United States
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

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

For the quarterly period ended March 31, 2013

OR

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

For the transition period from _________ to _________

Commission file number 1-11986 (Tanger Factory Outlet Centers, Inc.)
Commission file number 333-3526-01 (Tanger Properties Limited Partnership)

TANGER FACTORY OUTLET CENTERS, INC.
TANGER PROPERTIES LIMITED PARTNERSHIP
(Exact name of Registrant as specified in its charter)

North Carolina (Tanger Factory Outlet Centers, Inc.)	**56-1815473**
North Carolina (Tanger Properties Limited Partnership)	**56-1822494**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

3200 Northline Avenue, Suite 360, Greensboro, NC 27408
(Address of principal executive offices)

(336) 292-3010
(Registrant's telephone number)

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.

Tanger Factory Outlet Centers, Inc.	Yes ☒ No ☐
Tanger Properties Limited Partnership	Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Tanger Factory Outlet Centers, Inc.	Yes ☒ No ☐
Tanger Properties Limited Partnership	Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer: and "smaller reporting company" (as defined in Rule 12b-2 of the Securities and Exchange Act of 1934).

Tanger Factory Outlet Centers, Inc.

☒ Large accelerated filer	☐ Accelerated filer	☐ Non-accelerated filer	☐ Smaller reporting company

Tanger Properties Limited Partnership

☐ Large accelerated filer	☐ Accelerated filer	☒ Non-accelerated filer	☐ Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Act).

Tanger Factory Outlet Centers, Inc.	Yes ☐ No ☒
Tanger Properties Limited Partnership	Yes ☐ No ☒

As of April 30, 2013, there were 94,415,137 common shares of Tanger Factory Outlet Centers, Inc. outstanding, $.01 par value.

EXPLANATORY NOTE

This report combines the quarterly reports on Form 10-Q for the quarter ended March 31, 2013 of Tanger Factory Outlet Centers, Inc. and Tanger Properties Limited Partnership. 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.

Tanger Factory Outlet Centers, Inc. and subsidiaries is one of the largest owners and operators of outlet centers in the United States. The Company is a fully-integrated, self-administered and self-managed real estate investment trust ("REIT") which, through its controlling interest in the Operating Partnership, focuses exclusively on developing, acquiring, owning, operating and managing outlet shopping centers. The outlet centers and other assets are held by, and all of the operations are conducted by, the Operating Partnership and its subsidiaries. Accordingly, the descriptions of the business, employees and properties of the Company are also descriptions of the business, employees and properties of the Operating Partnership.

The Company owns the majority of the units of partnership interest issued by the Operating Partnership through its two wholly-owned subsidiaries, Tanger GP Trust and Tanger LP Trust. Tanger GP Trust controls the Operating Partnership as its sole general partner. Tanger LP Trust holds a limited partnership interest. Through May 31, 2011, the Tanger family, through its ownership of the Tanger Family Limited Partnership, held the remaining units as a limited partner. On June 1, 2011, the Tanger Family Limited Partnership was dissolved, and the units of the Operating Partnership owned by the Tanger Family Limited Partnership were distributed to the individual beneficial owners of the Tanger Family Limited Partnership. As a result, each such individual beneficial owner became an individual limited partner of the Operating Partnership (collectively the "Family Limited Partners").

As of March 31, 2013, the Company, through its ownership of Tanger GP Trust and Tanger LP Trust, owned 23,603,784 units of the Operating Partnership and the Family Limited Partners collectively owned 1,186,921 units. Each unit held by the Family Limited Partners is exchangeable for four of the Company's common shares, subject to certain limitations to preserve the Company's REIT status. Prior to the Company's 2 for 1 splits of its common shares on December 28, 2004 and January 24, 2011, the exchange ratio was one for one.

Management operates the Company and the Operating Partnership as one enterprise. The management of the Company consists of the same members as the management of the Operating Partnership. These individuals are officers of the Company and employees of the Operating Partnership. The individuals that comprise the Company's Board of Directors are also the same individuals that make up the Tanger GP Trust's Board of Trustees.

We believe combining the quarterly reports on Form 10-Q of the Company and the Operating Partnership into this single report results in the following benefits:

- enhancing investors' understanding of the Company and the Operating Partnership by enabling investors to view the business as a whole in the same manner as management views and operates the business;

- eliminating duplicative disclosure and providing a more streamlined and readable presentation since a substantial portion of the disclosure applies to both the Company and the Operating Partnership; and

- creating time and cost efficiencies through the preparation of one combined report instead of two separate reports.

There are a few differences between the Company and the Operating Partnership, which are reflected in the disclosure in this report. We believe it is important to understand the differences between the Company and the Operating Partnership in the context of how the Company and the Operating Partnership operate as an interrelated consolidated company. As stated above, the Company is a REIT, whose only material asset is its ownership of partnership interests of the Operating Partnership through its wholly-owned subsidiaries, Tanger GP Trust and Tanger LP Trust. As a result, the Company does not conduct business itself, other than issuing public equity from time to time and incurring expenses required to operate as a public company. However, all operating expenses incurred by the Company are reimbursed by the Operating Partnership, thus the only material item on the Company's income statement is its equity in the earnings of the Operating Partnership. Therefore, the assets and liabilities and the revenues and expenses of the Company and the Operating Partnership are the same on their respective financial statements, except for immaterial differences related to cash, other assets and accrued liabilities that arise from public company expenses paid by the Company. The Company itself does not hold any indebtedness but does guarantee certain debt of the Operating Partnership, as disclosed in this report. The Operating Partnership holds substantially all the assets of the Company and holds the ownership interests in the Company's consolidated and unconsolidated joint ventures. The Operating Partnership conducts the operations of the business and is structured as a partnership with no publicly traded equity. Except for net proceeds from public equity issuances by the Company, which are required to be contributed to the Operating Partnership in exchange for partnership units, the Operating Partnership generates the capital required through its operations, its incurrence of indebtedness or through the issuance of partnership units.

Noncontrolling interests, shareholder's equity and partners' capital are the main areas of difference between the consolidated financial statements of the Company and those of the Operating Partnership. The limited partnership interests in the Operating Partnership held by the Family Limited Partners are accounted for as partners' capital in the Operating Partnership's financial statements and as noncontrolling interests in the Company's financial statements.

To help investors understand the significant differences between the Company and the Operating Partnership, this report presents the following separate sections for each of the Company and the Operating Partnership:

- Consolidated financial statements;
- The following notes to the consolidated financial statements:
    - Debt of the Company and the Operating Partnership;
    - Shareholders' Equity and Partners' Equity;
    - Share-Based Compensation of the Company and Equity-Based Compensation of the Operating Partnership;
    - Earnings Per Share and Earnings Per Unit;
    - Accumulated Other Comprehensive Income of the Company and the Operating Partnership
- Liquidity and Capital Resources in the Management's Discussion and Analysis of Financial Condition and Results of Operations.

This report also includes separate Item 4. Controls and Procedures sections and separate Exhibit 31 and 32 certifications for each of the Company and the Operating Partnership in order to establish that the Chief Executive Officer and the Chief Financial Officer of each entity have made the requisite certifications and that the Company and Operating Partnership are compliant with Rule 13a-15 or Rule 15d-15 of the Securities Exchange Act of 1934 and 18 U.S.C. §1350.

In order to highlight the differences between the Company and the Operating Partnership, the separate sections in this report for the Company and the Operating Partnership specifically refer to the Company and the Operating Partnership. In the sections that combine disclosure of the Company and the Operating Partnership, this report refers to actions or holdings as being actions or holdings of the Company. Although the Operating Partnership is generally the entity that enters into contracts and joint ventures and holds assets and debt, reference to the Company is appropriate because the business is one enterprise and the Company operates the business through the Operating Partnership.

As the 100% owner of Tanger GP Trust, the general partner with control of the Operating Partnership, the Company consolidates the Operating Partnership for financial reporting purposes. The separate discussions of the Company and the Operating Partnership in this report should be read in conjunction with each other to understand the results of the Company on a consolidated basis and how management operates the Company.

TANGER FACTORY OUTLET CENTERS, INC. AND TANGER PROPERTIES LIMITED PARTNERSHIP

Index

PART I. - FINANCIAL INFORMATION

Item 1 - Financial Statements of Tanger Factory Outlet Centers, Inc.

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

	March 31, 2013	December 31, 2012
ASSETS		
Rental property		
Land	$ 148,002	$ 148,002
Buildings, improvements and fixtures	1,802,160	1,796,042
Construction in progress	6,336	3,308
	1,956,498	1,947,352
Accumulated depreciation	(600,713)	(582,859)
Total rental property, net	1,355,785	1,364,493
Cash and cash equivalents	2,691	10,335
Investments in unconsolidated joint ventures	133,982	126,632
Deferred lease costs and other intangibles, net	97,328	101,040
Deferred debt origination costs, net	8,534	9,083
Prepaids and other assets	63,353	60,842
Total assets	$ 1,661,673	$ 1,672,425
LIABILITIES AND EQUITY		
Liabilities		
Debt		
Senior, unsecured notes (net of discount of $1,897 and $1,967, respectively)	$ 548,103	$ 548,033
Unsecured term loans (net of discount of $509 and $547, respectively)	259,491	259,453
Mortgages payable (including premiums of $6,085 and $6,362, respectively)	105,346	107,745
Unsecured lines of credit	174,917	178,306
Total debt	1,087,857	1,093,537
Construction trade payables	7,744	7,084
Accounts payable and accrued expenses	37,957	41,149
Other liabilities	16,676	16,780
Total liabilities	1,150,234	1,158,550
Commitments and contingencies		
Equity		
Tanger Factory Outlet Centers, Inc.		
Common shares, $.01 par value, 300,000,000 shares authorized, 94,415,137 and 94,061,384 shares issued and outstanding at March 31, 2013 and December 31, 2012, respectively	944	941
Paid in capital	768,702	766,056
Accumulated distributions in excess of net income	(289,880)	(285,588)
Accumulated other comprehensive income	1,179	1,200
Equity attributable to Tanger Factory Outlet Centers, Inc.	480,945	482,609
Equity attributable to noncontrolling interests		
Noncontrolling interests in Operating Partnership	24,184	24,432
Noncontrolling interests in other consolidated partnerships	6,310	6,834
Total equity	511,439	513,875
Total liabilities and equity	$ 1,661,673	$ 1,672,425

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

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

	Three months ended March 31, 2013	Three months ended March 31, 2012
Revenues		
Base rentals	$ 59,244	$ 57,219
Percentage rentals	2,017	1,744
Expense reimbursements	25,306	23,673
Other income	2,122	1,607
Total revenues	88,689	84,243
Expenses		
Property operating	28,135	26,088
General and administrative	9,572	10,020
Acquisition costs	179	—
Depreciation and amortization	22,288	25,515
Total expenses	60,174	61,623
Operating income	28,515	22,620
Interest expense	12,876	12,334
Income before equity in earnings (losses) of unconsolidated joint ventures	15,639	10,286
Equity in earnings (losses) of unconsolidated joint ventures	590	(1,452)
Net income	16,229	8,834
Noncontrolling interests in Operating Partnership	(789)	(713)
Noncontrolling interests in other consolidated partnerships	(1)	7
Net income attributable to Tanger Factory Outlet Centers, Inc.	$ 15,439	$ 8,128
Basic earnings per common share		
Net income	$ 0.16	$ 0.09
Diluted earnings per common share		
Net income	$ 0.16	$ 0.09
Dividends paid per common share	$ 0.21	$ 0.20

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

TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands, unaudited)

	Three months ended March 31, 2013	Three months ended March 31, 2012
Net income	$ 16,229	$ 8,834
Other comprehensive loss		
Reclassification adjustment for amortization of gain on settlement of US treasury rate lock included in net income	(90)	(86)
Foreign currency translation adjustments	68	(6)
Other comprehensive loss	(22)	(92)
Comprehensive income	16,207	8,742
Comprehensive income attributable to noncontrolling interests	(789)	(700)
Comprehensive income attributable to Tanger Factory Outlet Centers, Inc.	$ 15,418	$ 8,042

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

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

	Common shares	Paid in capital	Accumulated distributions in excess of earnings	Accumulated other comprehensive income	Total Tanger Factory Outlet Centers, Inc. equity	Noncontrolling interests in Operating Partnership	Noncontrolling interests in other consolidated partnerships	Total equity
Balance, December 31, 2011	$ 867	$ 720,073	$ (261,913)	$ 1,535	$ 460,562	$ 61,027	$ 6,843	$ 528,432
Net income	—	—	53,228	—	53,228	3,267	(19)	56,476
Other comprehensive loss	—	—	—	(335)	(335)	(21)	—	(356)
Compensation under Incentive Award Plan	—	10,676	—	—	10,676	—	—	10,676
Issuance of 37,700 common shares upon exercise of options	—	481	—	—	481	—	—	481
Grant of 566,000 restricted shares, net of forfeitures	6	(6)	—	—	—	—	—	—
Adjustment for noncontrolling interests in Operating Partnership	—	34,910	—	—	34,910	(34,910)	—	—
Adjustment for noncontrolling interests in other consolidated partnerships	—	(10)	—	—	(10)	—	10	—
Exchange of 1,682,507 Operating Partnership units for 6,730,028 common shares	68	(68)	—	—	—	—	—	—
Common dividends ($0.8300 per share)	—	—	(76,903)	—	(76,903)	—	—	(76,903)
Distributions to noncontrolling interest in Operating Partnership	—	—	—	—	—	(4,931)	—	(4,931)
Balance, December 31, 2012	$ 941	$ 766,056	$ (285,588)	$ 1,200	$ 482,609	$ 24,432	$ 6,834	$ 513,875

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

	Common shares	Paid in capital	Accumulated distributions in excess of earnings	Accumulated other comprehensive income	Total Tanger Factory Outlet Centers, Inc. equity	Noncontrolling interests in Operating Partnership	Noncontrolling interests in other consolidated partnerships	Total equity
Balance, December 31, 2012	$ 941	$ 766,056	$ (285,588)	$ 1,200	$ 482,609	$ 24,432	$ 6,834	$ 513,875
Net income	—	—	15,439	—	15,439	789	1	16,229
Other comprehensive loss	—	—	—	(21)	(21)	(1)	—	(22)
Compensation under Incentive Award Plan	—	2,496	—	—	2,496	—	—	2,496
Issuance of 7,200 common shares upon exercise of options	—	117	—	—	117	—	—	117
Grant of 337,373 restricted shares, net of forfeitures	3	(3)	—	—	—	—	—	—
Adjustment for noncontrolling interests in Operating Partnership	—	36	—	—	36	(36)	—	—
Acquisition of noncontrolling interests in other consolidated partnerships	—	—	—	—	—	—	(525)	(525)
Exchange of 3,545 Operating Partnership units for 14,180 common shares	—	—	—	—	—	—	—	—
Common dividends ($.21 per share)	—	—	(19,731)	—	(19,731)	—	—	(19,731)
Distributions to noncontrolling interests in Operating Partnership	—	—	—	—	—	(1,000)	—	(1,000)
Balance, March 31, 2013	$ 944	$ 768,702	$ (289,880)	$ 1,179	$ 480,945	$ 24,184	$ 6,310	$ 511,439

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

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

	Three months ended March 31, 2013	2012
OPERATING ACTIVITIES		
Net income	$ 16,229	$ 8,834
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	22,288	25,515
Amortization of deferred financing costs	603	561
Equity in (earnings) losses of unconsolidated joint ventures	(590)	1,452
Distributions of cumulative earnings from unconsolidated joint ventures	293	237
Share-based compensation expense	2,460	3,391
Amortization of debt (premiums) and discounts, net	(259)	(248)
Net accretion of market rent rate adjustments	(27)	(234)
Straight-line rent adjustments	(1,088)	(997)
Changes in other assets and liabilities:		
Other assets	(1,313)	(1,287)
Accounts payable and accrued expenses	(3,305)	5,373
Net cash provided by operating activities	35,291	42,597
INVESTING ACTIVITIES		
Additions to rental property	(8,495)	(8,335)
Additions to investments in unconsolidated joint ventures	(9,751)	(21,371)
Distributions in excess of cumulative earnings from unconsolidated joint ventures	1,221	63
Additions to deferred lease costs	(648)	(1,329)
Net cash used in investing activities	(17,673)	(30,972)
FINANCING ACTIVITIES		
Cash dividends paid	(19,731)	(18,156)
Distributions to noncontrolling interests in Operating Partnership	(1,000)	(1,488)
Proceeds from debt issuances	80,246	341,781
Repayments of debt	(84,313)	(328,432)
Acquisition of noncontrolling interests in other consolidated partnerships	(525)	—
Additions to deferred financing costs	(56)	(2,483)
Proceeds from exercise of options	117	46
Net cash used in financing activities	(25,262)	(8,732)
Net increase (decrease) in cash and cash equivalents	(7,644)	2,893
Cash and cash equivalents, beginning of period	10,335	7,894
Cash and cash equivalents, end of period	$ 2,691	$ 10,787

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

Item 1 - Financial Statements of Tanger Properties Limited Partnership

TANGER PROPERTIES LIMITED PARTNERSHIP AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, unaudited)

	March 31, 2013	December 31, 2012
ASSETS		
Rental property		
Land	$ 148,002	$ 148,002
Buildings, improvements and fixtures	1,802,160	1,796,042
Construction in progress	6,336	3,308
	1,956,498	1,947,352
Accumulated depreciation	(600,713)	(582,859)
Total rental property, net	1,355,785	1,364,493
Cash and cash equivalents	2,612	10,295
Investments in unconsolidated joint ventures	133,982	126,632
Deferred lease costs and other intangibles, net	97,328	101,040
Deferred debt origination costs, net	8,534	9,083
Prepaids and other assets	62,832	60,408
Total assets	$ 1,661,073	$ 1,671,951
LIABILITIES AND EQUITY		
Liabilities		
Debt		
Senior, unsecured notes (net of discount of $1,897 and $1,967, respectively)	$ 548,103	$ 548,033
Unsecured term loans (net of discount of $509 and $547, respectively)	259,491	259,453
Mortgages payable (including premiums of $6,085 and $6,362, respectively)	105,346	107,745
Unsecured lines of credit	174,917	178,306
Total debt	1,087,857	1,093,537
Construction trade payables	7,744	7,084
Accounts payable and accrued expenses	37,357	40,675
Other liabilities	16,676	16,780
Total liabilities	1,149,634	1,158,076
Commitments and contingencies		
Equity		
Partners' Equity		
General partner	4,676	4,720
Limited partners	499,368	501,214
Accumulated other comprehensive income	1,085	1,107
Total partners' equity	505,129	507,041
Noncontrolling interests in consolidated partnerships	6,310	6,834
Total equity	511,439	513,875
Total liabilities and equity	$ 1,661,073	$ 1,671,951

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

TANGER PROPERITES LIMITED PARTNERSHIP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per unit data, unaudited)

	Three months ended March 31, 2013	Three months ended March 31, 2012
Revenues		
Base rentals	$ 59,244	$ 57,219
Percentage rentals	2,017	1,744
Expense reimbursements	25,306	23,673
Other income	2,122	1,607
Total revenues	88,689	84,243
Expenses		
Property operating	28,135	26,088
General and administrative	9,572	10,020
Acquisition costs	179	—
Depreciation and amortization	22,288	25,515
Total expenses	60,174	61,623
Operating income	28,515	22,620
Interest expense	12,876	12,334
Income before equity in earnings (losses) of unconsolidated joint ventures	15,639	10,286
Equity in earnings (losses) of unconsolidated joint ventures	590	(1,452)
Net income	16,229	8,834
Noncontrolling interests in consolidated partnerships	(1)	7
Net income available to partners	16,228	8,841
Net income available to limited partners	16,062	8,750
Net income available to general partner	$ 166	$ 91
Basic earnings per common unit:		
Net income	$ 0.66	$ 0.36
Diluted earnings per common unit:		
Net income	$ 0.65	$ 0.35
Distribution paid per common unit	$ 0.84	$ 0.80

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

TANGER PROPERITES LIMITED PARTNERSHIP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands, unaudited)

	Three months ended March 31, 2013	Three months ended March 31, 2012
Net income	$ 16,229	$ 8,834
Other comprehensive loss		
Reclassification adjustment for amortization of gain on settlement of US treasury rate lock included in net income	(90)	(86)
Foreign currency translation adjustments	68	(6)
Other comprehensive loss	(22)	(92)
Comprehensive income	16,207	8,742
Comprehensive income attributable to noncontrolling interests in consolidated partnerships	1	7
Comprehensive income attributable to the Operating Partnership	$ 16,208	$ 8,749

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

TANGER PROPERITES LIMITED PARTNERSHIP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(In thousands, except unit and per unit data, unaudited)

	General partner	Limited partners	Accumulated other comprehensive income	Total partners' equity	Noncontrolling interests in consolidated partnerships	Total equity
Balance, December 31, 2011	$ 4,972	$ 515,154	$ 1,463	$ 521,589	$ 6,843	$ 528,432
Net income	578	55,917	—	56,495	(19)	56,476
Other comprehensive loss	—	—	(356)	(356)	—	(356)
Compensation under Incentive Award Plan	—	10,676	—	10,676	—	10,676
Issuance of 9,425 common units upon exercise of options	—	481	—	481	—	481
Grant of 141,500 restricted units, net of forfeitures	—	—	—	—	—	—
Adjustments for noncontrolling interests in consolidated partnerships	—	(10)	—	(10)	10	—
Common distributions ($3.32 per common unit)	(830)	(81,004)	—	(81,834)	—	(81,834)
Balance, December 31, 2012	4,720	501,214	1,107	507,041	6,834	513,875
Net income	166	16,062	—	16,228	1	16,229
Other comprehensive loss	—	—	(22)	(22)	—	(22)
Compensation under Incentive Award Plan	—	2,496	—	2,496	—	2,496
Issuance of 1,800 common units upon exercise of options	—	117	—	117	—	117
Grant of 84,343 restricted units, net of forfeitures	—	—	—	—	—	—
Acquisition of noncontrolling interests in other consolidated partnerships	—	—	—	—	(525)	(525)
Common distributions ($.84 per common unit)	(210)	(20,521)	—	(20,731)	—	(20,731)
Balance, March 31, 2013	$ 4,676	$ 499,368	$ 1,085	$ 505,129	$ 6,310	$ 511,439

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

TANGER PROPERTIES LIMITED PARTNERSHIP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands, unaudited)

	Three months ended March 31, 2013	Three months ended March 31, 2012
OPERATING ACTIVITIES		
Net income	$ 16,229	$ 8,834
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	22,288	25,515
Amortization of deferred financing costs	603	561
Equity in (earnings) losses of unconsolidated joint ventures	(590)	1,452
Distributions of cumulative earnings from unconsolidated joint ventures	293	237
Equity-based compensation expense	2,460	3,391
Amortization of debt (premiums) and discounts, net	(259)	(248)
Net accretion of market rent rate adjustments	(27)	(234)
Straight-line rent adjustments	(1,088)	(997)
Changes in other assets and liabilities:		
Other assets	(1,226)	(1,072)
Accounts payable and accrued expenses	(3,431)	5,114
Net cash provided by operating activities	35,252	42,553
INVESTING ACTIVITIES		
Additions to rental property	(8,495)	(8,335)
Additions to investments in unconsolidated joint ventures	(9,751)	(21,371)
Distributions in excess of cumulative earnings from unconsolidated joint ventures	1,221	63
Additions to deferred lease costs	(648)	(1,329)
Net cash used in investing activities	(17,673)	(30,972)
FINANCING ACTIVITIES		
Cash distributions paid	(20,731)	(19,644)
Proceeds from debt issuances	80,246	341,781
Repayments of debt	(84,313)	(328,432)
Acquisition of noncontrolling interests in other consolidated partnerships	(525)	—
Additions to deferred financing costs	(56)	(2,483)
Proceeds from exercise of options	117	46
Net cash used in financing activities	(25,262)	(8,732)
Net increase (decrease) in cash and cash equivalents	(7,683)	2,849
Cash and cash equivalents, beginning of period	10,295	7,866
Cash and cash equivalents, end of period	$ 2,612	$ 10,715

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Business

Tanger Factory Outlet Centers, Inc. and subsidiaries is one of the largest owners and operators of outlet centers in the United States. We are a fully-integrated, self-administered and self-managed real estate investment trust ("REIT") which, through our controlling interest in the Operating Partnership, focuses exclusively on developing, acquiring, owning, operating and managing outlet shopping centers. As of March 31, 2013, we owned and operated 36 outlet centers, with a total gross leasable area of approximately 10.8 million square feet. We also had partial ownership interests in 7 outlet centers totaling approximately 2.1 million square feet, including 3 outlet centers in Canada.

Our outlet centers and other assets are held by, and all of our operations are conducted by, Tanger Properties Limited Partnership and subsidiaries. Accordingly, the descriptions of our business, employees and properties are also descriptions of the business, employees and properties of the Operating Partnership. 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 Company owns the majority of the units of partnership interest issued by the Operating Partnership through its two wholly-owned subsidiaries, Tanger GP Trust and Tanger LP Trust. Tanger GP Trust controls the Operating Partnership as its sole general partner. Tanger LP Trust holds a limited partnership interest. The Family Limited Partners own the remaining Operating Partnership units.

2. Basis of Presentation

The unaudited consolidated financial statements included herein 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 the Company's and the Operating Partnership's combined Annual Report on Form 10-K for the year ended December 31, 2012. The December 31, 2012 balance sheet data in this Form 10-Q was derived from audited financial statements. 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 SEC's rules and regulations, although management believes that the disclosures are adequate to make the information presented not misleading.

Investments in real estate joint ventures that we do not control are accounted for using the equity method of accounting. These investments are recorded initially at cost and subsequently adjusted for our equity in the venture's net income (loss), cash contributions, distributions and other adjustments required under the equity method of accounting. These investments are evaluated for impairment when necessary. Control is determined using an evaluation based on accounting standards related to the consolidation of voting interest entities and variable interest entities. For joint ventures that are determined to be variable interest entities, the primary beneficiary consolidates the entity.

Noncontrolling interests relate to the interests in the Operating Partnership owned by Family Limited Partners and interests in consolidated partnerships not wholly-owned by the Company or the Operating Partnership. Family Limited Partners are holders of Operating Partnership units that may be exchanged for the Company's common shares in a ratio of one unit for four common shares. The noncontrolling interests in other consolidated partnerships consist of outside equity interests in partnerships not wholly owned by the Company or the Operating Partnership that are consolidated with the financial results of the Company and Operating Partnership because the Operating Partnership exercises control over the entities that own the properties.

Certain amounts related to reimbursements of payroll related expenses from unconsolidated joint ventures in the statement of operations for the three months ended March 31, 2012 have been reclassified to the caption “expense reimbursements” from the caption “other income” to conform to the presentation of the consolidated statement of operations presented for the three months ended March 31, 2013.

3. Investments in Unconsolidated Real Estate Joint Ventures

Our investments in unconsolidated joint ventures as of March 31, 2013 and December 31, 2012 aggregated $134.0 million and $126.6 million, respectively. We have concluded based on the current facts and circumstances that the equity method of accounting should be used to account for each of the individual joint ventures below. At March 31, 2013 and December 31, 2012, we were members of the following unconsolidated real estate joint ventures:

As of March 31, 2013

Joint Venture	Center Location	Ownership %	Square Feet	Carrying Value of Investment (in millions)	Total Joint Venture Debt (in millions)
Deer Park	Deer Park, Long Island NY	33.3%	741,981	$ 2.4	$ 246.9
Galveston/Houston	Texas City, Texas	50.0%	352,705	39.8	—
National Harbor	Washington D.C. Metro Area	50.0%	—	2.6	—
RioCan Canada	Various	50.0%	434,562	66.8	19.5
Westgate	Glendale, Arizona	58.0%	332,234	19.6	38.6
Wisconsin Dells	Wisconsin Dells, Wisconsin	50.0%	265,086	2.6	24.3
Other			—	0.2	—
				$ 134.0	$ 329.3

As of December 31, 2012

Joint Venture	Center Location	Ownership %	Square Feet	Carrying Value of Investment (in millions)	Total Joint Venture Debt (in millions)
Deer Park	Deer Park, Long Island NY	33.3%	741,981	$ 3.0	$ 246.9
Deer Park Warehouse	Deer Park, Long Island NY	33.3%	29,253	—	1.9
Galveston/Houston	Texas City, TX	50.0%	352,705	36.7	—
National Harbor	Washington D.C. Metro Area	50.0%	—	2.6	—
RioCan Canada	Various	50.0%	434,562	62.2	20.1
Westgate	Glendale, AZ	58.0%	332,234	19.1	32.0
Wisconsin Dells	Wisconsin Dells, WI	50.0%	265,086	2.8	24.3
Other			—	0.2	—
				$ 126.6	$ 325.2

These investments are recorded initially at cost and subsequently adjusted for our equity in the venture's net income (loss), cash contributions, distributions and other adjustments required by the equity method of accounting as described below.

The following management, development, leasing and marketing fees were recognized from services provided to our unconsolidated joint ventures (in thousands):

	Three months ended March 31,	
	2013	2012
Fee:		
Development	$ 71	$ —
Loan Guarantee	40	—
Management and leasing	844	479
Marketing	110	53
Total Fees	$ 1,065	$ 532

Our investments in real estate joint ventures are reduced by the percentage of the profits earned for leasing and development services associated with our ownership interest in each joint venture. 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.

Deer Park, Long Island, New York

In December 2011, the joint venture refinanced its mortgage and mezzanine loans, totaling $246.9 million. The non-default interest rates for the mortgage and mezzanine loans are LIBOR + 3.50% and LIBOR + 5.00%, respectively and both loans mature on May 17, 2014. The loans require certain financial covenants, such as debt service coverage and loan to value ratios, to be met at various measurement dates. Based on the administrative agent bank's calculation of Deer Park's debt service coverage ratio utilizing financial information as of December 31, 2012, the joint venture was not in compliance with the coverage ratio. As a result, on March 22, 2013, the lender group placed Deer Park in default. The lenders have advised the joint venture that a principal payment of approximately $14.2 million would satisfy the debt service coverage test. Such principal payment would require additional capital contributions to Deer Park by its partners. Deer Park does not agree with the lender's principal payment computation and believes the principal payment required could be substantially less. As a result, no capital contributions have been authorized by the managing member of Deer Park. The managing member continues to work with the administrative agent bank of the lender group to negotiate a resolution. The lenders have also notified Deer Park that the default interest rates will continue to accrue until the default is cured. The default interest rates for the mortgage and mezzanine loans are PRIME + 7.5% and LIBOR + 9%, respectively.

The Company and its two joint venture partners have each, jointly and severally, guaranteed the payment of interest (but not principal) on the loans. The operations from Deer Park, together with cash on hand in the joint venture, have been sufficient in the past to pay interest on the loans, although the historical operations would not have generated sufficient cash flow to pay fully the monthly interest at the additional default interest rate.

In addition, the managing member delivered to us a revocable notice of termination of our property management agreement with Deer Park that purports to be effective September 1, 2013. We believe the decision to terminate was improper and we continue to manage the property. We are in discussions with our partners on these management issues as well as the matters with the lenders described above. There can be no assurance that we will be able to resolve these matters on favorable terms.

Deer Park Warehouse, Long Island, New York

In March 2013, in connection with the Loan Forbearance Agreement signed in 2012 with the lender to the joint venture, the warehouse property was sold for approximately $1.2 million. The proceeds were used to satisfy the terms of the forbearance agreement. There was no impact to the net income of the joint venture as a result of this sale and the retirement of the associated mortgage debt.

National Harbor, Washington, D.C. Metro Area

In May 2011, we announced the formation of a joint venture for the development of a Tanger Outlet Center at National Harbor in the Washington, D.C. Metro area. The planned Tanger Outlet Center is expected to contain approximately 80 brand name and designer outlet stores in a center measuring up to 340,000 square feet. In November 2012, the joint venture broke ground and began site development. Both parties have made initial equity contributions of $2.6 million to fund certain pre-development costs. In February 2013, the joint venture executed a term sheet for a three year construction loan with the ability to borrow up to $61.0 million, which carries an interest rate of LIBOR + 1.65%. We will provide property management, leasing and marketing services to the joint venture; and with our partner, will jointly provide site development and construction supervision services.

RioCan Canada

In March of 2013 the RioCan Joint Venture acquired the land adjacent to the existing Cookstown Outlet Mall for $ 13.9 million. The land purchase will be used as the site for the joint venture's expansion of the Cookstown Outlet Mall which we expect to begin during the second quarter of 2013.

We evaluate our real estate joint ventures in accordance with the Consolidation guidance of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC"). As a result of our qualitative assessment, we concluded that our Westgate and Deer Park joint ventures are Variable Interest Entities ("VIEs") and all of our other joint ventures are not VIEs. Westgate is considered a VIE because the voting rights are disproportionate to the economic interests. Deer Park is considered a VIE because it does not meet the criteria of the members having a sufficient equity investment at risk. Investments in real estate joint ventures in which we have a non-controlling ownership interest are accounted for using the equity method of accounting.

After making the determination that Westgate and Deer Park were VIEs, we performed an assessment to determine if we would be considered the primary beneficiary and thus be required to consolidate their balance sheets and results of operations. This assessment was based upon whether we had the following:

a. The power to direct the activities of the VIE that most significantly impact the entity's economic performance

b. The obligation to absorb losses of the entity that could potentially be significant to the VIE or the right to receive benefits from the entity that could potentially be significant to the VIE

The operating, development, leasing, and management agreements of Westgate and Deer Park provide that the activities that most significantly impact the economic performance of the ventures require either unanimous consent or, for certain activities related to Deer Park, majority consent. Accordingly, we determined that we do not have the power to direct the significant activities that affect the economic performance of the ventures and therefore, have applied the equity method of accounting for both Westgate and Deer Park. Our equity method investments in Westgate and Deer Park as of March 31, 2013 were approximately $19.6 million and $2.4 million, respectively. We are unable to estimate our maximum exposure to loss at this time because our guarantees are limited and based on the future operating performance of Westgate and Deer Park.

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

Summary Balance Sheets - Unconsolidated Joint Ventures	March 31, 2013	December 31, 2012
Assets		
Land	$ 95,748	$ 96,455
Buildings, improvements and fixtures	495,958	493,424
Construction in progress, including land	21,974	16,338
	613,680	606,217
Accumulated depreciation	(68,667)	(62,547)
Total rental property, net	545,013	543,670
Assets held for sale (1)	—	1,828
Cash and cash equivalents	20,531	21,879
Deferred lease costs, net	23,080	24,411
Deferred debt origination costs, net	4,399	5,213
Prepaids and other assets	24,900	25,350
Total assets	$ 617,923	$ 622,351
Liabilities and Owners' Equity		
Mortgages payable	$ 329,262	$ 325,192
Construction trade payables	14,232	21,734
Accounts payable and other liabilities	16,726	31,944
Total liabilities	360,220	378,870
Owners' equity	257,703	243,481
Total liabilities and owners' equity	$ 617,923	$ 622,351

(1) Assets related to our Deer Park Warehouse joint venture that were sold in March 2013.

Summary Statements of Operations - Unconsolidated Joint Ventures	Three months ended March 31, 2013	2012
Revenues	$ 21,395	$ 11,658
Expenses		
Property operating	8,803	4,891
General and administrative	485	163
Acquisition costs	421	704
Abandoned development costs	—	954
Depreciation and amortization	7,384	4,608
Total expenses	17,093	11,320
Operating income	4,302	338
Interest expense	4,052	3,829
Net income (loss)	$ 250	$ (3,491)
The Company and Operating Partnership's share of:		
Net income (loss)	$ 590	$ (1,452)
Depreciation and impairment charge (real estate related)	$ 3,173	$ 1,815

4. Debt of the Company

All of the Company's debt is held directly by the Operating Partnership.

The Company guarantees the Operating Partnership's obligations with respect to its unsecured lines of credit which have a total borrowing capacity of $520.0 million. As of March 31, 2013 and December 31, 2012, the Operating Partnership had amounts outstanding on these lines totaling $174.9 million and $178.3 million, respectively.

The Company also guarantees the Operating Partnership's unsecured term loan in the amount of $250.0 million as well as its obligation with respect to the mortgage assumed in connection with the acquisition of the outlet center in Ocean City, Maryland in July 2011.

5. Debt of the Operating Partnership

The debt of the Operating Partnership consisted of the following (in thousands):

			As of March 31, 2013		As of December 31, 2012	
	Stated Interest Rate(s)	Maturity Date	Principal	Premium (Discount)	Principal	Premium (Discount)
Senior, unsecured notes:						
Senior notes	6.15 %	November 2015	$ 250,000	$ (291)	$ 250,000	$ (317)
Senior notes	6.125 %	June 2020	300,000	(1,606)	300,000	(1,650)
Mortgages payable [(1)]:						
Atlantic City	5.14%-7.65%	November 2021-December 2026	50,346	4,385	52,212	4,495
Ocean City	5.24 %	January 2016	18,451	263	18,540	285
Hershey	5.17%-8.00%	August 2015	30,464	1,437	30,631	1,581
Note payable [(1)]	1.50 %	June 2016	10,000	(509)	10,000	(546)
Unsecured term loan [(2)]	LIBOR + 1.80%	February 2019	250,000	—	250,000	—
Unsecured lines of credit [(3)]	LIBOR + 1.25%	November 2015	174,917	—	178,306	—
			$ 1,084,178	$ 3,679	$ 1,089,689	$ 3,848

(1) The effective interest rates assigned during the purchase price allocation to these assumed mortgages and note payable during acquisitions in 2011 were as follows: Atlantic City 5.05%, Ocean City 4.68%, Hershey 3.40% and note payable 3.15%.

(2) Our unsecured term loan is pre-payable without penalty beginning in February of 2015.

(3) Our unsecured lines of credit as of March 31, 2013 bear interest at a rate of LIBOR +1.25% and expire on November 10, 2015. We have the option to extend the lines for one additional year to November 10, 2016. These lines require a facility fee payment of 0.25% annually based on the total amount of the commitment. The credit spread and facility fee can vary depending on our investment grade rating.

The unsecured lines of credit and senior unsecured notes include covenants that require the maintenance of certain ratios, including debt service coverage and leverage, and limit the payment of dividends such that dividends and distributions will not exceed funds from operations, as defined in the agreements, for the prior fiscal year on an annual basis or 95% of funds from operations on a cumulative basis. As of March 31, 2013 we were in compliance with all of our debt covenants.

Debt Maturities

Maturities of the existing long-term debt as of March 31, 2013 are as follows (in thousands):

Calendar Year	Amount
2013	$ 2,564
2014	3,603
2015	457,260
2016	30,283
2017	3,008
Thereafter	587,460
Subtotal	1,084,178
Net premiums	3,679
Total	$ 1,087,857

6. Shareholders' Equity of the Company

Throughout the first three months of 2013, Family Limited Partners exchanged a total of 3,545 Operating Partnership units for 14,180 common shares of the Company. After the above described exchanges, the Family Limited Partners owned 1,186,921 Operating Partnership units which were exchangeable for 4,747,684 common shares of the Company.

7. Partners' Equity of the Operating Partnership

The ownership interests of the Operating Partnership as of March 31, 2013 and December 31, 2012, consisted of the following:

	March 31, 2013	December 31, 2012
Common units:		
General partner	250,000	250,000
Limited partners	24,540,705	24,455,812
Total common units	24,790,705	24,705,812

When the Company issues common shares upon exercise of options or issues restricted share awards, the Operating Partnership issues one corresponding unit of partnership interest to the Company for every four common shares issued.

8. Share-Based Compensation of the Company

We have a shareholder approved share-based compensation plan, the Amended and Restated Incentive Award Plan of Tanger Factory Outlet Centers, Inc. and Tanger Properties Limited Partnership (the "Plan"), which covers our independent directors, officers and our employees. During the first three months of 2013, the Company's Board of Directors approved grants of 349,373 restricted common shares to the Company's independent directors and the Company's senior executive officers. The grant date fair value of the awards was $36.05 per share. The independent directors' restricted common shares vest ratably over a three year period and the senior executive officers' restricted shares vest ratably over a five year period. Compensation expense related to the amortization of the deferred compensation is being recognized in accordance with the vesting schedule of the restricted shares.

In February 2013, the Compensation Committee of the Company approved the general terms of the Tanger Factory Outlet Centers, Inc. 2013 Outperformance Plan (the “2013 OPP"). The 2013 OPP provides for the grant of performance shares under the Amended and Restated Incentive Award Plan of Tanger Factory Outlet Centers, Inc. Under the 2013 OPP, the Company granted an aggregate of 315,150 performance shares to award recipients, which may convert, subject to the achievement of certain goals, into a maximum of 315,150 restricted common shares of the Company based on the Company’s absolute share price appreciation and its share price appreciation relative to its peer group, over the three-year measurement period from January 1, 2013 through December 31, 2015.

The 2013 OPP is a long-term incentive compensation plan pursuant to which award recipients may earn up to an aggregate of 315,150 restricted common shares of the Company based on the Company's share price appreciation (or total shareholder return) over three years beginning on January 1, 2013. The maximum number of shares will be earned under this plan if the Company both (a) achieves 35% or higher share price appreciation, inclusive of all dividends paid, over the three-year measurement period and (b) is in the 70th or greater percentile of its peer group for total shareholder return over the three-year measurement period. The maximum value of the awards, if the Company achieves or exceeds the 35% share price appreciation and is in the 70th or greater percentile of its peer group for total shareholder return over the three-year measurement period, will equal approximately $13.25 million.

Any shares earned on December 31, 2015 are also subject to a time based vesting schedule. 50% of the shares will vest on January 4, 2016 and the remaining 50% will vest on January 3, 2017, contingent upon continued employment with the Company through the vesting dates.

With respect to 70% of the performance shares (or 220,605 shares), 33.33% of this portion of the award (or 73,535 shares) will be earned if the Company's aggregate share price appreciation, inclusive of all dividends paid during this period, equals 25% over the three-year measurement period, 66.67% of the award (or 147,070 shares) will be earned if the Company's aggregate share price appreciation, inclusive of all dividends paid during this period equals 30%, and 100.00% of this portion of the award (or 220,605 shares) will be earned if the Company's aggregate share price appreciation, inclusive of all dividends paid during this period, equals 35% or higher.

With respect to 30% of the performance shares (or 94,545 shares), 33.33% of this portion of the award (or 31,515 shares) will be earned if the Company's share price appreciation inclusive of all dividends paid is in the 50th percentile of its peer group over the three-year measurement period, 66.67% of this portion of the award (or 63,030 shares) will be earned if the Company's share price appreciation inclusive of all dividends paid is in the 60th percentile of its peer group during this period, and 100.00% of this portion of the award (or 94,545 shares) will be earned if the Company's share price appreciation inclusive of all dividends paid is in the 70th percentile of its peer group or greater during this period. The peer group will be based on the SNL Equity REIT index.

The performance shares will convert on a pro-rata basis by linear interpolation between share price appreciation thresholds, both for absolute share price appreciation and for relative share price appreciation amongst the Company's peer group. The share price targets will be reduced on a dollar-for-dollar basis with respect to any dividend payments made during the measurement period. The compensation expense is amortized using the graded vesting attribution method over the requisite service period. The fair value of the awards are calculated using a Monte Carlo simulation pricing model.

We recorded share-based compensation expense in general and administrative expenses in our consolidated statements of operations as follows (in thousands):

	Three months ended March 31, 2013	Three months ended March 31, 2012
Restricted common shares [(1)]	$ 1,889	$ 2,850
Notional unit performance awards	528	489
Options	43	52
Total share-based compensation	$ 2,460	$ 3,391

(1) For the three months ended March 31, 2012, includes approximately $1.3 million of compensation expense related to 45,000 common shares that vested immediately upon grant under the terms of the amended and restated Employment Agreement (the "Employment Agreement") for Steven B. Tanger, our President and Chief Executive Officer.

The following table summarizes information related to unvested restricted common shares outstanding as of March 31, 2013:

Unvested Restricted Common Shares	Number of shares	Weighted-average grant date fair value
Unvested at December 31, 2012	1,047,993	$ 24.39
Granted	349,373	31.01
Vested	(289,400)	22.35
Forfeited	(12,000)	25.61
Unvested at March 31, 2013	1,095,966	$ 27.03

The total value of restricted common shares vested during the three months ended March 31, 2013 and March 31, 2012 was $9.6 million and $7.9 million, respectively.

As of March 31, 2013, there was $36.8 million of total unrecognized compensation cost related to unvested share-based compensation arrangements granted under the Plan. That cost is expected to be recognized over a weighted-average period of 3.5 years.

9. Equity-Based Compensation of the Operating Partnership

As discussed in Note 8, the Operating Partnership and the Company have a joint plan whereby equity based and performance based awards may be granted to directors, officers and employees. When common shares are issued by the Company, the Operating Partnership issues corresponding units to the Company based on the current exchange ratio as provided by the Operating Partnership agreement. Based on the current exchange ratio, each unit in the Operating Partnership is equivalent to four common shares of the Company. Therefore, when the Company grants an equity based award, the Operating Partnership treats each award as having been granted by the Operating Partnership.

We recorded equity-based compensation expense in general and administrative expenses in our consolidated statements of operations as follows (in thousands):

Restricted units	Three months ended March 31, 2013	Three months ended March 31, 2012
Restricted units [(1)]	$ 1,924	$ 2,850
Notional unit performance awards	506	489
Options	52	52
Total equity-based compensation	$ 2,482	$ 3,391

(1) For the three months ended March 31, 2012, includes approximately $1.3 million of compensation expense related to 11,250 units issued related to a restricted share grant that vested immediately upon grant under the terms of the Employment Agreement for Steven B. Tanger, our President and Chief Executive Officer.

The following table summarizes information related to unvested restricted units outstanding as of March 31, 2013:

Unvested Restricted Units	Number of units	Weighted-average grant date fair value
Unvested at December 31, 2012	261,998	$ 97.56
Granted	87,343	124.04
Vested	(72,350)	89.40
Forfeited	(3,000)	102.44
Unvested at March 31, 2013	273,991	$ 108.12

The total value of restricted units vested during the three months ended March 31, 2013 and March 31, 2012, was $9.6 million and $7.9 million, respectively.

As of March 31, 2013, there was $36.8 million of total unrecognized compensation cost related to unvested equity-based compensation arrangements granted under the Plan. That cost is expected to be recognized over a weighted-average period of 3.5 years.

10. Earnings Per Share of the Company

The following table sets forth a reconciliation of the numerators and denominators in computing the Company's earnings per share (in thousands, except per share amounts):

	Three months ended March 31, 2013	Three months ended March 31, 2012
Numerator		
Net income attributable to Tanger Factory Outlet Centers, Inc.	$ 15,439	$ 8,128
Less allocation of earnings to participating securities	(194)	(158)
Net income available to common shareholders of Tanger Factory Outlet Centers, Inc.	$ 15,245	$ 7,970
Denominator		
Basic weighted average common shares	93,132	89,671
Effect of notional units	805	1,096
Effect of outstanding options and restricted common shares	106	65
Diluted weighted average common shares	94,043	90,832
Basic earnings per common share:		
Net income	$ 0.16	$ 0.09
Diluted earnings per common share:		
Net income	$ 0.16	$ 0.09

The notional units are considered contingently issuable common shares and are included in earnings per share if the effect is dilutive using the treasury stock method.

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. For the three months ended March 31, 2013, no options were excluded from the computation. For the three months ended March 31, 2012, 174,600 options were excluded from the computation. The assumed exchange of the partnership units held by the noncontrolling interest limited partners as of the beginning of the year, which would result in the elimination of earnings allocated to the noncontrolling interest in the Operating Partnership, would have no impact on earnings per share since the allocation of earnings to a partnership unit, as if exchanged, is equivalent to earnings allocated to a common share.

Certain of the Company's unvested restricted common share awards contain non-forfeitable rights to dividends or dividend equivalents. The impact of these unvested restricted common share awards on earnings per share has been calculated using the two-class method whereby earnings are allocated to the unvested restricted common share awards based on dividends declared and the unvested restricted common shares' participation rights in undistributed earnings. Unvested restricted common shares that do not contain non-forfeitable rights to dividends or dividend equivalents, are included in the diluted earnings per share compilation if the effect is dilutive, using the treasury stock method.

11. Earnings Per Unit of the Operating Partnership

The following table sets forth a reconciliation of the numerators and denominators in computing the Operating Partnership's earnings per unit (in thousands, except per unit amounts):

	Three months ended March 31, 2013	2012
Numerator		
Net income attributable to partners of the Operating Partnership	$ 16,228	$ 8,841
Less allocation of earnings to participating securities	(194)	(158)
Net income available to common unitholders of the Operating Partnership	$ 16,034	$ 8,683
Denominator		
Basic weighted average common units	24,472	24,382
Effect of notional units	201	274
Effect of outstanding options and restricted common units	27	16
Diluted weighted average common units	24,700	24,672
Basic earnings per common unit:		
Net income	$ 0.66	$ 0.36
Diluted earnings per common unit:		
Net income	$ 0.65	$ 0.35

The notional units are considered contingently issuable common units and are included in earnings per unit if the effect is dilutive using the treasury stock method.

When the Company issues common shares upon exercise of options or issues restricted share awards, the Operating Partnership issues one corresponding unit to the Company for every four common shares issued.

The computation of diluted earnings per unit excludes options to purchase common units when the exercise price is greater than the average market price of the common units for the period. The market price of a common unit is considered to be equivalent to four times the market price of a Company common share. For the three months ended March 31, 2013, no units were excluded from the computation. For the three months ended March 31, 2012, 43,650 options were excluded from the computation. No options were excluded from the computation for the three months ended March 31, 2013.

Certain of the Company's unvested restricted common share awards contain non-forfeitable rights to distributions or distribution equivalents. The impact of these unvested restricted unit awards on earnings per unit has been calculated using the two-class method whereby earnings are allocated to the unvested restricted unit awards based on distributions declared and the unvested restricted units' participation rights in undistributed earnings. Unvested restricted common shares that do not contain non-forfeitable rights to dividends or dividend equivalents, are included in the diluted earnings per share compilation if the effect is dilutive, using the treasury stock method.

12. Accumulated Other Comprehensive Income of the Company

The following table summarizes the changes in accumulated balances of other comprehensive income for the three months ended March 31, 2013 (in thousands):

	Gain on cash flow hedges (1)	Foreign currency items	Total
Balance, December 31, 2012	$ 1,205	$ (5)	$ 1,200
Other comprehensive income before reclassifications	—	65	65
Amounts reclassified from accumulated other comprehensive income	(86)	—	(86)
Net increase (decrease) in other comprehensive income	(86)	65	(21)
Balance, March 31, 2013	$ 1,119	$ 60	$ 1,179

(1) Represents remaining amount of gain recorded to other comprehensive income in 2005 as a result of the settlement of a US Treasury index rate lock agreement. This agreement was unwound in the fourth quarter of 2005. The gain was recorded in other comprehensive income and is being amortized into earnings through interest expense using the effective interest method over a 10 year period that coincides with the interest payments associated with the 6.15% senior unsecured notes due in 2015.

13. Accumulated Other Comprehensive Income of the Operating Partnership

The following table summarizes the changes in accumulated balances of other comprehensive income for the three months ended March 31, 2013 (in thousands):

	Gain on cash flow hedges (1)	Foreign currency items	Total
Balance, December 31, 2012	$ 1,112	$ (5)	$ 1,107
Other comprehensive income before reclassifications	—	68	68
Amounts reclassified from accumulated other comprehensive income	(90)	—	(90)
Net increase (decrease) in other comprehensive income	(90)	68	(22)
Balance, March 31, 2013	$ 1,022	$ 63	$ 1,085

(1) Represents remaining amount of gain recorded to other comprehensive income in 2005 as a result of the settlement of a US Treasury index rate lock agreement. This agreement was unwound in the fourth quarter of 2005. The gain was recorded in other comprehensive income and is being amortized into earnings through interest expense using the effective interest method over a 10 year period that coincides with the interest payments associated with the 6.15% senior unsecured notes due in 2015.

14. Fair Value Measurements

Fair value guidance establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers are defined as follows:

Tier	Description
Level 1	Defined as observable inputs such as quoted prices in active markets
Level 2	Defined as inputs other than quoted prices in active markets that are either directly or indirectly observable
Level 3	Defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions

We had no assets or liabilities measured at fair value on either a recurring or non-recurring basis as of March 31, 2013 or December 31, 2012.

The estimated fair value of our debt, consisting of senior unsecured notes, unsecured term loans, secured mortgages and unsecured lines of credit, at March 31, 2013 and December 31, 2012, was $1.2 billion and $1.2 billion, respectively, and its recorded value was $1.1 billion and $1.1 billion, respectively. Fair values were determined based on level 2 inputs using discounted cash flow analysis with an interest rate or credit spread similar to that of current market borrowing arrangements.

15. Non-Cash 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, 2013 and 2012 amounted to $7.7 million and $15.7 million, respectively.

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

The discussion of our results of operations reported in the unaudited, consolidated statements of operations compares the three months ended March 31, 2013 with the three months ended March 31, 2012. The results of operations discussion is combined for Tanger Factory Outlet Centers, Inc. and Tanger Properties Limited Partnership because the results are virtually the same for both entities. 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.

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, beliefs 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, those set forth under Item 1A - "Risk Factors" in the Company's and the Operating Partnership's Annual Report on Form 10-K for the year ended December 31, 2012. There have been no material changes to the risk factors listed there through March 31, 2013.

General Overview

At March 31, 2013, we had 36 consolidated outlet centers in 24 states totaling 10.8 million square feet. The table below details our development activities that significantly impacted our results of operations and liquidity from January 1, 2012 to March 31, 2013.

Center	Date Open	Purchase Price (in millions)	Square Feet (in thousands)	Centers	States
As of January 1, 2012			10,724	36	24
Expansion:					
Locust Grove, GA	Second quarter 2012		26	—	—
Other			(13)	—	—
As of December 31, 2012			10,737	36	24
Expansion:					
Gonzales, LA	First and second quarter 2013		40		
Other			7	—	—
As of March 31, 2013			10,784	36	24

The following table summarizes certain information for our existing outlet centers in which we have an ownership interest as of March 31, 2013. Except as noted, all properties are fee owned.

Location Consolidated Outlet Centers	Square Feet	% Occupied
Riverhead, New York [(1)]	729,734	98
Rehoboth Beach, Delaware [(1)]	568,975	98
Foley, Alabama	557,228	96
Atlantic City, New Jersey [(1)]	489,762	94
San Marcos, Texas	441,929	99
Myrtle Beach Hwy 501, South Carolina	425,247	99
Sevierville, Tennessee [(1)]	417,963	98
Jeffersonville, Ohio	411,776	99
Myrtle Beach Hwy 17, South Carolina [(1)]	402,791	100
Washington, Pennsylvania	372,972	100
Commerce II, Georgia	370,512	100
Charleston, South Carolina	365,107	97
Howell, Michigan	324,652	98
Locust Grove, Georgia	321,070	100
Mebane, North Carolina	318,910	100
Gonzales, Louisiana	318,666	99
Branson, Missouri	302,922	100
Park City, Utah	298,391	100
Westbrook, Connecticut	289,898	98
Williamsburg, Iowa	277,230	99
Lincoln City, Oregon	270,212	98
Lancaster, Pennsylvania	254,002	100
Tuscola, Illinois	250,439	94
Hershey, Pennsylvania	247,448	100
Tilton, New Hampshire	245,698	100
Hilton Head II, South Carolina	206,529	97
Fort Myers, Florida	198,877	94
Ocean City, Maryland [(1)]	197,747	89
Terrell, Texas	177,800	97
Hilton Head I, South Carolina	177,199	100
Barstow, California	171,300	94
West Branch, Michigan	112,570	95
Blowing Rock, North Carolina	104,154	99
Nags Head, North Carolina	82,161	100
Kittery I, Maine	57,667	100
Kittery II, Maine	24,619	100
Totals	10,784,157	98

(1) These properties or a portion thereof are subject to a ground lease.

Unconsolidated joint venture properties Location	Square Feet	% Occupied
Deer Park, NY (33.3% owned)	741,981	92
Texas City, TX (50% owned)	352,705	97
Glendale, AZ (58% owned)	332,234	95
Wisconsin Dells, WI (50% owned)	265,086	100
Bromont, QC (50% owned)	162,943	89
Cookstown, ON (50% owned)	155,522	97
Saint-Sauveur, QC (50% owned)	116,097	100
Total	2,126,568	

Leasing Activity

The following table provides information for our consolidated outlet centers regarding space re-leased or renewed:

Three months ended March 31, 2013	# of Leases	Square Feet	Average Annual Straight-line Rent (psf)	Average Tenant Allowance (psf)	Average Initial Term (in years)	Net Average Annual Straight-line Rent (psf) (1)
Re-tenant	90	294,000	$ 29.76	$ 42.31	8.77	$ 24.94
Renewal	231	1,135,000	$ 23.17	$ 0.72	4.82	$ 23.02

Three months ended March 31, 2012	# of Leases	Square Feet	Average Annual Straight-line Rent (psf)	Average Tenant Allowance (psf)	Average Initial Term (in years)	Net Average Annual Straight-line Rent (psf) (1)
Re-tenant	60	220,000	$ 32.53	$ 38.86	9.18	$ 28.30
Renewal	188	921,000	$ 21.97	$ —	4.58	$ 21.97

(1) Net average straight-line rentals is calculated by dividing the average tenant allowance costs per square foot by the average initial term and subtracting this calculated number from the average straight-line rent per year amount. The average annual straight-line rent disclosed in the table above includes all concessions, abatements and reimbursements of rent to tenants. The average tenant allowance disclosed in the table above includes landlord costs.

RESULTS OF OPERATIONS

Comparison of the three months ended March 31, 2013 to the three months ended March 31, 2012

NET INCOME

Net income increased $7.4 million in the 2013 period to $16.2 million as compared to $8.8 million for the 2012 period. The increase in net income was a result of a $4.4 million increase in operating revenues, a $2.0 million increase in equity in earnings from unconsolidated joint venture, a $448,000 decrease in general and administrative expenses, a $3.2 million decrease in depreciation and amortization collectively, which were partially offset by, a $542,000 increase in interest expense.

BASE RENTALS

Base rentals increased $2.0 million, or 4%, in the 2013 period compared to the 2012 period. The following table sets forth the changes in various components of base rentals (in thousands):

	2013	2012	Change
Existing property base rentals	$ 59,023	$ 56,456	$ 2,567
Termination fees	80	415	(335)
Amortization of above and below market rent adjustments, net	141	348	(207)
	$ 59,244	$ 57,219	$ 2,025

Base rental income generated from existing properties in our portfolio increased due to increases in rental rates on lease renewals and incremental rents from re-tenanting vacant spaces.

Termination fees decreased due to the 2012 period containing a tenant that exited the outlet industry and terminated their leases prior to the contractual obligation.

At March 31, 2013, the net asset representing the amount of unrecognized, combined above and below market lease values, recorded as a part of the purchase price of acquired properties, totaled approximately $5.3 million. If a tenant terminates its lease prior to the contractual termination of the lease and no rental payments are being made on the lease, any unamortized balance of the related above or below market lease value will be written off and could materially impact our net income positively or negatively.

PERCENTAGE RENTALS

Percentage rentals, which represent revenues based on a percentage of tenants' sales volume above predetermined levels, increased $273,000, or 16%, from the 2012 period to the 2013 period. The increase in percentage rentals is directly related to higher tenant sales productivity. Reported tenant comparable sales for our consolidated properties for the rolling twelve months ended March 31, 2013 increased 2.3% to $380 per square foot. Reported tenant comparable 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

Expense reimbursements increased $1.6 million, or 7%, in the 2013 period compared to the 2012 period. The following table sets forth the changes in various components of expense reimbursements (in thousands):

	2013	2012	Change
Existing property expense reimbursements	$ 25,267	$ 23,544	$ 1,723
Termination fees allocated to expense reimbursements	39	129	(90)
	$ 25,306	$ 23,673	$ 1,633

Expense reimbursements, which represent the contractual recovery from tenants of certain common area maintenance, insurance, property tax, promotional, advertising and management expenses, generally fluctuate consistently with the reimbursable property operating expenses to which they relate.

OTHER INCOME

Other income increased $515,000, or 32%, in the 2013 period as compared to the 2012 period. The majority of the increase is due to the incremental fees earned from the four unconsolidated joint ventures that were added to the portfolio during the fourth quarter of 2012.

PROPERTY OPERATING EXPENSES

Property operating expenses increased $2.0 million, or 8%, in the 2013 period as compared to the 2012 period. The increase is due primarily to higher common area maintenance costs for various projects and increased snow removal costs in the 2013 period compared with 2012 period.

GENERAL AND ADMINISTRATIVE

General and administrative expenses decreased $448,000, or 4%, in the 2013 period compared to the 2012 period. In the 2012 period, Steven B. Tanger, pursuant to an amendment to his employment contract received 45,000 common shares resulting in a charge of approximately $1.3 million. Excluding this charge, general and administrative expenses increased approximately $858,000. This increase was mainly due to additional share-based compensation expense related to the 2013 restricted share grant to directors and certain officers of the Company . Also, the 2013 period included higher payroll related expenses on a comparative basis to the 2012 period due to the addition of new employees since April 1, 2012.

ACQUISITION COSTS

The 2013 period includes costs related to the unsuccessful acquisition of properties.

DEPRECIATION AND AMORTIZATION

Depreciation and amortization decreased $3.2 million, or 13%, in the 2013 period compared to the 2012 period as certain construction and development related assets and lease related intangibles recorded as part of the acquisition price of acquired properties, which are amortized over shorter lives, became fully depreciated in 2012.

INTEREST EXPENSE

Interest expense increased approximately $542,000, or 4%, in the 2013 period compared to the 2012 period. The primary reason for the increase in interest expense is the increase in the average amount of debt outstanding from approximately $1.0 billion for the 2012 period to approximately $1.1 billion for the 2013 period. The higher debt levels outstanding were a result of fundings for additional investments in our unconsolidated joint ventures.

EQUITY IN EARNINGS (LOSSES) OF UNCONSOLIDATED JOINT VENTURES

Equity in earnings (losses) of unconsolidated joint ventures increased approximately $2.0 million in the 2013 period compared to the 2012 period. The primary reason for the increase is due to the addition of four unconsolidated joint ventures to the portfolio during the fourth quarter of 2012.

LIQUIDITY AND CAPITAL RESOURCES OF THE COMPANY

In this "Liquidity and Capital Resources of the Company" section, the term, the Company, refers only to Tanger Factory Outlet Centers, Inc. on an unconsolidated basis, excluding the Operating Partnership.

The Company's business is operated primarily through the Operating Partnership. The Company issues public equity from time to time, but does not otherwise generate any capital itself or conduct any business itself, other than incurring certain expenses in operating as a public company, which are fully reimbursed by the Operating Partnership. The Company does not hold any indebtedness, and its only material asset is its ownership of partnership interests of the Operating Partnership.

The Company's principal funding requirement is the payment of dividends on its common shares. The Company's principal source of funding for its dividend payments is distributions it receives from the Operating Partnership.

Through its ownership of the sole general partner of the Operating Partnership, the Company has the full, exclusive and complete responsibility for the Operating Partnership's day-to-day management and control. The Company causes the Operating Partnership to distribute all, or such portion as the Company may in its discretion determine, of its available cash in the manner provided in the Operating Partnership's partnership agreement. The Company receives proceeds from equity issuances from time to time, but is required by the Operating Partnership's partnership agreement to contribute the proceeds from its equity issuances to the Operating Partnership in exchange for partnership units of the Operating Partnership.

The Company is a well-known seasoned issuer with a shelf registration that expires in June 2015 that allows the Company to register unspecified various classes of equity securities and the Operating Partnership to register unspecified, various classes of debt securities. As circumstances warrant, the Company may issue equity from time to time on an opportunistic basis, dependent upon market conditions and available pricing. The Operating Partnership may use the proceeds to repay debt, including borrowings under its lines of credit, develop new or existing properties, to make acquisitions of properties or portfolios of properties, to invest in existing or newly created joint ventures or for general corporate purposes.

The liquidity of the Company is dependent on the Operating Partnership's ability to make sufficient distributions to the Company. The Company also guarantees some of the Operating Partnership's debt. If the Operating Partnership fails to fulfill its debt requirements, which trigger the Company's guarantee obligations, then the Company may be required to fulfill its cash payment commitments under such guarantees. However, the Company's only material asset is its investment in the Operating Partnership.

The Company believes the Operating Partnership's sources of working capital, specifically its cash flow from operations, and borrowings available under its unsecured lines of credit, are adequate for it to make its distribution payments to the Company and, in turn, for the Company to make its dividend payments to its shareholders. However, there can be no assurance that the Operating Partnership's sources of capital will continue to be available at all or in amounts sufficient to meet its needs, including its ability to make distribution payments to the Company. The unavailability of capital could adversely affect the Operating Partnership's ability to pay its distributions to the Company which will, in turn, adversely affect the Company's ability to pay cash dividends to its shareholders.

For the Company to maintain its qualification as a REIT, it must pay dividends to its shareholders aggregating annually at least 90% of its taxable income. While historically the Company has satisfied this distribution requirement by making cash distributions to its shareholders, it may choose to satisfy this requirement by making distributions of cash or other property, including, in limited circumstances, the Company's own shares.

As a result of this distribution requirement, the Operating Partnership cannot rely on retained earnings to fund its on-going operations to the same extent that other companies whose parent companies are not real estate investment trusts can. The Company may need to continue to raise capital in the equity markets to fund the Operating Partnership's working capital needs, as well as potential developments of new or existing properties, acquisitions or investments in existing or newly created joint ventures.

As the sole owner of the general partner with control of the Operating Partnership, the Company consolidates the Operating Partnership for financial reporting purposes. The Company does not have significant assets other than its investment in the Operating Partnership. Therefore, the assets and liabilities and the revenues and expenses of the Company and the Operating Partnership are the same on their respective financial statements, except for immaterial differences related to cash, other assets and accrued liabilities that arise from public company expenses paid by the Company. However, all debt is held directly or indirectly at the Operating Partnership level, and the Company has guaranteed some of the Operating Partnership's unsecured debt as discussed below. Because the Company consolidates the Operating Partnership, the section entitled "Liquidity and Capital Resources of the Operating Partnership" should be read in conjunction with this section to understand the liquidity and capital resources of the Company on a consolidated basis and how the Company is operated as a whole.

On April 4, 2013, the Company's Board of Directors declared a $.225 cash dividend per common share payable on May 15, 2013 to each shareholder of record on April 30, 2013, and caused an $.90 per Operating Partnership unit cash distribution to the Operating Partnership's unitholders.

LIQUIDITY AND CAPITAL RESOURCES OF THE OPERATING PARTNERSHIP

General Overview

In this "Liquidity and Capital Resources of the Operating Partnership" section, the terms "we", "our" and "us" refer to the Operating Partnership or the Operating Partnership and the Company together, as the text requires.

Property rental income represents our primary source to pay property operating expenses, debt service, capital expenditures and distributions, excluding non-recurring capital expenditures and acquisitions. To the extent that our cash flow from operating activities is insufficient to cover such non-recurring capital expenditures and acquisitions, we finance such activities from borrowings under our unsecured lines of credit or from the proceeds from the Operating Partnership's debt offerings and the Company's equity offerings.

Our strategy is to achieve a strong and flexible financial position by seeking to: (1) maintain a conservative leverage position relative to our portfolio when pursuing new development, expansion and acquisition opportunities, (2) extend and sequence debt maturities, (3) manage our interest rate risk through a proper mix of fixed and variable rate debt, (4) maintain access to liquidity by using our unsecured lines of credit in a conservative manner and (5) preserve internally generated sources of capital by strategically divesting of underperforming assets and maintaining a conservative distribution payout ratio. We manage our capital structure to reflect a long term investment approach and utilize multiple sources of capital to meet our requirements.

The following table sets forth our changes in cash flows (in thousands):

	Three months ended March 31, 2013		
	2013	2012	Change
Net cash provided by operating activities	$ 35,252	$ 42,553	$ (7,301)
Net cash used in investing activities	(17,673)	(30,972)	13,299
Net cash used in financing activities	(25,262)	(8,732)	(16,530)
Net increase (decrease) in cash and cash equivalents	$ (7,683)	$ 2,849	$ (10,532)

Operating Activities

Cash provided by operating activities during 2013 was positively impacted by an increase in operating income, but decreased year over year due to significant changes in accounts payable and accrued expenses.

Investing Activities

Cash flow used in investing activities was higher in the 2012 period compared to the 2013 period due primarily to contributions to unconsolidated joint ventures during 2012 to fund the development activities in Texas City, TX and Glendale, AZ and a contribution to RioCan of $15.1 million to retire mortgage debt associated with the Cookstown, ON property. The only significant contribution to an unconsolidated joint venture in the 2013 period was for the Cookstown, ON property to fund our portion of the acquisition price of additional land that will be utilized for a center expansion.

Financing Activities

Cash used in financing activities in 2012 was lower than the 2013 period due to the borrowings required in 2012 to fund the development activities and the contribution to RioCan described above.

Capital Expenditures

The following table details our capital expenditures (in thousands):

	Three months ended March 31, 2013		
	2013	2012	Change
Capital expenditures analysis:			
New center developments	$ 4,220	$ 2,336	$ 1,884
Center redevelopment	—	62	(62)
Major center renovations	858	1,480	(622)
Second generation tenant allowances	1,885	5,537	(3,652)
Other capital expenditures	2,192	962	1,230
	9,155	10,377	(1,222)
Conversion from accrual to cash basis	(660)	(2,042)	1,382
Additions to rental property-cash basis	$ 8,495	$ 8,335	$ 160

- New center development expenditures, which includes first generation tenant allowances, included expansions in Gonzales, Louisiana and Sevierville, Tennessee in the 2013 period. The 2012 period included an expansion in Locust Grove, Georgia.

- Major center renovations in the 2013 period included renovation activities at our Gonzales, LA center. The 2012 period included on-going renovation efforts at the centers acquired during the second and third quarters of 2011.

Current Developments

We intend to continue to grow our portfolio by developing, expanding or acquiring additional outlet centers. In the section below, we describe the new developments that are either currently planned, underway or recently completed. However, you should note that 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 ("FFO"). See the section "Supplemental Earnings Measures" - "Funds From Operations" in the Management's Discussion and Analysis section for further discussion of FFO. 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 liquidity, net income or FFO.

POTENTIAL FUTURE DEVELOPMENTS

As of the date of this filing, we are in the initial study period for potential new developments, including sites located in Scottsdale, Arizona; Charlotte, North Carolina; Columbus, Ohio; Foxwoods Resort Casino in Mashantucket, Connecticut ("Foxwoods"); Clarksburg, Maryland; Toronto, Ontario and Ottawa, Ontario. The Ottawa and Toronto sites, if developed, will be undertaken by our Canadian Joint Venture with our RioCan partner (see discussion under the caption "RioCan Canada" in the section titled "Off-Balance Sheet Arrangements"). We may also use joint venture arrangements to develop other potential sites. There can be no assurance, however, that these potential future developments will ultimately be developed.

In the case of projects to be wholly-owned by us, we expect to fund these projects from amounts available under our unsecured lines of credit, but may also fund them with capital from additional public debt and equity offerings. For projects to be developed through joint venture arrangements, we typically use collateralized construction loans to fund a portion of the project, with our share of the equity requirements funded from sources previously described.

UNCONSOLIDATED JOINT VENTURES

We have formed joint venture arrangements to develop outlet centers that are currently in various stages of development in several markets. See "Off-Balance Sheet Arrangements" for a discussion of unconsolidated joint venture development activities.

Financing Arrangements

At March 31, 2013, 90% of our outstanding debt consisted of unsecured borrowings and 90% of the gross book value of our real estate portfolio was unencumbered. We maintain unsecured lines of credit that provide for borrowings of up to $520.0 million and bear interest at a rate of LIBOR + 1.25%. Our unsecured lines of credit have an expiration date of November 10, 2015 with an option for a one year extension.

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 the best interests of our shareholders and unitholders. The Company is a well-known seasoned issuer with a joint shelf registration with the Operating Partnership, expiring in June 2015, that allows us to register unspecified amounts of different classes of securities on Form S-3. To generate capital to reinvest into other attractive investment opportunities, we may also consider the use of additional operational and developmental joint ventures, the sale or lease of outparcels on our existing properties and the sale of certain properties that do not meet our long-term investment criteria. Based on cash provided by operations, existing lines of credit, ongoing relationships with certain financial institutions and our ability to sell debt or issue equity subject to market conditions, we believe that we have access to the necessary financing to fund the planned capital expenditures through the end of 2013.

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 REIT requirements in both the short and long-term. Although we receive most of our rental payments on a monthly basis, distributions to shareholders and unitholders 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 our existing unsecured lines of credit or invested in short-term money market or other suitable instruments.

We believe our current balance sheet position is financially sound; however, due to the uncertainty and unpredictability of the capital and credit markets, we can give no assurance that affordable access to capital will exist between now and 2015 when our next significant debt maturities occur.

The Operating Partnership's debt agreements require the maintenance of certain ratios, including debt service coverage and leverage, and limit the payment of dividends such that dividends and distributions will not exceed funds from operations, as defined in the agreements, for the prior fiscal year on an annual basis or 95% on a cumulative basis. We have historically been and currently are in compliance with all of our debt covenants. We expect to remain in compliance with all of our existing debt covenants; however, should circumstances arise that would cause us to be in default, the various lenders would have the ability to accelerate the maturity on our outstanding debt.

The Operating Partnership's senior unsecured notes contain covenants and restrictions requiring us to meet certain financial ratios and reporting requirements. Key financial covenants and their covenant levels include:

Senior unsecured notes financial covenants	Required	Actual
Total consolidated debt to adjusted total assets	<60%	46%
Total secured debt to adjusted total assets	<40%	5%
Total unencumbered assets to unsecured debt	>135%	198%

OFF-BALANCE SHEET ARRANGEMENTS

The following table details certain information as of March 31, 2013 about various unconsolidated real estate joint ventures in which we have an ownership interest:

Joint Venture	Center Location	Ownership %	Square Feet	Carrying Value of Investment (in millions)
Deer Park	Deer Park, Long Island NY	33.3%	741,981	$ 2.4
Galveston/Houston	Texas City, TX	50.0%	352,705	39.8
National Harbor	Washington D.C. Metro Area	50.0%	—	2.6
RioCan Canada	Various	50.0%	434,562	66.8
Westgate	Glendale, Arizona	58.0%	332,234	19.6
Wisconsin Dells	Wisconsin Dells, WI	50.0%	265,086	2.6
Other			—	0.2
Total				$ 134.0

Each of the above ventures contain make whole provisions in the event that demands are made on any existing guarantees. In addition, the joint venture agreements contain other provisions where a venture partner can force the other partners to either buy or sell their investment in the joint venture. Should this occur, we may be required to sell the property to the venture partner or incur a significant cash outflow in order to maintain ownership of these outlet centers.

Deer Park, Long Island, New York

In December 2011, the joint venture refinanced its mortgage and mezzanine loans, totaling $246.9 million. The non-default interest rates for the mortgage and mezzanine loans are LIBOR + 3.50% and LIBOR + 5.00%, respectively and both loans mature on May 17, 2014. The loans require certain financial covenants, such as debt service coverage and loan to value ratios, to be met at various measurement dates. Based on the administrative agent bank's calculation of Deer Park's debt service coverage ratio utilizing financial information as of December 31, 2012, the joint venture was not in compliance with the coverage ratio. As a result, on March 22, 2013, the lender group placed Deer Park in default. The lenders have advised the joint venture that a principal payment of approximately $14.2 million would satisfy the debt service coverage test. Such principal payment would require additional capital contributions to Deer Park by its partners. Deer Park does not agree with the lender's principal payment computation and believes the principal payment required could be substantially less. As a result, no capital contributions have been authorized by the managing member of Deer Park. The managing member continues to work with the administrative agent bank of the lender group to negotiate a resolution. The lenders have also notified Deer Park that the default interest rates will continue to accrue until the default is cured. The default interest rates for the mortgage and mezzanine loans are PRIME + 7.5% and LIBOR + 9%, respectively.

The Company and its two joint venture partners have each, jointly and severally, guaranteed the payment of interest (but not principal) on the loans. The operations from Deer Park, together with cash on hand in the joint venture, have been sufficient in the past to pay interest on the loans, although the historical operations would not have generated sufficient cash flow to pay fully the monthly interest at the additional default interest rate.

In addition, the managing member delivered to us a revocable notice of termination of our property management agreement with Deer Park that purports to be effective September 1, 2013. We believe the decision to terminate was improper and we continue to manage the property. We are in discussions with our partners on these management issues as well as the matters with the lenders described above. There can be no assurance that we will be able to resolve these matters on favorable terms.

Deer Park Warehouse, Long Island, New York

In March 2013, in connection with the Loan Forbearance Agreement signed in 2012 with the lender to the joint venture, the warehouse property was sold for approximately $1.2 million. The proceeds were used to satisfy the terms of the forbearance agreement. There was no impact to the net income of the joint venture as a result of this sale and the retirement of the associated mortgage debt.

National Harbor Washington D.C. Metro Area

In May 2011, we announced the formation of a joint venture for the development of a Tanger Outlet Center at National Harbor in the Washington, D.C. Metro area. The planned Tanger Outlet Center is expected to contain approximately 80 brand name and designer outlet stores in a center measuring up to 340,000 square feet. In November 2012, the joint venture broke ground and began site development. Both parties have made initial equity contributions of $2.6 million to fund certain pre-development costs. In February 2013, the joint venture executed a term sheet for a three year construction loan with the ability to borrow up to $61.0 million, which carries an interest rate of LIBOR + 1.65%. The joint venture currently expects to close on the loan by the end of May 2013. We have agreed to provide property management, leasing and marketing services to the joint venture, and with our partner, to jointly provide site development and construction supervision services.

RioCan Canada

In March of 2013 the RioCan Joint Venture acquired the land adjacent to the existing Cookstown Outlet Mall for $ 13.9 million. The land purchase will be used as the site for the joint venture's expansion of the Cookstown Outlet Mall which we expect to begin during the second quarter of 2013.

The following table details our share of the debt maturities of the unconsolidated joint ventures as of March 31, 2013 (in millions):

Joint Venture	Total Joint Venture Debt (in millions)		Maturity Date	Interest Rate
Deer Park [(1)]	$	246.9	May 2014	LIBOR + 3.50% to 5.00%
RioCan Canada	$	19.5	June 2015 and May 2020	5.10% to 5.75%
Westgate	$	38.6	June 2015	LIBOR + 1.75%
Wisconsin Dells	$	24.3	December 2022	LIBOR + 2.25%

(1) See Deer Park paragraph above in this section for discussion of notice of default related to joint venture debt and applicable interest rates.

Management, leasing and marketing fees, which we believe approximate current market rates, earned from services provided to our unconsolidated joint ventures were recognized in other income as follows (in thousands):

	Three months ended March 31,			
	2013		2012	
Fee:				
Development	$	71	$	—
Loan Guarantee		40		—
Management and leasing		844		479
Marketing		110		53
Total Fees	$	1,065	$	532

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Refer to our 2012 Annual Report on Form 10-K of the Company and the Operating Partnership 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 2013.

SUPPLEMENTAL EARNINGS MEASURES

Funds From Operations

Funds From Operations ("FFO") represents income before extraordinary items and gains (losses) on sale or disposal of depreciable operating properties, plus depreciation and amortization uniquely significant to real estate, impairment losses on depreciable real estate of consolidated real estate and after adjustments for unconsolidated partnerships and joint ventures, including depreciation and amortization, and impairment losses on investments in unconsolidated joint ventures driven by a measurable decrease in the fair value of depreciable real estate held by the unconsolidated joint ventures.

FFO is intended to exclude historical cost depreciation of real estate as required by United States Generally Accepted Accounting Principles ("GAAP") which assumes that the value of real estate assets diminishes ratably over time. Historically, however, real estate values have risen or fallen with market conditions. Because FFO excludes depreciation and amortization unique to real estate, gains and losses from property dispositions and extraordinary items, it provides a performance measure that, when compared year over year, reflects the impact to operations from trends in occupancy rates, rental rates, operating costs, development activities and interest costs, providing perspective not immediately apparent from net income.

We present FFO because we consider it an important supplemental measure of our operating performance and believe it is frequently used by securities analysts, investors and other interested parties in the evaluation of REITs, many of which present FFO when reporting their results. FFO is widely used by us and others in our industry to evaluate and price potential acquisition candidates. The National Association of Real Estate Investment Trusts, Inc., of which we are a member, has encouraged its member companies to report their FFO as a supplemental, industry-wide standard measure of REIT operating performance. In addition, a percentage of bonus compensation to certain members of management is based on our FFO performance.

FFO has significant limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

- FFO does not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- FFO does not reflect changes in, or cash requirements for, our working capital needs;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and FFO does not reflect any cash requirements for such replacements;
- FFO, which includes discontinued operations, may not be indicative of our ongoing operations; and
- Other companies in our industry may calculate FFO differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, FFO should not be considered as a measure of discretionary cash available to us to invest in the growth of our business or our dividend paying capacity. We compensate for these limitations by relying primarily on our GAAP results and using FFO only supplementally.

Below is a reconciliation of net income to FFO (in thousands, except per share and per unit amounts):

	Three months ended March 31, 2013	Three months ended March 31, 2012
FUNDS FROM OPERATIONS		
Net income	$ 16,229	$ 8,834
Adjusted for:		
Depreciation and amortization uniquely significant to real estate - consolidated	22,043	25,301
Depreciation and amortization uniquely significant to real estate - unconsolidated joint ventures	3,173	1,815
Funds from operations (FFO)	41,445	35,950
FFO attributable to noncontrolling interests in other consolidated partnerships	(7)	(2)
Allocation of FFO to participating securities	(425)	(308)
Funds from operations available to common shareholders and noncontrolling interests in Operating Partnership	$ 41,013	$ 35,640
Tanger Factory Outlet Centers, Inc.:		
Weighted average common shares outstanding (1) (2)	98,798	98,690
Dilutive funds from operations per share	$ 0.42	$ 0.36
Tanger Properties Limited Partnership:		
Weighted average Operating Partnership units outstanding (1)	24,700	24,672
Dilutive funds from operations per unit	$ 1.66	$ 1.44

(1) Includes the dilutive effect of options, restricted shares not considered participating securities, and notional units.

(2) Assumes the partnership units of the Operating Partnership held by the noncontrolling interests are exchanged for common shares of the Company. Each unit held by the Family Limited Partners is exchangeable for four of the Company's common shares, subject to certain limitations to preserve the Company's REIT status.

Adjusted Funds From Operations

We present Adjusted Funds From Operations ("AFFO") as a supplemental measure of our performance. We define AFFO as FFO further adjusted to eliminate the impact of certain items that we do not consider indicative of our ongoing operating performance. These further adjustments are itemized below. You are encouraged to evaluate these adjustments and the reasons we consider them appropriate for supplemental analysis. In evaluating AFFO you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in this presentation. Our presentation of AFFO should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items.

We present AFFO because we believe it assists investors and analysts in comparing our performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. In addition, we use AFFO, or some form of AFFO, when certain material, unplanned transactions occur, as a factor in evaluating management's performance when determining incentive compensation and to evaluate the effectiveness of our business strategies.

AFFO has limitations as an analytical tool. Some of these limitations are:

- AFFO does not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- AFFO does not reflect changes in, or cash requirements for, our working capital needs;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and AFFO does not reflect any cash requirements for such replacements;
- AFFO does not reflect the impact of certain cash charges resulting from matters we consider not to be indicative of our ongoing operations; and
- Other companies in our industry may calculate AFFO differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, AFFO should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. We compensate for these limitations by relying primarily on our GAAP results and using AFFO only supplementally.

Below is a reconciliation of FFO to AFFO (in thousands, except per share and per unit amounts):

	Three months ended March 31, 2013	Three months ended March 31, 2012
ADJUSTED FUNDS FROM OPERATIONS		
Funds from operations	$ 41,445	$ 35,950
Adjusted for non-core items:		
Acquisition costs	179	—
AFFO adjustments from unconsolidated joint ventures (1)	211	686
Adjusted funds from operations (AFFO)	41,835	36,636
AFFO attributable to noncontrolling interests in other consolidated partnerships	(7)	(2)
Allocation of AFFO to participating securities	(430)	(314)
Adjusted funds from operations available to common shareholders and noncontrolling interests in Operating Partnership	$ 41,398	$ 36,320
Tanger Factory Outlet Centers, Inc.:		
Weighted average common shares outstanding (2) (3)	98,798	98,690
Dilutive adjusted funds from operations per share	$ 0.42	$ 0.37
Tanger Properties Limited Partnership:		
Weighted average Operating Partnership units outstanding (2)	24,700	24,672
Dilutive adjusted funds from operations per unit	$ 1.68	$ 1.47

(1) Includes our share of acquisition costs, abandoned development costs and gain on early extinguishment of debt from unconsolidated joint ventures.
(2) Includes the dilutive effect of options, restricted shares not considered participating securities, and notional units.
(3) Assumes the partnership units of the Operating Partnership held by the noncontrolling interest are exchanged for common shares of the Company.

Same Center Net Operating Income

We present Same Center Net Operating Income (“NOI”) as a supplemental measure of our performance. We define Net Operating Income ("NOI") as total operating revenues less property operating expenses. Same Center NOI represents the NOI for the properties that were operational for the entire portion of both comparable reporting periods and which were not acquired, expanded, renovated or subject to a material, non-recurring event, such as a natural disaster, during the comparable reporting periods. We believe that NOI and Same Center NOI provide useful information to our investors and analysts about our financial and operating performance because it provides a performance measure of the revenues and expenses directly involved in owning and operating real estate assets and provides a perspective not immediately apparent from net income or FFO. Because Same Center NOI excludes the change in NOI from properties developed, redeveloped, acquired, sold and expanded, it highlights operating trends such as occupancy levels, rental rates and operating costs on properties that were operational for both comparable periods. Other REITs may use different methodologies for calculating Same Center NOI, and accordingly, our Same Center NOI may not be comparable to other REITs.

Same Center NOI should not be viewed as an alternative measure of the Company's financial performance since it does not reflect the operations of the Company's entire portfolio, nor does it reflect the impact of general and administrative expenses, acquisition-related expenses, interest expense, depreciation and amortization costs, other non-property income and losses, and the level of capital expenditures and leasing costs necessary to maintain the operating performance of the Company's properties, or trends in development and construction activities which are significant economic costs and activities that could materially impact the Company's results from operations.

Below is a reconciliation of income before equity in losses of unconsolidated joint ventures to Same Center NOI (in thousands):

	Three months ended March 31, 2013	2012
SAME CENTER NET OPERATING INCOME		
Income before equity in losses of unconsolidated joint ventures	$ 15,639	$ 10,286
Interest expense	12,876	12,334
Operating income	28,515	22,620
Adjusted to exclude:		
Depreciation and amortization	22,288	25,515
Other non-property income and losses	(1,319)	(915)
Acquisition costs	179	—
General and administrative expenses	9,572	10,020
Property net operating income	59,235	57,240
Less: non-cash adjustments and termination rents (1)	(1,380)	(1,924)
Property net operating income - cash basis	57,855	55,316
Less: non-same center NOI (2)	(3,239)	(2,758)
Total same center NOI - cash basis	$ 54,616	$ 52,558

(1) Non-cash items include straight-line rent, net above and below market rent amortization and gains or losses on outparcel sales.

(2) Centers excluded from same center NOI are as follows:

a. Gonzales - Expansion to open in April 2013.

b. Locust Grove - Expansion opened during April 2012.

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) which generally increase as prices rise. Most of the leases require the tenant to pay their share of property operating expenses, including common area maintenance, real estate taxes, insurance and advertising and promotion, thereby reducing exposure to increases in costs and operating expenses resulting from inflation.

While we believe outlet stores will continue to be a profitable and fundamental distribution channel for many 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.

Due to the relatively short-term nature of our tenants' leases, a significant portion of the leases in our portfolio come up for renewal each year. As of January 1, 2013, we had approximately 1.9 million square feet, or 18%, of our consolidated portfolio coming up for renewal during 2013. During the first three months of 2013, we renewed approximately 1.1 million square feet of this space at a 18.0% increase in the average base rental rate compared to the expiring rate. We also re-tenanted approximately 294,000 square feet at a 32.2% increase in the average base rental rate. In addition, we continue to attract and retain additional tenants. However, there can be no assurance that we can achieve similar increases in base rental rates. In addition, if we were unable to successfully renew or release a significant amount of this space on favorable economic terms, the loss in rent could have a material adverse effect on our results of operations.

Our outlet centers typically include well-known, national, brand name companies. By maintaining a broad base of well-known 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) accounts for more than 8% of our square feet or 7% of our combined base and percentage rental revenues. 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 released. As of March 31, 2013 and 2012, respectively, occupancy at our consolidated centers was 98% and 97%.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Market Risk

We are exposed to various market risks, including changes in interest rates. Market risk is the potential loss arising from adverse changes in market rates and prices, such as interest rates. We may periodically enter into certain interest rate protection and interest rate swap agreements to effectively convert floating rate debt to a fixed rate basis. We do not enter into derivatives or other financial instruments for trading or speculative purposes. As of March 31, 2013, we were not a party to any interest rate protection agreements.

As of March 31, 2013, approximately 39% of our outstanding debt had a variable interest rate and was therefore subject to market fluctuations. An increase in the LIBOR rate of 100 basis points would result in an increase of approximately $4.2 million in interest expense on an annual basis. The information presented herein is merely an estimate and has limited predictive value. As a result, the ultimate effect upon our operating results of interest rate fluctuations will depend on the interest rate exposures that arise during the period, our hedging strategies at that time and future changes in the level of interest rates.

The estimated fair value of our debt, consisting of senior unsecured notes, unsecured term loans, secured mortgages and unsecured lines of credit, at March 31, 2013 and December 31, 2012 was $1.2 billion and $1.2 billion, respectively, and its recorded value was $1.1 billion and $1.1 billion, respectively. A 100 basis point increase from prevailing interest rates at March 31, 2013 and December 31, 2012 would result in a decrease in fair value of total debt of approximately $35.2 million and $34.8 million, respectively. Fair values were determined, based on level 2 inputs, using discounted analysis with an interest rate or credit spread similar to that of current market borrowing arrangements.

Item 4. Controls and Procedures

Tanger Factory Outlet Centers, Inc. Controls and Procedures

The Company's management carried out an evaluation, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e)) as of March 31, 2013. Based on this evaluation, the Company's Chief Executive Officer and Chief Financial Officer, have concluded the Company's disclosure controls and procedures were effective as of March 31, 2013. There were no changes to the Company's internal controls over financial reporting during the quarter ended March 31, 2013, that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Tanger Properties Limited Partnership Controls and Procedures

The management of the Operating Partnership's general partner carried out an evaluation, with the participation of the Chief Executive Officer and the Vice-President and Treasurer (Principal Financial Officer) of the Operating Partnership's general partner, of the effectiveness of the Operating Partnership's disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of March 31, 2013. Based on this evaluation, the Chief Executive Officer of the Operating Partnership's general partner, and the Vice-President and Treasurer (Principal Financial and Accounting Officer) of the Operating Partnership's general partner, have concluded the Operating Partnership's disclosure controls and procedures were effective as of March 31, 2013. There were no changes to the Operating Partnership's internal controls over financial reporting during the quarter ended March 31, 2013, that materially affected, or are reasonably likely to materially affect, the Operating Partnership's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

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

Item 1A. Risk Factors

There have been no material changes from the risk factors disclosed in the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2012.

Item 4. Mine Safety Disclosures

Not applicable

Item 6. Exhibits

Exhibit Number	Exhibit Descriptions
10.1 *	Form of 2013 Outperformance Plan Notional Unit Award agreement.
12.1	Company's Ratio of Earnings to Fixed Charges.
12.2	Operating Partnership's Ratio of Earnings to Fixed Charges.
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 for Tanger Factory Outlet Centers, Inc.
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 for Tanger Factory Outlet Centers, Inc.
31.3	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 for Tanger Properties Limited Partnership.
31.4	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 for Tanger Properties Limited Partnership.
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 for Tanger Factory Outlet Centers, Inc.
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32.4	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 for Tanger Properties Limited Partnership.
101	The following financial statements from Tanger Factory Outlet Centers, Inc. and Tanger Properties Limited Partnership's dual Quarterly Report on Form 10-Q for the quarter ended March 31, 2013, formatted in XBRL: (i) Consolidated Balance Sheets (unaudited), (ii) Consolidated Statements of Operations (unaudited), (iii) Consolidated Statements of Other Comprehensive Income (unaudited), (iv) Consolidated Statements of Equity (unaudited), (v) Consolidated Statements of Cash Flows (unaudited), and (vi) Notes to Consolidated Financial Statements (unaudited).

* Management contract or compensatory plan or arrangement.

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.

DATE: May 9, 2013

TANGER FACTORY OUTLET CENTERS, INC.

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

Frank C. Marchisello, Jr.

Executive Vice President and Chief Financial Officer

TANGER PROPERTIES LIMITED PARTNERSHIP

By: TANGER GP TRUST, its sole general partner

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

Frank C. Marchisello, Jr.

Vice President and Treasurer

Exhibit Index

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* Management contract or compensatory plan or arrangement.

EXHIBIT 10.1

TANGER FACTORY OUTLET CENTERS, INC.
NOTIONAL UNIT
AWARD AGREEMENT

Name of Grantee: ______(the "Grantee")

No. of Notional Units: ______

Grant Date: February 12, 2013 (the "Grant Date")

RECITALS

A. The Grantee is an employee of Tanger Factory Outlet Centers, Inc., a North Carolina corporation (the "Company").

B. The Company has adopted the Amended and Restated Incentive Award Plan of Tanger Factory Outlet Centers, Inc. and Tanger Properties L.P., as amended (the "Plan") to provide additional incentives to the Company's employees and directors. This award agreement (this "Agreement") evidences an award to the Grantee under the Plan (the "Award"), which is subject to the terms and conditions set forth herein.

C. The Plan permits the award of Performance Awards and the Company wishes to award Performance Awards in the form of Notional Units.

D. The Grantee was selected by the Share and Unit Option Committee (the "Committee") to receive the Award and, effective as of the Grant Date, the Company issued to the Grantee the number of Notional Units set forth above.

NOW, THEREFORE, the Company and the Grantee agree as follows:

1. Definitions. Capitalized terms used herein without definitions shall have the meanings given to those terms in the Plan. In addition, as used herein:

"Cause" means (a) the Grantee causing material harm to the Company or any Subsidiary or affiliate thereof through a material act of dishonesty in the performance of his or her duties for the Company or any Subsidiary or affiliate thereof, (b) the Grantee's conviction of a felony involving moral turpitude, fraud or embezzlement, or (c) the Grantee's willful failure to perform the material duties of the Grantee's employment (other than failure due to Disability); *provided* that, if the Employment Agreement includes a different definition of "Cause," the definition in the Employment Agreement shall be incorporated by reference herein and supersede the definition in this Section 1.

"Change in Control" has the meaning set forth in the Plan. In addition, if a Change in Control constitutes a payment event with respect to the Award, and the Award provides for the deferral of compensation and is subject to Section 409A of the Code (together with any Department of Treasury regulations and other interpretive guidance that may be issued after the date hereof, "Section 409A"), the transaction or event described in the Change in Control definition set forth in the Plan must also constitute a “change in control event,” as defined in Department of Treasury Regulation Section 1.409A-3(i)(5) to the extent required by Section 409A.

“CIC Minimum Return to Shareholders” shall mean the amount equal to the product of (a) the Minimum Total Return to Shareholders and (b) a fraction, the numerator of which is the number of days from the Effective Date to and including the date of the Change in Control and the denominator of which is the number of days during the period beginning on the Effective Date and ending on the Measurement Date.

“Common Shares” means the Company's common shares, par value $0.01 per share, either currently existing or authorized hereafter.

“Common Share Price” means, as of a particular date, the highest twenty (20) consecutive trading day trailing average of the Fair Market Value within the ninety (90) day period ending on, and including, such date (or, if such date is not a trading day, the most recent trading day immediately preceding such date); *provided* that if any of such trading days is the ex-dividend date for a dividend or other distribution on the Common Shares, then the Fair Market Value for each trading day prior to the ex-dividend date shall be adjusted and shall equal the Fair Market Value on each such trading day (prior to the adjustment herein) divided by (i) the sum of (A) one and (B) the per share amount of the dividend or other distribution declared to which such ex-dividend date relates divided by the Fair Market Value on the ex-dividend date for such dividend or other distribution; and, *provided*, *further*, that if such date is the date upon which a Change in Control (within the meaning of Section 1.6(a) or (c) of the Plan) occurs, the Common Share Price as of such date shall be equal to the fair market value in cash, as determined by the Committee, of the total consideration paid or payable in the transaction resulting in such Change in Control for one Common Share.

“Disability” means the Grantee's inability through physical or mental illness or other cause to perform any of the material duties assigned to him or her by the Company or a Subsidiary or affiliate thereof for a period of ninety (90) days or more within any twelve (12) consecutive calendar months; *provided* that, if the Employment Agreement includes a different definition of “Disability,” the definition in the Employment Agreement shall be incorporated by reference herein and supersede the definition in this Section 1.

“Effective Date” means January 1, 2013.

“Effective Date Common Share Price” means $34.20.

“Employment Agreement” means, as of a particular date, the employment agreement by and between the Grantee and the Company or a Subsidiary or affiliate thereof in effect as of that date, if any.

“50th Percentile” means in accordance with standard statistical methodology, for any applicable measurement period, the median of the total return to shareholders of the REITs included in the Peer Group. Notwithstanding the foregoing, the Committee may, upon consideration of the statistical distribution of the REITs included in the Peer Group within the full range of total return to shareholders for the applicable measurement period, exercise its reasonable discretion to allow for issuance of Restricted Shares to be granted as part of the Award under Section 3 (or Common Shares to be granted as part of the Award under Section 2(b)(iii)) on a basis other than a strict mathematical calculation of the 50th Percentile. By way of illustration, if for the period the total return to shareholders of a number of REITs included in the Peer Group is clustered within a narrow range such that the effect of the precise calculation of percentiles is that issuance would not occur, the Committee could in its sole discretion conclude that issuance should nonetheless occur to the extent appropriate in light of all the circumstances, including the Company's Total Return to Shareholders performance relative to the REITs included in the Peer Group taken as a whole.

The Grantee shall have "Good Reason" to terminate his or her employment in the event of the Company's material breach of the terms of the Grantee's employment; *provided* that (i) the Grantee provides written notice to the Company of the existence of the condition(s) constituting Good Reason within ninety (90) days of the initial existence of any such condition(s), (ii) the Company has thirty (30) days after receipt of such notice to remedy such condition(s) and (iii) if the Company fails to remedy the condition(s), the Grantee terminates his or her employment for Good Reason within two (2) years following the initial existence of any condition constituting Good Reason; *provided*, *further*, that, if the Employment Agreement includes a different definition of "Good Reason," to the extent a Termination of Employment by the Grantee for Good Reason thereunder would be an "involuntary separation from service" (as defined in Section 409A), the definition in the Employment Agreement shall be incorporated by reference herein and supersede the definition in this Section 1.

"Maximum Total Return to Shareholders" means Total Return to Shareholders equal to 35%.

"Measurement Date" means December 31, 2015.

"Minimum Total Return to Shareholders" means Total Return to Shareholders equal to 25%.

"Notional Unit" means a Performance Award granted pursuant to the Plan which entitles the Grantee to the opportunity to be receive Restricted Shares on or after the Share Issuance Date as set forth herein.

"Notional Unit Absolute Conversion Ratio" means (a) in the event the Total Return to Shareholders is equal to the Minimum Total Return to Shareholders, 0.2333, (b) in the event the Total Return to Shareholders is equal to the Target Total Return to Shareholders, 0.4667, (c) in the event the Total Return to Shareholders is equal to or exceeds the Maximum Total Return to Shareholders, 0.7, and (d) in the event the Total Return to Shareholders is (i) greater than the Minimum Total Return to Shareholders and less than the Target Total Return to Shareholders, the Notional Unit Conversion Ratio will be pro-rated between .2333 and .4667 by linear interpolation and (ii) greater than the Target Total Return to Shareholders and less than the Maximum Total Return to Shareholders, the Notional Unit Absolute Conversion Ratio will be pro-rated between 0.4667 and 0.7 by linear interpolation (e.g., other than in the event of a Change in Control, the Notional Unit Conversation Ratio will increase by approximately 0.0467 for each percentage point by which the Total Return to Shareholders exceeds the Minimum Total Return to Shareholders up to the Maximum Total Return to Shareholders).

"Notional Unit Relative Conversion Ratio" means (a) in the event the Total Return to Shareholders is equal to the 50th Percentile, 0.1, (b) in the event the Total Return to Shareholders is equal to the 60th Percentile, 0.2, (c) in the event the Total Return to Shareholders is equal to or exceeds the 70th Percentile, 0.3, and (d) in the event the Total Return to Shareholders is (i) greater than the 50th Percentile and less than the 60th Percentile, the Notional Unit Relative Conversion Ratio will be pro-rated between 0.1 and 0.2 by linear interpolation and (ii) greater than the 60th Percentile and less than the 70th Percentile, the Notional Unit Relative Conversion Ratio will be pro-rated between 0.2 and 0.3 by linear interpolation (e.g., other than in the event of a Change in Control, the Notional Unit Conversation Ratio will increase by 0.01 for each percentile point by which the Total Return to Shareholders exceeds the 50th Percentile up to the 70th Percentile).

“Peer Group” means the peer group of companies set forth on Exhibit A; *provided* that if a constituent company(s) in the Peer Group ceases to be actively traded, due, for example, to merger or bankruptcy, or the Committee otherwise reasonably determines that it is no longer suitable for the purposes of this Agreement, then the Committee in its reasonable discretion shall select a comparable company to be added to the Peer Group for purposes of making the Total Return to Shareholders comparison required by Sections 2(b)(iii) and 3(b) meaningful and consistent across the relevant measurement period.

“Restricted Shares” has the meaning set forth in Section 2(a).

“70th Percentile” means in accordance with standard statistical methodology, for any applicable measurement period, the Total Return to Shareholders which equals or exceeds the total return to shareholders of 70% of the REITs included in the Peer Group. Notwithstanding the foregoing, the Committee may, upon consideration of the statistical distribution of the REITs included in the Peer Group within the full range of total return to shareholders for the applicable measurement period, exercise its reasonable discretion to allow for issuance of Restricted Shares to be granted as part of the Award under Section 3 (or Common Shares to be granted as part of the Award under Section 2(b)(iii)) on a basis other than a strict mathematical calculation of the 70th Percentile. By way of illustration, if for the period the total return to shareholders of a number of REITs included in the Peer Group is clustered within a narrow range such that the effect of the precise calculation of percentiles is that issuance would not occur, the Committee could in its sole discretion conclude that issuance should nonetheless occur to the extent appropriate in light of all the circumstances, including the Company's Total Return to Shareholders performance relative to the REITs included in the Peer Group taken as a whole.

“Share Issuance Date” means the earlier of (a) January 4, 2016 and (b) the date upon which a Change in Control shall occur.

“60th Percentile” means in accordance with standard statistical methodology, for any applicable measurement period, the Total Return to Shareholders which equals or exceeds the total return to shareholders of 60% of the REITs included in the Peer Group. Notwithstanding the foregoing, the Committee may, upon consideration of the statistical distribution of the REITs included in the Peer Group within the full range of total return to shareholders for the applicable measurement period, exercise its reasonable discretion to allow for issuance of Restricted Shares to be granted as part of the Award under Section 3 (or Common Shares to be granted as part of the Award under Section 2(b)(iii)) on a basis other than a strict mathematical calculation of the 60th Percentile. By way of illustration, if for the period the total return to shareholders of a number of REITs included in the Peer Group is clustered within a narrow range such that the effect of the precise calculation of percentiles is that issuance would not occur, the Committee could in its sole discretion conclude that issuance should nonetheless occur to the extent appropriate in light of all the circumstances, including the Company's Total Return to Shareholders performance relative to the REITs included in the Peer Group taken as a whole.

“Target Total Return to Shareholders” means Total Return to Shareholders equal to 30%.

“Total Return to Shareholders” means the percentage appreciation in the Common Share Price from the Effective Date to the Valuation Date, determined by dividing (a) the difference obtained by subtracting (1) the Effective Date Common Share Price, from (2) the Common Share Price on the Valuation Date plus all dividends paid on a Common Share from the Effective Date to the Valuation Date by (b) the Effective Date Common Share Price. Additionally, as set forth in, and pursuant to, Section 6, appropriate adjustments to the Total Return to Shareholders shall be made to take into account all stock dividends, stock splits, reverse stock splits and the other events set forth in Section 6 that occur between the Effective Date and the Valuation Date.

"Valuation Date" means the earlier of (a) the Measurement Date and (b) the date upon which a Change in Control shall occur.

2. Notional Unit Award.

(a) Award. In consideration of the Grantee's past and/or continued employment with or service to the Company and/or a Subsidiary or affiliate thereof and for other good and valuable consideration, effective as of the Grant Date, the Grantee is hereby granted an Award consisting of the number of Notional Units set forth above, which will be subject to (i) forfeiture or conversion into a right to receive unrestricted Common Shares or restricted Common Shares (such restricted Common Shares, "Restricted Shares") to the extent provided in Sections 2 and 3, and (ii) the terms and conditions otherwise set forth in the Plan and this Agreement.

(b) Effect of Termination of Employment and Change in Control.

(i) Except as provided in Section 2(b)(iii), if, prior to the Share Issuance Date, a Termination of Employment of the Grantee occurs for any reason other than those reasons described in Section 2(b)(ii), then all Notional Units shall automatically and immediately be forfeited by the Grantee without any action by any other person or entity and for no consideration whatsoever, and the Grantee and any beneficiary or personal representative thereof, as the case may be, will be entitled to no payments or benefits with respect to the Notional Units.

(ii) Except as provided in Section 2(b)(iii), if, prior to the Share Issuance Date, a Termination of Employment of the Grantee (1) without Cause by the Company, (2) with Good Reason by the Grantee, or (3) due to the Grantee's death or Disability, occurs, the Grantee shall be entitled on the Share Issuance Date to the number of Common Shares equal to the number of Restricted Shares he or she would have received pursuant to Section 3(b) as if no Termination of Employment of the Grantee had occurred, multiplied by a fraction, the numerator of which is the number of days from the Effective Date to and including the date of Termination of Employment of the Grantee, and the denominator of which is the total number of days from the Effective Date to and including the Measurement Date, which Common Shares shall be fully vested upon issuance. On the Share Issuance Date, all Notional Units shall automatically and immediately be forfeited by the Grantee without any action by any other person or entity and for no other consideration whatsoever, and the Grantee and any beneficiary or personal representative thereof, as the case may be, will be entitled to no further payments or benefits with respect to the Notional Units.

(iii) Notwithstanding anything to the contrary, on the date of a Change in Control occurring on or prior to the Measurement Date, subject to the Grantee's continued employment with the Company from the Grant Date through the date of such Change in Control, the Company shall issue to the Grantee, immediately prior to such Change in Control, that number of Common Shares (which Common Shares shall be fully vested upon issuance) equal to the sum of the following:

(1) If, as of the date of such Change in Control, the Total Return to Shareholders is equal to or greater than the CIC Minimum Total Return to Shareholders, the number of Notional Units held by the Grantee on the Share Issuance Date multiplied by the Notional Unit Absolute Conversion Ratio (and, for purposes of determining the Notional Unit Absolute Conversion Ratio, the Target Total Return to Shareholders and Maximum Total Return to Shareholders shall be adjusted in the same manner as Minimum Return to Shareholders is adjusted in determining the CIC Minimum Return to Shareholders); plus

(2) If, as of the date of such Change in Control, the Total Return to Shareholders is equal to or greater than the 50th Percentile, the number of Notional Units held by the Grantee on the Share Issuance Date multiplied by the Notional Unit Relative Conversion Ratio;

provided that, notwithstanding the foregoing, the Fair Market Value of the Common Shares that the Grantee may become entitled pursuant to this Section 2(b)(iii), as of the date of the Change in Control, shall in no event exceed the product of (A) the number of Notional Units and (B) $42.04 (the "Maximum Value") and the number of Common Shares that the Grantee receives pursuant to this Section 2(b)(iii) shall be reduced such that the Fair Market Value of the Common Shares received, as of the Share Issuance Date, is less than or equal to the Maximum Value; *provided*, *further*, that, for the avoidance of doubt, if, as of the date of such Change in Control, the Total Return to Shareholders is less than the CIC Minimum Total Return to Shareholders and less than the 50th Percentile, the Grantee shall not receive any Common Shares pursuant to this Section 2(b)(iii). The number of Common Shares that the Grantee shall be entitled to pursuant to this Section 2(b)(iii) shall be determined by the Committee in its sole good faith discretion. In consideration for the eligibility to receive Common Shares pursuant to this Section 2(b)(iii) (and regardless of whether or not the Grantee actually received Common Shares), as of the date of the Change in Control, all Notional Units shall automatically and immediately be forfeited by the Grantee without any action by any other person or entity and for no other consideration whatsoever, and the Grantee and any beneficiary or personal representative thereof, as the case may be, will be entitled to no further payments or benefits with respect to the Notional Units.

3. Restricted Shares.

(a) Grant of Restricted Shares. Subject to Section 3(f), on the Share Issuance Date (unless such date is the date upon which a Change in Control shall occur), the Company shall, subject to the Grantee's continued employment with the Company from the Grant Date through the Share Issuance Date, deliver to the Grantee (or any transferee permitted under Section 5) a number of Restricted Shares (either by delivering one or more certificates for such shares or by entering such shares in book entry form, as determined by the Company in its sole discretion) equal to the number of Restricted Shares that are issuable pursuant to Section 3(b). Upon the Share Issuance Date, all Notional Units shall automatically and immediately be forfeited by the Grantee without any action by any other person or entity and for no other consideration whatsoever, and the Grantee and any beneficiary or personal representative thereof, as the case may be, will be entitled to no further payments or benefits with respect to the Notional Units. Notwithstanding the foregoing, in the event Restricted Shares cannot be issued pursuant to Section 3(f)(i), then the Restricted Shares shall be issued pursuant to the preceding sentence at the earliest date at which the Committee reasonably anticipates that Restricted Shares can again be issued in accordance with Section 3(f)(i).

(b) Number of Restricted Shares. The number of Restricted Shares that shall be granted pursuant to the Notional Units shall be determined based on the Total Return to Shareholders on the Valuation Date and shall be equal to the sum of the following:

(i) If, as of the Valuation Date, the Total Return to Shareholders is equal to or greater than the Minimum Total Return to Shareholders, the number of Notional Units held by the Grantee on the Share Issuance Date multiplied by the Notional Unit Absolute Conversion Ratio; plus

(ii) If, as of the Valuation Date, the Total Return to Shareholders is equal to or greater than the 50th Percentile, the number of Notional Units held by the Grantee on the Share Issuance Date multiplied by the Notional Unit Relative Conversion Ratio;

provided that, notwithstanding the foregoing, the Fair Market Value of the Common Shares underlying the Restricted Shares that the Grantee may be entitled pursuant to this Section 3(a), as of the Share Issuance Date, shall in no event exceed the Maximum Value and the number of Restricted Shares that the Grantee receives pursuant to this Section 3(a) shall be reduced such that the Fair Market Value of the Common Shares underlying the Restricted Shares received, as of the Share Issuance Date, is less than or equal to the Maximum Value; *provided*, *further*, that, for the avoidance of doubt, if, as of the Valuation Date, the Total Return to Shareholders is less than the Minimum Total Return to Shareholders and less than the 50th Percentile, the Grantee shall not receive any Restricted Shares pursuant to Section 3(a). The number of Restricted Shares that the Grantee shall be entitled to pursuant to the Notional Units shall be determined by the Committee in its sole good faith discretion. The Grantee will not become entitled to Restricted Shares with respect to the Notional Units subject to this Agreement unless and until the Committee determines the Total Return to Shareholders, the 50th Percentile, 60th Percentile and 70th Percentile. Upon such determination by the Committee and subject to the provisions of the Plan and this Agreement, the Grantee shall be entitled to a number of Restricted Shares equal to the number that is determined pursuant to this Section 3(b).

(c) Vesting of Restricted Shares. Except as provided in Section 3(d), the Restricted Shares granted on the Share Issuance Date as provided in this Section 3 shall vest as follows:

(i) 50% of such Restricted Shares shall vest immediately on January 4, 2016; and

(ii) 50% of such Restricted Shares shall vest on January 3, 2017.

(d) Effect of Termination of Employment and Change in Control.

(i) Except as provided in Section 3(d)(iii), if, on or after the Share Issuance Date, a Termination of Employment of the Grantee occurs for any reason other than those reasons described in Section 3(d)(ii), then all Restricted Shares that remain unvested at such time shall automatically and immediately be forfeited by the Grantee without any action by any other person or entity and for no consideration whatsoever, and the Grantee and any beneficiary or personal representative thereof, as the case may be, will be entitled to no payments or benefits with respect to the Restricted Shares.

(ii) If, on or after the Share Issuance Date, a Termination of Employment of the Grantee (1) without Cause by the Company, (2) with Good Reason by the Grantee, or (3) due to the Grantee's death or Disability, occurs, then all of the Grantee's Restricted Shares shall automatically and immediately vest.

(e) Rights as Shareholder. The Grantee shall not be, nor have any of the rights or privileges of, a shareholder of the Company, including, without limitation, voting rights and rights to dividends, in respect of the Notional Units or any Restricted Shares underlying the Notional Units and deliverable hereunder unless and until such Restricted Shares have been issued to the Grantee, and held of record by the Grantee (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company).

(f) Conditions on Delivery of Restricted Shares. The Restricted Shares deliverable hereunder, or any portion thereof, may be either previously authorized but unissued Common Shares or issued Common Shares which have then been reacquired by the Company. Such Common Shares shall be fully paid and nonassessable. The Company shall not be required to issue or deliver any Common Shares issuable hereunder (i) if such issuance would violate any applicable law, rule or regulation and (ii) prior to the receipt by the Company of payment of any applicable withholding tax, which may be in one or more of the forms of consideration permitted under Section 3(g).

(g) Withholding and Taxes. Notwithstanding anything to the contrary in this Agreement, the Company shall be entitled to require payment by the Grantee of any sums required by applicable law to be withheld with respect to the grant of the Notional Units or the grant or vesting of the Restricted Shares related thereto. Such payment shall be made by deduction from other compensation payable to the Grantee or in such other form of consideration acceptable to the Company which may, in the sole discretion of the Committee, include:

(i) Cash or check;

(ii) Surrender of Common Shares held for such period of time as may be required by the Committee in order to avoid adverse accounting consequences and having a Fair Market Value on the date of delivery equal to the minimum amount required to be withheld by statute; or

(iii) Other property acceptable to the Committee.

The Company shall not be obligated to deliver any new certificate representing the Restricted Shares to the Grantee or the Grantee's legal representative or enter such Restricted Shares in book entry form unless and until the Grantee or the Grantee's legal representative shall have paid or otherwise satisfied in full the amount of all federal, state and local taxes applicable to the taxable income of the Grantee resulting from the grant of the Notional Units or the grant or vesting of Restricted Shares related thereto.

4. Dividends.

(a) Upon the grant of Common Shares pursuant to Section 2(b)(ii), the Grantee shall be entitled to receive, for each Common Share granted, an amount equal to the per share amount of all dividends declared with respect to Common Shares with a record date on or after the Effective Date to and including the date of the Termination of Employment of the Grantee. After the date of grant of the Common Shares pursuant to Section 2(b)(ii), the holder of such Common Shares shall be entitled to receive dividends in the same manner as dividends are paid to all other holders of Common Shares.

(b) Upon the grant of Common Shares pursuant to Section 2(b)(iii), the Grantee shall be entitled to receive, for each Common Share granted, an amount equal to the per share amount of all dividends declared with respect to Common Shares with a record date on or after the Effective Date to and including the date of the Change in Control. After the date of grant of the Common Shares pursuant to Section 2(b)(iii), the holder of such Common Shares shall be entitled to receive dividends in the same manner as dividends are paid to all other holders of Common Shares.

(c) Upon grant of the Restricted Shares pursuant to Section 3(a), the Grantee shall be entitled to receive, for each of the Restricted Shares (whether vested or unvested), an amount in cash equal to the per share amount of all dividends declared with respect to the Common Shares with a record date on or after the Effective Date and before the Share Issuance Date (other than those with respect to which an adjustment was made pursuant to Section 6); *provided* that, notwithstanding the foregoing, if the number of Restricted Shares received pursuant to Section 3(a) is reduced so that the Fair Market Value of the Common Shares underlying the Restricted Shares received is less than or equal to the Maximum Value (as required under Section 3), then the amount the Grantee shall be entitled to receive pursuant to this Section 4(c) shall equal the product of (i) the per share amount of all dividends declared with respect to the Common Shares with a record date on or after the Effective Date and before Share Issuance Date (other than those with respect to which an adjustment was made pursuant to Section 6) and (ii) the number of Restricted Shares the Grantee would have received had no such reduction occurred. After the Share Issuance Date, the holder of Restricted Shares (whether vested or unvested) shall be entitled to receive the per share amount of any dividends declared with respect to Common Shares for each Restricted Share (whether vested or unvested) held on the record date of each such dividend and each such dividend shall be paid in the same manner as dividends are paid to the holders of Common Shares.

(d) Except as provided in this Section 4, the Grantee shall not be entitled to receive any payments in lieu of or in connection with dividends with respect to any Notional Units and/or Restricted Shares.

5. Restrictions on Transfer. The Notional Units may not be sold, assigned, transferred, pledged, hypothecated, given away or in any other manner disposed of, encumbered, whether voluntarily or by operation of law (each such action, "Transfer"). The Restricted Shares may not be Transferred, unless and until such Restricted Shares have been granted and have fully vested. Neither the Notional Units, the Restricted Shares nor any interest or right therein shall be liable for the debts, contracts or engagements of the Grantee 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 force or effect, except to the extent that such disposition is permitted by the preceding sentence.

6. Changes in Capital Structure. In addition to any actions by the Committee permitted under Section 10.3 of the Plan, if (a) the Company shall at any time be involved in a merger, consolidation, dissolution, liquidation, reorganization, exchange of shares, sale of all or substantially all of the assets or shares of the Company or a transaction similar thereto, (b) any stock dividend, stock split, reverse stock split, stock combination, reclassification, recapitalization, significant repurchases of shares or other similar change in the capital structure of the Company, or any distribution to holders of Common Shares other than regular cash dividends, shall occur, or (c) any other event shall occur for which, in its sole discretion, the Committee determines action by way of adjusting the terms of the Award is necessary or appropriate, then the Committee shall take such action as in its sole discretion shall be necessary or appropriate to maintain the Grantee's rights hereunder so that they are substantially proportionate to the rights existing under this Agreement prior to such event, including, without limitation, adjustments in the number and/or terms and conditions of the Notional Units or Restricted Shares, Common Share Price, Total Return to Shareholders and payments to be made pursuant to Section 4. The Grantee acknowledges that the Notional Units and Restricted Shares are subject to amendment, modification and termination in certain events as provided in this Section 6 and Section 10.3 of the Plan.

7. Miscellaneous.

(a) Administration. The Committee shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret, amend or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon the Grantee, the Company and all other interested persons. No member of the Committee or the Board shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan, this Agreement, the Notional Units or the Restricted Shares.

(b) Amendments. To the extent permitted by the Plan, this Agreement may be amended, modified, suspended or terminated at any time and from time to time by the Committee or the Board; *provided* that, except as otherwise provided in the Plan, any such amendment, modification, suspension or termination that adversely affects the rights of the Grantee in a material way must be consented to by the Grantee to be effective as against him or her.

(c) Incorporation of Plan. The provisions of the Plan are hereby incorporated by reference as if set forth herein. If and to the extent that any provision contained in this Agreement is inconsistent with the Plan, the Plan shall govern.

(d) Severability. In the event that one or more of the provisions of this Agreement may be invalidated for any reason by a court, any provision so invalidated will be deemed to be separable from the other provisions hereof, and the remaining provisions hereof will continue to be valid and fully enforceable.

(e) Governing Law. This Agreement is made under, and will be construed in accordance with, the laws of the State of North Carolina, without giving effect to the principle of conflict of laws of such State or any other jurisdiction.

(f) No Obligation to Continue Position as an Employee. Neither the Company nor any Subsidiary or affiliate thereof is obligated by or as a result of this Agreement to continue to have the Grantee as an employee and this Agreement shall not interfere in any way with the right of the Company or any Subsidiary or affiliate thereof to terminate the Grantee as an employee at any time, except to the extent expressly provided otherwise in a written agreement between the Company or a Subsidiary or affiliate thereof and the Grantee.

(g) Notices. Notices hereunder shall be mailed or delivered to the Company in care of the Secretary of the Company at its principal place of business, and shall be mailed or delivered to the Grantee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing. Any notice shall be deemed duly given when sent via email or when sent by certified mail (return receipt requested) and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

(h) Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

(i) Conformity to Securities Laws.

(i) The Grantee will use his or her best efforts to comply with all applicable securities laws. The Grantee acknowledges that the Plan and this Agreement are intended to conform to the extent necessary with all provisions of the Securities Act of 1933, as amended, and the Exchange Act and any and all regulations and rules promulgated by the Securities and Exchange Commission thereunder, and state securities laws and regulations. Notwithstanding anything herein to the contrary, the Plan and this Agreement shall be administered, and the Notional Units and/or Restricted Shares shall be granted, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

(ii) Notwithstanding any other provision of the Plan or this Agreement, if the Grantee is subject to Section 16 of the Exchange Act, the Plan, this Agreement, the Notional Units, and the Restricted Shares shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by applicable law, this Agreement shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

(j) Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth in Section 5, this Agreement shall be binding upon the Grantee and his or her heirs, executors, administrators, successors and assigns.

(k) Entire Agreement. The Plan and this Agreement constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and the Grantee with respect to the subject matter hereof.

(l) Section 409A. This Agreement is intended to comply with or be exempt from Section 409A and, to the extent applicable, this Agreement shall be interpreted in accordance with Section 409A. However, notwithstanding any other provision of the Plan or this Agreement, if at any time the Committee determines that the Notional Units and/or the Restricted Shares (or any portion thereof) may be subject to Section 409A, the Committee shall have the right in its sole discretion (without any obligation to do so or to indemnify the Grantee or any other person for failure to do so) to adopt such amendments to the Plan or this Agreement, or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as the Committee determines are necessary or appropriate either for the Notional Units and/or Restricted Shares to be exempt from the application of Section 409A or to comply with the requirements of Section 409A. No provision of this Agreement shall be interpreted or construed to transfer any liability for failure to comply with the requirements of Section 409A from the Grantee or any other individual to the Company or any of its affiliates, employees or agents.

(m) Limitation on the Grantee's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and shall not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. The Grantee shall have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the Notional Units and the Restricted Shares, and rights no greater than the right to receive Common Shares as a general unsecured creditor with respect to Notional Units and the Restricted Shares, as and when payable hereunder.

(n) Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

[signature page follows]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the first day written above.

TANGER FACTORY OUTLET CENTERS, INC.

By: __________
Name: ______
Title: __________

GRANTEE

Name: __________

EXHIBIT A

List of Peer Group

[*see attached*] To include 147 composite companies for the SNL Equity REIT Index on a non-weighted basis.

EXHIBIT A - List of Peer Group

Component Companies

Index Membership as of 1/23/2013

Total Return Chart | Component Companies | Historical Total Return Values | Index Financials

Trading Symbol	Company	Exchange	City	ST	Industry	Weight (%)
AKR	Acadia Realty Trust	NYSE	White Plains	NY	North America Real Estate	0.2305
ADC	Agree Realty Corp.	NYSE	Farmington Hills	MI	North America Real Estate	0.0663
AIV	Aimco	NYSE	Denver	CO	North America Real Estate	0.7165
ALX	Alexander's Inc.	NYSE	Paramus	NJ	North America Real Estate	0.2971
ARE	Alexandria Real Estate	NYSE	Pasadena	CA	North America Real Estate	0.8168
RESI	Altisource Residential Corp.	NYSE	Frederiksted	VI	North America Real Estate	0.0247
AAT	American Assets Trust Inc.	NYSE	San Diego	CA	North America Real Estate	0.1993
ACC	American Campus Communities	NYSE	Austin	TX	North America Real Estate	0.8738
ARCP	American Realty Capital Ppts	NASDAQ	New York	NY	North America Real Estate	0.0267
AMT.REIT	American Tower Corp. (REIT)	NYSE	Boston	MA	North America Real Estate	5.4944
AMRE	AmREIT Inc.	NYSE	Houston	TX	North America Real Estate	0.0139
AHT	Ashford Hospitality Trust	NYSE	Dallas	TX	North America Real Estate	0.1367
AEC	Associated Estates Realty	NYSE	Richmond Heights	OH	North America Real Estate	0.1439
AVB	AvalonBay Communities Inc.	NYSE	Arlington	VA	North America Real Estate	2.8016
BMR	BioMed Realty Trust Inc.	NYSE	San Diego	CA	North America Real Estate	0.5489
BXP	Boston Properties Inc.	NYSE	Boston	MA	North America Real Estate	2.9062
BDN	Brandywine Realty Trust	NYSE	Radnor	PA	North America Real Estate	0.3317
BRE	BRE Properties Inc.	NYSE	San Francisco	CA	North America Real Estate	0.6965
CPT	Camden Property Trust	NYSE	Houston	TX	North America Real Estate	1.0478
CCG	Campus Crest Communities Inc	NYSE	Charlotte	NC	North America Real Estate	0.0835
LSE	CapLease Inc.	NYSE	New York	NY	North America Real Estate	0.0692
CVTR	Care Investment Trust Inc.	Pink	New York	NY	North America Real Estate	0.0131
CBL	CBL & Associates Properties	NYSE	Chattanooga	TN	North America Real Estate	0.6045
CDR	Cedar Realty Trust Inc.	NYSE	Port Washington	NY	North America Real Estate	0.0637
CLDT	Chatham Lodging Trust	NYSE	Palm Beach	FL	North America Real Estate	0.0479
CHSP	Chesapeake Lodging Trust	NYSE	Annapolis	MD	North America Real Estate	0.1492
CLP	Colonial Properties Trust	NYSE	Birmingham	AL	North America Real Estate	0.3473
CWH	CommonWealth REIT	NYSE	Newton	MA	North America Real Estate	0.2451
COR	CoreSite Realty Corp.	NYSE	Denver	CO	North America Real Estate	0.1091
OFC	Corporate Office Properties Tr	NYSE	Columbia	MD	North America Real Estate	0.3845
CUZ	Cousins Properties Inc.	NYSE	Atlanta	GA	North America Real Estate	0.1609
CUBE	CubeSmart	NYSE	Wayne	PA	North America Real Estate	0.3316
CONE	CyrusOne Inc.	NASDAQ	Carrollton	TX	North America Real Estate	0.0773
DCT	DCT Industrial Trust Inc.	NYSE	Denver	CO	North America Real Estate	0.3255
DDR	DDR Corp.	NYSE	Beachwood	OH	North America Real Estate	0.8801
DRH	DiamondRock Hospitality Co.	NYSE	Bethesda	MD	North America Real Estate	0.3193
DLR	Digital Realty Trust Inc.	NYSE	San Francisco	CA	North America Real Estate	1.5346
DEI	Douglas Emmett Inc.	NYSE	Santa Monica	CA	North America Real Estate	0.5867
DRE	Duke Realty Corp.	NYSE	Indianapolis	IN	North America Real Estate	0.8601
DFT	DuPont Fabros Technology Inc.	NYSE	Washington	DC	North America Real Estate	0.2827
EGP	EastGroup Properties Inc.	NYSE	Jackson	MS	North America Real Estate	0.2895
EDR	Education Realty Trust Inc.	NYSE	Memphis	TN	North America Real Estate	0.2114
EPR	EPR Properties	NYSE	Kansas City	MO	North America Real Estate	0.3941
ELS	Equity LifeStyle Properties	NYSE	Chicago	IL	North America Real Estate	0.5256

Component Companies

EQY	Equity One Inc.	NYSE	North Miami Beach	FL	North America Real Estate	0.4679
EQR	Equity Residential	NYSE	Chicago	IL	North America Real Estate	3.3406
ESS	Essex Property Trust Inc.	NYSE	Palo Alto	CA	North America Real Estate	0.9942
EXL	Excel Trust Inc.	NYSE	San Diego	CA	North America Real Estate	0.0982
EXR	Extra Space Storage Inc.	NYSE	Salt Lake City	UT	North America Real Estate	0.7468
FRT	Federal Realty Investment	NYSE	Rockville	MD	North America Real Estate	1.2053
FCH	FelCor Lodging Trust Inc.	NYSE	Irving	TX	North America Real Estate	0.1145
FR	First Industrial Realty Trust	NYSE	Chicago	IL	North America Real Estate	0.2601
FPO	First Potomac Realty Trust	NYSE	Bethesda	MD	North America Real Estate	0.1238
FREVS	First REIT of New Jersey	Pink	Hackensack	NJ	North America Real Estate	0.0206
FSP	Franklin Street Properties	NYSE MKT	Wakefield	MA	North America Real Estate	0.1908
GGP	General Growth Properties Inc.	NYSE	Chicago	IL	North America Real Estate	3.2270
GTY	Getty Realty Corp.	NYSE	Jericho	NY	North America Real Estate	0.1092
GOOD	Gladstone Commercial Corp.	NASDAQ	McLean	VA	North America Real Estate	0.0357
GRT	Glimcher Realty Trust	NYSE	Columbus	OH	North America Real Estate	0.2721
GOV	Government Properties Incm Tr	NYSE	Newton	MA	North America Real Estate	0.2402
GYRO	Gyrodyne Co. of America	NASDAQ	Saint James	NY	North America Real Estate	0.0195
HCP	HCP Inc.	NYSE	Long Beach	CA	North America Real Estate	3.7091
HCN	Health Care REIT Inc.	NYSE	Toledo	OH	North America Real Estate	2.8795
HR	Healthcare Realty Trust Inc.	NYSE	Nashville	TN	North America Real Estate	0.3882
HTA	Healthcare Trust of America	NYSE	Scottsdale	AZ	North America Real Estate	0.1817
HT	Hersha Hospitality Trust	NYSE	Philadelphia	PA	North America Real Estate	0.1813
HIW	Highwoods Properties Inc.	NYSE	Raleigh	NC	North America Real Estate	0.4993
HMG	HMG/Courtland Properties Inc.	NYSE MKT	Coconut Grove	FL	North America Real Estate	0.0009
HME	Home Properties Inc.	NYSE	Rochester	NY	North America Real Estate	0.5718
HPT	Hospitality Properties Trust	NYSE	Newton	MA	North America Real Estate	0.5579
HST	Host Hotels & Resorts	NYSE	Bethesda	MD	North America Real Estate	2.1563
HPP	Hudson Pacific Properties Inc.	NYSE	Los Angeles	CA	North America Real Estate	0.1752
IRC	Inland Real Estate Corp.	NYSE	Oak Brook	IL	North America Real Estate	0.1403
IHT	InnSuites Hospitality Trust	NYSE MKT	Phoenix	AZ	North America Real Estate	0.0029
IRET	Investors Real Estate Trust	NYSE	Minot	ND	North America Real Estate	0.1513
KRC	Kilroy Realty Corp.	NYSE	Los Angeles	CA	North America Real Estate	0.6544
KIM	Kimco Realty Corp.	NYSE	New Hyde Park	NY	North America Real Estate	1.4470
KRG	Kite Realty Group Trust	NYSE	Indianapolis	IN	North America Real Estate	0.0792
LHO	LaSalle Hotel Properties	NYSE	Bethesda	MD	North America Real Estate	0.4513
LXP	Lexington Realty Trust	NYSE	New York	NY	North America Real Estate	0.3487
LRY	Liberty Property Trust	NYSE	Malvern	PA	North America Real Estate	0.8040
LTC	LTC Properties Inc.	NYSE	Westlake Village	CA	North America Real Estate	0.1976
MAC	Macerich Co.	NYSE	Santa Monica	CA	North America Real Estate	1.4263
CLI	Mack-Cali Realty Corp.	NYSE	Edison	NJ	North America Real Estate	0.4206
MPW	Medical Properties Trust Inc.	NYSE	Birmingham	AL	North America Real Estate	0.3109
MDH	MHI Hospitality Corp.	NASDAQ	Williamsburg	VA	North America Real Estate	0.0058
MAA	Mid-America Apartment	NYSE	Memphis	TN	North America Real Estate	0.4967
MNR	Monmouth Real Estate	NYSE	Freehold	NJ	North America Real Estate	0.0757
MPG	MPG Office Trust Inc.	NYSE	Los Angeles	CA	North America Real Estate	0.0313
NHI	National Health Investors	NYSE	Murfreesboro	TN	North America Real Estate	0.3052
NNN	National Retail Properties	NYSE	Orlando	FL	North America Real Estate	0.6290
OHI	Omega Healthcare Investors	NYSE	Hunt Valley	MD	North America Real Estate	0.5101
OLP	One Liberty Properties Inc.	NYSE	Great Neck	NY	North America Real Estate	0.0596

Component Companies

PCFO	Pacific Office Properties Inc.	Pink	Honululu	HI	North America Real Estate	0.0001
PKY	Parkway Properties Inc.	NYSE	Orlando	FL	North America Real Estate	0.1559
PEB	Pebblebrook Hotel Trust	NYSE	Bethesda	MD	North America Real Estate	0.2641
PEI	Pennsylvania REIT	NYSE	Philadelphia	PA	North America Real Estate	0.1823
PDM	Piedmont Office Realty Trust	NYSE	Johns Creek	GA	North America Real Estate	0.5698
PCL	Plum Creek Timber Co.	NYSE	Seattle	WA	North America Real Estate	1.3565
PPS	Post Properties Inc.	NYSE	Atlanta	GA	North America Real Estate	0.4829
PCH	Potlatch Corp.	NASDAQ	Spokane	WA	North America Real Estate	0.3142
PW	Power REIT	NYSE MKT	Old Bethpage	NY	North America Real Estate	0.0030
APTS	Preferred Apartment Comm.	NYSE MKT	Atlanta	GA	North America Real Estate	0.0077
PDNLB	Presidential Realty Corp.	Pink	New York	NY	North America Real Estate	0.0001
PLD	Prologis Inc.	NYSE	San Francisco	CA	North America Real Estate	3.2235
PSB	PS Business Parks Inc.	NYSE	Glendale	CA	North America Real Estate	0.2983
PSA	Public Storage	NYSE	Glendale	CA	North America Real Estate	4.5631
RPT	Ramco-Gershenson Properties	NYSE	Farmington Hills	MI	North America Real Estate	0.1234
RYN	Rayonier Inc.	NYSE	Jacksonville	FL	North America Real Estate	1.1981
O	Realty Income Corp.	NYSE	Escondido	CA	North America Real Estate	1.0277
REG	Regency Centers Corp.	NYSE	Jacksonville	FL	North America Real Estate	0.7966
ROIC	Retail Opportunity Investments	NASDAQ	White Plains	NY	North America Real Estate	0.1228
RPAI	Retail Properties of America	NYSE	Oak Brook	IL	North America Real Estate	0.2960
RLJ	RLJ Lodging Trust	NYSE	Bethesda	MD	North America Real Estate	0.3949
RPI	Roberts Realty Investors Inc.	NYSE MKT	Atlanta	GA	North America Real Estate	0.0023
RSE	Rouse Properties Inc.	NYSE	New York	NY	North America Real Estate	0.1590
SBRA	Sabra Health Care REIT	NASDAQ	Irvine	CA	North America Real Estate	0.1561
BFS	Saul Centers Inc.	NYSE	Bethesda	MD	North America Real Estate	0.1517
SIR	Select Income REIT	NYSE	Newton	MA	North America Real Estate	0.1741
SNH	Senior Housing Properties	NYSE	Newton	MA	North America Real Estate	0.7419
SBY	Silver Bay Realty Trust Corp.	NYSE	Minnetonka	MN	North America Real Estate	0.1450
SPG	Simon Property Group	NYSE	Indianapolis	IN	North America Real Estate	8.8215
SLG	SL Green Realty Corp.	NYSE	New York	NY	North America Real Estate	1.2797
SSS	Sovran Self Storage Inc.	NYSE	Williamsville	NY	North America Real Estate	0.3455
SRC	Spirit Realty Capital Inc.	NYSE	Scottsdale	AZ	North America Real Estate	0.2918
STAG	STAG Industrial Inc.	NYSE	Boston	MA	North America Real Estate	0.1480
BEE	Strategic Hotels & Resorts Inc	NYSE	Chicago	IL	North America Real Estate	0.2424
INN	Summit Hotel Properties Inc.	NYSE	Austin	TX	North America Real Estate	0.1090
SUI	Sun Communities Inc.	NYSE	Southfield	MI	North America Real Estate	0.2283
SHO	Sunstone Hotel Investors Inc.	NYSE	Aliso Viejo	CA	North America Real Estate	0.2751
SPPR	Supertel Hospitality	NASDAQ	Norfolk	NE	North America Real Estate	0.0046
SKT	Tanger Factory Outlet Centers	NYSE	Greensboro	NC	North America Real Estate	0.5851
TCO	Taubman Centers Inc.	NYSE	Bloomfield Hills	MI	North America Real Estate	0.8908
TRNO	Terreno Realty Corp.	NYSE	San Francisco	CA	North America Real Estate	0.0395
TSRE	Trade Street Residential Inc.	Pink	Aventura	FL	North America Real Estate	0.0137
UDR	UDR Inc.	NYSE	Highlands Ranch	CO	North America Real Estate	1.0925
UMH	UMH Properties Inc.	NYSE	Freehold	NJ	North America Real Estate	0.0312
UHT	Universal Health Realty Trust	NYSE	King Of Prussia	PA	North America Real Estate	0.1202
UBA	Urstadt Biddle Properties Inc.	NYSE	Greenwich	CT	North America Real Estate	0.0820
USRE	USA REIT	Pink	Sacramento	CA	North America Real Estate	0.0001
VTR	Ventas Inc.	NYSE	Chicago	IL	North America Real Estate	3.4346
VNO	Vornado Realty Trust	NYSE	New York	NY	North America Real Estate	2.7822

Component Companies

WPC	W. P. Carey Inc.	NYSE	New York	NY	North America Real Estate	0.6597
WRE	Washington REIT	NYSE	Rockville	MD	North America Real Estate	0.3264
WRI	Weingarten Realty Investors	NYSE	Houston	TX	North America Real Estate	0.5985
WY	Weyerhaeuser Co.	NYSE	Federal Way	WA	North America Real Estate	2.9895
WHLR	Wheeler REIT Inc.	NASDAQ	Virginia Beach	VA	North America Real Estate	0.0035
WSR	Whitestone REIT	NYSE	Houston	TX	North America Real Estate	0.0420
FUR	Winthrop Realty Trust	NYSE	Boston	MA	North America Real Estate	0.0664

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SNL US REIT Equity : Includes all publicly traded (NYSE, NYSE MKT, NASDAQ, OTC BB, Pink Sheets) Equity REITs in SNL's coverage universe.

Exhibit 12.1

TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES
Ratio of Earnings to Fixed Charges
(in thousands, except ratios)

	Three months ended March 31, 2013	Three months ended March 31, 2012
Earnings:		
Income before equity in earnings (losses) of unconsolidated joint ventures and noncontrolling interests	$ 15,639	$ 10,286
Add:		
Distributed income of unconsolidated joint ventures	293	237
Amortization of capitalized interest	127	127
Interest expense	12,876	12,334
Portion of rent expense - interest factor	511	516
Total earnings	29,446	23,500
Fixed charges:		
Interest expense	12,876	12,334
Capitalized interest and capitalized amortization of debt issue costs	48	163
Portion of rent expense - interest factor	511	516
Total fixed charges	$ 13,435	$ 13,013
Ratio of earnings to fixed charges	2.2	1.8

Exhibit 12.2

TANGER PROPERTIES LIMITED PARTNERSHIP AND SUBSIDIARIES

Ratio of Earnings to Fixed Charges
(in thousands, except ratios)

	Three months ended March 31, 2013	2012
Earnings:		
Income before equity in earnings (losses) of unconsolidated joint ventures and noncontrolling interests	$ 15,639	$ 10,286
Add:		
Distributed income of unconsolidated joint ventures	293	237
Amortization of capitalized interest	127	127
Interest expense	12,876	12,334
Portion of rent expense - interest factor	511	516
Total earnings	29,446	23,500
Fixed charges:		
Interest expense	12,876	12,334
Capitalized interest and capitalized amortization of debt issue costs	48	163
Portion of rent expense - interest factor	511	516
Total fixed charges	$ 13,435	$ 13,013
Ratio of earnings to fixed charges	2.2	1.8

Exhibit 31.1

I, Steven B. Tanger, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Tanger Factory Outlet Centers, Inc. for the period ended March 31, 2013;

2. Based on my knowledge, this 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this 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 report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2013

/s/ Steven B. Tanger
Steven B. Tanger
President and Chief Executive Officer
Tanger Factory Outlet Centers, Inc.

Exhibit 31.2

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 period ended March 31, 2013;

2. Based on my knowledge, this 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this 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 report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2013

/s/ Frank C. Marchisello, Jr.
Frank C. Marchisello, Jr.
Executive Vice-President and Chief Financial Officer
Tanger Factory Outlet Centers, Inc.

Exhibit 31.3

I, Steven B. Tanger, certify that:

1 I have reviewed this quarterly report on Form 10-Q of Tanger Properties Limited Partnership for the period ended March 31, 2013;

2 Based on my knowledge, this 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 report;

3 Based on my knowledge, the financial statements, and other financial information included in this 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 report;

4 The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5 The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2013

/s/ Steven B. Tanger

Steven B. Tanger
President and Chief Executive Officer
Tanger GP Trust, sole general partner of the Operating Partnership

Exhibit 31.4

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

1 I have reviewed this quarterly report on Form 10-Q of Tanger Properties Limited Partnership for the period ended March 31, 2013;

2 Based on my knowledge, this 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 report;

3 Based on my knowledge, the financial statements, and other financial information included in this 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 report;

4 The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5 The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2013

/s/ Frank C. Marchisello, Jr.

Frank C. Marchisello, Jr.
Vice-President and Treasurer
Tanger GP Trust, sole general partner of the Operating Partnership
(Principal Financial Officer)

Exhibit 32.1

Certification of Chief Executive Officer

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

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2013 (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.

Date: May 9, 2013

/s/ Steven B. Tanger

Steven B. Tanger
President and Chief Executive Officer
Tanger Factory Outlet Centers, Inc.

Exhibit 32.2

Certification of Chief Financial Officer

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

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2013 (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.

Date: May 9, 2013

/s/ Frank C. Marchisello, Jr.

Frank C. Marchisello, Jr.
Executive Vice President and Chief Financial Officer Tanger Factory Outlet Centers, Inc.

Exhibit 32.3

Certification of Chief Executive Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Tanger Properties Limited Partnership (the "Operating Partnership") hereby certifies, to such officer's knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Operating Partnership for the quarter ended March 31, 2013 (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 Operating Partnership.

Date: May 9, 2013

/s/ Steven B. Tanger
Steven B. Tanger
President and Chief Executive Officer
Tanger GP Trust, sole general partner of the Operating Partnership

Exhibit 32.4

Certification of Principal Financial Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Tanger Properties Limited Partnership (the "Operating Partnership") hereby certifies, to such officer's knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Operating Partnership for the quarter ended March 31, 2013 (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 Operating Partnership.

Date: May 9, 2013

/s/ Frank C. Marchisello, Jr.

Frank C. Marchisello, Jr.
Vice President and Treasurer
Tanger GP Trust, sole general partner of the Operating Partnership
(Principal Financial Officer)