

Saul Centers, Inc.

8401 Connecticut Avenue
Chevy Chase, Maryland 20815-5897
(301) 986-6200

Saul Centers, Inc. Reports Second Quarter Earnings

August 8, 2000, Chevy Chase, MD.

Saul Centers, Inc. (NYSE: BFS), an equity real estate investment trust (REIT), announced its second quarter operating results. Funds From Operations (FFO) increased 7.6% to \$8,419,000 in the quarter ended June 30, 2000 compared to \$7,823,000 for the same quarter in 1999. For the six month period ended June 30, 2000, FFO increased 7.9% to \$16,999,000 compared to \$15,761,000 for the same period in 1999. On a per share basis, FFO was \$.45 per share for the 2000 first quarter, a 3.7% increase over the same quarter last year. For the six month period ended June 30, 2000, FFO per share increased 3.6%, to \$.91 per share over the comparable period in 1999. 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 2000 second quarter increased 5.4% to \$18,988,000 compared to \$18,020,000 for the 1999 quarter. The company reported net income of \$3,166,000 or \$.24 per share for the 2000 second quarter, a per share increase of 3.4% compared to net income of \$2,964,000 or \$.23 per share for the 1999 quarter (basic and diluted). For the 2000 six month period, revenues increased 6.7% to \$38,395,000 compared to \$35,984,000 for the comparable period in 1999. The company reported net income of \$6,682,000 or \$.50 per share for the 2000 six month period, a per share increase of 5.6% compared to net income of \$6,084,000 or \$.47 per share for the comparable 1999 period (basic and diluted).

Same center net operating income in the shopping center portfolio grew 2.4% for the 2000 second quarter and 2.6% for the six month period ended June 30, 2000, compared to the same periods in 1999. Same property net operating income in the office portfolio grew 14.5% for the 2000 second quarter and 13.9% for the six month period ended June 30, 2000, compared to the same periods in 1999. Overall same property net operating income for the total portfolio grew 5.3% for both the 2000 second quarter and for the six month period ended June 30, 2000, compared to the same periods in 1999. As of June 30, 2000, approximately 93% of the portfolio was leased. Excluding the 200,000 square foot Crosstown Business Center warehouse/office redevelopment which is currently 25% leased, 95% of the portfolio was 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 80% of the cash flow generated from properties in the metropolitan Washington, D.C./Baltimore area.

Contact: Henry Ravenel, Jr.
(301) 986-6207

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 June 30.		Six Months Ended June 30.	
	2000	1999	2000	1999
Revenue				
Base rent.....	\$ 15,734	\$ 14,467	\$ 31,381	\$ 28,800
Other revenue.....	3,254	3,553	7,014	7,184
Total revenue.....	18,988	18,020	38,395	35,984
Operating Expenses				
Property and administrative expenses....	4,595	4,524	9,531	8,917
Interest expense.....	5,870	5,568	11,658	11,098
Amortization of deferred debt costs.....	104	105	207	208
Depreciation and amortization.....	3,236	2,892	6,283	5,789
Total operating expenses.....	13,805	13,089	27,679	26,012
Operating Income.....	5,183	4,931	10,716	9,972
Minority Interests				
Minority share of income.....	(1,430)	(1,371)	(2,968)	(2,752)
Distributions in excess of earnings.....	(587)	(596)	(1,066)	(1,136)
Total minority interests.....	(2,017)	(1,967)	(4,034)	(3,888)
Net Income.....	\$ 3,166	\$ 2,964	\$ 6,682	\$ 6,084
Per Share Amounts :				
Net income (basic and diluted).....	\$ 0.24	\$ 0.23	\$ 0.50	\$ 0.47
Funds From Operations.....	\$ 0.45	\$ 0.43	\$ 0.91	\$ 0.88
Weighted average shares outstanding :				
Common stock.....	13,557,078	13,036,440	13,490,701	12,976,885
Fully converted.....	18,729,319	18,041,755	18,662,942	17,921,124

Condensed Consolidated Balance Sheets

(\$ in thousands)

	June 30, 2000	December 31, 1999
Assets		
Real estate investments.....	\$ 413,514	\$ 389,583
Accumulated depreciation.....	(117,844)	(112,272)
Other assets.....	23,532	22,354
Total assets.....	\$ 319,202	\$ 299,665
Liabilities and Stockholders' Equity (Deficit)		
Notes payable.....	\$ 327,236	\$ 310,268
Other liabilities.....	23,792	21,256
Stockholders' equity (deficit).....	(31,826)	(31,859)
Total liabilities and stockholders' equity (deficit) ..	\$ 319,202	\$ 299,665