

Saul Centers, Inc.

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Saul Centers, Inc. Reports First Quarter Earnings

April 24, 2001, Chevy Chase, MD.

Saul Centers, Inc. (NYSE: BFS), an equity real estate investment trust (REIT), announced its first quarter operating results. Funds From Operations (FFO) increased 12.3% to \$9,632,000 in the quarter ended March 31, 2001 compared to \$8,580,000 for the same quarter in 2000. On a per share basis, FFO was \$.50 per share for the 2001 first quarter, a 9.1% increase over the same quarter last year. Approximately 30% of the FFO improvement was derived from our 235,000 square foot Washington Square development. FFO is presented on a fully converted basis and is the most widely accepted measure of operating performance for REITs. FFO is defined as net income before extraordinary items and before real estate depreciation and amortization.

Total revenues for the 2001 first quarter increased 9.4% to \$21,236,000 compared to \$19,407,000 for the 2000 quarter. Operating income before minority interests was \$6,051,000, or \$.32 per share, representing a per share increase of 6.3% over the comparable 2000 quarter. After deducting minority interests, the company reported net income of \$4,034,000 or \$.29 per share for the 2001 quarter, a per share increase of 10.4% compared to net income of \$3,516,000 or \$.26 per share for the 2000 quarter (basic and diluted).

Same center net operating income in the shopping center portfolio grew 4.8% for the 2001 first quarter compared to the same period in 2000. Same property net operating income in the office portfolio grew 7.9% for the 2001 first quarter. Overall same property net operating income for the total portfolio grew 5.6% for the 2001 first quarter. As of March 31, 2001, 92.9% of the portfolio was leased. The company has two properties in the lease-up phase of their development, Washington Square at Old Town Alexandria, Virginia and Crosstown Business Center, which were 54.8% and 68.4% leased. Excluding the two lease-up phase development properties, the remainder of the property portfolio was 95.3% leased.

Saul Centers, Inc. operates and manages a real estate portfolio of 33 community and neighborhood shopping center and office properties totaling approximately 6.1 million square feet of gross leasable area, with over 81% of the cash flow generated from properties in the metropolitan Washington, D.C./Baltimore area.

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Visit the Company's web site at SaulCenters.com

Saul Centers, Inc.

Condensed Consolidated Statements of Operations

(\$ in thousands, except per share amounts)

	Three Months Ended March 31,	
	2001	2000
Revenue		
Base rent.....	\$ 17,285	\$ 15,647
Other revenue.....	3,951	3,760
Total revenue.....	21,236	19,407
Operating Expenses		
Property and administrative expenses.....	5,116	4,936
Interest expense.....	6,351	5,788
Amortization of deferred debt costs.....	137	103
Depreciation and amortization.....	3,581	3,047
Total operating expenses.....	15,185	13,874
Operating Income.....	6,051	5,533
Minority Interests		
Minority share of income.....	(1,634)	(1,538)
Distributions in excess of earnings.....	(383)	(479)
Total minority interests.....	(2,017)	(2,017)
Net Income.....	\$ 4,034	\$ 3,516
Per Share Amounts :		
Net income (basic and diluted).....	\$ 0.29	\$ 0.26
Funds From Operations.....	\$ 0.50	\$ 0.46
Weighted average shares outstanding :		
Common stock.....	13,955,398	13,424,324
Fully converted.....	19,127,639	18,596,565

Condensed Consolidated Balance Sheets

(\$ in thousands)

	March 31,	December 31,
	2001	2000
Assets		
Real estate investments.....	\$ 440,165	\$ 433,009
Accumulated depreciation.....	(127,341)	(124,180)
Other assets.....	27,018	25,621
Total assets.....	\$ 339,842	\$ 334,450
Liabilities and Stockholders' Equity (Deficit)		
Notes payable.....	\$ 347,970	\$ 343,453
Other liabilities.....	22,268	22,152
Stockholders' equity (deficit).....	(30,396)	(31,155)
Total liabilities and stockholders' equity (deficit)	\$ 339,842	\$ 334,450