

Deciding to develop, expand or acquire properties is often difficult, but the decision to sell a property always seems to be tougher. We realize, however, that our ultimate responsibility as managers is to appropriately allocate capital, whether new or regenerated, in the best way possible to achieve the highest long-term return on investment. We may sell a property we have had for a number of years because its small size and its inability to generate relative increases in productivity make it impractical to hold. For this reason, we sold our 49,000 square foot center in Martinsburg, West Virginia in May 2003. Other times, we sell a property because it is not performing to our standards, such as our 185,000 square foot center in Casa Grande, Arizona. At the time we sold the property in November 2003 it was 73% occupied and generated average tenant sales of \$168 per square foot. The good news is we were able to sell it at an approximate 9.9% capitalization rate and, together with the Martinsburg sale, generated \$8.7 million in net proceeds to reinvest in the growth of our company.

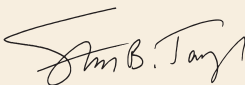
In closing, let us say our work has just begun. We will not sit idly by and pat ourselves on the back for completing the large Charter Oak acquisition, the associated equity offering and a job well done in 2003. We will do just the opposite. We are supported by an incredible group of men and women who run our departments and our shopping centers, and share our passion for making things happen and having fun. We continue to bring our new employees, particularly those who have become a part of our team from the Charter Oak centers, to our corporate office to teach them our business practices and philosophy. We are happy to say they have all graduated from Tanger University with flying colors. The entire Tanger Team, with the leadership of our management group and our Board of Directors is working every day to insure that our company continues to be successful in the years to come. We are more excited then ever to move our company forward in a prudent, methodical manner, just like we have for the last 23 years.

We would like to thank the entire Tanger Team, our business partners, and especially our Board of Directors for their extraordinary effort and performance in 2003. It is comforting to us as managers to have three independent directors, Jack Africk, Bill Benton and Tom Robinson, who have represented our shareholders and offered appropriate advice to our senior management since the early days of our becoming a public company. We could not ask for a more caring and thoughtful group to help guide us during these exciting times. Please join us for the 2004 annual shareholders meeting at 10:00 a.m., Friday, May 14, 2004 at the O. Henry Hotel, 624 Green Valley Road, Greensboro, North Carolina.

Sincerely,



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



Steven B. Tanger  
President and Chief Operating Officer

Tilton, NH



Sevierville, TN