: _____

TANGER PROPERTIES LIMITED PARTNERSHIP, a
North Carolina Limited Partnership

By: TANGER GP TRUST, its sole General Partner

By: _____

Title: _____

RESTRICTED SHAREHOLDER

- - - - -
- - - - -

Address:

Taxpayer Identification Number: _____

EXHIBIT A TO RESTRICTED SHARES AGREEMENT
SHARE ASSIGNMENT SEPARATE FROM CERTIFICATE(S)

FOR VALUE RECEIVED, _____ hereby sells, assigns and transfers unto Tanger Factory Outlet Centers, Inc., a corporation organized under the laws of North Carolina (the "Company"), pursuant to the forfeiture provision under that certain Restricted Shares Agreement, dated ____, 20[xx] by and between the undersigned, the Company, and Tanger Properties Limited Partnership, a limited partnership organized under the laws of North Carolina (the "Agreement"), _____ (_____) Common Shares of the Company standing in the undersigned's name on the books of the Company represented by Certificate No(s). _____ and does hereby irrevocably constitute and appoint the Company's Secretary to transfer said Common Shares on the books of the Company with full power of substitution in the premises.

This Share Assignment Separate from Certificate(s) may be used only in accordance with and subject to the terms and conditions of the Agreement, in connection with the forfeiture of Common Shares issued to the undersigned pursuant to the Agreement, and only to the extent that such shares remain subject to such forfeiture under the Agreement.

Dated: _____ (Signature)

(Print Name)

(INSTRUCTION: Please do not fill in any blanks other than the "Signature" line and the "Print Name" line.)

EXHIBIT B TO RESTRICTED SHARES AGREEMENT
JOINT ESCROW INSTRUCTIONS

Tanger Factory Outlet Centers
3200 Northline Avenue, Suite 360
Greensboro, North Carolina 27408

Attn: Secretary

Dear Secretary of Tanger Factory Outlet Centers, Inc.:

As Escrow Agent for Tanger Factory Outlet Centers, Inc., (the "Company") and the undersigned holder of Common Shares of the Company (the "Restricted Shareholder"), you are hereby authorized and directed to hold the documents delivered to you pursuant to the terms of that certain Restricted Shares Agreement ("Agreement"), dated _____, 20[xx], to which a copy of these Joint Escrow Instructions is attached as Exhibit B, in accordance with the following instructions:

1. In the event of the forfeiture of any shares pursuant to Section 2.1 of the Agreement, the Company or its assignee will give to the Restricted Shareholder and you a written notice specifying the number of Common Shares to be purchased, the purchase price, and the time for a closing hereunder at the principal office of the Company. The Restricted Shareholder and the Company hereby irrevocably authorize and direct you to close the transaction contemplated by such notice in accordance with the terms of said notice.

2. At the closing you are directed (a) to date any share assignments necessary for the transfer in question, (b) to fill in the number of shares being transferred, and (c) to deliver same, together with the certificate evidencing the Common Shares to be transferred, to the Company against the simultaneous delivery to you of the purchase price (which may include suitable acknowledgment of cancellation of indebtedness) for the number of Common Shares being forfeited.

3. The Restricted Shareholder irrevocably authorizes the Company to deposit with you any certificates evidencing Common Shares to be held by you hereunder and any additions and substitutions to said shares as specified in the Agreement. The Restricted Shareholder does hereby irrevocably constitute and appoint you as the Restricted Shareholder's attorney-in-fact and agent for the term of this escrow to execute with respect to such securities and other property all documents of assignment and/or transfer and all share certificates necessary or appropriate to make all securities negotiable and complete any transaction herein contemplated.

4. This escrow shall terminate upon expiration or exercise in full of the Restrictions described in the Agreement, whichever occurs first.

5. If at the time of termination of this escrow you should have in your possession any documents, securities, or other property belonging to the Restricted Shareholder, you shall deliver all of same to the Restricted Shareholder and shall be discharged of all further obligations hereunder; provided, however, that if at the time of termination of this escrow you are advised by the Company that the property subject to this escrow is the subject of a pledge or other security agreement, you shall deliver all such property to the pledgeholder or other person designated by the Company.

6. Except as otherwise provided in these Joint Escrow Instructions, your duties hereunder may be altered, amended, modified or revoked only by a writing signed by all of the parties hereto.

7. You shall be obligated only for the performance of such duties as are specifically set forth herein and may rely and shall be protected in relying or refraining from acting on any instrument reasonably believed by you to be genuine and to have been signed or presented by the proper party or parties or their assignees. You shall not be personally liable for any act you may do or omit to do hereunder as Escrow Agent or as attorney-in-fact for the Restricted Shareholder while acting in good faith and any act done or omitted by you pursuant to the advice of your own attorneys shall be conclusive evidence of such good faith.

8. You are hereby expressly authorized to disregard any and all warnings given by any of the parties hereto or by any other person or corporation, excepting only orders or process of courts of law, and are hereby expressly authorized to comply with and obey orders, judgments or decrees of any court. In case you obey or comply with any such order, judgment or decree of any court, you shall not be liable to any of the parties hereto or to any other person, firm or corporation by reason of such compliance, notwithstanding any such order, judgment or decree being subsequently reversed, modified, annulled, set aside, vacated or found to have been entered without jurisdiction.

9. You shall not be liable in any respect on account of the identity, authority or rights of the parties executing or delivering or purporting to execute or deliver the Agreement or any documents or papers deposited or called for hereunder.

10. You shall not be liable for the outlawing of any rights under any statute of limitations with respect to these Joint Escrow Instructions or any documents deposited with you.

11. Your responsibilities as Escrow Agent hereunder shall terminate if you shall cease to be Secretary of the Company or if you shall resign by written notice to each party. In the event of any such termination, the Company may appoint any officer or assistant officer of the Company as successor Escrow

Agent and the Restricted Shareholder hereby confirms the appointment of such successor or successors as the Restricted Shareholder's attorney-in-fact and agent to the full extent of your appointment.

12. If you reasonably require other or further instruments in connection with these Joint Escrow Instructions or obligations in respect hereto, the necessary parties hereto shall join in furnishing such instruments.

13. It is understood and agreed that should any dispute arise with respect to the delivery and/or ownership or right of possession of the securities, you are authorized and directed to retain in your possession without liability to anyone all or any part of said securities until such dispute shall have been settled either by mutual written agreement of the parties concerned or by a final order, decree or judgment of a court of competent jurisdiction after the time for appeal has expired and no appeal has been perfected, but you shall be under no duty whatsoever to institute or defend any such proceedings.

14. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery or sent by telegram or fax or upon deposit in the United States Post Office, by registered or certified mail with postage and fees prepaid, addressed to the other party at the addresses set forth on the signature pages hereto or at such other address as such party may designate by ten (10) days' advance written notice to the other party hereto.

15. By signing these Joint Escrow Instructions you become a party hereto only for the purpose of said Joint Escrow Instructions; you do not become a party to the Agreement.

16. You shall be entitled to employ such legal counsel and other experts (including without limitation the firms of Latham & Watkins or Vernon, Vernon, Wooten, Brown, Andrews & Garrett, P.A.) as you may deem necessary properly to advise you in connection with your obligations hereunder. You may rely upon the advice of such counsel, and may pay such counsel reasonable compensation therefor. The Company shall be responsible for all fees generated by such legal counsel in connection with your obligations hereunder.

17. These Joint Escrow Instructions shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. It is understood and agreed that references to "you" or "your" herein refer to the original Escrow Agent and to any and all successor Escrow Agents. It is understood and agreed that the Company may at any time or from time to time assign its rights under the Agreement and these Joint Escrow Instructions in whole or in part.

18. These Joint Escrow Instructions shall be governed by and interpreted and determined in accordance with the laws of the State of North Carolina, as such laws are applied by North Carolina courts to contracts made and to be performed entirely in North Carolina by residents of that state.

[SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, these Joint Escrow Instructions have been executed and delivered by the parties hereto.

TANGER FACTORY OUTLET CENTERS, INC.
a corporation organized under the laws of North Carolina

By: _____
Frank Marchisello
Chief Financial Officer

Address:

RESTRICTED SHAREHOLDER

Address:

ACKNOWLEDGED AND AGREED:

ESCROW AGENT

By: _____

Secretary

Address:

- _____
- _____

EXHIBIT C TO RESTRICTED SHARES AGREEMENT

CONSENT OF SPOUSE

I, _____, spouse of _____, have read and approve the foregoing Agreement. In consideration of granting of the right to my spouse to receive shares of Tanger Factory Outlet Centers, Inc. as set forth in the Restricted Shares Agreement (the "Agreement"), I hereby appoint my spouse as my attorney-in-fact in respect to the exercise of any rights under the Agreement and agree to be bound by the provisions of the Agreement insofar as I may have any rights in said Agreement or any shares issued pursuant thereto under the community property laws or similar laws relating to marital property in effect in the state of our residence as of the date of the signing of the foregoing Agreement.

Dated: _____, 2004

By: _____

Print Name: _____

EXHIBIT D TO RESTRICTED SHARES AGREEMENT

PEER GROUP

RESTRICTED SHARE AGREEMENT

THIS RESTRICTED SHARE AGREEMENT (this "Agreement") is made effective as of _____, 2005 (the "Effective Date"), between Tanger Factory Outlet Centers, Inc., a corporation organized under the laws of the State of North Carolina (the "Company") and [Name of Director] (the "Restricted Shareholder").

WHEREAS, the Company has established the Amended and Restated Incentive Award Plan of Tanger Factory Outlet Centers, Inc. and Tanger Properties Limited Partnership (the "Plan");

WHEREAS, the Company wishes to carry out the Plan (the terms of which are hereby incorporated by reference and made a part of this Agreement);

WHEREAS, the Plan provides for the issuance of the Company's common shares, no par value (the "Common Shares"), subject to certain restrictions thereon ("Restricted Shares");

WHEREAS, the Board, appointed to administer the Plan with respect to Awards to Independent Directors, has determined that it would be to the advantage and in the best interest of the Company and its shareholders to issue the Restricted Shares provided for herein to the Restricted Shareholder as an inducement to enter into or remain in the service of the Company as an Independent Director and as an incentive for increased efforts during such service, and has advised the Company thereof and instructed the undersigned officer to issue said Restricted Shares; and

WHEREAS, all capitalized terms used herein without definition shall have the meanings ascribed to such terms in the Plan.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and for other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I.
AWARD OF RESTRICTED Shares

Section 1.1 - Award of Restricted Shares

For good and valuable consideration, on the Effective Date the Company hereby issues to the Restricted Shareholder 2000 Common Shares upon the terms and conditions set forth in this Agreement at a purchase price of \$0.00 per share. Notwithstanding anything to the contrary anywhere else in this Agreement, the Restricted Shares are subject to the terms, definitions and provisions of the Plan, which is incorporated herein by reference.

Section 1.2 - Consideration to Company

In consideration for the issuance of Restricted Shares by the Company, the Restricted Shareholder agrees to render faithful and efficient services as a Director.

ARTICLE II.
RESTRICTIONS

Section 2.1 - Forfeiture of Restricted Shares

Immediately upon the Restricted Shareholder's Termination of Directorship by reason of his voluntary resignation or removal for cause, the Restricted Shareholder shall forfeit any and all Restricted Shares then subject to Restrictions and the Restricted Shareholder's rights in any Restricted Shares then subject to Restrictions shall expire. For purposes of this Agreement, the term "Restrictions" shall mean the exposure to forfeiture set forth in this Section 2.1 and the restrictions on sale or other transfer set forth in Sections 2.4 and 2.5.

Section 2.2 - Legend

Certificates representing Restricted Shares issued pursuant to this Agreement shall, until all Restrictions lapse and new certificates are issued pursuant to Section 2.3(b) hereof, bear the following legend:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO FORFEITURE, REACQUISITION AND CERTAIN RESTRICTIONS ON TRANSFERABILITY UNDER THE TERMS OF THAT CERTAIN RESTRICTED SHARE AGREEMENT BY AND BETWEEN TANGER FACTORY OUTLET CENTERS, INC. AND THE REGISTERED OWNER OF SUCH SECURITIES, AND SUCH SECURITIES MAY NOT BE, DIRECTLY OR INDIRECTLY, OFFERED, TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF UNDER ANY CIRCUMSTANCES, EXCEPT PURSUANT TO THE PROVISIONS OF SUCH AGREEMENT."

Section 2.3 - Lapse of Restrictions

(a) Subject to Sections 2.1 and 3.4 hereof, the Restrictions shall lapse in accordance with the following schedule:

Date	Number of Restricted Shares No Longer Subject to Restrictions
December 31, 2005	666
December 31, 2006	666
December 31, 2007	667

provided, however, that the Restrictions shall lapse in full upon the Restricted Shareholder's Termination of Directorship other than by reason of his voluntary resignation or removal for cause.

(b) Upon the lapse of the Restrictions, the Company shall cause new certificates to be issued with respect to such shares and delivered to the Restricted Shareholder or his or her legal representative, free from the legend provided for in Section 2.2 hereof and any of the other Restrictions. Notwithstanding the foregoing, no such new certificate shall be delivered to the Restricted Shareholder or his or her legal representative unless and until the Restricted Shareholder or his or her legal representative shall have paid to the Company, in cash, the full amount of all federal and state withholding or other employment taxes applicable to the taxable income of the Restricted Shareholder resulting from the grant of Restricted Shares or the lapse of the Restrictions.

Section 2.4 - Restricted Shares Not Transferable

Until the Restrictions hereunder lapse or expire pursuant to this Agreement, neither the Restricted Shares (including any shares received by holders thereof with respect to Restricted Shares as a result of share dividends, share splits or any other form of recapitalization) nor any interest or right therein or part thereof shall be liable for the debts, contracts, or engagements of the Restricted Shareholder or his or her successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy) and any attempted disposition thereof shall be null and void and of no effect; provided, however, that, subject to the Ownership Limit (as defined in the Articles of Incorporation of the Company), this Section 2.4 shall not prevent transfers by will or by the applicable laws of descent and distribution.

Section 2.5 - Restrictions on New Shares

In the event that the outstanding Common Shares are changed into or exchanged for a different number or kind of capital shares or other securities of the Company or of another corporation by reason of merger, consolidation, recapitalization, reclassification, share split, share dividend or combination of shares, such new or additional or different shares or securities which are issued upon conversion of or in exchange or substitution for Restricted Shares which are then subject to Restrictions shall be considered to be Restricted Shares and shall be subject to all of the Restrictions, unless the Board provides for the expiration of the Restrictions on the Restricted Shares underlying the distribution of the new or additional or different shares or securities.

Section 2.6 - Section 83(b)

The Restricted Shareholder covenants that he or she will not make an election under Section 83(b) of the Code with respect to the receipt of any Restricted Shares without the consent of the Company, which the Company may grant or withhold in its sole discretion.

ARTICLE III. MISCELLANEOUS

Section 3.1 - Holding Period and Additional Restrictions as to Ownership and Transfer

(a) Notwithstanding any provision of this Agreement to the contrary, if the Restricted Shareholder is subject to Section 16 of the Exchange Act on the date on which the Restricted Shares are granted, the Restricted Shares may not be sold, assigned or otherwise transferred or exchanged until at least six months and one day have elapsed from the date on which the Restricted Shares were granted.

(b) The Restricted Shares (whether or not the Restrictions have lapsed with respect to such Restricted Shares) shall be subject to the restrictions on ownership and transfer set forth in the Articles of Incorporation of the

Company.

Section 3.2 - Conditions to Issuance of Share Certificates

Restricted Shares may be either previously authorized but unissued shares or issued shares which have then been reacquired by the Company. Such shares shall be fully paid and nonassessable. The Company shall not be required to issue or deliver any certificate or certificates for shares pursuant to this Agreement prior to fulfillment of all of the following conditions:

(a) The admission of such shares to listing on all stock exchanges on which such class of shares is then listed;

(b) The completion of any registration or other qualification of such shares under any state or federal law or under rulings or regulations of the Securities and Exchange Commission or of any other governmental regulatory body, which the Board shall, in its sole discretion, deem necessary or advisable;

(c) The obtaining of any approval or other clearance from any state or federal governmental agency which the Board shall, in its sole discretion, determine to be necessary or advisable;

(d) The lapse of such reasonable period of time as the Board may from time to time establish for reasons of administrative convenience; and

(e) The receipt by the Company of full payment for such shares, including payment of any applicable withholding tax to the Company.

Section 3.3 - Escrow

(a) The Restricted Shareholder hereby authorizes and directs the Secretary of the Company, or such other person designated by the Company, to transfer the Restricted Shares which are subject to the Restrictions from the Restricted Shareholder to the Company in the event of forfeiture of such shares pursuant to Section 2.1.

(b) To insure the availability for delivery of the Restricted Shares upon forfeiture pursuant to Section 2.1, the Restricted Shareholder hereby appoints the Secretary, or any other person designated by the Company as escrow agent, as its attorney-in-fact to sell, assign and transfer unto the Company, such shares, if any, forfeited pursuant to this Agreement and shall, upon execution of this Agreement, deliver and deposit with the Secretary of the Company, or such other person designated by the Company, the share certificates representing the Restricted Shares, together with the share assignment duly endorsed in blank, attached hereto as Exhibit A. The Restricted Shares and share assignment shall be held by the Secretary in escrow, pursuant to the Joint Escrow Instructions of the Company and the Restricted Shareholder attached hereto as Exhibit B, until all of the Restrictions expire or shall have been removed. Upon the lapse of the Restrictions on the Restricted Shares, the escrow agent shall promptly deliver to the Restricted Shareholder the certificate or certificates representing such shares in the escrow agent's possession belonging to the Restricted Shareholder, and the escrow agent shall be discharged of all further obligations hereunder; provided, however, that the escrow agent shall nevertheless retain such certificate or certificates as escrow agent if so required pursuant to other restrictions imposed pursuant to this Agreement.

(c) The Company, or its designee, shall not be liable for any act it may do or omit to do with respect to holding the Restricted Shares in escrow and while acting in good faith and in the exercise of its judgment.

Section 3.4 - Ownership Limit and REIT Status.

Notwithstanding anything contained herein, the Restrictions on the Restricted Shares shall not lapse:

(a) to the extent the lapsing of such Restrictions could cause the Restricted Shareholder to be in violation of the Ownership Limit; or

(b) if, in the discretion of the Administrator, the lapsing of such Restrictions could impair the Company's status as a REIT.

Section 3.5 - Notices

Any notice to be given by the Restricted Shareholder under the terms of this Agreement shall be addressed to the Secretary of the Company. Any notice to be given to the Restricted Shareholder shall be addressed to him or her at the address given beneath his or her signature hereto. By a notice given pursuant to this Section 3.5, either party may hereafter designate a different address for notices to be given to him. Any notice which is required to be given to the Restricted Shareholder shall, if Restricted Shareholder is then deceased, be given to the Restricted Shareholder's personal representative if such representative has previously informed the Company of his or her status and address by written notice under this Section 3.5. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery or upon deposit in the United States mail by

certified mail, with postage and fees prepaid, addressed as set forth above.

Section 3.6 - Rights as Shareholder

Except as otherwise provided herein, upon the delivery of Restricted Shares to the escrow holder pursuant to Section 3.3 hereof, the holder of the Restricted Shares shall have all the rights of a shareholder with respect to the Restricted Shares, including the right to vote the Restricted Shares and the right to receive all dividends or other distributions paid or made with respect to the Restricted Share.

Section 3.7 - Conformity to Securities Laws

The Restricted Shareholder acknowledges that the Plan and this Agreement are intended to conform to the extent necessary with all provisions of all applicable federal and state laws, rules and regulations (including, but not limited to the Securities Act and the Exchange Act and any and all regulations and rules promulgated by the Securities and Exchange Commission thereunder, including without limitation the applicable exemptive conditions of Rule 16b-3) and to such approvals by any listing, regulatory or other governmental authority as may, in the opinion of counsel for the Company, be necessary or advisable in connection therewith. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the Restricted Shares are granted, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Plan, this Agreement and the Restricted Shares shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

Section 3.8 - Amendments

This Agreement and the Plan may be amended without the consent of the Restricted Shareholder; provided, however, that no such amendment shall, without the consent of the Restricted Shareholder, impair any rights of the Restricted Shareholder under this Agreement.

Section 3.9 - Tax Withholding

The Company shall be entitled to require payment in cash or deduction from other compensation payable to the Restricted Shareholder of any sums required by federal, state or local tax law to be withheld with respect to the issuance, vesting, exercise or payment of the Restricted Shares. The Board may in its discretion and in satisfaction of the foregoing requirement allow the Restricted Shareholder to elect to have the Company withhold Common Shares otherwise issuable under such award (or allow the return of Common Shares) having a Fair Market Value equal to the sums required to be withheld. Notwithstanding any other provision of the Plan or this Agreement, the number of Common Shares which may be withheld with respect to the issuance, vesting or payment of the Restricted Shares (or which may be repurchased from the Restricted Shareholder within six months after such Common Shares were acquired by the Restricted Shareholder from the Company) in order to satisfy the Restricted Shareholder's federal and state income and payroll tax liabilities with respect to the issuance, vesting or payment of the Restricted Shares shall be limited to the number of shares which have a Fair Market Value on the date of withholding or repurchase equal to the aggregate amount of such liabilities based on the minimum statutory withholding rates for federal and state tax income and payroll tax purposes that are applicable to such supplemental taxable income.

Section 3.10 - Governing Law

This Agreement shall be administered, interpreted and enforced under the internal laws of the state of North Carolina without regard to conflicts of laws thereof.

Section 3.11 - Stop Transfer Instructions

To ensure compliance with the Restrictions, the Company may issue appropriate "stop transfer" instructions to its transfer agent with respect to the Restricted Shares.

Section 3.12 - Shareholder Approval

Notwithstanding anything to the contrary herein, all Restricted Shares awarded hereunder shall be forfeited on May 14, 2004 in the event the shareholders of the Company do not approve the Amended and Restated Incentive Award Plan of Tanger Factory Outlet Centers, Inc. and Tanger Properties Limited Partnership at the Company's annual meeting of shareholders on such date.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Agreement has been executed and delivered by the parties hereto as of the date set forth below.

TANGER FACTORY OUTLET CENTERS, INC.,
a North Carolina corporation

By: _____

Its: _____

DATE: _____

RESTRICTED SHAREHOLDER

Address:

Taxpayer Identification Number: _____

Date: _____

EXHIBIT A TO RESTRICTED SHARES AGREEMENT

SHARE ASSIGNMENT SEPARATE FROM CERTIFICATE(S)

FOR VALUE RECEIVED, _____ hereby sells, assigns and transfers unto Tanger Factory Outlet Centers, Inc., a corporation organized under the laws of North Carolina (the "Company"), pursuant to the forfeiture provision under that certain Restricted Shares Agreement, dated _____, 2005 by and between the undersigned and the Company (the "Agreement"), _____ Common Shares of the Company standing in the undersigned's name on the books of the Company represented by Certificate No(s). _____ and does hereby irrevocably constitute and appoint the Company's Secretary to transfer said Common Shares on the books of the Company with full power of substitution in the premises.

This Share Assignment Separate from Certificate(s) may be used only in accordance with and subject to the terms and conditions of the Agreement, in connection with the forfeiture of Common Shares issued to the undersigned pursuant to the Agreement, and only to the extent that such shares remain subject to such forfeiture under the Agreement.

Dated: _____

(Signature)

(Print Name)

(INSTRUCTION: Please do not fill in any blanks other than the "Signature" line and the "Print Name" line.)

EXHIBIT B TO RESTRICTED SHARES AGREEMENT

JOINT ESCROW INSTRUCTIONS

Tanger Factory Outlet Centers
3200 Northline Avenue, Suite 360
Greensboro, North Carolina 27408
Attn: Secretary

Dear Secretary of Tanger Factory Outlet Centers, Inc.:

As Escrow Agent for Tanger Factory Outlet Centers, Inc., (the "Company") and the undersigned holder of Common Shares of the Company (the "Restricted Shareholder"), you are hereby authorized and directed to hold the documents delivered to you pursuant to the terms of that certain Restricted Shares Agreement ("Agreement"), dated _____, 2005, to which a copy of these Joint Escrow Instructions is attached as Exhibit B, in accordance with the following instructions:

1. In the event of the forfeiture of any shares pursuant to Section 2.1 of the Agreement, the Company or its assignee will give to the Restricted Shareholder and you a written notice specifying the number of Common Shares to be purchased, the purchase price, and the time for a closing hereunder at the principal office of the Company. The Restricted Shareholder and the Company hereby irrevocably authorize and direct you to close the transaction contemplated by such notice in accordance with the terms of said notice.

2. At the closing you are directed (a) to date any share assignments necessary for the transfer in question, (b) to fill in the number of shares being transferred, and (c) to deliver same, together with the certificate evidencing the Common Shares to be transferred, to the Company against the simultaneous delivery to you of the purchase price (which may include suitable acknowledgment of cancellation of indebtedness) for the number of Common Shares being forfeited.

3. The Restricted Shareholder irrevocably authorizes the Company to deposit with you any certificates evidencing Common Shares to be held by you hereunder and any additions and substitutions to said shares as specified in the Agreement. The Restricted Shareholder does hereby irrevocably constitute and appoint you as the Restricted Shareholder's attorney-in-fact and agent for the term of this escrow to execute with respect to such securities and other property all documents of assignment and/or transfer and all share certificates necessary or appropriate to make all securities negotiable and complete any transaction herein contemplated.

4. This escrow shall terminate upon expiration or exercise in full of the Restrictions described in the Agreement, whichever occurs first.

5. If at the time of termination of this escrow you should have in your possession any documents, securities, or other property belonging to the Restricted Shareholder, you shall deliver all of same to the Restricted Shareholder and shall be discharged of all further obligations hereunder; provided, however, that if at the time of termination of this escrow you are advised by the Company that the property subject to this escrow is the subject of a pledge or other security agreement, you shall deliver all such property to the pledgeholder or other person designated by the Company.

6. Except as otherwise provided in these Joint Escrow Instructions, your duties hereunder may be altered, amended, modified or revoked only by a writing signed by all of the parties hereto.

7. You shall be obligated only for the performance of such duties as are specifically set forth herein and may rely and shall be protected in relying or refraining from acting on any instrument reasonably believed by you to be genuine and to have been signed or presented by the proper party or parties or their assignees. You shall not be personally liable for any act you may do or omit to do hereunder as Escrow Agent or as attorney-in-fact for the Restricted Shareholder while acting in good faith and any act done or omitted by you pursuant to the advice of your own attorneys shall be conclusive evidence of such good faith.

8. You are hereby expressly authorized to disregard any and all warnings given by any of the parties hereto or by any other person or corporation, excepting only orders or process of courts of law, and are hereby expressly authorized to comply with and obey orders, judgments or decrees of any court. In case you obey or comply with any such order, judgment or decree of any court, you shall not be liable to any of the parties hereto or to any other person, firm or corporation by reason of such compliance, notwithstanding any such order, judgment or decree being subsequently reversed, modified, annulled, set aside, vacated or found to have been entered without jurisdiction.

9. You shall not be liable in any respect on account of the identity, authority or rights of the parties executing or delivering or purporting to execute or deliver the Agreement or any documents or papers deposited or called for hereunder.

10. You shall not be liable for the outlawing of any rights under any statute of limitations with respect to these Joint Escrow Instructions or any documents deposited with you.

11. Your responsibilities as Escrow Agent hereunder shall terminate if you shall cease to be Secretary of the Company or if you shall resign by written notice to each party. In the event of any such termination, the Company may appoint any officer or assistant officer of the Company as successor Escrow

Agent and the Restricted Shareholder hereby confirms the appointment of such successor or successors as the Restricted Shareholder's attorney-in-fact and agent to the full extent of your appointment.

12. If you reasonably require other or further instruments in connection with these Joint Escrow Instructions or obligations in respect hereto, the necessary parties hereto shall join in furnishing such instruments.

13. It is understood and agreed that should any dispute arise with respect to the delivery and/or ownership or right of possession of the securities, you are authorized and directed to retain in your possession without liability to anyone all or any part of said securities until such dispute shall have been settled either by mutual written agreement of the parties concerned or by a final order, decree or judgment of a court of competent jurisdiction after the time for appeal has expired and no appeal has been perfected, but you shall be under no duty whatsoever to institute or defend any such proceedings.

14. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery or sent by telegram or fax or upon deposit in the United States Post Office, by registered or certified mail with postage and fees prepaid, addressed to the other party at the addresses set forth on the signature pages hereto or at such other address as such party may designate by ten (10) days' advance written notice to the other party hereto.

15. By signing these Joint Escrow Instructions you become a party hereto only for the purpose of said Joint Escrow Instructions; you do not become a party to the Agreement.

16. You shall be entitled to employ such legal counsel and other experts (including without limitation the firm of Latham & Watkins) as you may deem necessary properly to advise you in connection with your obligations hereunder. You may rely upon the advice of such counsel, and may pay such counsel reasonable compensation therefor. The Company shall be responsible for all fees generated by such legal counsel in connection with your obligations hereunder.

17. These Joint Escrow Instructions shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. It is understood and agreed that references to "you" or "your" herein refer to the original Escrow Agent and to any and all successor Escrow Agents. It is understood and agreed that the Company may at any time or from time to time assign its rights under the Agreement and these Joint Escrow Instructions in whole or in part.

18. These Joint Escrow Instructions shall be governed by and interpreted and determined in accordance with the laws of the State of North Carolina, as such laws are applied by North Carolina courts to contracts made and to be performed entirely in North Carolina by residents of that state.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, these Joint Escrow Instructions have been executed and delivered by the parties hereto.

TANGER FACTORY OUTLET CENTERS, INC.,
a North Carolina corporation

By: _____

Its: _____

Address:

RESTRICTED SHAREHOLDER

Address:

ACKNOWLEDGED AND AGREED:

ESCROW AGENT

By: -----

Secretary

Address:

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

CERTIFICATION

I, Stanley K. Tanger certify that:

1. I have reviewed this quarterly report on Form 10-Q of Tanger Factory Outlet Centers, Inc. for the quarter ended March 31, 2005;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of and for, the periods presented in this quarterly report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:
 - a. designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and
 - c. presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the end of the period covered by this quarterly report;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officer and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 10, 2005

/s/ Stanley K. Tanger

Stanley K. Tanger
Chairman of the Board of Directors
& Chief Executive Officer

CERTIFICATION

I, Frank C. Marchisello, Jr. certify that:

1. I have reviewed this quarterly report on Form 10-Q of Tanger Factory Outlet Centers, Inc. for the quarter ended March 31, 2005;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of and for, the periods presented in this quarterly report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:
 - a. designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and
 - c. presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the end of the period covered by this quarterly report;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officer and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 10, 2005

/s/ Frank C. Marchisello, Jr.

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

Certification of Chief Executive Officer

Pursuant to 18 U.S.C. ss. 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Tanger Factory Outlet Centers, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended March 31, 2005 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Pursuant to the rules and regulations of the Securities and Exchange Commission, this certification is being furnished and is not deemed filed.

Dated: May 10, 2005

/s/ Stanley K. Tanger

Stanley K. Tanger
Chairman of the Board and
Chief Executive Officer

Certification of Chief Financial Officer

Pursuant to 18 U.S.C. ss. 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Tanger Factory Outlet Centers, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended March 31, 2005 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Pursuant to the rules and regulations of the Securities and Exchange Commission, this certification is being furnished and is not deemed filed.

Dated: May 10, 2005

/s/ Frank C. Marchisello, Jr.

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