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

FORM 10-Q

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

For the quarterly period ended September 30, 2010
OR
[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) of
THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File No. 1-11986 (Tanger Factory Outlet Centers, Inc.)
Commission File No. 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, North Carolina 27408
(Address of principal executive offices) (Zip code)

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

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

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).
Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Tanger Factory Outlet Centers, Inc.:

Large accelerated filer ☒	Accelerated filer ☐	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Tanger Properties Limited Partnership:

Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☒ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicated by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Tanger Factory Outlet Centers, Inc.
Yes ☐ No ☒
Tanger Properties Limited Partnership
Yes ☐ No ☒

As of November 1, 2010, there were 40,486,834 shares of Tanger Factory Outlet Centers, Inc. common stock outstanding, $.01 par value.

EXPLANATORY NOTE

This report combines the quarterly reports on Form 10-Q for the quarter ended September 30, 2010 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, or 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, the Tanger GP Trust and the Tanger LP Trust. The Tanger GP Trust controls the Operating Partnership as its sole general partner. The Tanger LP Trust holds a limited partnership interest. The Tanger family, through its ownership of the Tanger Family Limited Partnership, holds the remaining units as a limited partner. Stanley K. Tanger, founder of the Company, was the sole general partner of the Tanger Family Limited Partnership from its inception until August 2010. Subsequently, Stanley K. Tanger transferred his general partnership interest in the Tanger Family Limited Partnership to the Stanley K. Tanger Marital Trust. See Note 19 for further discussion.

As of September 30, 2010, the Company, through its ownership of the GP Trust and LP Trust, owned 20,243,417 units of the Operating Partnership and the Tanger Family Limited Partnership owned 3,033,305 units. Each Tanger Family Limited Partnership unit is exchangeable for two of the Company's common shares, subject to certain limitations to preserve the Company's REIT status. Prior to the Company's two for one share split on December 28, 2004, 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 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, the 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 REIT. 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 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 contributed to the Operating Partnership in exchange for partnership units, the Operating

Partnership generates the capital required by the Company's business through the Operating Partnership's operations, by the Operating Partnership's incurrence of indebtedness or through the issuance of partnership units of the Operating Partnership or its subsidiaries.

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 Tanger Family Limited Partnership 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;
    - Shareholders' Equity of the Company and Partners' Equity of the Operating Partnership;
    - Other Comprehensive Income of the Company and Other Comprehensive Income of the Operating Partnership;
    - Earnings Per Share and Earnings Per Unit and
- 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)

	September 30, 2010	December 31, 2009
ASSETS:		
Rental property		
Land	$ 141,576	$ 143,933
Buildings, improvements and fixtures	1,353,171	1,352,568
Construction in progress	58,952	11,369
	1,553,699	1,507,870
Accumulated depreciation	(438,955)	(412,530)
Rental property, net	1,114,744	1,095,340
Cash and cash equivalents	2,835	3,267
Rental property held for sale	424	---
Investments in unconsolidated joint ventures	7,064	9,054
Deferred charges, net	33,365	38,867
Other assets	39,127	32,333
Total assets	$ 1,197,559	$ 1,178,861
LIABILITIES AND EQUITY		
Liabilities		
Debt		
Senior, unsecured notes (net of discount of $2,695 and $858 respectively)	$ 554,515	$ 256,352
Mortgage payable (including a debt discount of $0 and $241, respectively)	---	35,559
Unsecured term loan	---	235,000
Unsecured lines of credit	54,800	57,700
	609,315	584,611
Construction trade payables	31,051	14,194
Accounts payable and accrued expenses	40,060	31,916
Other liabilities	17,084	27,077
Total liabilities	697,510	657,798
Commitments and contingencies		
Equity		
Tanger Factory Outlet Centers, Inc.		
Preferred shares, 7.5% Class C, liquidation preference $25 per share, 8,000,000 shares authorized, 3,000,000 shares issued and outstanding at September 30, 2010 and December 31, 2009	75,000	75,000
Common shares, $.01 par value, 150,000,000 shares authorized, 40,486,834 and 40,277,124 shares issued and outstanding at September 30, 2010 and December 31, 2009, respectively	405	403
Paid in capital	600,813	596,074
Distributions in excess of net income	(233,387)	(202,997)
Accumulated other comprehensive income (loss)	1,828	(5,809)
Equity attributable to Tanger Factory Outlet Centers, Inc.	444,659	462,671
Equity attributable to noncontrolling interest in Operating Partnership	55,390	58,392
Total equity	500,049	521,063
Total liabilities and equity	$ 1,197,559	$ 1,178,861

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 September 30, 2010	Three months ended September 30, 2009	Nine months ended September 30, 2010	Nine months ended September 30, 2009
Revenues				
Base rentals	$ 44,857	$ 43,948	$ 132,322	$ 129,842
Percentage rentals	1,910	1,442	4,263	3,690
Expense reimbursements	20,139	19,020	58,087	56,511
Other income	2,567	5,638	6,138	9,256
Total revenues	69,473	70,048	200,810	199,299
Expenses				
Property operating	22,567	21,218	67,039	63,488
General and administrative	6,403	15,763	17,832	27,515
Impairment charge	---	---	735	---
Depreciation and amortization	16,805	20,164	60,388	59,752
Total expenses	45,775	57,145	145,994	150,755
Operating income	23,698	12,903	54,816	48,544
Interest expense	(8,767)	(8,692)	(24,666)	(29,466)
Gain (loss) on early extinguishment of debt	---	---	(563)	10,467
Gain on fair value measurement of previously held interest in acquired joint venture	---	---	---	31,497
Loss on termination of interest rate swaps	---	---	(6,142)	---
Income before equity in earnings (losses) of unconsolidated joint ventures and discontinued operations	14,931	4,211	23,445	61,042
Equity in earnings (losses) of unconsolidated joint ventures	(75)	68	(194)	(1,346)
Income from continuing operations	14,856	4,279	23,251	59,696
Discontinued operations	(103)	85	(103)	(5,277)
Net income	14,753	4,364	23,148	54,419
Noncontrolling interest	(1,754)	(407)	(2,488)	(7,938)
Net income attributable to Tanger Factory Outlet Centers, Inc.	$ 12,999	$ 3,957	$ 20,660	$ 46,481
Basic earnings per common share:				
Income from continuing operations	$ .29	$ .06	$ .40	$ 1.33
Net income	$ .29	$ .06	$ .40	$ 1.20
Diluted earnings per common share:				
Income from continuing operations	$ .29	$ .06	$ .40	$ 1.33
Net income	$ .29	$ .06	$ .40	$ 1.20
Dividends paid per common share	$ .3875	$ .3825	$ 1.1575	$ 1.1450

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)

	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2009
OPERATING ACTIVITIES		
Net income	$ 23,148	$ 54,419
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization (including discontinued operations)	60,475	60,262
Impairment charge (including discontinued operations)	846	5,200
Loss on termination of interest rate swap agreements	6,142	---
Gain on sale of outparcels of land	(161)	(3,293)
Amortization of deferred financing costs	916	1,169
(Gain) loss on early extinguishment of debt	563	(10,467)
Gain on fair value measurement of previous interest held in acquired joint venture	---	(31,497)
Equity in losses of unconsolidated joint ventures	194	1,346
Compensation expense related share-based compensation	4,224	10,969
Amortization of debt (premiums) and discount, net	(197)	972
Distributions of cumulative earnings from unconsolidated joint ventures	568	510
Net accretion of market rent rate adjustment	(576)	(266)
Straight-line base rent adjustment	(2,171)	(1,955)
Changes in other assets and liabilities:		
Other assets	(4,461)	948
Accounts payable and accrued expenses	7,688	7,103
Net cash provided by operating activities	97,198	95,420
INVESTING ACTIVITIES		
Additions to rental property	(55,588)	(25,105)
Acquisition of remaining interests in unconsolidated joint venture, net of cash acquired	---	(31,086)
Additions to investments in unconsolidated joint ventures	---	(95)
Termination payments related to interest rate swap agreements	(6,142)	---
Distributions in excess of cumulative earnings from unconsolidated joint ventures	682	---
Net proceeds from the sale of real estate	2,025	1,577
Additions to deferred lease costs	(3,066)	(3,261)
Net cash used in investing activities	(62,089)	(57,970)
FINANCING ACTIVITIES		
Cash dividends paid	(51,050)	(42,527)
Distributions to noncontrolling interest in Operating Partnership	(7,022)	(6,946)
Proceeds from issuance of common shares	---	116,819
Proceeds from debt issuances	567,530	149,150
Repayments of debt	(543,300)	(256,650)
Proceeds from tax incremental financing	---	945
Additions to deferred financing costs	(2,592)	(443)
Proceeds from exercise of options	893	1,626
Net cash used in financing activities	(35,541)	(38,026)
Net decrease in cash and cash equivalents	(432)	(576)
Cash and cash equivalents, beginning of period	3,267	4,977
Cash and cash equivalents, end of period	$ 2,835	$ 4,401

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

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

	September 30, 2010	December 31, 2009
ASSETS:		
Rental property		
Land	$ 141,576	$ 143,933
Buildings, improvements and fixtures	1,353,171	1,352,568
Construction in progress	58,952	11,369
	1,553,699	1,507,870
Accumulated depreciation	(438,955)	(412,530)
Rental property, net	1,114,744	1,095,340
Cash and cash equivalents	2,779	3,214
Rental property held for sale	424	---
Investments in unconsolidated joint ventures	7,064	9,054
Deferred charges, net	33,365	38,867
Other assets	38,859	32,025
Total assets	$ 1,197,235	$ 1,178,500
LIABILITIES AND PARTNERS' EQUITY		
Liabilities		
Debt		
Senior, unsecured notes (net of discount of $2,695 and $858, respectively)	$ 554,515	$ 256,352
Mortgage payable (including a debt discount of $0 and $241, respectively)	---	35,559
Unsecured term loan	---	235,000
Unsecured lines of credit	54,800	57,700
	609,315	584,611
Construction trade payables	31,051	14,194
Accounts payable and accrued expenses	39,736	31,555
Other liabilities	17,084	27,077
Total liabilities	697,186	657,437
Commitments and contingencies		
Partners' Equity		
General partner	5,284	5,633
Limited partners	492,967	522,425
Accumulated other comprehensive income (loss)	1,798	(6,995)
Total partners' equity	500,049	521,063
Total liabilities and partners' equity	$ 1,197,235	$ 1,178,500

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 September 30, 2010	Three months ended September 30, 2009	Nine months ended September 30, 2010	Nine months ended September 30, 2009
Revenues				
Base rentals	$ 44,857	$ 43,948	$ 132,322	$ 129,842
Percentage rentals	1,910	1,442	4,263	3,690
Expense reimbursements	20,139	19,020	58,087	56,511
Other income	2,567	5,638	6,138	9,256
Total revenues	69,473	70,048	200,810	199,299
Expenses				
Property operating	22,567	21,218	67,039	63,488
General and administrative	6,403	15,763	17,832	27,515
Impairment charge	---	---	735	---
Depreciation and amortization	16,805	20,164	60,388	59,752
Total expenses	45,775	57,145	145,994	150,755
Operating income	23,698	12,903	54,816	48,544
Interest expense	(8,767)	(8,692)	(24,666)	(29,466)
Gain (loss) on early extinguishment of debt	---	---	(563)	10,467
Gain on fair value measurement of previously held interest in acquired joint venture	---	---	---	31,497
Loss on termination of interest rate swaps	---	---	(6,142)	---
Income before equity in earnings (losses) of unconsolidated joint ventures and discontinued operations	14,931	4,211	23,445	61,042
Equity in earnings (losses) of unconsolidated joint ventures	(75)	68	(194)	(1,346)
Income from continuing operations	14,856	4,279	23,251	59,696
Discontinued operations	(103)	85	(103)	(5,277)
Net income	14,753	4,364	23,148	54,419
Net income available to limited partners	14,616	4,332	22,954	54,014
Net income available to general partner	$ 137	$ 32	$ 194	$ 405
Basic earnings per common unit:				
Income from continuing operations	$ .57	$ .12	$ .80	$ 2.70
Net income	$ .57	$ .12	$ .80	$ 2.44
Diluted earnings per common unit:				
Income from continuing operations	$ .57	$ .12	$ .80	$ 2.69
Net income	$ .57	$ .12	$ .80	$ 2.43
Distribution paid per common unit	$ .775	$ .765	$ 2.315	$ 2.290

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)

	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2009
OPERATING ACTIVITIES		
Net income	$ 23,148	$ 54,419
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization (including discontinued operations)	60,475	60,262
Impairment charge (including discontinued operations)	846	5,200
Loss on termination of interest rate swap agreements	6,142	---
Gain on sale of outparcels of land	(161)	(3,293)
Amortization of deferred financing costs	916	1,169
(Gain) loss on early extinguishment of debt	563	(10,467)
Gain on fair value measurement of previous interest held in acquired joint venture	---	(31,497)
Equity in losses of unconsolidated joint ventures	194	1,346
Equity-based compensation expense	4,224	10,969
Amortization of debt premiums and discount, net	(197)	972
Distributions of cumulative earnings from unconsolidated joint ventures	568	510
Net accretion of market rent rate adjustment	(576)	(266)
Straight-line base rent adjustment	(2,171)	(1,955)
Changes in other assets and liabilities:		
Other assets	(4,501)	1,134
Accounts payable and accrued expenses	7,725	6,939
Net cash provided by operating activities	97,195	95,442
INVESTING ACTIVITIES		
Additions to rental property	(55,588)	(25,105)
Acquisition of remaining interests in unconsolidated joint venture, net of cash acquired	---	(31,086)
Additions to investments in unconsolidated joint ventures	---	(95)
Termination payments related to interest rate swap agreements	(6,142)	---
Distributions in excess of cumulative earnings from unconsolidated joint ventures	682	---
Net proceeds from the sale of real estate	2,025	1,577
Additions to deferred lease costs	(3,066)	(3,261)
Net cash used in investing activities	(62,089)	(57,970)
FINANCING ACTIVITIES		
Cash distributions paid	(58,072)	(49,473)
Contributions from partners	---	116,819
Proceeds from debt issuances	567,530	149,150
Repayments of debt	(543,300)	(256,650)
Proceeds from tax incremental financing	---	945
Additions to deferred financing costs	(2,592)	(443)
Proceeds from exercise of options	893	1,626
Net cash used in financing activities	(35,541)	(38,026)
Net decrease in cash and cash equivalents	(435)	(554)
Cash and cash equivalents, beginning of period	3,214	4,952
Cash and cash equivalents, end of period	$ 2,779	$ 4,398

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, or REIT, which, through our controlling interest in the Operating Partnership, focuses exclusively on developing, acquiring, owning, operating and managing outlet shopping centers. As of September 30, 2010, we owned and operated 30 outlet centers, with a total gross leasable area of approximately 8.9 million square feet. We also operated and had partial ownership interests in two outlet centers totaling approximately 948,000 square feet.

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, the Tanger GP Trust and the Tanger LP Trust. The Tanger GP Trust controls the Operating Partnership as its sole general partner. The Tanger LP Trust holds a limited partnership interest. The Tanger family, through its ownership of the Tanger Family Limited Partnership holds the remaining units as a limited partner.

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 separate Annual Reports on Form 10-K for the year ended December 31, 2009. The December 31, 2009 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 Securities and Exchange Commission's, or the SEC, 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 joint ventures and variable interest entities. For joint ventures that are defined as variable interest entities, the primary beneficiary consolidates the entity.

3. Development of Rental Properties

New Development

During the third quarter of 2010, construction continued on our development site in Mebane, North Carolina in preparation for our scheduled November 5, 2010 grand opening. As of October 31, 2010, we had signed leases or leases out for signature for 100% of the total square feet of the outlet center.

Redevelopment at Existing Outlet Centers

During the second quarter of 2010, we completed the demolition of our Hilton Head I center in Bluffton, South Carolina. The redevelopment of the outlet center is currently underway and as of October 31, 2010 we had leases signed or out for signature on approximately 73% of the leasable square feet. When completed, the new 176,000 square foot center, with an additional four outparcel pads, will be the first LEED certified green shopping center in Beaufort County, SC. Our $50.0 million redevelopment is projected to open during the second half of 2011. As a result of the demolition and redevelopment plan, a total of $9.2 million in depreciation and amortization was recognized in the first quarter of 2010 to completely depreciate the existing center. The demolition was completed during the second quarter of 2010, at which time the fully depreciated assets were written-off.

Commitments to complete construction of our new developments, redevelopments and other capital expenditure requirements amounted to approximately $19.7 million at September 30, 2010. Commitments for construction represent only those costs contractually required to be paid by us.

Interest costs capitalized during the three months ended September 30, 2010 and 2009 amounted to $583,000 and $0, respectively, and for the nine months ended September 30, 2010 and 2009 amounted to $1.1 million and $84,000, respectively.

Impairment Charges

Rental property held and used by us is reviewed for impairment in the event that facts and circumstances indicate the carrying amount of an asset may not be recoverable. In such an event, we compare the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount, and if less, recognize an impairment loss in an amount by which the carrying amount exceeds its fair value.

Seymour, Indiana 2010

In 2005 we sold our outlet center located in Seymour, Indiana, but retained various outparcels of land at the development site, some of which we sold in recent years. In February 2010, our Board of Directors approved the sale of the remaining parcels of land in Seymour, IN. As a result of this Board approval and an approved plan to actively market the land, we accounted for the land as "held for sale" and recorded a non-cash impairment charge of approximately $735,000 in our consolidated statement of operations which equaled the excess of the carrying amount of the land over its fair value. We determined the fair value using a market approach considering offers that we obtained for all the various parcels less estimated closing costs. See Note 18, Fair Value Measurements, for further discussion.

Commerce I, Georgia 2010

In May 2010, the Company's Board of Directors approved the plan for our management to sell our Commerce I, Georgia center. The majority of the center was sold in July 2010 for net proceeds of approximately $1.4 million. The remaining portion of the center, classified as held for sale in the consolidated balance sheets, is under contract and is expected to close in the near future. During the third quarter of 2010, we recorded an impairment of approximately $111,000 to lower the basis of the center to its approximate fair value based on the actual sales contracts related to the center. In the second quarter of 2009, we recorded an impairment charge for this property of $5.2 million which equaled the excess of the property's carrying value over its estimated fair value at that time. We determined the fair value in 2009 using a market approach whereby we considered the prevailing market income capitalization rates and sales data for transactions involving similar assets. The above mentioned impairment charges are included in discontinued operations in the consolidated income statements.

Land Outparcel Sales

Gains on sale of outparcels are included in other income in the consolidated statements of operations. Cost is allocated to the outparcels based on the relative market value method. Below is a summary of outparcel sales that we completed during the three and nine months ended September 30, 2010 and 2009, respectively. (in thousands, except number of outparcels):

	Three Months Ended September 30, 2010	Three Months Ended September 30, 2009(1)	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2009(1)
Number of outparcels	---	1	3	1
Net proceeds	$ ---	$ 1,577	$ 602	$ 1,577
Gains on sales included in other income	$ ---	$ 3,292	$ 161	$ 3,292

(1) A condition of the sale was the assumption by the buyer of approximately $2.6 million of the tax increment financing liability that is associated with the Washington, Pennsylvania property.

4. Investments in Unconsolidated Real Estate Joint Ventures

Our investments in unconsolidated joint ventures as of September 30, 2010 and December 31, 2009 aggregated $7.1 million and $9.1 million, respectively. We have evaluated the accounting treatment for each of the joint ventures and have concluded based on the current facts and circumstances that the equity method of accounting should be used to account for the individual joint ventures. At September 30, 2010, we were members of the following unconsolidated real estate joint ventures:

Joint Venture	Center Location	Opening Date	Ownership %	Square Feet	Carrying Value of Investment (in millions)	Total Joint Venture Debt (in millions)
Deer Park	Deer Park, Long Island, New York	2008	33.3%	683,033	$2.1	$269.3
Wisconsin Dells	Wisconsin Dells, Wisconsin	2006	50%	265,061	$5.0	$24.8

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 discussed below.

The following management, leasing and marketing fees were recognized from services provided to Wisconsin Dells and Deer Park (in thousands):

	Three Months Ended September 30, 2010	Three Months Ended September 30, 2009	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2009
Fee:				
Management and leasing	$ 464	$ 462	$ 1,399	$ 1,427
Marketing	39	35	119	114
Total Fees	$ 503	$ 497	$ 1,518	$ 1,541

Our investments in real estate joint ventures are reduced by 50% of the profits earned for leasing services provided to Wisconsin Dells and by 33.3% of the profits earned for leasing services provided to Deer Park. 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.

On a periodic basis, we assess whether there are any indicators that the value of our investments in unconsolidated joint ventures may be impaired. An investment is impaired only if management's estimate of the value of the investment is less than the carrying value of the investments, and such decline in value is deemed to be other than temporary. To the extent impairment has occurred, the loss shall be measured as the excess of the carrying amount of the investment over the fair value of the investment. Our estimates of fair value for each joint venture investment are based on a number of assumptions that are subject to economic and market uncertainties including, among others, demand for space, competition for tenants, changes in market rental rates and operating costs of the property. As these factors are difficult to predict and are subject to future events that may alter our assumptions, the values estimated by us in our impairment analysis may not be realized. As of September 30, 2010, we do not believe that any of our equity investments were impaired.

In accordance with amended guidance related to the consolidation of variable interest entities which became effective January 1, 2010, we performed an analysis of all of our real estate joint ventures to determine whether they would qualify as variable interest entities, or VIE, and whether the joint venture should be consolidated or accounted for as an equity method investment in an unconsolidated joint venture. As a result of our qualitative assessment, we concluded that Deer Park is a VIE and Wisconsin Dells is not a VIE. Deer Park is considered a VIE because it does not meet the criteria of the members having a sufficient equity investment at risk.

After making the determination that Deer Park was a VIE, we performed an assessment to determine if we would be considered the primary beneficiary and thus be required to consolidate Deer Park's 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 variable interest entity 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 variable interest entity or the right to receive benefits from the entity that could potentially be significant to the variable interest entity

Based on the provisions of the operating and management agreements of Deer Park, we determined that no one member alone has the power to direct the significant activities that affect the economic performance of Deer Park.

We have determined that all three partners share power in the decisions that most significantly impact Deer Park, as well as the financial rights and obligations, and therefore we are not required to consolidate Deer Park. Our equity method investment in Deer Park as of September 30, 2010 was approximately $2.1 million. We are unable to estimate our maximum exposure to loss at this time. Upon completion of the final phase of the project, the debt is expected to be approximately $284.0 million, of which our proportionate share would be approximately $94.7 million. A calculation of the maximum loss would involve variables such as the loan balance amount and any proceeds from the sale of the property.

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

Summary Balance Sheets - Unconsolidated Joint Ventures	As of September 30, 2010	As of December 31, 2009
Assets		
Investment properties at cost, net	$ 287,365	$ 294,857
Cash and cash equivalents	10,966	8,070
Deferred charges, net	4,388	5,450
Other assets	6,511	5,610
Total assets	$ 309,230	$ 313,987
Liabilities and Owners' Equity		
Mortgages payable	$ 294,034	$ 292,468
Construction trade payables	1,213	3,647
Accounts payable and other liabilities	3,729	3,826
Total liabilities	298,976	299,941
Owners' equity	10,254	14,046
Total liabilities and owners' equity	$ 309,230	$ 313,987

Summary Statements of Operations - Unconsolidated Joint Ventures	Three Months Ended September 30, 2010	2009	Nine Months Ended September 30, 2010	2009
Revenues	$ 9,632	$ 9,152	$ 28,167	$ 26,107
Expenses				
Property operating	4,575	4,103	12,985	11,961
General and administrative	107	111	466	417
Depreciation and amortization	3,567	3,427	10,610	9,959
Total expenses	8,249	7,641	24,061	22,337
Operating income	1,383	1,511	4,106	3,770
Interest expense	1,771	1,553	5,162	8,363
Net loss	$ (388)	$ (42)	$ (1,056)	$ (4,593)
Tanger's share of:				
Net income (loss)	$ (75)	$ 68	$ (194)	$ (1,346)
Depreciation (real estate related)	1,289	1,239	3,834	3,628

5. Discontinued Operations

In May 2010, the Company's Board of Directors approved the plan for our management to sell our Commerce I, Georgia center. The majority of the center was sold in July 2010 for net proceeds of approximately $1.4 million. The remaining portion of the center, classified as held for sale in the consolidated balance sheet, is under contract and is expected to close in the near future. During the third quarter of 2010, we recorded an impairment of approximately $111,000 to lower the basis of the center to its approximate fair value which was based on the actual sales contracts related to the center. In the second quarter of 2009, we recorded an impairment charge for this property of $5.2 million which equaled the excess of the property's carrying value over its estimated fair value at that time.

Summary of results of operations for the property whose results of operations are considered discontinued operations for the three and nine months ended September 30, 2010 and 2009, respectively (in thousands):

	Three Months Ended September 30, 2010	2009	Nine Months Ended September 30, 2010	2009
Revenues:				
Base rentals	$ 21	$ 212	$ 310	$ 670
Expense reimbursements	13	49	58	151
Other income	---	8	18	22
Total revenues	34	269	386	843
Expenses:				
Property operating	26	136	287	407
General and administrative	---	---	4	3
Depreciation and amortization	---	48	87	510
Impairment charge	111	---	111	5,200
Total expenses	137	184	489	6,120
Discontinued operations	$ (103)	$ 85	$ (103)	$ (5,277)

6. 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 five unsecured lines of credit which have a total borrowing capacity of $325.0 million. As of September 30, 2010, the Operating Partnership had approximately $54.8 million outstanding in total on these lines. The Company also guarantees the Operating Partnership's obligations with respect to its $7.2 million of outstanding senior exchangeable notes due in 2026. However, August 18, 2011 is the first date that the noteholders can require us to repurchase the notes without the occurrence of specified events.

7. Debt of the Operating Partnership

As of September 30, 2010 and December 31, 2009, the debt of the Operating Partnership consisted of the following (in thousands):

		September 30, 2010		December 31, 2009
Senior, unsecured notes:				
6.15% Senior notes, maturing November 2015, net of discount of $533 and $598, respectively	$	249,467	$	249,402
3.75% Senior exchangeable notes, maturing August 2026, net of discount of $143 and $260, respectively		7,067		6,950
6.125% Senior notes, maturing in June 2020, net of discount of $2,019 and $0, respectively		297,981		---
Unsecured term loan facility:				
LIBOR + 1.60% unsecured term loan facility (1)		---		235,000
Unsecured lines of credit with a weighted average interest rates of 0.86% and 0.98%, respectively (2)		54,800		57,700
Mortgage note:				
LIBOR + 1.40 maturing April 2010, including net premium of $0 and $241, respectively (3)		---		35,559
	$	609,315	$	584,611

(1) The effective rate on this facility due to interest rate swap agreements was 5.25%.

(2) For our lines of credit being utilized at September 30, 2010 and depending on our investment grade rating, the interest rates can vary from either prime or from LIBOR +.45% to LIBOR + 1.55% and expire in June 2011 or later. At September 30, 2010, our interest rates on outstanding balances were LIBOR +.60%.

(3) Because this mortgage debt was assumed as part of an acquisition, the debt was recorded at its fair value and carried an effective interest rate of 5.34%.

Transactions in 2010

In June 2010, we closed on $300.0 million of senior unsecured notes. The ten year notes were issued by the Operating Partnership and were priced at 99.31% of par value to yield 6.219% to maturity. The notes will pay interest semi-annually at a rate of 6.125% per annum and mature on June 1, 2020.

The net proceeds from the offering, after deducting the underwriting discount and offering expenses, were approximately $295.5 million. We used the net proceeds from the sale of the notes to (i) repay our $235.0 million unsecured term loan due in June 2011, (ii) pay approximately $6.1 million to terminate two interest rate swap agreements associated with the term loan and (iii) repay borrowings under our unsecured lines of credit and for general working capital purposes.

No prepayment or early termination penalty was paid as a result of the repayment of the term loan; however, unamortized loan origination costs of approximately $563,000 were written-off during the second quarter of 2010.

Debt Maturities

Maturities of the existing long-term debt as of September 30, 2010 are as follows (in thousands):

Year		Amount
2010	$	---
2011 (1)		62,010
2012		---
2013		---
2014		---
Thereafter		550,000
Subtotal		612,010
Discount		(2,695)
Total	$	609,315

(1) Includes expiration of $7.2 million of senior exchangeable notes shown in 2011 because that is the first date that the noteholders can require us to repurchase the notes without the occurrence of specified events.

8. Shareholders' Equity of the Company

In May 2009, the senior exchangeable notes of the Operating Partnership in the principal amount of $142.3 million were exchanged for Company common shares, representing approximately 95.2% of the total senior exchangeable notes outstanding prior to the exchange offer. In the aggregate, the exchange offer resulted in the issuance of approximately 4.9 million Company common shares and the payment of approximately $1.2 million in cash for accrued and unpaid interest and in lieu of fractional shares. Following settlement of the exchange offer, senior exchangeable notes in the principal amount of approximately $7.2 million remained outstanding. In connection with the exchange offering, the Company and the Operating Partnership recognized in income from continuing operations and net income a gain on early extinguishment of debt in the amount of $10.5 million. A portion of the debt discount recorded upon adoption of new accounting guidance for convertible debt amounting to approximately $7.0 million was written-off as part of the transaction.

9. Partners' Equity of the Operating Partnership

When the Company issues common shares upon exercise of options or issuance of restricted share awards, the Operating Partnership issues a corresponding unit to the Company on a two shares for one unit basis. At September 30, 2010 and December 31, 2009, the ownership interests of the Operating Partnership consisted of the following:

	September 30, 2010	December 31, 2009
Preferred units:		
Limited partner	3,000,000	3,000,000
Common units:		
General partner	237,000	237,000
Limited partners	23,039,722	22,934,867
Total common units	23,276,722	23,171,867

10. Other Comprehensive Income of the Company

Total comprehensive income for the three and nine months ended September 30, 2010 and 2009 is as follows (in thousands):

	Three Months Ended September 30, 2010	Three Months Ended September 30, 2009	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2009
Net income	$ 14,753	$ 4,364	$ 23,148	$ 54,419
Other comprehensive income:				
Reclassification adjustment for amortization of gain on 2005 settlement of US treasury rate lock included in net income	(78)	(74)	(232)	(218)
Reclassification adjustment for settlement of interest rate swap agreements	---	---	6,142	---
Change in fair value of cash flow hedges	---	144	2,905	1,405
Change in fair value of our portion of our unconsolidated joint ventures' cash flow hedges	14	(6)	(22)	2,129
Other comprehensive income	(64)	64	8,793	3,316
Total comprehensive income	14,689	4,428	31,941	57,735
Comprehensive income attributable to the noncontrolling interest	(1,746)	(416)	(3,644)	(8,461)
Total comprehensive income attributable to the Company	$ 12,943	$ 4,012	$ 28,297	$ 49,274

11. Other Comprehensive Income of the Operating Partnership

Total comprehensive income for the three and nine months ended September 30, 2010 and 2009 is as follows (in thousands):

	Three Months Ended September 30, 2010	Three Months Ended September 30, 2009	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2009
Net income	$ 14,753	$ 4,364	$ 23,148	$ 54,419
Other comprehensive income:				
Reclassification adjustment for amortization of gain on 2005 settlement of US treasury rate lock included in net income	(78)	(74)	(232)	(218)
Reclassification adjustment for settlement of interest rate swap agreements	---	---	6,142	---
Change in fair value of cash flow hedges	---	144	2,905	1,405
Change in fair value of our portion of our unconsolidated joint ventures' cash flow hedges	14	(6)	(22)	2,129
Other comprehensive income	(64)	64	8,793	3,316
Total comprehensive income	$ 14,689	$ 4,428	$ 31,941	$ 57,735

12. Noncontrolling Interest in the Operating Partnership

Noncontrolling interest in the Operating Partnership in the Company's consolidated financial statements relates to the ownership of units by the Tanger Family Limited Partnership. Net income attributable to noncontrolling interests in the Operating Partnership is computed by applying the weighted average percentage of units owned by Tanger Family Limited Partnership during the period to the Operating Partnership's net income for the period after deducting distributions for preferred units.

The following table sets forth noncontrolling interests in the Operating Partnership (in thousands):

	Nine months ended September 30, 2010	Nine months ended September 30, 2009
Beginning noncontrolling interest in the Operating Partnership	$ 58,392	$ 30,692
Net income attributable to noncontrolling interest in the Operating Partnership	2,488	7,938
Distributions to noncontrolling interest in the Operating Partnership	(7,022)	(6,946)
Other comprehensive income attributable to noncontrolling interest in the Operating Partnership	1,156	523
Reallocation of noncontrolling interest in the Operating Partnership due to changes in ownership	376	26,699
Total noncontrolling interest in the Operating Partnership	$ 55,390	$ 58,906

13. Equity-Based Compensation

During the first nine months of 2010, the Company's Board of Directors approved grants of 156,360 restricted common shares to the Company's independent directors and the Company's senior executive officers. The grant date fair value of the awards ranged from $39.24 to $46.64 per share and was determined based upon the closing market price of our common shares on the day prior to the grant date in accordance with the terms of the Company's Incentive Award Plan, or Plan. The Company receives one common unit from the Operating Partnership for every two restricted shares issued by the Company. 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 amount is being recognized in accordance with the vesting schedule of the restricted shares.

Also during the first quarter of 2010, the Company's Compensation Committee approved the general terms of the Tanger Factory Outlet Centers, Inc. 2010 Multi-Year Performance Plan, or the 2010 Multi-Year Performance Plan. Under the 2010 Multi-Year Performance Plan, we granted 205,000 notional units to award recipients as a group. If our aggregate share price appreciation during this period equals or exceeds the minimum threshold of 40% over a four year period beginning January 1, 2010, then the notional units will convert into the Company's restricted common shares on a one-for-one basis. The notional units will convert into restricted common shares on a one-for-two basis if the share price appreciation exceeds the target threshold of 50% and on a one-for-three basis if the share price appreciation exceeds the maximum threshold of 60%. The notional amounts will convert on a pro rata basis between share price appreciation thresholds. The share price targets will be reduced on a dollar-for-dollar basis with respect to any dividend payments made during the measurement period, subject to a minimum level price target. For notional amounts granted in 2010, any shares earned on December 31, 2013 will vest on December 31, 2014 contingent on continued employment through the vesting date.

The notional units, prior to the date they are converted into restricted common shares, will not entitle award recipients to receive any dividends or other distributions. If the notional units are earned, and thereby converted into restricted common shares, then award recipients will be entitled to receive a payment of all dividends and other distributions that would have been paid had the number of earned common shares been issued at the beginning of the performance period. Thereafter, dividends and other distributions will be paid currently with respect to all restricted common shares that were earned.

At the end of the four-year performance period, if the minimum share price threshold is not achieved but the Company's share performance exceeds the 50th percentile of the share performance of its peer group, the notional units will convert into restricted common shares on a one-for-one basis. All determinations, interpretations and assumptions relating to the vesting and calculation of the performance awards will be made by our Compensation Committee.

We recorded equity-based compensation expense in our statements of operations as follows (in thousands):

	Three Months Ended September 30, 2010	Three Months Ended September 30, 2009	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2009
Restricted shares	$ 1,024	$ 8,080	$ 2,988	$ 10,891
Notional unit performance awards	518	---	1,236	---
Options	---	---	---	78
Total equity-based compensation	$ 1,542	$ 8,080	$ 4,224	$ 10,969

As of September 30, 2010, there was $19.6 million of total unrecognized compensation cost related to unvested equity-based compensation arrangements granted under the Plan.

14. Executive Severance

Stanley K. Tanger, founder of the Company, retired as an employee of the Company and resigned as Chairman of the Board effective September 1, 2009. Pursuant to Mr. Tanger's employment agreement, as mutually agreed upon by the Company and Mr. Tanger, he received a cash severance amount of $3.4 million, paid in the second quarter of 2010. Additionally, the Board approved a modification to Mr. Tanger's restricted share agreements whereas, upon his retirement, 216,000 unvested restricted common shares previously granted to Mr. Tanger vested. As a result of this vesting, we recorded $6.9 million in incremental share-based compensation expense during the third quarter of 2009. Mr. Tanger's severance costs are included in the general and administrative expenses in the consolidated statement of operations.

15. 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 September 30, 2010	Three Months Ended September 30, 2009	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2009
Numerator				
Income from continuing operations attributable to the Company	$ 13,089	$ 3,884	$ 20,750	$ 50,962
Less applicable preferred share dividends	(1,406)	(1,406)	(4,219)	(4,219)
Less allocation of earnings to participating securities	(142)	(207)	(454)	(707)
Income from continuing operations available to common shareholders of the Company	11,541	2,271	16,077	46,036
Discontinued operations attributable to participating securities	---	---	---	68
Discontinued operations attributable to the Company	(90)	73	(90)	(4,481)
Net income available to common shareholders of the Company	$ 11,451	$ 2,344	$ 15,987	$ 41,623
Denominator				
Basic weighted average common shares	40,112	38,063	40,082	34,552
Effect of senior exchangeable notes	46	7	46	7
Effect of outstanding options	42	75	47	79
Diluted weighted average common shares	40,200	38,145	40,175	34,638
Basic earnings per common share:				
Income from continuing operations	$ .29	$ .06	$ .40	$ 1.33
Discontinued operations	---	---	---	(.13)
Net income	$ .29	$ .06	$ .40	$ 1.20
Diluted earnings per common share:				
Income from continuing operations	$ .29	$ .06	$ .40	$ 1.33
Discontinued operations	---	---	---	(.13)
Net income	$ .29	$ .06	$ .40	$ 1.20

The senior exchangeable notes are included in the diluted earnings per share computation, if the effect is dilutive, using the treasury stock method. In applying the treasury stock method, the effect will be dilutive if the average market price of our common shares for at least 20 trading days in the 30 consecutive trading days at the end of each quarter is higher than the exchange rate of $35.78 per share.

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. No options were excluded from the computations for the three and nine months ended September 30, 2010 and 2009, respectively. The assumed conversion of the partnership units held by the noncontrolling interest limited partner 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 converted, is equivalent to earnings allocated to a common share.

The Company's unvested restricted share awards contain non-forfeitable rights to dividends or dividend equivalents. The impact of the unvested restricted share awards on earnings per share has been calculated using the two-class method whereby earnings are allocated to the unvested restricted share awards based on dividends declared and the unvested restricted shares' participation rights in undistributed earnings.

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 notional units were issued in January 2010 and all have been excluded from the computation of diluted earnings per share for the three and nine months ended September 30, 2010 as none of the contingent conditions were satisfied as of the end of the reporting period.

16. 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 September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Numerator				
Income from continuing operations	$ 14,856	$ 4,279	$ 23,251	$ 59,696
Less applicable preferred unit distributions	(1,406)	(1,406)	(4,219)	(4,219)
Less allocation of earnings to participating securities	(142)	(207)	(454)	(643)
Income from continuing operations available to common unitholders of the Operating Partnership	13,308	2,666	18,578	54,834
Discontinued operations	(103)	85	(103)	(5,277)
Net income available to common unitholders of the Operating Partnership	$ 13,205	$ 2,751	$ 18,475	$ 49,557
Denominator				
Basic weighted average common units	23,090	22,065	23,074	20,309
Effect of senior exchangeable notes	23	3	23	3
Effect of outstanding options	21	38	24	40
Diluted weighted average common units	23,134	22,106	23,121	20,352
Basic earnings per common unit:				
Income from continuing operations	$ .57	$ .12	$ .80	$ 2.70
Discontinued operations	---	---	---	(.26)
Net income	$ .57	$ .12	$ .80	$ 2.44
Diluted earnings per common unit:				
Income from continuing operations	$ .57	$ .12	$ .80	$ 2.69
Discontinued operations	---	---	---	(.26)
Net income	$ .57	$ .12	$ .80	$ 2.43

When the Company issues common shares upon exercise of options or issuance of restricted share awards, the Operating Partnership issues a corresponding unit to the Company on a two shares for one unit basis. The senior exchangeable notes are included in the diluted earnings per unit computation, if the effect is dilutive, using the treasury stock method. In applying the treasury stock method, the effect will be dilutive if the average market price of the Company's common shares for at least 20 trading days in the 30 consecutive trading days at the end of each quarter is higher than the exchange rate of $35.78 per Company common share.

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 twice the market price of a Company common share. No options were excluded from the computations for the three and nine months ended September 30, 2010 and 2009, respectively.

The Company's unvested restricted share awards contain non-forfeitable rights to distributions or distribution equivalents. The impact of the unvested restricted share awards on earnings per unit has been calculated using the two-class method whereby earnings are allocated to the unvested restricted share awards based on distributions declared and the unvested restricted shares' participation rights in undistributed earnings.

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. The notional units were issued in January 2010 and all have been excluded from the computation of diluted earnings per unit for the three and nine months ended September 30, 2010 as none of the contingent conditions were satisfied as of the end of the reporting period.

17. Derivatives

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.

In accordance with our derivatives policy, all derivatives are assessed for effectiveness at the time the contracts are entered into and are assessed for effectiveness on an on-going basis at each quarter end. All of our derivatives have been designated as cash flow hedges. Unrealized gains and losses related to the effective portion of our derivatives are recognized in other comprehensive income and gains or losses related to ineffective portions are recognized in the income statement.

In June 2010, we terminated with a combined cash payment of $6.1 million our only two LIBOR based interest rate swap agreements with Wells Fargo Bank, N.A. and BB&T with notional amounts of $118.0 million and $117.0 million, respectively. The purpose of these swaps was to fix the interest rate on the $235.0 million outstanding under the term loan facility completed in June 2008. The swaps fixed the one month LIBOR rate at 3.605% and 3.70%, respectively. The term loan was repaid with proceeds from our $300.0 million 6.125% unsecured notes offering. Since the debt underlying the interest rate swaps was retired, we terminated the related interest rate swap agreements. As of September 30, 2010, we were not a party to any interest rate protection agreements.

Prior to when they were terminated, the swaps were designated as cash flow hedges. Unrealized gains and losses related to the effective portion of the swaps were recognized in other comprehensive income. Because the swaps were highly effective, the amount included in accumulated other comprehensive income when the swaps were terminated was equal to the amount recorded as a liability on the balance sheet of $6.1 million. The contemporaneous termination of the swaps and the related debt caused the amounts in accumulated other comprehensive income to be reclassified to earnings. Additionally, a payment of $6.1 million, which was considered to be an investing activity in the statement of cash flows, was made to relieve the obligation that was recorded as a liability.

The table below presents the fair value of our derivative financial instruments as well as their classification on the Consolidated Balance Sheet as of September 30, 2010 and December 31, 2009, respectively (in millions).

		Liability Derivatives			
		As of September 30, 2010		As of December 31, 2009	
	Notional amounts	**Balance sheet location**	**Fair Value (1)**	**Balance sheet location**	**Fair Value**
Derivatives designated as hedging instruments					
Interest rate swap agreements	$ 235.0	N/A	N/A	Other liabilities	$ 9.1
Derivatives not designated as hedging instruments (2)					
Interest rate swap agreement	35.0	N/A	N/A	Other liabilities	0.4
Total derivatives	$ 270.0		N/A		$ 9.5

(1) Note that no derivatives were outstanding as of September 30, 2010.

(2) The derivative not designated as a hedging instrument was the interest rate swap agreement assumed when we purchased the remaining 50% interest in the joint venture that owned the outlet center in Myrtle Beach, SC on Hwy 17. We could not qualify for hedge accounting for this assumed derivative which had a fair value of $1.7 million upon acquisition and was recorded in other liabilities in the balance sheet. Changes in fair value of this derivative were recorded through the statement of operations until its expiration in March 2010.

We recorded the following amounts as a reduction of interest expense related to the change in fair value of derivatives not designated as hedging instruments for the three and nine months ended September 30, 2010 and 2009, respectively (in thousands):

	Three Months Ended September 30, 2010	Three Months Ended September 30, 2009	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2009
Change in fair value recorded through statement of operations for non-designated hedging derivatives	$ ---	$ 314	$ 439	$ 902

The remaining net benefit from a derivative settled during 2005 in accumulated other comprehensive income was an unamortized balance as of September 30, 2010 of $1.9 million which will amortize into the statement of operations through October 2015.

18. Fair Value Measurements

Accounting guidance on fair value measurements includes 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

The valuation of our financial instruments is determined using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves. We have determined that our derivative valuations are classified in Level 2 of the fair value hierarchy.

For assets and liabilities measured at fair value on a recurring basis, quantitative disclosure of the fair value for each major category of assets and liabilities is presented below as of September 30, 2010 and December 31, 2009:

RECURRING BASIS	Fair Value Measurements at Reporting Date Using (in millions)		
	Quoted prices in active markets for identical assets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3
Liabilities as of September 30, 2010:			
Derivative financial instruments [(1)]	---	---	---
Liabilities as of December 31, 2009:			
Derivative financial instruments [(1)]	---	$ (9.5)	---

(1) Included in "Other liabilities" in the accompanying consolidated balance sheet.

For assets and liabilities measured at fair value on a non-recurring basis, quantitative disclosure of the fair value for each major category of assets and liabilities is presented below:

NON-RECURRING BASIS	Fair Value Measurements at Reporting Date Using (in millions)		
	Quoted prices in active markets for identical assets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3
Assets as of September 30, 2010:			
Land [(1)]	---	$ 0.4	---

(1) Amount represents the estimated fair value of the remaining property at the Commerce I, GA center, the majority of which was sold during the third quarter of 2010. The remaining portion of the center is under contract and is expected to close in the near future.

The estimated fair value of our debt, consisting of senior notes, senior exchangeable notes, unsecured term credit facilities and unsecured lines of credit, at September 30, 2010 and December 31, 2009 was $663.2 million and $567.0 million, respectively, and its recorded value was $609.3 million and $584.6 million, respectively. Fair values were determined, based on level 2 inputs, using discounted cash flow analyses with an interest rate or credit spread similar to that of current market borrowing arrangements.

19. Related Party Transactions

Tanger Family Limited Partnership is a related party which holds a limited partnership interest in and is the noncontrolling interest of the Operating Partnership. The only material related party transaction with the Tanger Family Limited Partnership is the payment of quarterly distributions of earnings which were $7.0 million and $6.9 million for the nine months ended September 30, 2010 and 2009, respectively.

During the third quarter of 2010, Stanley K. Tanger, our founder, transferred his general partnership interest in the Tanger Family Limited Partnership, to the Stanley K. Tanger Marital Trust. As discussed in Note 1 and Note 12, the Tanger Family Limited Partnership is the noncontrolling interest in these consolidated financial statements. The sole trustee of the Stanley K. Tanger Marital Trust, and thus effectively the general partner of Tanger Family Limited Partnership, is John H. Vernon. Mr. Vernon is a partner at the law firm of Vernon, Vernon, Wooten, Brown, Andrews & Garrett, or the Vernon Law Firm, which has served as the principal outside counsel of the Company and Operating Partnership since their inception in 1993. Based on Mr. Vernon's new position, as trustee of the Stanley K. Tanger Marital Trust, the general partner of the Tanger Family Limited Partnership, he is now considered a related party.

Fees paid to the Vernon Law Firm were approximately $283,000 and $313,000 for the three months ended September 30, 20101 and 2009 and $1.1 million and $762,000 for the nine months ended September 30, 2010 and 2009, respectively. As of

September 30, 2010, approximately $83,000 was outstanding in accounts payable and accrued expenses for amounts owed the Vernon Law Firm. There were no such amounts outstanding as of December 31, 2009.

20. Non-Cash Activities

Non-cash financing activities that occurred during the 2009 period included the assumption of mortgage debt in the amount of $35.8 million, including a debt discount of $1.5 million related to the acquisition of the remaining 50% interest in the Myrtle Beach Hwy 17 joint venture. In addition, rental property increased by $32.0 million related to the fair market valuation of our previously held interest in excess of carrying amount.

We also completed a non-cash exchange offering, as described in Note 8, which resulted in the retirement of $142.3 million in principal amount of senior exchangeable notes which had a carrying value of $135.3 million. These notes were retired with the issuance of approximately 4.9 million Company common shares.

We purchase capital equipment and incur costs relating to construction of facilities, including tenant finishing allowances. Expenditures included in construction trade payables as of September 30, 2010 and 2009 amounted to $31.1 million and $8.0 million, respectively.

21. Subsequent Events

On October 23, 2010, Stanley K. Tanger, the Company's founder and a member of our Board of Directors, passed away. Upon Mr. Tanger's death, there were no death benefits other than the accelerated vesting of 2,548 restricted common shares. As a result of Mr. Tanger's passing, the Company's Board of Directors reduced the number of seats currently on the Board of Directors from eight to seven.

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 and nine months ended September 30, 2010 with the three and nine months ended September 30, 2009. 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 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 Reports on Form 10-K for the year ended December 31, 2009. There have been no material changes to the risk factors listed there through September 30, 2010.

General Overview

At September 30, 2010, our consolidated portfolio included 30 wholly owned outlet centers in 21 states totaling 8.9 million square feet compared to 31 wholly owned outlet centers in 21 states totaling 9.2 million square feet at September 30, 2009. The changes in the number of outlet centers, square feet and number of states are due to the following events:

	No. of Centers	Square Feet (000's)	States
As of September 30, 2009	31	9,222	21
Center redevelopment:			
Hilton Head I, South Carolina	---	(162)	---
Center disposition:			
Commerce I, Georgia	(1)	(186)	---
Other	---	(3)	---
As of September 30, 2010	30	8,871	21

The following table summarizes certain information for our existing outlet centers in which we have an ownership interest as of September 30, 2010. Except as noted, all properties are fee owned.

Location Wholly Owned Properties	Square Feet	% Occupied
Riverhead, New York (1)	729,475	100
Rehoboth Beach, Delaware (1)	568,868	99
Foley, Alabama	557,235	97
San Marcos, Texas	441,929	100
Myrtle Beach Hwy 501, South Carolina	426,417	93
Sevierville, Tennessee (1)	419,038	99
Myrtle Beach Hwy 17, South Carolina(1)	403,161	99
Washington, Pennsylvania	372,972	99
Commerce II, Georgia	370,512	100
Charleston, South Carolina	352,315	99
Howell, Michigan	324,631	99
Branson, Missouri	302,922	100
Park City, Utah	298,379	98
Locust Grove, Georgia	293,868	100
Westbrook, Connecticut	291,051	99
Gonzales, Louisiana	282,403	100
Williamsburg, Iowa	277,230	92
Lincoln City, Oregon	270,212	99
Lancaster, Pennsylvania	255,152	100
Tuscola, Illinois	250,439	85
Tilton, New Hampshire	245,698	100
Hilton Head, South Carolina	206,586	98
Fort Myers, Florida	198,950	88
Terrell, Texas	177,800	96
Barstow, California	171,300	100
West Branch, Michigan	112,120	98
Blowing Rock, North Carolina	104,235	100
Nags Head, North Carolina	82,178	100
Kittery I, Maine	59,694	100
Kittery II, Maine	24,619	100
Totals	8,871,389	98

Unconsolidated Joint Ventures		
Deer Park, New York (2)	683,033	86
Wisconsin Dells, Wisconsin	265,061	99

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

(2) Includes a 29,253 square foot warehouse adjacent to the shopping center.

RESULTS OF OPERATIONS

Comparison of the three months ended September 30, 2010 to the three months ended September 30, 2009

BASE RENTALS

Base rentals increased $909,000, or 2%, in the 2010 period compared to the 2009 period. The following table sets forth the changes in various components of base rentals from the 2010 and 2009 periods (in thousands):

	2010	2009	Change
Existing property base rentals	$ 44,543	$ 43,185	$ 1,358
Base rentals from Hilton Head I, SC center currently under redevelopment	45	445	(400)
Termination fees	73	86	(13)
Amortization of net above and below market rent adjustments	196	232	(36)
	$ 44,857	$ 43,948	$ 909

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

During the second quarter of 2010, we completed the demolition of approximately 162,000 square feet at our center in Hilton Head, South Carolina. The redevelopment of this site began during the second quarter with the opening of a new 176,000 square foot outlet center expected in the second half of 2011.

At September 30, 2010, the net liability representing the amount of unrecognized combined above and below market lease values totaled approximately $1.8 million. If a tenant vacates its space 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, the breakpoint, increased $468,000 or 33% from the 2009 period to the 2010 period. Reported tenant comparable sales for our wholly owned properties for the rolling twelve months ended September 30, 2010 increased 6.3% to $349 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.

OTHER INCOME

Other income decreased $3.1 million, or 55%, in the 2010 period compared to the 2009 period. The 2009 period included a gain on sale of land outparcel of approximately $3.3 million at our Washington, Pennsylvania center. Excluding this gain, other income increased approximately $176,000 due mainly to increases in other vending income at our centers as a result of increased traffic levels in the 2010 period compared to the 2009 period.

PROPERTY OPERATING

Property operating expenses increased $1.3 million, or 6%, in the 2010 period as compared to the 2009 period. The increase is due primarily to the following items from the 2010 period: (1) higher property taxes where we were unsuccessful in appealing higher assessments; (2) higher professional fees related to due diligence on prospective projects; and (3) an increase in various common area maintenance projects throughout our portfolio including expenses related to staffing and operating mall offices at each of our centers. These increases were partially offset by the savings in property operating expenses from the demolition of our center in Hilton Head, SC.

GENERAL AND ADMINISTRATIVE

General and administrative expenses, excluding the executive severance costs discussed below, increased $936,000, or 17%, in the 2010 period compared to the 2009 period. This increase was due mainly to additional share-based compensation expense related to the 2010 Notional Unit Plan. In addition, the 2010 period included higher payroll related expenses due to the addition of new employees and an executive vice president of operations at the corporate office during the first nine months of 2010.

EXECUTIVE SEVERANCE

Stanley K. Tanger, founder of the Company, retired as an employee of the Company and resigned as Chairman of the Board effective September 1, 2009. Pursuant to Mr. Tanger's employment agreement, as mutually agreed upon by the Company and Mr. Tanger, he received a cash severance amount of $3.4 million, paid in the second quarter of 2010. Additionally, the Board approved a modification to Mr. Tanger's restricted share agreements whereas, upon his retirement, 216,000 unvested restricted common shares previously granted to Mr. Tanger vested. As a result of this vesting, we recorded $6.9 million in incremental share-based compensation expense during the third quarter of 2009. Mr. Tanger's severance costs are included in the general and administrative expenses in the consolidated statement of operations.

DEPRECIATION AND AMORTIZATION

Depreciation and amortization decreased $3.4 million, or 17%, in the 2010 period compared to the 2009 period. As of March 31, 2010, approximately 162,000 square feet of our center in Hilton Head, SC was vacant of all tenants in preparation for the demolition and redevelopment of the center. At that point the depreciable assets of the center had been fully depreciated. Therefore, depreciation and amortization for the 2010 period decreased approximately $2.8 million related to the redevelopment activities in Hilton Head, SC. The remainder of the decrease relates to lower levels of intangible lease cost amortization from acquired outlet centers in 2003 and 2005.

EQUITY IN EARNINGS (LOSSES) OF UNCONSOLIDATED JOINT VENTURES

Our equity in the earnings and losses of unconsolidated joint ventures decreased by $143,000, or 210%, in the 2010 period compared to the 2009 period. In December 2009, the Wisconsin Dells joint venture refinanced its mortgage loan. The credit spread over LIBOR associated with the new loan increased from 1.30% to 3.00% causing an increase in interest expense at the joint venture.

DISCONTINUED OPERATIONS

In May 2010, the Company's Board of Directors approved the plan for our management to sell our Commerce I, Georgia center. The facts and circumstances of the plan met the accounting requirements to classify the results of operations of the center as discontinued operations for the 2010 and 2009 periods. The majority of the center was sold in July 2010. The remaining portion of the center is under contract and is expected to close in the near future. During the third quarter of 2010, we recorded an impairment of approximately $111,000 to lower the basis of the remaining portion of the center to its approximate fair value based on the actual sales contracts related to the center.

Comparison of the nine months ended September 30, 2010 to the nine months ended September 30, 2009

BASE RENTALS

Base rentals increased $2.5 million, or 2%, in the 2010 period compared to the 2009 period. The following table sets forth the changes in various components of base rentals from the 2010 and 2009 periods (in thousands):

	2010	2009	Change
Existing property base rentals	$ 130,129	$ 126,848	$ 3,281
Incremental base rentals from Commerce II, GA expansion	401	141	260
Base rentals from Hilton Head I, SC center currently under redevelopment	347	1,370	(1,023)
Termination fees	861	1,031	(170)
Amortization of net above and below market rent adjustments	584	452	132
	$ 132,322	$ 129,842	$ 2,480

Base rental income generated from existing properties in our portfolio increased due to higher rental rates on lease renewals and incremental rents from re-tenanting vacant spaces. In addition, the 2010 period included base rentals from the tenants that occupy space in the 23,000 square foot expansion which was first occupied late in the second quarter of 2009 at our Commerce II, Georgia property.

During the second quarter of 2010, we completed the demolition of approximately 162,000 square feet at our center in Hilton Head, South Carolina. The redevelopment of this site began during the second quarter with the opening of a new 176,000 square foot outlet center expected in the second half of 2011.

At September 30, 2010, the net liability representing the amount of unrecognized combined above and below market lease values totaled approximately $1.8 million. If a tenant vacates its space 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, the breakpoint, increased $573,000 or 16% from the 2010 period to the 2009 period. Reported tenant comparable sales for our wholly owned properties for the rolling twelve months ended September 30, 2010 increased 6.3% to $349 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.

OTHER INCOME

Other income decreased $3.1 million, or 34%, in the 2010 period compared to the 2009 period. The 2009 period included a gain on sale of land outparcel of approximately $3.3 million at our Washington, Pennsylvania center. Excluding this gain, other income increase approximately $176,000 due mainly to increases in other vending income at our centers as a result of increased traffic levels in the 2010 period compared to the 2009 period.

PROPERTY OPERATING

Property operating expenses increased $3.6 million, or 6%, in the 2010 period as compared to the 2009 period. The increase is due primarily to the following items from the 2010 period: (1) write-off of approximately $365,000 of predevelopment and due diligence costs associated with a project in Irving, Texas; (2) approximately $699,000 in demolition costs related to our center redevelopment in Hilton Head, SC; (3) increases in snow removal costs; and (4) an increase in various common area maintenance projects throughout our portfolio including expenses related to staffing and operating mall offices at each of our centers. These increases were partially offset by the savings in property operating expenses from the demolition of our center in Hilton Head, SC.

GENERAL AND ADMINISTRATIVE

General and administrative expenses, excluding the executive severance costs discussed below, increased $613,000, or 4%, in the 2010 period compared to the 2009 period. This increase was due mainly to additional share-based compensation expense related to the 2010 Notional Unit Plan. This increase was partially offset by the decrease in payroll and share-based compensation from the retirement of Stanley K. Tanger, founder and former Chief Executive Officer, in September 2009.

EXECUTIVE SEVERANCE

Stanley K. Tanger, founder of the Company, retired as an employee of the Company and resigned as Chairman of the Board effective September 1, 2009. Pursuant to Mr. Tanger's employment agreement, as mutually agreed upon by the Company and Mr. Tanger, he received a cash severance amount of $3.4 million, paid in the second quarter of 2010. Additionally, the Board approved a modification to Mr. Tanger's restricted share agreements whereas, upon his retirement, 216,000 unvested restricted common shares previously granted to Mr. Tanger vested. As a result of this vesting, we recorded $6.9 million in incremental share-based compensation expense during the third quarter of 2009. Mr. Tanger's severance costs are included in the general and administrative expenses in the consolidated statement of operations.

IMPAIRMENT CHARGE

In 2005 we sold our outlet center located in Seymour, Indiana, but retained various outparcels of land at the development site, some of which we had sold in recent years. In February 2010, our Board of Directors approved the sale of the remaining parcels of land in Seymour, IN. As a result of this Board approval and an approved plan to actively market the land, we accounted for the land as "held for sale" and recorded a non-cash impairment charge of approximately $735,000 in our consolidated statement of operations which equaled the excess of the carrying amount of the land over its current fair value. We determined the estimated fair value using a market approach considering offers that we have obtained for all the various parcels less estimated closing costs.

DEPRECIATION AND AMORTIZATION

Depreciation and amortization increased $636,000, or 1%, in the 2010 period compared to the 2009 period. During the first quarter of 2010, we accelerated the depreciation and amortization of our Hilton Head I, SC center in order to fully depreciate its assets by the time demolition and redevelopment began in April 2010. As a result of this acceleration, we incurred approximately $3.4 million more depreciation and amortization in the 2010 period compared to the 2009 period related to our Hilton Head I, SC center. This increase was partially offset by lower levels of intangible lease cost amortization from acquired outlet centers in 2003 and 2005.

INTEREST EXPENSE

Interest expense decreased $4.8 million, or 16%, in the 2010 period compared to the 2009 period. This decrease was due to the significant reduction in the average amount of debt outstanding through an exchange offering in May 2009 and a common share offering in August 2009. These two equity transactions in essence retired approximately $259.1 million of outstanding debt.

GAIN (LOSS) ON EARLY EXTINGUISHMENT OF DEBT

The 2010 period includes the write-off of approximately $563,000 of unamortized loan origination costs. These assets were written-off due to the repayment of the $235.0 million term loan facility in the 2010 period with a portion of the proceeds from the June 2010 $300.0 million unsecured bond offering. In May 2009, senior exchangeable notes of the Operating Partnership in the principal amount of $142.3 million and a carrying amount of $135.3 million were exchanged for Company common shares, representing approximately 95.2% of the total senior exchangeable notes outstanding prior to the exchange offer. In the aggregate, the exchange offer resulted in the issuance of approximately 4.9 million Company common shares and the payment of approximately $1.2 million in cash for accrued and unpaid interest and in lieu of fractional shares. Following settlement of the exchange offer, senior exchangeable notes in the principal amount of approximately $7.2 million remained outstanding. In connection with the exchange offering, we recognized in income from continuing operations and net income a gain on early extinguishment of debt in the amount of $10.5 million.

GAIN ON FAIR VALUE MEASUREMENT OF PREVIOUSLY HELD INTEREST IN ACQUIRED JOINT VENTURE

On January 5, 2009, we purchased the remaining 50% interest in the Myrtle Beach Hwy 17 joint venture for a cash price of $32.0 million which was net of the assumption of the existing mortgage loan of $35.8 million. The acquisition was funded by amounts available under our unsecured lines of credit. We had owned a 50% interest in the Myrtle Beach Hwy 17 joint venture since its formation in 2001 and accounted for it under the equity method. The joint venture is now 100% owned by us and consolidated. The acquisition was accounted for under the new guidance for acquisitions that was effective January 1, 2009. Under this guidance, we recorded a gain of $31.5 million which represented the difference between the fair market value of our previously owned interest and its cost basis.

LOSS ON TERMINATION OF INTEREST RATE SWAPS

During the second quarter of 2010, we terminated two interest rate swap agreements with a total notional amount of $235.0 million originally entered into in 2008 for the purpose of fixing the LIBOR based interest rate on the $235.0 million term loan facility originally completed in June 2008. We paid approximately $6.1 million to terminate the two interest rate swap agreements. The agreements were terminated because the underlying debt for the derivative transaction was repaid with a portion of the proceeds from the $300.0 million bond offering mentioned above.

Prior to when they were terminated, the swaps were designated as cash flow hedges. Unrealized gains and losses related to the effective portion of the swaps were recognized in other comprehensive income. Because the swaps were highly effective, the amount included in accumulated other comprehensive income when the swaps were terminated was equal to the amount recorded as a liability on the balance sheet of $6.1 million. The contemporaneous termination of the swaps and the related debt caused the amounts in accumulated other comprehensive income to be reclassified to earnings. Additionally, a payment of $6.1 million, which was considered to be an investing activity in the statement of cash flows, was made to relieve the obligation that was recorded as a liability.

EQUITY IN EARNINGS (LOSSES) OF UNCONSOLIDATED JOINT VENTURES

Our equity in the earnings and losses of unconsolidated joint ventures increased by $1.2 million, or 86%, in the 2010 period compared to the 2009 period. The improvement is due to the natural expiration of $170.0 million of interest rate swaps at the Deer Park joint venture in June 2009. The expiration of these swaps enabled the joint venture to incur interest at a variable rate based on a LIBOR index that is currently at historically low levels. The increase was offset slightly by higher interest rate levels at our Wisconsin Dells joint venture which refinanced its $24.8 million mortgage loan in December 2009. The new mortgage included a credit spread over the LIBOR rate of 3.00% compared to a credit spread of 1.30% in the expiring mortgage.

DISCONTINUED OPERATIONS

In May 2010, the Company's Board of Directors approved the plan for our management to sell our Commerce I, Georgia center. The facts and circumstances of the plan met the accounting requirements to classify the results of operations of the center as discontinued operations for the 2010 and 2009 periods. The majority of the center was sold in July 2010. The remaining portion of the center is under contract and is expected to close in the near future. During the third quarter of 2010, we recorded an impairment of approximately $111,000 to lower the basis of the remaining portion of the center to its approximate fair value based on the actual sales contracts related to the center. In the 2009 period, we recorded an impairment charge for the Commerce I, GA property of $5.2 million which equaled the excess of the property's carrying value over its estimated fair value at that time.

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 itself 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 and preferred 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 which was updated in July 2009 that allows the Company to register unspecified various classes of equity securities and the Operating Partnership to register unspecified and 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 primary cash requirement of the Company is its payment of dividends to its shareholders. The Company also guarantees some of the Operating Partnership's debt. If the Operating Partnership fails to fulfill its debt requirements, which trigger Company guarantee obligations, then the Company will be required to fulfill its cash payment commitments under such guarantees. However, the Company's only 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 credit facilities, 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 real estate investment trust, it must pay dividends to its shareholders aggregating annually at least 90% of its REIT 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, and 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 REIT. 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 October 7, 2010, the Company's Board of Directors declared a $.3875 cash dividend per common share payable on November 15, 2010 to each shareholder of record on October 29, 2010, and caused a $.7750 per Operating Partnership unit cash distribution to be paid to the Operating Partnership's noncontrolling interest. The Board of Directors also declared a $.46875 cash dividend per 7.5% Class C Cumulative Preferred Share payable on November 15, 2010 to holders of record on October 29, 2010.

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 and the Company's debt and equity offerings.

We believe we achieve a strong and flexible financial position by attempting to: (1) maintain a conservative leverage position relative to our portfolio when pursuing new development and expansion 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 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 for the nine months ended September 30, 2010 and 2009, respectively (in thousands):

	2010	2009	Change
Net cash provided by operating activities	$ 97,195	$ 95,442	$ 1,753
Net cash used in investing activities	(62,089)	(57,970)	(4,119)
Net cash used in financing activities	(35,541)	(38,026)	2,485
Net cash increase in cash and cash equivalents	$ (435)	$ (554)	$ 119

Operating Activities

The increase in cash provided by operating activities is due to increases in net operating income at existing centers in the 2010 period versus the 2009 period.

Investing Activities

Cash flow used in investing activities was higher in the 2010 period mainly due to a cash payment of $6.1 million to terminate two interest rate swap agreements associated with the underlying debt obligation which was repaid during the 2010 period. The 2010 period included approximately $55.6 million of additions to rental properties due primarily to our on-going construction at our Mebane, North Carolina and Hilton Head, South Carolina properties. The 2009 period included the acquisition of the remaining 50% interest in the joint venture that held the Myrtle Beach Hwy 17, South Carolina outlet center for $32.0 million in addition to payments for additions to rental properties at our operating portfolio.

Financing Activities

2010 Transactions

- In June 2010, we closed on the issuance of $300.0 million of senior unsecured notes. The ten year notes were issued by the Operating Partnership and were priced at 99.31% of par value to yield 6.219% to maturity. The net proceeds from the offering, after deducting the underwriting discount and offering expenses, were approximately $295.5 million. We used the net proceeds from the sale of the notes to (i) repay our $235.0 million unsecured term loan due in June 2011, (ii) pay approximately $6.1 million to terminate two interest rate swap agreements associated with the term loan and (iii) repay borrowings under our unsecured lines of credit and for general working capital purposes.

2009 Transactions

- In May 2009 in a non-cash transaction, we retired $142.3 million of exchangeable notes through the issuance of 4.9 million common shares
- In August 2009, we raised approximately $116.8 million in cash through the issuance of 3.45 million common shares

Dividends and distributions paid in the 2010 period were higher by $8.6 million compared to the 2009 period due to a higher number of outstanding common shares from the May 2009 exchange offering and August 2009 common share offering and an increase in the dividend rate paid on our common shares. In addition during the 2010 period we issued $300 million of senior, unsecured notes which included a cash outflow of $2.5 million for debt origination fees.

Current Developments and Dispositions

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. 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 funds from operations.

WHOLLY OWNED CURRENT DEVELOPMENTS

New Development

During the second quarter of 2010, construction continued on our development site in Mebane, North Carolina. As of October 31, 2010, we had signed leases or leases out for signature for 100% of the total square feet. The 317,000 square foot outlet center is being funded by operating cash flows and amounts available under our unsecured lines of credit. This center is scheduled to open on November 5, 2010.

Redevelopment at Existing Outlet Centers

During the second quarter of 2010, we completed the demolition of our Hilton Head I center in Bluffton, South Carolina. The redevelopment of the outlet center is currently underway and as of October 31, 2010 we had leases signed or out for signature on approximately 73% of the leasable square feet. When completed, the new 176,000 square foot center, with an additional four outparcel pads, will be the first LEED certified green shopping center in Beaufort County, SC. Our $50.0 million redevelopment is projected to open during the second half of 2011. Currently, we expect the 176,000 square foot outlet center will be funded by operating cash flows and amounts available under our unsecured lines of credit.

Commitments to complete construction of our new developments, redevelopments and other capital expenditure requirements amounted to approximately $19.7 million at September 30, 2010. Commitments for construction represent only those costs contractually required to be paid by us.

Potential Future Developments

In April 2010, we made the decision to terminate our option contract for a new development site located in Irving, Texas. As the development was deemed no longer probable, we wrote-off approximately $365,000 of predevelopment and due diligence costs associated with the project in the second quarter of 2010.

At this time, we are in the initial study period on several potential new locations. There can be no assurance that any potential sites will ultimately be developed. These projects, if realized, would be primarily funded by amounts available under our unsecured lines of credit but could also be funded by other sources of capital such as collateralized construction loans, public debt or equity offerings as necessary or available. We may also consider the use of additional operational or developmental joint ventures.

Financing Arrangements

At September 30, 2010, 100% of our outstanding debt represented unsecured borrowings and approximately 100% of the gross book value of our real estate portfolio was unencumbered. We maintain unsecured, revolving lines of credit that provided for unsecured borrowings of up to $325.0 million. These lines of credit expire on June 30, 2011 or later. We are currently in negotiations with various financial institutions to close on a syndicated line of credit that would replace all of the existing lines of credit. We expect the syndicated facility to close during 2010.

We intend to retain the ability to raise additional capital, including public debt or equity, to pursue attractive investment opportunities that may arise and to otherwise act in a manner that we believe to be in our shareholders' best interests. We have no debt maturities until June 2011 when our unsecured lines of credit expire. We are actively working on extending these lines of credit. The Company is a well-known seasoned issuer with a joint shelf registration with the Operating Partnership 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 credit facilities, ongoing negotiations 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 during the remainder of 2010 and throughout 2011.

We anticipate that adequate cash will be available to fund our operating and administrative expenses, regular debt service obligations, and the payment of dividends in accordance with Real Estate Investment Trust, or REIT, requirements in both the short and long-term. Although we receive most of our rental payments on a monthly basis, distributions to shareholders are made quarterly and interest payments on the senior, unsecured notes are made semi-annually. Amounts accumulated for such payments will be used in the interim to reduce the outstanding borrowings under our existing 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 current weakness in 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. As a result, our current primary focus is to strengthen our capital and liquidity position by controlling and reducing construction and overhead costs, generating positive cash flows from operations to cover our dividend and reducing outstanding debt.

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%	36%
Total secured debt to adjusted total assets	<40%	0%
Total unencumbered assets to unsecured debt	>135%	274%

OFF-BALANCE SHEET ARRANGEMENTS

The following table details certain information as of September 30, 2010 about various unconsolidated real estate joint ventures in which we have an ownership interest:

Joint Venture	Center Location	Opening Date	Ownership %	Square Feet	Carrying Value of Investment (in millions)	Total Joint Venture Debt (in millions)
Deer Park	Deer Park, Long Island, New York	2008	33.3%	683,033	$2.1	$269.3
Wisconsin Dells	Wisconsin Dells, Wisconsin	2006	50%	265,061	$5.0	$24.8

We may issue guarantees for the debt of a joint venture in order for the joint venture to obtain funding or to obtain funding at a lower cost than could be obtained otherwise. We are party to a limited joint and several guarantee with respect to Wisconsin Dells joint venture loan, which currently has a balance of $24.8 million. We are also party to limited joint and several guarantees with respect to the loans obtained by the Deer Park joint venture which currently have a balance of $269.3 million.

Each of the above ventures contains provisions where a venture partner can trigger certain provisions and 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.

The following table details our share of the debt maturities of the unconsolidated joint ventures as of September 30, 2010 (in thousands):

Joint Venture	Our Portion of Joint Venture Debt	Maturity Date	Interest Rate
Deer Park	$89,761	5/17/2011(1)	Libor + 1.375-3.50%
Wisconsin Dells	$12,375	12/18/2012	Libor + 3.00%

(1) The Deer Park mortgage has a one-year extension option which is exercisable at the May 17, 2011 initial maturity date, subject to certain qualifications. Based on the current cash flows and occupancy rate, the joint venture would not qualify for the one-year extension option, and is currently negotiating with the lending institution to refinance the existing loan. If the joint venture is unable to extend or refinance the loan, each joint venture partner may be required to make a material capital contribution.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Refer to our 2009 Annual Reports 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 2010.

RELATED PARTY TRANSACTIONS

As noted above in "Off-Balance Sheet Arrangements", we are 50% owners of the Wisconsin Dells joint venture and a 33.3% owner in the Deer Park joint venture. These joint ventures pay us management, leasing, marketing and development fees, which we believe approximate current market rates, for services provided to the joint ventures. During the three and nine months ended September 30, 2010 and 2009, respectively, we recognized the following fees (in thousands):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2010		2009		2010		2009	
Fee:								
Management and leasing	$	464	$	462	$	1,399	$	1,427
Marketing		39		35		119		114
Total Fees	$	503	$	497	$	1,518	$	1,541

Tanger Family Limited Partnership is a related party which holds a limited partnership interest in and is the noncontrolling interest of the Operating Partnership. The only material related party transaction with the Tanger Family Limited Partnership is the payment of quarterly distributions of earnings which were $7.0 million and $6.9 million for the nine months ended September 30, 2010 and 2009, respectively.

During the third quarter of 2010, Stanley K. Tanger, our founder, transferred his general partnership in the Tanger Family Limited Partnership to the Stanley K. Tanger Marital Trust. As discussed in Note 1 and Note 12, the Tanger Family Limited Partnership is the noncontrolling interest in these consolidated financial statements. The sole trustee of the Stanley K. Tanger Marital Trust, and thus effectively the general partner of Tanger Family Limited Partnership, is John H. Vernon. Mr. Vernon is a partner at the law firm of Vernon, Vernon, Wooten, Brown, Andrews & Garrett, or the Vernon Law Firm, which has served as the principal outside counsel of the Company and Operating Partnership since their inception in 1993. Based on Mr. Vernon's new position, as trustee of the Stanley K. Tanger Marital Trust, the general partner of the Tanger Family Limited Partnership, he is now considered a related party.

Fees paid to the Vernon Law Firm were approximately $283,000 and $313,000 for the three months ended September 30, 20101 and 2009 and $1.1 million and $762,000 for the nine months ended September 30, 2010 and 2009, respectively. As of September 30, 2010, approximately $83,000 was outstanding in accounts payable and accrued expenses for amounts owed the Vernon Law Firm. There were no such amounts outstanding as of December 31, 2009.

SUPPLEMENTAL EARNINGS MEASURES

Funds From Operations

Funds from Operations, or 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 and after adjustments for unconsolidated partnerships and joint ventures.

FFO is intended to exclude historical cost depreciation of real estate as required by Generally Accepted Accounting Principles, or 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 or distribution 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 for the three and nine months ended September 30, 2010 and 2009 as well as other data for those respective periods (in thousands):

	Three months ended September 30, 2010	Three months ended September 30, 2009	Nine months ended September 30, 2010	Nine months ended September 30, 2009
FUNDS FROM OPERATIONS				
Net income (1)	$ 14,753	$ 4,364	$ 23,148	$ 54,419
Adjusted for:				
Depreciation and amortization uniquely significant to real estate - discontinued operations	---	49	87	510
Depreciation and amortization uniquely significant to real estate - wholly-owned	16,675	20,039	60,018	59,386
Depreciation and amortization uniquely significant to real estate - unconsolidated joint ventures	1,289	1,239	3,834	3,628
Gain on fair value measurement of previously held interest in acquired joint venture	---	---	---	(31,497)
Funds from operations (FFO)	32,717	25,691	87,087	86,446
Preferred share dividends	(1,406)	(1,406)	(4,219)	(4,219)
Allocation of FFO to participating securities	(247)	(302)	(690)	(1,053)
Funds from operations available to common shareholders and noncontrolling interest in Operating Partnership	$ 31,064	$ 23,983	$ 82,178	$ 81,174
Weighted average Company shares outstanding (2)	46,267	44,212	46,242	40,705
Funds from operations per share	$ .67	$ .54	$ 1.78	$ 1.99
Weighted average Operating Partnership units outstanding	23,134	22,106	23,121	20,352
Funds from operations per unit	$ 1.34	$ 1.08	$ 3.55	$ 3.99

(1) Includes gain on sale of outparcel of land of $161 for the nine months ended September 30, 2010 and a gain on sale of outparcel of land of $3.3 million for the three and nine months ended September 30, 2009.

(2) Includes the dilutive effect of options and senior exchangeable notes and assumes the partnership units of the Operating Partnership held by the noncontrolling interest are converted to common shares of the Company.

Adjusted Funds From Operations

We present Adjusted Funds From Operations, or 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 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 for the three and nine months ended September 30, 2010 and 2009 as well as other data for those respective periods (in thousands):

	Three months ended September 30, 2010	Three months ended September 30, 2009	Nine months ended September 30, 2010	Nine months ended September 30, 2009
ADJUSTED FUNDS FROM OPERATIONS				
Funds from operations	$ 32,717	$ 25,691	$ 87,087	$ 86,446
Adjusted for non-core items:				
Termination of interest rate swap agreements	---	---	6,142	---
Impairment charges	---	---	735	5,200
(Gain) loss on early extinguishment of debt	---	---	563	(10,467)
Executive severance	---	10,296	---	10,296
Gain on sale of outparcel	---	(3,292)	(161)	(3,292)
Demolition costs of Hilton Head I, South Carolina	---	---	699	---
Abandoned due diligence costs	---	---	365	---
Adjusted funds from operations (AFFO)	32,717	32,695	95,430	88,183
Preferred share dividends	(1,406)	(1,406)	(4,219)	(4,219)
Allocation of AFFO to participating securities	(247)	(387)	(758)	(1,076)
Adjusted funds from operations available to common shareholders and noncontrolling interest in Operating Partnership	$ 31,064	$ 30,902	$ 90,453	$ 82,888
Weighted average Company shares outstanding[1]	46,267	44,212	46,242	40,705
Adjusted funds from operations per share	$ .67	$ .70	$ 1.96	$ 2.04
Weighted average Operating Partnership units outstanding	23,134	22,106	23,121	20,352
Adjusted funds from operations per unit	$ 1.34	$ 1.40	$ 3.91	$ 4.07

(1) Includes the dilutive effect of options and senior exchangeable notes and assumes the partnership units of the Operating Partnership held by the noncontrolling interest are converted to common shares of the Company.

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.

In July 2010, Liz Claiborne, Inc. announced a plan to exit the Liz Claiborne branded outlet store concept in the U.S. and Puerto Rico over the next six to twelve months. Over the past five years we have reduced the Liz Claiborne branded outlet stores footprint in our centers by approximately one-third (from 316,000 to 233,000 square feet). We currently have in our portfolio twenty-two Liz Claiborne branded outlet stores totaling 233,000 square feet, which represents 2.6% of our total portfolio. The combined annualized base and percent rent revenue to us from these Liz Claiborne branded outlet stores currently represents less than 1.5% of our total base and percentage rent revenues. Currently, the Company is in negotiations with Liz Claiborne regarding the above space.

During 2010, we have approximately 1.5 million square feet, or 16%, of our wholly-owned portfolio coming up for renewal. During the first nine months of 2010, we renewed approximately 70% of the 1.5 million square feet that came up for renewal with the existing tenants at a 10% increase in the average base rental rate compared to the expiring rate. We also re-tenanted 427,000 square feet at a 25% increase in the average base rental rate. In addition, we continue to attract and retain additional tenants. 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.

Given current economic conditions it may take longer to re-lease the remaining space and more difficult to achieve similar increases in base rental rates. Also, there may be additional tenants that have not informed us of their intentions and which may close stores in the coming year. There can be no assurances that we will be able to re-lease such space. While the timing of an economic recovery is unclear and these conditions may not improve quickly, we believe in our business and our long-term strategy.

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 9% 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 September 30, 2010 and 2009, respectively, occupancy at our wholly-owned centers was 98% and 96%.

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. In June 2010, we terminated our only two LIBOR based interest rate swap agreements with Wells Fargo Bank, N.A. and BB&T for notional amounts of $118.0 million and $117.0 million, respectively. The purpose of these swaps was to fix the interest rate on the $235.0 million outstanding under the term loan facility completed in June 2008. The swaps fixed the one month LIBOR rate at 3.605% and 3.70%, respectively. The term loan was repaid with proceeds from our $300.0 million 6.125% unsecured bond offering. Since the debt underlying the interest rate swaps was retired, we terminated the related interest rate swap agreements. As of September 30, 2010, we were not a party to any interest rate protection agreements.

As of September 30, 2010, approximately 9% 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 $548,000 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 notes, senior exchangeable notes, unsecured term credit facilities and unsecured lines of credit, at September 30, 2010 and December 31, 2009 was $663.2 million and $567.0 million, respectively, and its recorded value was $609.3 million and $584.6 million, respectively. A 1% increase from prevailing interest rates at September 30, 2010 and December 31, 2009 would result in a decrease in fair value of total debt of approximately $37.7 million and $17.1 million, respectively. Fair values were determined, based on level 2 inputs, using discounted cash flow analyses 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

Based on the most recent evaluation, the Company's Chief Executive Officer and Chief Financial Officer, have concluded the Company's disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) were effective as of September 30, 2010. There were no changes to the Company's internal controls over financial reporting during the quarter ended September 30, 2010, 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

Based on the most recent evaluation, the Chief Executive Officer of the Operating Partnership's general partner, and the Vice-President, Treasurer and Assistant Secretary (Principal Financial and Accounting Officer) of the Operating Partnership's general partner, have concluded the Operating Partnership's disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) were effective as of September 30, 2010. There were no changes to the Operating Partnership's internal controls over financial reporting during the quarter ended September 30, 2010, 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 Reports on Form 10-K for the year ended December 31, 2009.

Item 6. Exhibits

4.1	Form of Seventh Supplemental Indenture (to Senior Indenture) dated June 7, 2010. (Incorporated by reference to the exhibits to the Company's and Operating Partnership's Current Report on Form 8-K dated June 7, 2010.)
10.1	Amendment to the Amended and Restated Incentive Award Plan of Tanger Factory Outlet Centers, Inc. and Tanger Properties Limited Partnership, dated May 14, 2010.
10.2	Form of Tanger Factory Outlet Centers, Inc. Notional Unit Award Agreement between the Company and certain Officers.
10.3	Thomas E. McDonough employment contract (Incorporated by reference to the exhibits to the Company's and Operating Partnership's Current Report on Form 8-K dated August 23, 2010.)
12.1	Company's and Operating Partnership's Ratio of Earnings to Fixed Charges and Ratio of Earnings to Combined Fixed Charges and Preferred Dividends and Preferred Distributions.
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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: November 4, 2010

TANGER FACTORY OUTLET CENTERS, INC.	
By:	/s/ Frank C. Marchisello, Jr.
	Frank C. Marchisello, Jr.
	Executive Vice President, Chief Financial Officer & Secretary
TANGER PROPERTIES LIMITED PARTNERSHIP	
By: TANGER GP TRUST, its sole general partner	
By:	/s/ Frank C. Marchisello, Jr.
	Frank C. Marchisello, Jr.
	Vice President, Treasurer & Assistant Secretary

Exhibit Index

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Exhibit 10.1

AMENDMENT
TO THE
AMENDED AND RESTATED INCENTIVE AWARD PLAN OF TANGER FACTORY OUTLET CENTERS, INC. AND TANGER PROPERTIES LIMITED PARTNERSHIP

Tanger Factory Outlet Centers, Inc. (the "Company"), a corporation organized under the laws of the State of North Carolina, has previously adopted the Amended and Restated Incentive Award Plan of Tanger Factory Outlet Centers, Inc. and Tanger Properties Limited Partnership, effective December 29, 2008, as amended from time to time (the "Plan").

In order to amend the Plan in certain respects, this Amendment to the Plan (the "Amendment") has been adopted by a resolution of the Board of Directors of the Company on February 23, 2010 and approved by the Company's shareholders on May 14, 2010 effective as set forth below. This Amendment, together with the Plan, constitutes the entire Plan as amended to date.

1. Effective as of the date of the Company's shareholder approval of this Amendment, Section 1.4 of the Plan is hereby replaced in its entirety with the following:

> "Section 1.4 Award Limit
>
> 'Award Limit' shall mean (a) with respect to Options, 360,000 Common Shares; (b) with respect to Performance Awards paid in cash, $2,000,000; and (c) with respect to all other Awards, 360,000 Common Shares, in each case as adjusted pursuant to Section 10.3."

2. Effective as of the date of the Company's shareholder approval of this Amendment, Section 2.1(a) of the Plan is hereby amended by replacing the number "6,000,000" with the number "7,700,000".

* * * * * * *

Executed this 14th day of May, 2010.

TANGER FACTORY OUTLET CENTERS, INC.

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

Exhibit 10.2

TANGER FACTORY OUTLET CENTERS, INC.
NOTIONAL UNIT
AWARD AGREEMENT

Name of Grantee: _____________________ ("Grantee")
No. of Notional Units: _______________________
Grant Date: ______________, 2010 (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 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, 2010.

"Effective Date Common Share Price" means $38.99.

"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 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 60%.

"Measurement Date" means December 31, 2013.

"Minimum Total Return to Shareholders" means Total Return to Shareholders equal to 40%.

"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 Conversion Ratio" means (a) in the event the Total Return to Shareholders is equal to the Minimum Total Return to Shareholders, 1.0, (b) in the event the Total Return to Shareholders is equal to the Maximum Total Return to Shareholders, 3.0, (c) in the event the Total Return to Shareholders is greater than the Minimum Total Return to Shareholders and less than the Maximum Total Return to Shareholders, the Notional Unit Conversion Ratio will be pro-rated between 1.0 and 3.0 by linear interpolation (e.g., other than in the event of a Change in Control, the Notional Unit Conversation Ratio will increase by 0.1 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) and (d) in the event the Total Return to Shareholders is greater than the Maximum Total Return to Shareholders, 3.0 multiplied by a fraction, the numerator of which is the Common Share Price required to generate the Maximum Total Return to Shareholders on the Valuation Date, less the actual dividends paid from the Effective Date to the Valuation Date, up to a maximum of $6.22, and the denominator of which is the Common Share Price on the Valuation Date.

"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 Section 3(b) meaningful and consistent across the relevant measurement period.

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

"Share Issuance Date" means the earlier of (a) January 1, 2014 and (b) the date upon which a Change in Control shall occur.

"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 up to a maximum of $6.22 by (b) the Effective Date Common Share Price; *provided*, *however*, for the purpose of calculating Total Return to Shareholders under Sections 3(b)(ii) and (iii), no such dividend per share limitation shall apply for purposes of the comparison of Total Return to Shareholders to the 50th Percentile; *provided*, *further*, that for the purposes of calculating the Total Return to Shareholders under Section 2(b)(iii), the amount of the maximum dividend considered herein shall be prorated based on the number of days from the Effective Date to and including the date of the Change in Control divided by the total number of days from the Effective Date to and including the Measurement Date. 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 determined as follows (which Common Shares shall be fully vested upon issuance):

(x) 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, then the Company shall issue to the Grantee that number of Common Shares equal to the number of Notional Units held by the Grantee on the Share Issuance Date multiplied by the Notional Unit Conversion Ratio (and, for purposes of determining the Notional Unit Conversion Ratio, the Maximum Total Return to Shareholders and the maximum amount of dividends taken into account in subsection (d) of the definition of "Notional Unit Conversion Ratio" shall be adjusted in the same manner as Minimum Return to Shareholders is adjusted in determining the CIC Minimum Return to Shareholders);

(y) 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 is less than the 50th Percentile for the period beginning on the Grant Date and ending on the Valuation Date, then no Common Shares will be issued to the Grantee;

(z) 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, but is equal to or greater than the 50th Percentile for the period beginning on the Grant Date and ending on the Valuation Date, then the Company shall issue to Grantee that number of Common Shares equal to the number of Notional Units held by the Grantee on the Share Issuance Date.

In consideration for the Common Shares granted pursuant to this Section 2(b)(iii), 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, the Company shall 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 Sections 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 Sections 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 determined as follows:

(i) If, as of the Valuation Date, the Total Return to Shareholders is equal to or greater than the Minimum Total Return to Shareholders, then the Company shall issue to the Grantee that number of Restricted Shares equal to the number of Notional Units held by the Grantee on the Share Issuance Date multiplied by the Notional Unit Conversion Ratio.

(ii) If, as of the Valuation Date, the Total Return to Shareholders is less than the Minimum Total Return to Shareholders and is less than the 50th Percentile for the period beginning on the Grant Date and ending on the Valuation Date, then no Restricted Shares will be issued to the Grantee.

(iii) If, as of the Valuation Date, the Total Return to Shareholders is less than the Minimum Total Return to Shareholders, but is equal to or greater than the 50th Percentile for the period beginning on the Grant Date and ending on the Valuation Date, then the Company shall issue to the Grantee that number of Restricted Shares equal to the number of Notional Units held by the Grantee on the Share Issuance Date.

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 and, if required for calculation of the number of Restricted Shares to be issued pursuant to Sections 3(b)(ii) and (iii), the 50th 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), all of the Restricted Shares granted on the Share Issuance Date as provided in this Section 3 shall vest on December 31, 2014.

(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.

(iii) On the date of a Change in Control occurring after 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, all unvested Restricted Shares shall, immediately prior to such Change in Control, 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 on the Valuation Date the Total Return to Shareholders exceeds the Maximum Total Return to Shareholders, then the amount the Grantee shall be entitled to receive pursuant to this Section 4(c) shall equal the product of (a) 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 (b) the number of Restricted Shares the Grantee would have received had the Total Return to Shareholders equaled the Maximum Total Return to Shareholders on the Valuation Date. 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 (1) 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, (2) 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 (3) 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.

(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: Steven B. Tanger

Title: President and Chief Executive Officer

GRANTEE

____

Name:

EXHIBIT A

[List of Peer Group]

TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES

Exhibit 12.1

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

	Nine Months Ended Ended September 30, 2010	2009
Income from continuing operations before income from equity investees(1)	$ 23,445	$ 61,042
Add:		
Distributed income of unconsolidated joint ventures	568	510
Amortization of previously capitalized interest	336	351
Interest expense	30,808	29,467
Interest portion of rent expense	1,318	1,154
Earnings available for fixed charges	$ 56,475	$ 92,524
Fixed charges:		
Interest expense	$ 30,808	$ 29,467
Capitalized interest and capitalized amortization of debt issue costs	1,139	87
Interest portion of rent expense	1,318	1,154
Total fixed charges	$ 33,265	$ 30,708
Ratio of earnings to fixed charges	1.7	3.0

(1) Income from continuing operations before income from equity investees and noncontrolling interest for the nine months ended September 30, 2010 includes: a $6.1 million loss on the termination of two interest rate swap agreements. Income from continuing operations before income from equity investees and noncontrolling interest for the nine months ended September 30, 2009 includes: a $10.5 million gain on early extinguishment of debt from an exchange offer of common shares for convertible debt and a $31.5 million gain on acquisition of previously held unconsolidated joint venture interest.

TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES

Ratios of Earnings to Combined Fixed Charges and Preferred Dividends
(in thousands, except ratios)

	Nine Months Ended Ended September 30, 2010	2009
Income from continuing operations before income from equity investees[1]	$ 23,445	$ 61,042
Add:		
Distributed income of unconsolidated joint ventures	568	510
Amortization of previously capitalized interest	336	351
Interest expense	30,808	29,467
Interest portion of rent expense	1,318	1,154
Earnings available for fixed charges and preferred dividends	$ 56,475	$ 92,524
Fixed charges:		
Interest expense	$ 30,808	$ 29,467
Capitalized interest and capitalized amortization of debt issue costs	1,139	87
Interest portion of rent expense	1,318	1,154
Total fixed charges	$ 33,265	$ 30,708
Preferred dividends	4,219	4,219
Total fixed charges and preferred dividends	$ 37,484	$ 34,927
Ratio of earnings to fixed charges and preferred dividends	1.5	2.6

(1) Income from continuing operations before income from equity investees and noncontrolling interest for the nine months ended September 30, 2010 includes: a $6.1 million loss on the termination of two interest rate swap agreements. Income from continuing operations before income from equity investees and noncontrolling interest for the nine months ended September 30, 2009 includes: a $10.5 million gain on early extinguishment of debt from an exchange offer of common shares for convertible debt and a $31.5 million gain on acquisition of previously held unconsolidated joint venture interest.

TANGER PROPERTIES LIMITED PARTNERSHIP AND SUBSIDIARIES

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

	Nine Months Ended Ended September 30, 2010	2009
Income from continuing operations before income from equity investees(1)	$ 23,445	$ 61,042
Add:		
Distributed income of unconsolidated joint ventures	568	510
Amortization of previously capitalized interest	336	351
Interest expense	30,808	29,467
Interest portion of rent expense	1,318	1,154
Earnings available for fixed charges	$ 56,475	$ 92,524
Fixed charges:		
Interest expense	$ 30,808	$ 29,467
Capitalized interest and capitalized amortization of debt issue costs	1,139	87
Interest portion of rent expense	1,318	1,154
Total fixed charges	$ 33,265	$ 30,708
Ratio of earnings to fixed charges	1.7	3.0

(1) Income from continuing operations before income from equity investees and noncontrolling interest for the nine months ended September 30, 2010 includes: a $6.1 million loss on the termination of two interest rate swap agreements. Income from continuing operations before income from equity investees and noncontrolling interest for the nine months ended September 30, 2009 includes: a $10.5 million gain on early extinguishment of debt from an exchange offer of common shares for convertible debt and a $31.5 million gain on acquisition of previously held unconsolidated joint venture interest.

TANGER PROPERTIES LIMITED PARTNERSHIP AND SUBSIDIARIES

Ratios of Earnings to Combined Fixed Charges and Preferred Distributions
(in thousands, except ratios)

	Nine Months Ended Ended September 30, 2010	2009
Income from continuing operations before income from equity investees(1)	$ 23,445	$ 61,042
Add:		
Distributed income of unconsolidated joint ventures	568	510
Amortization of previously capitalized interest	336	351
Interest expense	30,808	29,467
Interest portion of rent expense	1,318	1,154
Earnings available for fixed charges and preferred dividends	$ 56,475	$ 92,524
Fixed charges:		
Interest expense	$ 30,808	$ 29,467
Capitalized interest and capitalized amortization of debt issue costs	1,139	87
Interest portion of rent expense	1,318	1,154
Total fixed charges	$ 33,265	$ 30,708
Preferred distributions	4,219	4,219
Total fixed charges and preferred distributions	$ 37,484	$ 34,927
Ratio of earnings to fixed charges and preferred distributions	1.5	2.6

(1) Income from continuing operations before income from equity investees and noncontrolling interest for the nine months ended September 30, 2010 includes: a $6.1 million loss on the termination of two interest rate swap agreements. Income from continuing operations before income from equity investees and noncontrolling interest for the nine months ended September 30, 2009 includes: a $10.5 million gain on early extinguishment of debt from an exchange offer of common shares for convertible debt and a $31.5 million gain on acquisition of previously held unconsolidated joint venture interest.

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 September 30, 2010;

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: November 4, 2010

/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 September 30, 2010;

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: November 4, 2010

/s/ Frank C. Marchisello, Jr.
Frank C. Marchisello, Jr.
Executive Vice-President, Chief Financial Officer and Secretary
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 September 30, 2010;

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: November 4, 2010

/s/ Steven B. Tanger
Steven B. Tanger
President and Chief Executive Officer
Tanger GP Trust, sole general partner of Tanger Properties Limited 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 September 30, 2010;

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: November 4, 2010

/s/ Frank C. Marchisello, Jr.
Frank C. Marchisello, Jr.
Vice-President, Treasurer and Assistant Secretary
Tanger GP Trust, sole general partner of Tanger Properties Limited 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 September 30, 2010 (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: November 4, 2010

/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 September 30, 2010 (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: November 4, 2010

/s/ Frank C. Marchisello, Jr.
Frank C. Marchisello, Jr.
Executive Vice President, Chief Financial
Officer & Secretary

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 September 30, 2010 (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: November 4, 2010

/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 Factory Outlet Centers, Inc. (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 September 30, 2010 (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: November 4, 2010

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