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TANGER FACTORY OUTLET CENTERS INC
 Form 424B5
 September 06, 2002

FILED PURSUANT TO RULE 424B5
 REGISTRATION NO. 333-61394

PROSPECTUS SUPPLEMENT TO PROSPECTUS DATED AUGUST 28, 2002

1,000,000 SHARES

TANGER FACTORY OUTLET CENTERS, INC.

COMMON SHARES

OUR COMMON SHARES ARE LISTED ON THE NEW YORK STOCK EXCHANGE UNDER THE SYMBOL "SKT." THE LAST REPORTED SALE ON SEPTEMBER 4, 2002 WAS \$29.90 PER SHARE.

THE UNDERWRITER HAS AN OPTION TO PURCHASE UP TO 150,000 ADDITIONAL COMMON SHARES TO COVER OVER-ALLOTMENTS OF SHARES.

INVESTING IN OUR COMMON SHARES INVOLVES RISKS. SEE "RISK FACTORS" ON PAGE 4 IN THE ACCOMPANYING PROSPECTUS.

	PRICE TO PUBLIC	UNDERWRITING DISCOUNTS AND COMMISSIONS	PROCEEDS TO THE COMPANY
	-----	-----	-----
PER SHARE.....	\$29.25	\$0.89	\$28.36
TOTAL.....	\$29,250,000	\$890,000	\$28,360,000

DELIVERY OF THE COMMON SHARES WILL BE MADE ON OR ABOUT SEPTEMBER 10, 2002.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS SUPPLEMENT OR THE ACCOMPANYING PROSPECTUS TO WHICH IT RELATES ARE TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

CREDIT SUISSE FIRST BOSTON

THE DATE OF THIS PROSPECTUS SUPPLEMENT IS SEPTEMBER 4, 2002.

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YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS OR INCORPORATED BY REFERENCE IN THESE DOCUMENTS. WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION THAT IS DIFFERENT. THIS DOCUMENT MAY ONLY BE USED WHERE IT IS LEGAL TO SELL THESE SECURITIES. THE INFORMATION IN THIS DOCUMENT MAY ONLY BE ACCURATE ON THE DATE OF THIS DOCUMENT.

We are providing information to you about our company and common shares in this prospectus supplement and the accompanying prospectus. If the information in this prospectus supplement differs from that in the accompanying prospectus, you should rely on the information in this prospectus supplement.

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FORWARD-LOOKING STATEMENTS

Certain statements contained or incorporated by reference in this prospectus supplement and the accompanying prospectus, including, without limitation, statements containing the words "believes," "anticipates," "expects" and words of similar import, constitute "forward-looking statements" within the meaning of the Private Securities Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements by us, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following:

- national and local general economic and market conditions;
- demographic changes; our ability to sustain, manage or forecast our growth; existing government regulations and changes in, or the failure to comply with, government regulations;
- adverse publicity; liability and other claims asserted against us;
- competition;
- the risk that we may not be able to finance our planned development activities;
- risks related to the retail industry in which we compete, including the potential adverse impact of external factors such as inflation, tenant demand for space, consumer confidence, unemployment rates and consumer tastes and preferences;
- risks associated with our development activities, such as the potential for cost overruns, delays and lack of predictability with respect to the financial returns associated with these development activities;
- risks associated with real estate ownership, such as the potential adverse impact of changes in the local economic climate on the revenues and the value of our properties;
- risks that a significant number of tenants may become unable to meet their lease obligations or that we may be unable to renew or re-lease a significant amount of available space on economically favorable terms;

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- fluctuations and difficulty in forecasting operating results; changes in business strategy or development plans;
- business disruptions;
- the ability to attract and retain qualified personnel;
- the ability to realize planned costs savings in acquisitions; and
- retention of earnings.

Certain of these factors are discussed in more detail elsewhere in, or incorporated by reference in, this prospectus supplement and the accompanying prospectus, including, without limitation, under the captions "The Company" and "Selected Consolidated Financial Data" in this prospectus supplement and under the caption "Risk Factors" in the accompanying prospectus. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements. We disclaim any obligation to update any such factors or to publicly announce the results of any revisions to any of the forward-looking statements contained or incorporated by reference in this prospectus supplement and the accompanying prospectus to reflect future events or developments.

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PROSPECTUS SUPPLEMENT SUMMARY

THIS SUMMARY HIGHLIGHTS SELECTED INFORMATION ABOUT US. IT MAY NOT CONTAIN ALL THE INFORMATION THAT MAY BE IMPORTANT TO YOU IN DECIDING WHETHER TO INVEST IN OUR COMMON SHARES. YOU SHOULD READ THIS ENTIRE PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS, INCLUDING THE FINANCIAL DATA AND RELATED NOTES INCLUDED OR INCORPORATED BY REFERENCE HEREIN, BEFORE MAKING AN INVESTMENT DECISION. UNLESS THE CONTEXT INDICATES OTHERWISE, THE TERM "COMPANY" REFERS TO TANGER FACTORY OUTLET CENTERS, INC. AND THE TERM "OPERATING PARTNERSHIP" REFERS TO TANGER PROPERTIES LIMITED PARTNERSHIP, OUR MAJORITY OWNED PARTNERSHIP THROUGH WHICH WE CONDUCT ALL OF OUR OPERATIONS. THE TERMS "WE," "OUR" AND "US" REFER TO THE COMPANY OR THE COMPANY AND THE OPERATING PARTNERSHIP TOGETHER, AS THE CONTEXT REQUIRES. UNLESS OTHERWISE INDICATED, INFORMATION IN THIS PROSPECTUS SUPPLEMENT IS PROVIDED ASSUMING THAT (I) FINANCIAL INFORMATION IS PRESENTED AS OF, OR FOR THE PERIOD ENDED, JUNE 30, 2002, (II) PROPERTY INFORMATION PRESENTED AS OF AUGUST 1, 2002 INCLUDES OUR MYRTLE BEACH CENTER HELD THROUGH AN UNCONSOLIDATED JOINT VENTURE IN WHICH WE OWN A 50% INTEREST AND (III) THE UNDERWRITER'S OVER-ALLOTMENT OPTION IS NOT EXERCISED.

THE COMPANY

We are a fully-integrated, self-administered and self-managed real estate investment trust, or REIT, focusing exclusively on developing, acquiring, owning and operating factory outlet shopping centers. Since entering the factory outlet shopping center business 21 years ago, we have become one of the largest owners and operators of factory outlet shopping centers in the country. As of August 1, 2002, we owned interests in and operated 29 shopping centers, with a total gross leasable area, or GLA, of approximately 5.4 million square feet, which were 96% occupied, contained approximately 1,100 stores and represented over 250 store brands.

[GRAPHIC]

RECENT DEVELOPMENTS

In July 2002, we opened the first phase of our new 400,000 square foot Tanger Outlet Center in Myrtle Beach, South Carolina. The first phase,

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consisting of approximately 260,000 square feet, is 100% leased and features 60 brand name and designer outlet stores including: Bombay Outlet, Coach Leatherware, Coldwater Creek, Izod, Kenneth Cole, Liz Claiborne Outlet, Nautica, Old Navy Outlet, Polo Ralph Lauren and Tommy Hilfiger. A 140,000 square foot Phase II addition is currently planned

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for mid-summer 2003. This property is currently held through an unconsolidated joint venture, in which we own a 50% interest.

During the second quarter of 2002, we sold one non-core, single tenant property located in Ft. Lauderdale, Florida. The property was sold for \$18.2 million, representing a capitalization rate of approximately 8.8% based on an annual net operating income of \$1.6 million. After the deduction of closing costs, we recognized a net gain on the sale of the property of approximately \$460,000.

In addition, we have signed a purchase and sale agreement, subject to the satisfactory completion of our due diligence, for the acquisition of one outlet center containing approximately 325,000 square feet of GLA for an aggregate purchase price of \$37.5 million. We are currently scheduled to close this transaction by the end of September 2002. The closing of this acquisition is subject to customary conditions and there can be no assurance that this center will be acquired.

On July 30, 2002 we reported our operating results for the second quarter of 2002. Funds from operations, or FFO, for the three months ended June 30, 2002 increased 9% to \$9.4 million, compared to \$8.6 million in the same period of 2001. During the three months ended June 30, 2002, net income increased 67% to \$.20 per share, compared to \$.12 per share in the same period of 2001. All net income calculations are on a fully diluted basis and assume full conversion of the minority interest in the operating partnership. Same-space sales per square foot (defined as the weighted average sales per square foot reported for space with tenants open for the duration of each comparison period) for the rolling twelve months ended June 30, 2002 were \$297 per square foot, representing a 6% increase compared to the same period in 2001.

We are a North Carolina corporation. Our executive offices are located at 3200 Northline Avenue, Suite 360, Greensboro, North Carolina 27408 and our telephone number is (336) 292-3010.

MANAGEMENT OWNERSHIP

As of June 30, 2002, our management beneficially owned approximately 27.1% (25.0% after giving effect to this offering) of all our outstanding common shares (assuming our preferred shares and the partnership units are exchanged for our common shares but without giving effect to the exercise of any outstanding share and partnership unit options).

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THE OFFERING

Shares offered..... 1,000,000 common shares.

Shares to be outstanding after the offering..... 9,029,905 common shares.(1)

Use of proceeds..... The net proceeds to us from the offering will be used

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together with other available funds, to acquire a factory outlet shopping center (currently under contract) and for general corporate purposes. Pending such use, we may temporarily repay borrowings under our revolving line of credit.

New York Stock Exchange symbol..... SKT.

 (1) Information as of August 1, 2002 after giving effect to the offering. On a fully diluted basis after giving effect to the conversion or exchange of outstanding units and our Series A preferred shares, but without giving effect to the exercise of outstanding share or partnership unit options, there would be 12,785,719 shares outstanding.

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CAPITALIZATION

The following table sets forth our capitalization as of June 30, 2002, and as adjusted to give effect to the sale on such date by us of the common shares offered in the offering and the anticipated use of proceeds from the offering as described under "Use of Proceeds."

	As of June 30, 2002 Unaudited	
	----- Historical	As Adjusted -----
	(In thousands)	
Debt:		
Senior, unsecured notes.....	\$155,609	\$155,609
Mortgages payable.....	175,603	175,603
Lines of credit.....	26,625	26,625
Minority interest in operating partnership.....	19,326	19,326
Shareholders' equity:		
Series A preferred shares, \$.01 par value, 1,000,000 shares authorized, 80,190 shares issued and outstanding.....	1	1
Common shares, \$.01 par value, 50,000,000 shares authorized, 8,029,905 shares issued and outstanding, Historical, and 9,029,905 shares issued and outstanding, As Adjusted(1).....	80	90
Paid in capital.....	138,177	166,127
Distributions in excess of net income.....	(66,619)	(66,619)
Accumulated other comprehensive loss.....	(432)	(432)
	-----	-----
Total shareholders' equity.....	71,207	99,167
	-----	-----
Total capitalization.....	\$448,370	\$476,330
	=====	=====

 (1) Does not include 3,033,305 common shares reserved for issuance upon exchange of issued and outstanding partnership units, 1,281,420 common shares

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issuable upon exchange of general partnership units issuable upon the exercise of outstanding unit options, and 68,400 common shares issuable upon the exercise of outstanding share options.

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USE OF PROCEEDS

We estimate the net proceeds of the offering to be approximately \$28 million after deducting estimated expenses and underwriting discount. We anticipate using the proceeds, together with other available funds, to acquire a factory outlet shopping center (currently under contract), and for general corporate purposes. Pending such use, we may temporarily repay borrowings under our revolving lines of credit. As of August 1, 2002, the weighted average interest rate on our lines of credit was 3.7%. These lines of credit are scheduled to mature between June 30, 2003 and June 30, 2004.

PRICE RANGE OF COMMON SHARES AND DISTRIBUTIONS

The common shares have been traded on the New York Stock Exchange under the symbol "SKT" since May 28, 1993. On September 4, 2002, the last reported sale price of the common shares was \$29.90 per share. The following table sets forth the high and low closing sale prices for the common shares for the fiscal periods indicated as reported on the NYSE and the distributions paid by us on our common shares during each such period.

Calendar Period -----	High -----	Low -----	Distributions -----
2002			
Third Quarter (through September 4, 2002).....	\$29.900	\$23.000	\$.6125
Second Quarter.....	30.000	25.300	.6125
First Quarter.....	27.500	20.750	.6100
2001			
Fourth Quarter.....	\$21.400	\$19.900	\$.6100
Third Quarter.....	23.000	19.100	.6100
Second Quarter.....	23.000	20.340	.6100
First Quarter.....	23.625	19.750	.6075
2000			
Fourth Quarter.....	\$23.125	\$19.500	\$.6075
Third Quarter.....	24.875	21.000	.6075
Second Quarter.....	24.000	18.875	.6075
First Quarter.....	22.875	18.500	.6050

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SELECTED CONSOLIDATED FINANCIAL DATA

The following table sets forth our selected financial and other operating data on a historical basis. The information should be read in conjunction with all of the financial statements and notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" incorporated herein by reference from our Annual Report on Form 10-K for the year ended December 31, 2001 and Quarterly Report of Form 10-Q for the six months ended June 30, 2002.

The historical data as of and for the years ended December 31, 2001, 2000,

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1999, 1998 and 1997 have been derived from historical financial statements audited by PricewaterhouseCoopers LLP, independent auditors. The historical data for the six months ended June 30, 2002 and June 2001 have been derived from our unaudited historical financial statements. In the opinion of management, this historical data includes all adjustments (consisting only of normal recurring adjustments) necessary to present fairly the information set forth. However, operating results for the six months ended June 30, 2002 are not necessarily indicative of results that may be expected for the year ended December 31, 2002. Certain information in the 2001 and prior year financials shown below have been restated to reflect our adoption of Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," or FAS 144. See notes 1 and 2 to the following table.

	Six months ended June 30,		Year Ended Decem		
	2002	2001	2001	2000	1999
(Dollars in thousands, except per share and rea					
STATEMENT OF OPERATIONS DATA:					
REVENUES:					
Base rentals.....	\$ 36,729	\$ 36,042	\$ 73,754	\$ 69,857	\$ 68,962
Percentage rentals.....	1,178	850	2,735	3,253	3,141
Expense reimbursements.....	14,635	15,045	29,719	29,614	27,833
Other income.....	1,081	1,077	2,772	4,059	3,785
Total revenues.....	53,623	53,014	108,980	106,783	103,721
EXPENSES:					
Property operating.....	17,334	17,427	34,151	33,193	30,508
General and administrative.....	4,367	4,085	8,231	7,366	7,297
Interest.....	14,247	15,291	30,134	27,565	24,239
Depreciation and amortization.....	14,199	13,958	28,213	25,863	24,765
Asset write-down.....	--	--	--	1,800	--
Total expenses.....	50,147	50,761	100,729	95,787	86,809
Income before minority interest, gain or (loss) on sale or disposal of real estate, discontinued operations and extraordinary item.....	3,476	2,253	8,251	10,996	16,912
Minority interest.....	(712)	(379)	(1,793)	(2,543)	(4,179)
Income from continuing operations.....	2,764	1,874	6,458	8,453	12,733
Discontinued operations (including gain on sale of real estate), net of minority interest (1).....	775	449	898	906	114
Income before gain or (loss) on sale or disposal of real estate, and extraordinary item.....	3,539	2,323	7,356	9,359	12,847
Gain or (loss) on sale or disposal of real estate, net of minority interest (2).....	--	--	--	(5,047)	2,990
Income before extraordinary item.....	3,539	2,323	7,356	4,312	15,837
Extraordinary item, net of minority interest.....	--	(130)	(244)	--	(249)
Net income.....	3,539	2,193	7,112	4,312	15,588

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Less applicable preferred share dividends.....	(886)	(885)	(1,771)	(1,823)	(1,917)
Income available to common shareholders....	\$ 2,653	\$ 1,308	\$ 5,341	\$ 2,489	\$ 13,671

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	Six months ended June 30,		Year Ended Decem		
	2002	2001	2001	2000	1999
(Dollars in thousands, except per share and rea					
SHARE DATA:					
Basic:					
Income from continuing operations.....	\$.23	\$.12	\$.59	\$.84	\$ 1.38
Net income.....	.33	.16	.67	.32	1.74
Weighted average common shares.....	7,982	7,921	7,926	7,894	7,861
Diluted:					
Income from continuing operations.....	.23	.12	.59	.84	1.37
Net income.....	.33	.16	.67	.31	1.74
Weighted average common shares.....	8,135	7,946	7,948	7,922	7,872
Dividends paid per share.....	1.22	1.21	2.44	2.43	2.42
BALANCE SHEET DATA (AT PERIOD END):					
Undepreciated real estate assets.....	\$585,614	\$593,681	\$599,266	\$584,928	\$566,216
Total assets.....	465,454	484,977	476,272	487,408	490,069
Long-term debt.....	357,837	360,236	358,195	346,843	329,647
Total shareholders' equity.....	71,207	82,273	76,371	90,877	107,764
OTHER DATA:					
EBITDA(3).....	\$ 31,922	\$ 31,502	\$ 66,598	\$ 66,224	\$ 65,916
Funds from operations(3).....	18,310	16,855	37,768	38,203	41,673
Cash flows provided by (used in):					
Operating activities.....	15,551	16,701	44,626	38,420	43,175
Investing activities.....	(3,226)	(11,952)	(23,269)	(25,815)	(45,959)
Financing activities.....	(12,626)	(5,167)	(21,476)	(12,474)	(3,043)
Gross leasable area open (thousands of square feet) (at period end).....	5,427	5,306	5,332	5,179	5,149
Number of centers (at period end) (4).....	29	29	29	29	31
Occupancy Rate (at period end) (4).....	96%	94%	96%	96%	97%

(1) Represents the results of operations and gains or losses from the sale of a property in 2002 which is required by FAS 144 to be reported as discontinued operations for all periods presented. This center was originally purchased in 1999. The amounts shown are net of minority interest of \$295 and \$171, respectively, for the six-month periods ended June 30, 2002 and 2001 and \$343, \$347 and \$44 for the years ended 2001, 2000 and 1999, respectively. Included in the six-month period ended June 30, 2002 is a gain on sale of \$460.

(2) Represents gain or (loss) on sales or disposals of real estate prior to January 1, 2002 which are not subject to accounting treatment under

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FAS 144. Accordingly, the results of operations of the properties sold are shown above within continuing operations. These gains or losses in 2000, 1999 and 1998 are shown net of minority interest of \$1,934, \$1,151 and \$276, respectively.

- (3) EBITDA and FFO are widely accepted financial indicators used by certain investors and analysts to analyze and compare companies on the basis of operating performance. EBITDA represents earnings before minority interest, discontinued operations, gain (loss) on sale or disposal of real estate, extraordinary item, asset write-down, interest expense, income taxes, depreciation and amortization. FFO is defined as net income (loss), computed in accordance with generally accepted accounting principles, 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. We caution that the calculations of EBITDA and FFO may vary from entity to entity and as such the presentation of EBITDA and FFO by us may not be comparable to other similarly titled measures of other reporting companies. EBITDA and FFO are not intended to represent cash flows for the period. EBITDA and FFO have not been presented as an alternative to operating income or as an indicator of operating performance, and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with generally accepted accounting principles.
- (4) Includes one center, which we opened in July 2002 currently held through an unconsolidated joint venture in which we own a 50% interest.

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THE COMPANY

HISTORY

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

From 1981 to 1986, Mr. Tanger solely developed the first successful factory outlet shopping centers. Steven Tanger joined the company in 1986 and by June 1993, together, they had developed 18 centers totaling approximately 1.5 million square feet. In June 1993, we completed our initial public offering on the New York Stock Exchange, establishing Tanger Factory Outlet Centers, Inc. as the first publicly traded factory outlet shopping center company. Since June 1993, we have developed ten and acquired seven additional centers and, together with expansions of existing centers net of centers disposed of, added approximately 3.9 million square feet to our portfolio.

Today we are one of the largest owners and operators of factory outlet shopping centers in the country. As of August 1, 2002, we owned interests in and operated 29 shopping centers, of which 28 are wholly owned, with a total GLA of approximately 5.4 million square feet, which were 96% occupied, contained approximately 1,100 stores and represented over 250 store brands.

We are a fully-integrated, self-administered and self-managed real estate

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investment trust focusing exclusively on developing, acquiring, owning and operating factory outlet shopping centers. We are a North Carolina corporation with our executive offices located at 3200 Northline Avenue, Suite 360, Greensboro, North Carolina 27408 and our telephone number is (336) 292-3010. As of August 1, 2002, we had 142 full-time employees, located at our corporate headquarters in North Carolina, our regional office in New York and our 22 business offices. At that date, we also employed 177 part-time employees at various locations.

THE FACTORY OUTLET CONCEPT

Factory outlets are manufacturer-operated retail stores that sell direct to the consumer, branded products at significant discounts from regular retail prices typically offered by department stores and full-price specialty stores. Factory outlet shopping centers offer numerous advantages to both consumers and manufacturers. Manufacturers selling in factory outlet stores are able to offer customers lower prices for brand name and designer products by eliminating the third party retailer. Factory outlet shopping centers also typically have lower operating costs than other retailing formats which enhance the manufacturers' profit potential. Factory outlet shopping centers enable manufacturers to optimize the size of production runs while continuing to maintain control of their distribution channels. In addition, factory outlet shopping centers enable manufacturers to sell out-of-season, overstocked or discontinued merchandise without alienating department stores or potentially diluting the manufacturer's brand name, as is often the case when merchandise is distributed through discount chains.

We believe that the factory outlet shopping center industry continues to present attractive opportunities for capital investment, particularly with respect to strategic re-merchandising plans and expansions of existing centers. We believe that under present conditions such development or expansion costs, coupled with current market lease rates, permit attractive risk-adjusted investment returns. We further believe, based upon our long-standing relationships with well established national retail

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manufacturers, that many others, including prospective new entrants into the factory outlet business, desire to open a number of new factory outlet stores in the next several years, particularly where there are successful factory outlet shopping centers in which such manufacturers do not have a significant presence or where there are few factory outlet shopping centers.

OUR FACTORY OUTLET CENTERS

Each of our factory outlet shopping centers carries the Tanger brand name. We believe that national manufacturers and consumers recognize the Tanger brand as one that provides factory outlet shopping centers where consumers can trust the brand, quality and price of the merchandise they purchase directly from the manufacturers.

As one of the original participants in this industry, we have developed long-standing relationships with many national and regional manufacturers. Because of our established relationships with many manufacturers, we believe we are well positioned to capitalize on industry growth.

We typically seek opportunities to develop or acquire new centers in demographically strong regions with a large, stable population base with at least five million people residing within an hour's drive, an average household income within a 50-mile radius of at least \$35,000 per year and access to frontage on a major or interstate highway with a traffic count of at least 50,000 cars per day. We also seek to enhance our customer base by developing

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centers near or at established tourist destinations. Our current goal is to target sites that are large enough to support centers with approximately 75 stores totaling at least 300,000 square feet of GLA.

As of August 1, 2002, we had a diverse tenant base comprised of over 250 well-known, upscale, national designer or brand name concepts, such as Liz Claiborne, Reebok, Nike, Tommy Hilfiger, Brooks Brothers, Nautica, Coach, Polo Ralph Lauren, GAP, Old Navy and Banana Republic. Most of the factory outlet stores are directly operated by the respective manufacturer. No single tenant, including affiliates, accounted for 10% or more of combined base and percentage rental revenues during 2001, 2000 and 1999. As of August 1, 2002, our largest tenant, including all of its store concepts, accounted for approximately 7% of our GLA.

PROPERTY SUMMARY

The table set forth below summarizes certain information with respect to our existing centers as of August 1, 2002. Except as noted, all properties are fee owned.

City	State	GLA (square feet)	Occupancy Rate	Mortgage De Outstanding (0 as of June 30, 20
-----	-----	-----	-----	-----
Riverhead(1).....	NY	729,238	98%	\$ --
San Marcos.....	TX	441,432	98	38,249
Terrell.....	TX	177,490	96	--
Sevierville(2).....	TN	353,977	100	--
Pigeon Forge(2).....	TN	94,558	100	--
Commerce II.....	GA	342,556	96	29,500
Locust Grove.....	GA	248,854	99	--
Commerce.....	GA	185,750	89	8,511
Dalton.....	GA	173,430	96	11,232
Branson.....	MO	277,494	98	24,000
Williamsburg.....	IA	277,230	98	19,602
Myrtle Beach(2) (3).....	SC	259,929	100	--
Lancaster.....	PA	255,059	98	14,672

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City	State	GLA (square feet)	Occupancy Rate	Mortgage De Outstanding (0 as of June 30, 20
-----	-----	-----	-----	-----
Gonzales.....	LA	245,199	96	--
Fort Meyers.....	FL	198,789	93	--
Casa Grande.....	AZ	184,768	87	--
Seymour.....	IN	141,051	77	--
North Branch.....	MN	134,480	100	--
West Branch.....	MI	112,420	100	7,130
Barstow.....	CA	105,950	57	--
Blowing Rock.....	NC	105,448	100	9,720

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Nags Head.....	NC	82,254	100	6,596
Boaz.....	AL	80,730	93	--
Kittery I.....	ME	59,694	100	6,391
Kittery II.....	ME	24,703	94	--
LL Bean, North Conway.....	NH	50,745	100	--
Clover, North Conway.....	NH	11,000	100	--
Martinsburg.....	WV	49,252	51	--
Bourne.....	MA	23,417	100	--
		-----	---	-----
		5,426,897	96%	\$175,603
		=====	===	=====

-
- (1) A portion of Riverhead center (totaling approximately 298,000 square feet) is subject to a ground lease through May 31, 2004 which may be renewed at our option for up to seven additional terms of five years each.
 - (2) These properties are subject to a ground lease.
 - (3) Represents property that is currently held through an unconsolidated joint venture in which we own a 50% interest. The joint venture had \$18.1 million of construction loan debt as of June 30, 2002.

HISTORICAL OCCUPANCY

The following table sets forth certain information regarding our portfolio occupancy rate for each of the twelve month periods ending December 31, 1997 through December 31, 2001.

Year	Number of Centers	GLA (square foot)	Occupancy Rate
----	-----	-----	-----
2001.....	29	5,332,000	96%
2000.....	29	5,179,000	96
1999.....	31	5,149,000	97
1998.....	31	5,011,000	97
1997.....	30	4,458,000	98

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HISTORICAL LEASING ACTIVITY

The following table sets forth certain information regarding our leasing activity for the twelve month periods ended December 31, 1997 through December 31, 2001.

Year	Total Expiring		Renewed by Existing Tenants		Re N
	GLA (square feet)	Percentage of Expiring GLA	GLA (square feet)	Percentage of Expiring GLA	
----	-----	-----	-----	-----	-----

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2001.....	684,166	13%	560,195	82%	55,362
2000.....	690,263	13	520,030	75	67,916
1999.....	715,197	14	606,450	85	22,882
1998.....	548,504	11	407,837	74	38,526
1997.....	238,250	5	195,380	82	18,600

Year	Renewals of Existing Leases				GLA (square feet)	A Expir
	Weighted Average Annual Base Rent per Square Foot					
	GLA (square feet)	At Expiration	Upon Renewal	Percentage Change		
2001.....	560,195	\$14.08	\$14.89	6 %	268,888	\$14
2000.....	520,030	13.66	14.18	4	302,724	14
1999.....	606,450	14.36	14.36	-	240,851	15
1998.....	407,387	13.83	14.07	2	220,890	15
1997.....	195,380	14.21	14.41	1	171,421	14

(1) The square footage released to new tenants for 2001, 2000, 1999, 1998 and 1997 contains 55,362, 67,916, 22,882, 38,526 and 18,600 square feet, respectively, that was released to new tenants upon expiration of an existing lease during the current year.

HISTORICAL OCCUPANCY COSTS

The following table sets forth certain information regarding, for the twelve month periods ended December 31, 1997 through December 31, 2001, tenant occupancy costs per square foot as a percentage of reported tenant sales per square foot.

Year	Occupancy Costs as a Percentage of Tenant Sales (1)
2001.....	7.1%
2000.....	7.4
1999.....	7.8
1998.....	7.9

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1997..... 8.2

(1) This calculation includes base rent, common area maintenance, real estate taxes, insurance, advertising and promotions as a percentage of reported tenant sales per square foot.

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MAJOR TENANTS

The following table sets forth certain information with respect to our ten largest tenants and their store concepts as of August 1, 2002.

Tenant -----	Number of Stores -----	GLA (square feet) -----	Percentage of Total GLA -----
THE GAP, INC.:			
GAP.....	17	148,657	3%
Old Navy.....	13	173,309	3
Banana Republic.....	5	38,824	1
	---	-----	--
	35	360,790	7%
LIZ CLAIBORNE:			
Liz Claiborne.....	23	262,871	5%
Elizabeth.....	8	28,984	1
DKNY Jeans.....	3	8,820	*
Dana Buchman.....	2	4,500	*
Special Brands By Liz Claiborne.....	2	5,580	*
Claiborne Mens.....	1	3,100	*
	---	-----	--
	39	313,855	6%
PHILLIPS-VAN HEUSEN CORPORATION:			
Bass Shoe.....	21	140,166	2%
Van Heusen.....	21	88,697	2
Geoffrey Beene Co. Store.....	12	45,492	1
Izod.....	16	37,017	1
	---	-----	--
	70	311,372	6%

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REEBOK INTERNATIONAL, LTD.:

Reebok.....	20	163,461	3%
Rockport.....	4	11,900	*
Greg Norman.....	1	3,000	*
	---	-----	--
	25	178,361	3%

DRESS BARN INC..... 19 132,830 2%

SARA LEE CORPORATION:

L'eggs, Hanes, Bali.....	25	108,809	2%
Socks Galore.....	5	6,230	*
Understatements.....	1	3,000	*
	---	-----	--
	31	118,039	2%

AMERICAN COMMERCIAL, INC:

Mikasa Factory Store..... 14 110,004 2%

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Tenant	Number of Stores	GLA (square feet)	Percentage of Total GLA
-----	-----	-----	-----

BROWN GROUP RETAIL, INC:

Factory Brand Shoe.....	15	89,285	2%
Naturalizer.....	7	18,545	*
	---	-----	--
	22	107,830	2%

VF FACTORY OUTLET, INC..... 4 105,697 2%

POLO RALPH LAUREN:

Polo Ralph Lauren.....	10	83,307	2%
Polo Jeans.....	4	15,000	*
Club Monaco.....	1	3,885	*
	---	-----	--
	15	102,192	2%
	---	-----	--

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TOTAL OF ALL TENANTS LISTED IN TABLE.....	274	1,840,970	34%
	===	=====	==

* Represents less than one percent.

LEASE EXPIRATIONS

The following table sets forth, as of August 1, 2002, scheduled lease expirations, assuming none of the tenants exercise renewal options. Most of our leases are renewable for five year terms at the tenant's option.

Year	Number of Leases Expiring(1)	GLA (square feet)	Average Annualized Base Rent per square foot(2)	Annualized Base Rent(3)
2002.....	69	270,630	\$ 6.68	\$ 1,808,704
2003.....	213	838,848	13.07	10,960,479
2004.....	241	1,019,262	14.10	14,371,922
2005.....	176	779,285	15.33	11,945,305
2006.....	170	728,322	15.83	11,529,290
2007.....	168	682,151	16.37	11,165,443
2008.....	47	240,779	15.47	3,724,004
2009.....	15	112,280	11.99	1,346,168
2010.....	13	66,479	13.53	899,155
2011.....	11	83,422	11.79	983,809
2012 and thereafter.....	37	261,575	11.29	2,951,948
TOTAL.....	1,160	5,083,033	\$ 14.10	\$71,686,226

(1) Excludes leases that have been entered into but which tenant has not yet taken possession, vacant suites and month-to-month leases.

(2) Average Annualized Base Rent per square foot is defined as Annualized Base Rent divided by GLA.

(3) Base rent is defined as the minimum payments due, excluding periodic contractual fixed increases.

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MANAGEMENT

The following table sets forth certain information concerning our executive officers:

Name	Age	Office
----	---	-----

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Stanley K. Tanger.....	79	Founder, Chairman of the Board of Directors and Chief Executive Officer
Steven B. Tanger.....	53	Director, President and Chief Operating Officer
Rochelle G. Simpson.....	63	Secretary and Executive Vice President--Administration and Finance
Willard A. Chafin, Jr.....	64	Executive Vice President--Leasing, Site Selection, Operations and Marketing
Frank C. Marchisello, Jr.....	44	Senior Vice President--Chief Financial Officer
Joseph H. Nehmen.....	53	Senior Vice President--Operations
Carrie A. Warren.....	39	Senior Vice President--Marketing
Virginia R. Summerell.....	43	Treasurer and Assistant Secretary
Kevin M. Dillon.....	44	Vice President--Construction
Lisa J. Morrison.....	42	Vice President--Leasing

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

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

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

WILLARD A. CHAFIN, JR. was named our Executive Vice President--Leasing, Site Selection, Operations and Marketing in January 1999. Mr. Chafin previously held the position of Senior Vice President--Leasing, Site Selection, Operations and Marketing since October 1995. He joined us in April 1990, and since has held various executive positions where his major responsibilities included supervising the Marketing, Leasing and Property Management Departments, and leading the Asset Management Team. Prior to joining us, Mr. Chafin was the Director of Store Development for the Sara

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Lee Corporation, where he spent 21 years. Before joining Sara Lee, Mr. Chafin was employed by Sears Roebuck & Co. for nine years in advertising/sales promotion, inventory control and merchandising.

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

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

CARRIE A. WARREN was named our Senior Vice President--Marketing in May 2000. Previously, she held the position of Vice President--Marketing since September 1996 and Assistant Vice President--Marketing since joining us in December 1995. Prior to joining Tanger, Ms. Warren was with Prime Retail, L.P. for four years where she served as Regional Marketing Director responsible for coordinating and directing marketing for five outlet centers in the southeast region. Prior to joining Prime Retail, L.P., Ms. Warren was Marketing Manager for North Hills, Inc. for five years and also served in the same role for the Edward J. DeBartolo Corp. for two years. Ms. Warren is a graduate of East Carolina University.

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

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

LISA J. MORRISON was named our Vice President--Leasing in May 2001. Previously, she held the position of Assistant Vice President of Leasing from August 2000 to May 2001 and Director of Leasing from April 1999 until August 2000. Prior to joining us, Ms. Morrison was employed by the Taubman Company and Trizec Properties, Inc. where she served as a leasing agent. Her major responsibilities include managing the leasing strategies for our operating properties, as well as expansions and new development. She also oversees the leasing personnel and the merchandising and occupancy for Tanger properties.

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CERTAIN FEDERAL INCOME TAX CONSIDERATIONS

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TO HOLDERS OF COMMON SHARES

The following is a summary of the federal income tax considerations that are material to your acquisition, ownership and disposition of our common shares. Our federal income tax considerations applicable to your acquisition, ownership and disposition of our common shares will vary depending on your particular situation, and this summary does not purport to deal with all aspects of the federal income tax considerations that may be relevant to your acquisition, ownership and disposition of our common shares in light of your personal investment or tax circumstances, or if you are subject to special treatment under the federal income tax laws except to the extent discussed under the headings "--Taxation of Tax Exempt Shareholders" and "--Taxation of Non-U.S. Shareholders." Shareholders receiving special treatment include, without limitation:

- insurance companies;
- financial institutions, dealers in securities, broker-dealers, banks or thrifts;
- tax-exempt organizations;
- shareholders holding securities as part of a conversion transaction, or a hedge or hedging transaction or as a position in a straddle for tax purposes;
- persons who are not U.S. shareholders;
- persons with a "functional currency" other than the U.S. dollar;
- S corporations;
- persons subject to the alternative minimum tax provision of the Internal Revenue Code; and
- U.S. expatriates.

This summary assumes that you will acquire, hold and dispose of shares of our common shares as capital assets (generally, assets held for investment). In addition, this summary does not consider the effect of any foreign, state, local or other tax laws that may be applicable to you as a holder of our common shares.

Except as set forth under the caption "Other Tax Considerations to the Company," this discussion does not address any aspects of federal income taxation relating to our election to be taxed as a real estate investment trust. A summary of certain federal income tax considerations relating to our election to be taxed as a real estate investment trust is provided in the accompanying prospectus.

The discussion set forth below assumes that we qualify as a real estate investment trust under the Internal Revenue Code. See the discussion in the accompanying prospectus under the heading "Material Federal Income Tax Considerations to Tanger Factory Outlet Centers, Inc. of its REIT Election--Taxation of Tanger Factory Outlet Centers, Inc." for a description of the tax opinion to be rendered by our counsel at the closing of this offering. If in any taxable year we fail to qualify as a real estate investment trust, we would not be allowed a deduction for dividends paid to our shareholders in computing our taxable income and would be subject to federal income tax on our taxable income at regular corporate income tax rates. As a result, the funds available for distribution to our shareholders would be reduced. See "Material Federal Income Tax Considerations to Tanger Factory Outlet Centers, Inc. of its

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REIT Election--Failure to Qualify" in the accompanying prospectus.

The information in this section is based on:

- the Internal Revenue Code;
- current, temporary and proposed Treasury Regulations promulgated under the Internal Revenue Code;

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- the legislative history of the Internal Revenue Code;
- current administrative interpretations and practices of the Internal Revenue Service; and
- court decisions;

in each case, as of the date of this prospectus supplement. In addition, the administrative interpretations and practices of the Internal Revenue Service include its practices and policies as expressed in certain private letter rulings which are not binding on the Internal Revenue Service except with respect to the particular taxpayers who requested and received such rulings. Future legislation, treasury regulations, administrative interpretations and practices and/or court decisions may adversely affect the federal income tax considerations contained in this discussion. Any such change could apply retroactively to transactions preceding the date of the change.

YOU SHOULD REFER TO THE ACCOMPANYING PROSPECTUS FOR A SUMMARY OF THE FEDERAL INCOME TAX CONSIDERATIONS THAT RELATE TO OUR REIT ELECTION. YOU ARE ADVISED TO CONSULT WITH YOUR OWN TAX ADVISOR, REGARDING THE TAX CONSEQUENCES TO YOU OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF OUR COMMON SHARES, INCLUDING THE FEDERAL, STATE, LOCAL, FOREIGN, AND OTHER TAX CONSEQUENCES OF SUCH ACQUISITION, OWNERSHIP AND DISPOSITION AND OF POTENTIAL CHANGES IN APPLICABLE TAX LAWS.

TAXATION OF TAXABLE U.S. SHAREHOLDERS GENERALLY

As used herein, the term "U.S. shareholder" means a beneficial owner of our common shares who, for federal income tax purposes:

- is a citizen or resident of the United States,
- is a corporation (including any entity treated as a corporation for federal income tax purposes) created or organized in or under the laws of the United States or any state thereof or the District of Columbia,
- is an estate the income of which is subject to federal income taxation regardless of its source, or
- is a trust whose administration is subject to the primary supervision of a United States court and which has one or more United States persons who have the authority to control all substantial decisions of the trust.

Notwithstanding the preceding sentence, to the extent provided in Treasury Regulations, some trusts in existence on August 20, 1996, and treated as United States persons prior to this date that elect to continue to be treated as United States persons, are also considered U.S. shareholders. Federal income tax consequences to a partnership (including any entity treated as a partnership for federal income tax purposes) of acquiring, holding and disposing of our common shares will depend on the activities of the partnership and the status of its partners. If you are a partner in a partnership, you should consult your own tax advisor regarding the federal income tax consequences to you of the partnership

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acquiring, holding and disposing our common shares.

DISTRIBUTIONS GENERALLY. As long as we qualify as a real estate investment trust, distributions out of our current or accumulated earnings and profits, other than capital gain dividends discussed below, will constitute dividends taxable to our taxable U.S. shareholders as ordinary income. These distributions will not be eligible for the dividends-received deduction in the case of U.S. shareholders that are corporations. To the extent that we make distributions in excess of our current and accumulated earnings and profits, these distributions will be treated first as a tax-free return of capital to each U.S. shareholder. This treatment will reduce the adjusted tax basis which each U.S. shareholder has in shares of stock for federal income tax purposes by the amount of the distribution, but not below zero.

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Distributions in excess of a U.S. shareholder's adjusted tax basis in his shares will be taxable as capital gains. Dividends we declare in October, November, or December of any year and payable to a shareholder of record on a specified date in any of these months shall be treated as both paid by us and received by the shareholder on December 31 of that year, provided that we actually pay the dividend during January of the following calendar year. U.S. shareholders may not include in their own federal income tax returns any net operating losses or capital losses of the company.

CAPITAL GAIN DISTRIBUTIONS. Distributions that we properly designate as capital gain dividends will be taxable to taxable U.S. shareholders as gains from the sale or exchange of a capital asset to the extent that these gains do not exceed our actual net capital gain for the taxable year. Depending on the tax characteristics of the assets which produced these gains, and on specified designations, if any, which we may make, these gains may be taxable to non-corporate U.S. shareholders at a maximum 20% or 25% rate. Capital gain dividends will be taxable to corporate U.S. shareholders at the ordinary income tax rate applicable to corporations. U.S. shareholders that are corporations may, however, be required to treat up to 20% of some capital gain dividends as ordinary income.

PASSIVE ACTIVITY LOSSES AND INVESTMENT INTEREST LIMITATIONS. Distributions we make and gain arising from the sale or exchange by a U.S. shareholder of our common shares will not be treated as passive activity income. As a result, U.S. shareholders will generally be unable to apply any "passive losses" against this income or gain. Distributions we make, to the extent they do not constitute a return of capital, generally will be treated as investment income for purposes of computing the investment interest limitation. Gain arising from the sale or other disposition of our common shares, however, may not be treated as investment income depending upon your particular situation.

RETENTION OF NET LONG-TERM CAPITAL GAINS. We may elect to retain, rather than distribute as a capital gain dividend, our net long-term capital gains. If we make this election, we would pay tax on our retained net long-term capital gains. In addition, to the extent we designate, a U.S. shareholder generally would:

- include its proportionate share of our undistributed net long-term capital gains in computing its long-term capital gains in its return for its taxable year in which the last day of the company's taxable year falls,
- subject to certain limitations as to the amount that is includible, be deemed to have paid the federal income tax imposed on us on the designated amounts that are included in the U.S. shareholder's income as long-term capital gains,

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- receive a credit or refund for the amount of federal income tax deemed paid by it,
- increase the adjusted basis of its common shares by the difference between the amount of includible gains and the federal income tax deemed to have been paid by it, and
- in the case of a U.S. shareholder that is a corporation, appropriately adjust its earnings and profits for the retained capital gains in accordance with Treasury Regulations to be prescribed by the Internal Revenue Service.

DISPOSITIONS OF COMMON SHARES

If you are a U.S. shareholder and you sell, exchange or otherwise dispose of our common shares, you will recognize gain or loss for federal income tax purposes in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or other disposition and your adjusted tax basis in the shares for tax purposes. This gain or loss will be long-term capital gain or loss if you have held the common shares for more than one year. In general, if you are a U.S. shareholder and you recognize loss upon the sale or other disposition of shares of our common shares that you have held for six months or less, then after applying the relevant holding

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period rules, the loss you recognize will be treated as a long-term capital loss to the extent you received distributions from us that were required to be treated as long-term capital gains.

BACKUP WITHHOLDING

We report to our U.S. shareholders and the Internal Revenue Service the amount of dividends paid during each calendar year, and the amount of any federal income tax withheld. Under the backup withholding rules, a U.S. shareholder may be subject to backup withholding with respect to dividends paid unless the holder is a corporation or is otherwise exempt and, when required, demonstrates this fact or provides a taxpayer identification number, certifies as to no loss of exemption from backup withholding, and otherwise complies with the backup withholding rules. A U.S. shareholder that does not provide us with his correct taxpayer identification number may also be subject to penalties imposed by the Internal Revenue Service. Backup withholding is not an additional tax. Any amount paid as backup withholding will be creditable against the shareholder's federal income tax liability.

TAXATION OF TAX EXEMPT SHAREHOLDERS

The Internal Revenue Service has ruled that amounts distributed as dividends by a qualified REIT do not constitute unrelated business taxable income when received by a tax-exempt entity. Based on that ruling, except as described below, dividend income from us will not be unrelated business taxable income to a tax-exempt shareholder. Similarly, except as described below, gain from the sale, exchange or other disposition of our common shares will generally not be unrelated business taxable income to a tax-exempt shareholder. This income or gain will be unrelated business taxable income, however, if the tax-exempt shareholder holds its shares as "debt financed property" within the meaning of the Internal Revenue Code or the shares are held for use in a trade or business. Generally, debt financed property is property, the acquisition or holding of which was financed through a borrowing by the tax-exempt shareholder.

For tax-exempt shareholders which are social clubs, voluntary employee

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benefit associations, supplemental unemployment benefit trusts, and qualified legal service plans exempt from federal income taxation under Section 501(c)(7), (c)(9), (c)(17) and (c)(20) of the Internal Revenue Code, respectively, income from an investment in our common shares will constitute unrelated business taxable income unless the organization is able to properly claim a deduction for amounts set aside or placed in reserve for specific purposes so as to offset the income generated by its investment in our common shares. These prospective investors should consult their tax advisors concerning these "set aside" and reserve requirements.

Notwithstanding the above, however, a portion of the dividends paid by a "pension-held REIT" will be treated as unrelated business taxable income as to specified tax exempt trusts which hold more than 10%, by value, of the interests in the REIT. A REIT's tax status as a "pension-held REIT" depends, in part, on the ownership of its shares. As a result of the limitations on the transfer and ownership of our shares contained in our charter, we do not expect to be classified as a "pension-held REIT", and as a result, the tax treatment described in this paragraph should be inapplicable to our shareholders.

TAXATION OF NON-U.S. SHAREHOLDERS

The preceding discussion does not address the rules governing U.S. federal income taxation of the acquisition, ownership and disposition of our common shares by persons that are non-U.S. shareholders. When we use the term "non-U.S. shareholder" we mean shareholders who are not U.S. shareholders. In general, non-U.S. shareholders may be subject to special tax withholding requirements on distributions from us and with respect to their sale, exchange or other disposition of our common shares, except to the extent reduced or eliminated by an income tax treaty between the United States

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and the non-U.S. shareholder's country of residence. A non-U.S. shareholder that is eligible for reduction or elimination of withholding must file an appropriate form with us in order to claim such treatment. Non-U.S. shareholders should consult their own tax advisors concerning the federal income tax consequences to them of an acquisition of shares of our common shares, including the federal income tax treatment of dispositions of interests in and the receipt of distributions from us.

OTHER TAX CONSIDERATIONS TO THE COMPANY

We may be required to pay tax in various states or local jurisdictions, including those in which we transact business, and our shareholders may be required to pay tax in various state or local jurisdictions, including those in which they reside. Our state and local tax treatment may not conform to the federal income tax consequences discussed in the accompanying prospectus. In addition, your state and local tax treatment may not conform to the federal income tax consequences discussed above. Consequently, you should consult your tax advisor regarding the effect of state and local tax laws on an investment in our common shares.

As discussed in the accompanying prospectus under the caption "Material Federal Income Tax Considerations To Tanger Factory Outlet Centers, Inc. of its REIT Election--Taxation of Tanger Factory Outlet Centers, Inc.--General," if we acquire any asset from a corporation which is or has been a C corporation in a transaction in which the basis of the assets in our hands is determined by reference to the basis of the assets in the hands of the C corporation, and we subsequently recognize gain on the disposition of the asset during the ten-year period beginning on the date on which we acquired the asset, then we will be required to pay tax at the highest regular corporate tax rate on this gain to the extent of the excess of (1) the fair market value of the asset over (2) our

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adjusted basis in the asset, in each case determined as of the date on which we acquired the asset. A C corporation is generally defined as a corporation required to pay full-corporate level tax. Prior to January 2, 2002, in order to obtain the results described in this paragraph with respect to the recognition of gain, we were required to make an election under Treasury Regulation Section 1.337(d)-5T. However, for transactions occurring on or after January 2, 2002, Treasury Regulation Section 1.337(d)-7T provides that, in order to obtain equivalent treatment, we must refrain from making an election. We plan to make or refrain from making an election under the applicable Treasury Regulations to obtain the results described in this paragraph with respect to the recognition of gain.

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UNDERWRITING

Under the terms and subject to the conditions contained in an underwriting agreement dated September 4, 2002, we have agreed to sell to the underwriter 1,000,000 common shares.

The underwriting agreement provides that the underwriter is obligated to purchase all of the common shares offered by us if any are purchased, other than those common shares covered by the over-allotment option described below.

We have granted to the underwriter a 30-day option to purchase up to 150,000 additional shares at the initial public offering price less the underwriting discounts and commissions. The option may be exercised only to cover any over-allotments of common shares.

The underwriter proposes to offer the common shares initially at the public offering price on the cover page of this prospectus supplement and to selling group members at that price less a selling concession of \$0.534 per share. The underwriter and the selling group members may allow a discount of \$0.100 per share on sales to other broker/dealers. After the initial public offering of the common shares, the underwriter may change the public offering price and concession and discount to broker/ dealers.

The following table summarizes the compensation and estimated expenses we will pay.

	Per Common Share		Total	
	Without Over-allotment	With Over-allotment	Without Over-allotment	Over
Underwriting Discounts and Commissions				
paid by us.....	\$0.89	\$0.89	\$890,000	\$1
Expenses payable by us.....	\$0.40	\$0.35	\$400,000	\$

We have agreed that we will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or, file with the Securities and Exchange Commission a registration statement under the Securities Act of 1933, as amended, relating to, any of our common shares or securities convertible into or exchangeable or exercisable for any common shares, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing, without the prior written consent of the underwriter for a period of 90 days after the date of this prospectus supplement, except issuances of common shares pursuant to the conversion or exchange of convertible or exchangeable securities or the exercise

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of warrants or options, in each case outstanding on the date hereof, issuances pursuant to the exercise of employee stock options outstanding on the date hereof, or issuances of restricted securities constituting either common or preferred units of our operating partnership in acquisition transactions.

Our executive officers and directors have agreed that they will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any of our common shares or securities convertible into or exchangeable or exercisable for any of our common shares, enter into a transaction that would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of our common shares, whether any of these transactions are to be settled by delivery of our common shares or other securities, in cash or otherwise, or publicly disclose the intention to make any offer, sale, pledge or disposition, or to enter into any transaction, swap, hedge or other arrangement, without, in each case, the prior written consent of the underwriter for a period of 60 days (or 90 days in the case of Stanley K. Tanger and Steven B. Tanger) after the date of this prospectus supplement.

We and our operating partnership, jointly and severally have agreed pursuant to the Underwriting Agreement to indemnify the underwriter against liabilities under the Securities Act of 1933, as amended, or to contribute to payments which the underwriter may be required to make in that respect.

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In connection with the offering the underwriter may engage in stabilizing transactions, over-allotment transactions, syndicate covering transactions and penalty bids as described below:

- Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.
- Over-allotment transactions involve sales by the underwriter of the common shares in excess of the number of common shares the underwriter is obligated to purchase, which creates a syndicate short position. The short position may be either a covered short position or a naked short position. In a covered short position, the number of common shares over-allotted by the underwriter is not greater than the number of common shares that they may purchase in the over-allotment option. In a naked short position, the number of common shares involved is greater than the number of common shares in the over-allotment option. The underwriter may close out any short position by either exercising their over-allotment option and/or purchasing common shares in the open market.
- Syndicate covering transactions involve purchases of the common shares in the open market after the distribution has been completed in order to cover syndicate short positions. In determining the source of common shares to close out the short position, the underwriter will consider, among other things, the price of the common shares available for purchase in the open market as compared to the price at which it may purchase common shares through the over-allotment option. If the underwriter sells more common shares than could be covered by the over-allotment option, creating a naked short position, that position can only be closed out by buying common shares in the open market. A naked short position is more likely to be created if the underwriter is concerned that there may be downward pressure on the price of the common shares in the open market after pricing that could adversely affect investors who purchase in the offering.
- Penalty bids permit the underwriter to reclaim a selling concession from a syndicate member when the common shares originally sold by such syndicate

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member are purchased in a stabilizing transaction or a syndicate covering transaction to cover syndicate short positions.

These stabilizing transactions, syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of the common shares or preventing or retarding a decline in the market price of the common shares. As a result the price of the common shares may be higher than the price that might otherwise exist in the open market. These transactions may be effected on the New York Stock Exchange or otherwise and, if commenced, may be discontinued at any time.

A prospectus supplement in electronic format may be made available on the websites maintained by the underwriter, or any selling group members, participating in this offering. The underwriter may agree to allocate a number of shares to selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the underwriter and selling group members that will make Internet distributions on the same basis as other allocations.

The underwriter has, from time to time, performed, and may in the future perform, various investment banking, financial advisory and other services for us for which they have been paid, or will be paid, customary fees.

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NOTICE TO CANADIAN RESIDENTS

RESALE RESTRICTIONS

The distribution of the common shares in Canada is being made only on a private placement basis exempt from the requirement that we prepare and file a prospectus with the securities regulatory authorities in each province where trades of the common shares are made. Any resale of the common shares in Canada must be made under applicable securities laws which will vary depending on the relevant jurisdiction, and which may require resales to be made under available statutory exemptions or under a discretionary exemption granted by the applicable Canadian securities regulatory authority. Purchasers are advised to seek legal advice prior to any resale of the common shares.

REPRESENTATIONS OF PURCHASERS

By purchasing common shares in Canada and accepting a purchase confirmation a purchaser is representing to us and the dealer from whom the purchase confirmation is received that:

- the purchaser is entitled under applicable provincial securities laws to purchase the common shares without the benefit of a prospectus qualified under those securities laws;
- where required by law, that the purchaser is purchasing as principal and not as agent; and
- the purchaser has reviewed the text above under Resale Restrictions.

RIGHTS OF ACTION (ONTARIO PURCHASERS)

Under Ontario securities legislation, a purchaser who purchases a security offered by this prospectus supplement during the period of distribution will have a statutory right of action for damages, or while still the owner of the shares, for rescission against us in the event that this prospectus supplement contains a misrepresentation. A purchaser will be deemed to have relied on the misrepresentation. The right of action for damages is exercisable not later than

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the earlier of 180 days from the date the purchaser first had knowledge of the facts giving rise to the cause of action and three years from the date on which payment is made for the shares. The right of action for rescission is exercisable no later than 180 days from the date on which payment is made for the shares. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against us. In no case will the amount recoverable in any action exceed the price at which the shares were offered to the purchaser and if the purchaser is shown to have purchased the securities with knowledge of the misrepresentation, we will have no liability. In the case of an action for damages, we will not be liable for all or any portion of the damages that are proven to not represent the depreciation in value of the shares as a result of the misrepresentation relied upon. These rights are in addition to, and without derogation from, any other rights or remedies available at law to an Ontario purchaser. The foregoing is a summary of the rights available to an Ontario purchaser. Ontario should refer to the complete text of the relevant statutory provisions.

ENFORCEMENT OF LEGAL RIGHTS

All of the issuer's directors and officers as well as the experts named herein may be located outside of Canada and, as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon the issuer or such persons. All or a substantial portion of the assets of the issuer and such persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against the issuer or such persons in Canada or to enforce a judgment obtained in Canadian courts against such issuer or persons outside of Canada.

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TAXATION AND ELIGIBILITY FOR INVESTMENT

Canadian purchasers of common shares should consult their own legal and tax advisors with respect to the tax consequences of an investment in the common shares in their particular circumstances and about the eligibility of the common shares for investment by the purchaser under relevant Canadian legislation.

EXPERTS

The consolidated financial statements incorporated in this Prospectus Supplement by reference to the Annual Report on Form 10-K of Tanger Factory Outlet Centers, Inc. for the year ended December 31, 2001 have been so incorporated in reliance on the reports of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting. In addition, the financial statements incorporated in this Prospectus Supplement by reference to the Annual Report on Form 10-K of Tanger Properties Limited Partnership for the year ended December 31, 2001 have been so incorporated in reliance on the reports of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

LEGAL MATTERS

The validity of the common shares will be passed upon for the company and the operating partnership by Latham & Watkins, New York, New York and Vernon, Vernon, Wooten, Brown, Andrews & Garrett, P.A., Burlington, North Carolina. Certain matters relating to the common shares will be passed upon for the underwriter by Clifford Chance Rogers & Wells LLP, New York, New York.

Latham & Watkins and Clifford Chance Rogers & Wells LLP will rely as to matters of North Carolina law on the opinions of Vernon, Vernon, Wooten, Brown, Andrews & Garrett, P.A.

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WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-3 (Reg. No. 333-61394/333-61394-01), as amended by the Post-Effective Amendment No. 2 to Form S-3, with respect to the securities we are offering. This prospectus does not contain all the information contained in the registration statement, including its exhibits and schedules. You should refer to the registration statement, including the exhibits and schedules, for further information about us and the securities we are offering. Statements we make in this prospectus about certain contracts or other documents are not necessarily complete. When we make such statements, we refer you to the copies of the contracts or documents that are filed as exhibits to the registration statement, because those statements are qualified in all respects by reference to those exhibits. The registration statement, including exhibits and schedules, is on file at the offices of the SEC and may be inspected without charge.

We file annual, quarterly and special reports, proxy statements and other information with the SEC. Our SEC filings, including the registration statement, are available to the public over the Internet at the SEC's web site at [HTTP://WWW.SEC.GOV](http://www.sec.gov). You also may read and copy any document we file at the SEC's public reference room in Washington, D.C. Please call the SEC at 1-800-SEC-0330 for further information about their public reference rooms.

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SEC rules allow us to include some of the information required to be in the registration statement by incorporating that information by reference to documents we file with them. That means we can disclose important information to you by referring you those documents. The information incorporated by reference is an important part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings made with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act (other than information in such documents that is deemed not to be filed) until we sell all of the securities covered by this prospectus:

- Annual Reports on Form 10-K for the year ended December 31, 2001;
- Quarterly Reports on Form 10-Q for the quarters ended March 31, 2002 and June 30, 2002;
- Current Reports on Form 8-K, filed on April 30, 2002, July 30, 2002 and August 12, 2002; and
- Proxy Statement on Schedule 14A, dated April 16, 2002.

You may request a copy of any filings referred to above (excluding exhibits), at no cost, by contacting us at the following address:

Tanger Factory Outlet Centers, Inc.
Attention: Investor Relations
3200 Northline Avenue, Suite 360
Greensboro, NC 27408
(336) 292-3010

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PROSPECTUS

\$400,000,000

TANGER FACTORY OUTLET CENTERS, INC.

PREFERRED SHARES, DEPOSITARY SHARES, COMMON SHARES AND COMMON SHARE WARRANTS

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AND
TANGER PROPERTIES LIMITED PARTNERSHIP
DEBT SECURITIES

Tanger Factory Outlet Centers, Inc. may from time to time offer:

- (1) our preferred shares, par value \$.01 per share;
- (2) our preferred shares represented by depositary shares;
- (3) our common shares, par value \$.01 per share; or
- (4) warrants to purchase our common shares; and

Tanger Properties Limited Partnership may from time to time offer in one of more series its unsecured debt securities, which may either be senior or subordinated.

The offering by Tanger Factory Outlet Centers, Inc. and Tanger Properties Limited Partnership may be at an aggregate public offering price of up to \$400,000,000 on terms to be determined at the time of the offering.

Tanger Factory Outlet Centers, Inc. is referred to in this prospectus as the Company and Tanger Properties Limited Partnership is referred to in this prospectus as the Operating Partnership.

The preferred shares, depositary shares, common shares, warrants to purchase our common shares and debt securities (collectively, the "Offered Securities") may be offered, separately or together, in separate series, in amounts, at prices and on terms that will be set forth in one or more prospectus supplements to this prospectus; provided that the Company will unconditionally guarantee the payment of principal and a premium, if any, and interest on the debt securities, to the extent and on the terms described herein and in any accompanying prospectus supplement to this prospectus. Because the aggregate public offering price is \$400,000,000, the Company's issuance of any equity securities pursuant to this Registration Statement will reduce dollar for dollar the amount of debt guarantees the Company can issue and will, correspondingly, reduce dollar for dollar the amount of debt securities that the Operating Partnership can issue. Similarly, if the Operating Partnership issues debt securities, the Company will be required to simultaneously issue an equal amount in debt guarantees, thereby reducing the Company's ability to issue securities in the future. Under this Registration Statement, the Company can issue equity securities and debt guarantees, but not debt securities, and the Operating Partnership can issue only debt securities.

The specific terms of the securities offered by this prospectus will be set forth in each prospectus supplement and will include, where applicable:

- in the case of our preferred shares, the specific title and stated value, any dividend, liquidation, redemption, conversion, exchange, voting and other rights, and any initial public offering price; in the case of our depositary shares, the fractional share of preferred shares represented by each such depositary share;
- in the case of our common shares, any initial public offering price; in the case of the warrants to purchase our common shares, the duration, offering price, exercise price and detachability;
- in the case of debt securities, the specific title, rank, aggregate principal amount, currency, form (which may be registered or bearer, or certificated or book-entry), authorized denominations, maturity, rate (or manner of calculation thereof) and time of payment of interest,

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terms for redemption at the option of the Operating Partnership or repayment at the option of the holder, terms for sinking fund payments, terms of the related guarantee, and any initial public offering price; and

- in addition, the specific terms may include limitations on direct or beneficial ownership and restrictions on transfer, in each case as may be appropriate to preserve our status as a real estate investment trust ("REIT") for federal income tax purposes.

Each prospectus supplement will also contain information, where applicable, about the United States federal income tax considerations of, and any exchange listing of, the securities covered by the prospectus supplement.

See "Risk Factors" beginning on page 4 of this Prospectus for a description of certain factors that should be considered by purchasers of our securities.

Our common shares are traded on the New York Stock Exchange under the symbol "SKT." On August 13, 2002, the last reported sale price of our common shares was \$28.36 per share.

Our securities may be offered directly, through agents designated from time to time by us, or to or through underwriters or dealers. If any agents or underwriters are involved in the sale of any of our securities, their names, and any applicable purchase price, fee, commission or discount arrangement between or among them, will be set forth, or will be calculable from the information set forth, in the applicable prospectus supplement. None of our securities may be sold without delivery of the applicable prospectus supplement describing the method and terms of the offering of those securities.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is August 28, 2002.

PROSPECTUS

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I. THE COMPANY AND THE OPERATING PARTNERSHIP

We are one of the largest owners and operators of factory outlet centers in the United States. We are organized to operate as an equity real estate investment trust, or REIT. We are a fully-integrated, self-administered and self-managed real estate company that focuses exclusively on developing, acquiring, owning and operating factory outlet centers. We provide all development, leasing and management services for our centers. As of March 31, 2002, we owned and operated 29 centers with a total gross leasable area, or GLA, of approximately 5.3 million square feet. These centers were 95% occupied, contained approximately 1,100 stores and represented over 250 store brands as of such date.

The Company's wholly owned subsidiary, Tanger GP Trust, serves as the general partner of the Operating Partnership. The factory outlet centers and other assets of the Company's business are owned by, and all of its operations, are conducted by the Operating Partnership. Accordingly, the descriptions of the business, employees and properties of the Company are also descriptions of the business, employees and properties of the Operating Partnership.

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ORGANIZATIONAL CHART

[GRAPHIC]

In order to maintain our qualification as a REIT for federal income tax purposes, we are required to distribute at least 90% of our taxable income each year.

The Company and the Operating Partnership are organized under the laws of the state of North Carolina and maintain their principal executive offices at 3200 Northline Avenue, Suite 360, Greensboro, North Carolina 27408.

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II. RISK FACTORS

You should carefully consider the following risk factors and other information in this prospectus and the related prospectus supplement before deciding to buy our securities:

WE FACE COMPETITION FROM SEVERAL REAL ESTATE COMPANIES.

Numerous developers and real estate companies are engaged in the development or ownership of manufacturers' outlet centers and other commercial properties and compete with us in seeking tenants for outlet centers. This results in competition for the acquisition of prime properties and for tenants who will lease space in our existing and subsequently acquired outlet centers.

THE MANUFACTURER'S OUTLET CENTER INDUSTRY HAS A RELATIVELY SHORT OPERATING HISTORY, THEREFORE PAST PERFORMANCE MAY NOT BE INDICATIVE OF OUR FUTURE PERFORMANCE.

Although the manufacturers' outlet center industry has grown over the last several years, the industry represents a relatively new segment of the retailing industry and, therefore, the long-term performance of these centers may not be comparable to, and cash flows may not be as predictable as, traditional retail malls.

THE ECONOMIC PERFORMANCE AND THE VALUE OF OUR MANUFACTURER'S OUTLET CENTERS

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ARE DEPENDENT ON SEVERAL MARKET FACTORS.

Real property investments are subject to varying degrees of risk. The economic performance and values of real estate may be affected by many factors, including changes in the national, regional and local economic climate, local conditions such as an oversupply of space or a reduction in demand for real estate in the area, the attractiveness of the properties to tenants, competition from other available space, the ability of the owner to provide adequate maintenance and insurance and increased operating costs.

WE MAY BE UNABLE TO SUCCESSFULLY BID FOR AND DEVELOP ECONOMICALLY ATTRACTIVE MANUFACTURER'S OUTLET CENTERS.

We intend to actively pursue manufacturers' outlet center development projects, including the expansion of existing centers. These projects generally require expenditure of capital on projects that may not be completed as well as various forms of government and other approvals. We cannot be assured that we will be able to get financing on acceptable terms or be able to get the necessary approvals.

OUR EARNINGS AND THEREFORE OUR PROFITABILITY IS ENTIRELY DEPENDENT ON RENTAL INCOME FROM REAL PROPERTY.

Substantially all of our income is derived from rental income from real property. Our income and funds for distribution would be adversely affected if a significant number of our tenants were unable to meet their obligations to us or if we were unable to lease a significant amount of space in our centers on economically favorable lease terms. In addition, the terms of manufacturers' outlet store tenant leases traditionally have been significantly shorter than in traditional segments of retailing. There can be no assurance that any tenant whose lease expires in the future will renew such lease or that we will be able to re-lease space on economically favorable terms.

WE ARE SUBSTANTIALLY DEPENDENT ON THE SUCCESS OF OUR RETAILERS TO GENERATE SALES.

Our operations are necessarily subject to the changes in operations of our retail tenants. A portion of our rental revenues are derived from percentage rents that directly depend on the sales volume of certain tenants. In addition, in recent years, a number of retailers have experienced financial difficulties. The bankruptcy of a major tenant or number of tenants may have a material adverse effect on our results of operations.

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WE MAY BE SUBJECT TO ENVIRONMENTAL REGULATION.

Under various federal, state and local laws, ordinances and regulations, we may be considered an owner or operator of real property and may be responsible for paying for the disposal or treatment of hazardous or toxic substances released on or in our property or disposed of by us, as well as certain other potential costs which could relate to hazardous or toxic substances (including governmental fines and injuries to persons and property). This liability may be imposed whether or not we knew about, or were responsible for, the presence of hazardous or toxic substances.

WE ARE REQUIRED BY LAW TO MAKE DISTRIBUTIONS TO OUR SHAREHOLDERS.

To obtain the favorable tax treatment associated with our REIT status, generally, we will be required to distribute to our common and preferred shareholders at least 90% of our net taxable income each year. We depend upon distributions or other payments from the Operating Partnership to make

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distributions to our common and preferred shareholders.

OUR FAILURE TO QUALIFY AS A REIT COULD SUBJECT OUR EARNINGS TO CORPORATE LEVEL TAXATION.

We believe that we have operated and intend to operate in a manner that permits us to qualify as a REIT under the Internal Revenue Code of 1986, as amended. However, no assurance can be given that we have qualified or will remain qualified as a REIT. If in any taxable year we were to fail to qualify as a REIT, we would not be allowed a deduction for distributions to shareholders in computing taxable income and would be subject to federal income tax (including any applicable alternative minimum tax) on our taxable income at regular corporate rates. Our failure to qualify for taxation as a REIT is likely to have an adverse effect on the market value and marketability of our securities.

WE DEPEND ON DISTRIBUTIONS FROM OUR OPERATING PARTNERSHIP TO MEET OUR FINANCIAL OBLIGATIONS, INCLUDING GUARANTEE OBLIGATIONS.

Our operations are conducted by the Operating Partnership, and our only significant asset is our interest in the Operating Partnership. As a result, we depend upon distributions or other payments from the Operating Partnership in order to meet our financial obligations, including our obligations under any guarantees or to pay dividends to our common and preferred shareholders. Any guarantee will be effectively subordinated to existing and future liabilities of the Operating Partnership. At March 31, 2002, the Operating Partnership had \$359.6 million of indebtedness outstanding, of which \$176.2 million was secured debt. The Operating Partnership is a party to loan agreements with various bank lenders which requires the Operating Partnership to comply with various financial and other covenants before it may make distributions to us. Although the Operating Partnership presently is in compliance with such covenants, there is no assurance that it will continue to be in compliance and that it will be able to continue to make distributions to us.

III. USE OF PROCEEDS

We intend to contribute all of the proceeds from the sale of securities of the Company to the Operating Partnership. Unless otherwise described in the applicable prospectus supplement, the Operating Partnership intends to use the net proceeds from the sale of our securities for general purposes, which may include the development or the acquisition of additional portfolio properties as suitable opportunities arise, the expansion and improvement of certain centers in the Operating Partnership's portfolio, and the repayment of certain secured or unsecured indebtedness outstanding at such time.

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IV. RATIOS OF EARNINGS TO FIXED CHARGES AND EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED SHARE DIVIDENDS

The following table set forth ratios of earnings to fixed charges and earnings to combined fixed charges and preferred share dividends for the periods shown. The ratios of earnings to fixed charges were computed by dividing earnings by fixed charges. For this purpose, earnings consist of net income before income before gain or (loss) on sale of real estate, minority interest and extraordinary items plus fixed charges. Fixed charges consist of interest costs (including capitalized interest), amortization of debt issuance costs and that portion of rental expense estimated to be attributed to interest.

RATIO OF EARNINGS TO FIXED CHARGES

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THREE MONTHS ENDED MARCH 31,

2002	2001
1.24	1.09

YEARS ENDED DECEMBER 31,

2001	2000	1999	1998	1997
1.28	1.38	1.61	1.62	1.82

RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED SHARE DIVIDENDS

THREE MONTHS ENDED MARCH 31,

2002	2001
1.17.....	1.03

YEARS ENDED DECEMBER 31,

2001	2000	1999	1998	1997
1.22.....	1.30	1.50	1.50	1.66

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V. WHERE YOU CAN FIND MORE INFORMATION

We have filed with the Securities and Exchange Commission, or SEC, a registration statement on Form S-3 (Reg. No. 333-61394/333-61394-01) with respect to the securities we are offering. This prospectus does not contain all the information contained in the registration statement, including its exhibits and schedules. You should refer to the registration statement, including the exhibits and schedules, for further information about us and the securities we are offering. Statements we make in this prospectus about certain contracts or other documents are not necessarily complete. When we make such statements, we refer you to the copies of the contracts or documents that are filed as exhibits to the registration statement, because those statements are qualified in all respects by reference to those exhibits. The registration statement, including exhibits and schedules, is on file at the offices of the SEC and may be inspected without charge.

We file annual, quarterly and special reports, proxy statements and other information with the SEC. Our SEC filings, including the registration statement, are available to the public over the Internet at the SEC's web site at <http://www.sec.gov>. You also may read and copy any document we file at the SEC's

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public reference rooms in Washington, D.C.; New York, New York; and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information about their public reference rooms.

SEC rules allow us to include some of the information required to be in the registration statement by incorporating that information by reference to documents we file with them. That means we can disclose important information to you by referring you those documents. The information incorporated by reference is an important part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings made with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act (other than information in such documents that is deemed not to be filed) until we sell all of the securities covered by this prospectus:

-- Annual Reports on Form 10-K for the year ended December 31, 2001;

-- Quarterly Reports on Form 10-Q for the quarters ended March 31, 2002 and June 30, 2002;

-- Current Reports on Form 8-K, filed on April 30, 2002, July 30, 2002 and August 2, 2002; and

-- Proxy Statement on Schedule 14A, dated April 16, 2002.

You may request a copy of any filings referred to above (excluding exhibits), at no cost, by contacting us at the following address:

Tanger Factory Outlet Centers, Inc.
Attention: Investor Relations
3200 Northline Avenue, Suite 360
Greensboro, NC 27408
(336) 292-3010

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VI. FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements. We have based these forward-looking statements on our current expectations and projections about future events. These forward-looking statements are subject to risks, uncertainties, and assumptions about the Company and the Operating Partnership, including, among other things:

-- our anticipated growth strategies;

-- our intention to acquire additional properties;

-- anticipated trends in our business, including trends in the market for long-term net leases of freestanding, multiple tenant manufacturer's outlet center properties;

-- future expenditures for development projections; and

-- availability of capital to finance our business.

Additional factors that may cause risks, uncertainties and assumptions include those discussed in the section entitled "Business" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2001 (the "Annual Report"), including the subheadings entitled "The Company's Factory Outlet Center," "The Factory Outlet Concept," "Business and Operating Strategy," "Capital Strategy," "Competition" and "Recent Developments," and the section entitled "Management's

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Discussion and Analysis of Financial Condition and Results of Operations" in the Annual Report.

You should rely only on the information contained or incorporated by reference in this prospectus and in any accompanying prospectus supplement. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus, as well as information we previously filed with the SEC and incorporated by reference, is accurate as of its date only. Our business, financial condition, results of operations and prospects may have changed since those dates.

VII. DESCRIPTION OF DEBT SECURITIES

GENERAL

The following description of the terms of the debt securities sets forth certain general terms and provisions of our debt securities to which any prospectus supplement may relate. The particular terms of the debt securities being offered, the extent, if any, to which such general provisions may apply to our debt securities and any modifications of or additions to the general terms of the debt securities applicable in the case of the debt securities will be described in the prospectus supplement relating to such debt securities.

The debt securities will be issued by the Operating Partnership and will be guaranteed by the Company. The Company will not issue debt securities. The senior debt securities will be issued under an indenture, dated as of March 1, 1996 between the Operating Partnership, the Company and State Street Bank and Trust Company, as trustee and the subordinated debt securities are to be issued under an indenture to be dated as of a date on or prior to the first issuance of subordinated debt securities, as supplemented from time to time between the Operating Partnership, the Company and State Street Bank and Trust Company, as trustee. The original senior indenture, dated as of March 1, 1996, was filed as an exhibit to our Registration Statement on Form S-3 dated April 12, 1996. The senior indenture was subsequently supplemented by a First Supplemental Indenture, Second Supplemental Indenture and Third Supplemental Indenture, which were filed on our Current Reports on Form 8-K dated March 11, 1996, October 24, 1997 and February 16, 2001, respectively. The form of the

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subordinated indenture was filed as an exhibit to the Amendment No. 1 to the Registration Statement on Form S-3 dated January 23, 1996.

The indentures are subject to, and governed by, the Trust Indenture Act of 1939, as amended, or the TIA. The statements made hereunder relating to the indentures and the debt securities to be issued thereunder are summaries of certain provisions of those agreements and are not complete and are subject to, and are qualified in their entirety by reference to, all provisions of the Indentures and such debt securities.

The debt securities will be direct, unsecured obligations of the Operating Partnership. The indebtedness represented by the senior debt securities will rank equally with all other unsecured and unsubordinated indebtedness of the Operating Partnership. The indebtedness represented by the subordinated debt securities will be subordinated in right of payment to the prior payment in full of all senior indebtedness of the Operating Partnership (including the senior debt securities) as described under "Subordination" below. The indentures provide that the debt securities may be issued without limit as to aggregate principal amount, in one or more series, in each case as established from time

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to time in or pursuant to authority granted by a resolution of the general partner of the Operating Partnership or as established in one or more indentures supplemental to the indenture. All debt securities of one series need not be issued at the same time and may vary as to interest rate or formula, maturity and other provisions and, unless otherwise provided, a series may be reopened, without the consent of the holders of the debt securities of such series, for issuances of additional debt securities of such series.

The indentures provide or will provide that we may, but need not, designate more than one trustee for the indenture, each with respect to one or more series of the debt securities. Any trustee under an indenture may resign or be removed with respect to one or more series of the debt securities, and a successor trustee may be appointed to act with respect to that series. If two or more persons are acting as trustee to different series of our debt securities, each trustee shall be a trustee of a trust under the applicable indenture separate and apart from the trust administered by any other trustee and, except as otherwise indicated in this prospectus, any action taken by a trustee may be taken by that trustee with respect to, and only with respect to, the one or more series of debt securities for which it is trustee under the applicable indenture.

This summary sets forth certain general terms and provisions of the indentures, the debt securities and the related guarantees. For a detailed description of a specific series of debt securities and the related guarantees, you should consult the prospectus supplement for that series. The prospectus supplement may contain any of the following information where applicable:

- (1) the title of those debt securities;
- (2) the aggregate principal amount of those debt securities and any limit on the aggregate principal amount;
- (3) the percentage of the principal amount at which those debt securities will be issued and, if other than 100% of the principal amount thereof, the portion of the principal amount payable upon acceleration of the maturity;
- (4) the date or dates, or the method for determining the date or dates, on which the principal of (and premium, if any, on) those debt securities will be payable;
- (5) the rate or rates (which may be fixed or variable), or the method by which the rate or rates shall be determined, at which those debt securities will bear interest, if any;
- (6) the date or dates, or the method for determining the date or dates, from which any interest will accrue, the dates upon which that interest will be payable, the record dates for Payment of that interest, or the method by which any of those dates shall be determined, the persons

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to whom that interest shall be payable, and the basis upon which that interest shall be calculated if other than that of a 360-day year of twelve 30-day months;

- (7) the place or places where the principal of (and premium, if any) and interest, if any, on debt securities will be payable, where debt securities may be surrendered for registration of transfer or exchange and where notices or demands to or upon the Ope