

Saul Centers, Inc.

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

Saul Centers, Inc. Reports Second Quarter Earnings

August 7, 2001, Chevy Chase, MD.

Saul Centers, Inc. (NYSE: BFS), an equity real estate investment trust (REIT), announced its second quarter 2001 operating results. Funds From Operations (FFO) increased 14.4% to \$9,635,000 in the quarter ended June 30, 2001 compared to \$8,419,000 for the same quarter in 2000. For the six month period ended June 30, 2001, FFO increased 13.3% to \$19,267,000 compared to \$16,999,000 for the same period in 2000. On a per share basis, FFO was \$.50 per share for the 2001 second quarter, an 11.1% increase over the same quarter last year. For the six month period ended June 30, 2001, FFO per share increased 10.1%, to \$1.00 per share over the comparable period in 2000. Approximately half of the FFO improvement was derived from the start-up of operations at 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 second quarter increased 10.2% to \$20,919,000 compared to \$18,988,000 for the 2000 quarter. The company reported net income of \$3,907,000 or \$.28 per share for the 2001 second quarter, a per share increase of 19.2% compared to net income of \$3,166,000 or \$.24 per share for the 2000 quarter (basic and diluted). For the 2001 six month period, revenues increased 9.8% to \$42,155,000 compared to \$38,395,000 for the comparable period in 2000. The company reported net income of \$7,941,000 or \$.57 per share for the 2001 six month period, a per share increase of 14.2% compared to net income of \$6,682,000 or \$.50 per share for the comparable 2000 period (basic and diluted).

Same center net operating income in the shopping center portfolio grew 3.3% for the 2001 second quarter and 4.0% for the six month period ended June 30, 2001, compared to the same periods in 2000. Same property net operating income in the office portfolio grew 4.3% for the 2001 second quarter and 3.1% for the six month period ended June 30, 2001, compared to the same periods in 2000. Overall same property net operating income for the total portfolio grew 3.6% for the 2001 second quarter and 3.8% for the six month period ended June 30, 2001, compared to the same periods in 2000. As of June 30, 2001, 93.4% 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 55.9% and 78.0% leased, respectively. Excluding the two lease-up phase development properties, the remainder of the property portfolio was 95.4% leased.

Visit the Company's web site at SaulCenters.com

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.

Contact: Scott V. Schneider
 (301) 986-6220

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.	
	2001	2000	2001	2000
Revenue				
Base rent.....	\$ 17,470	\$ 15,734	\$ 34,755	\$ 31,381
Other revenue.....	3,449	3,254	7,400	7,014
Total revenue.....	20,919	18,988	42,155	38,395
Operating Expenses				
Property and administrative expenses.....	4,952	4,595	10,068	9,531
Interest expense.....	6,196	5,870	12,547	11,658
Amortization of deferred debt costs.....	136	104	273	207
Depreciation and amortization.....	3,711	3,236	7,292	6,283
Total operating expenses.....	14,995	13,805	30,180	27,679
Operating Income.....	5,924	5,183	11,975	10,716
Minority Interests				
Minority share of income.....	(1,587)	(1,430)	(3,221)	(2,968)
Distributions in excess of earnings.....	(430)	(587)	(813)	(1,066)
Total minority interests.....	(2,017)	(2,017)	(4,034)	(4,034)
Net Income.....	\$ 3,907	\$ 3,166	\$ 7,941	\$ 6,682
Per Share Amounts :				
Net income (basic and diluted).....	\$ 0.28	\$ 0.24	\$ 0.57	\$ 0.50
Funds From Operations.....	\$ 0.50	\$ 0.45	\$ 1.00	\$ 0.91
 Weighted average shares outstanding :				
Common stock.....	14,115,727	13,557,078	14,035,563	13,490,701
Fully converted.....	19,287,968	18,729,319	19,207,804	18,662,942

Condensed Consolidated Balance Sheets

(\$ in thousands)

	June 30, 2001	December 31, 2000
Assets		
Real estate investments.....	\$ 446,247	\$ 433,009
Accumulated depreciation.....	(130,540)	(124,180)
Other assets.....	25,881	25,621
Total assets.....	\$ 341,588	\$ 334,450
Liabilities and Stockholders' Equity (Deficit)		
Notes payable.....	\$ 348,404	\$ 343,453
Other liabilities.....	22,042	22,152
Stockholders' equity (deficit).....	(28,858)	(31,155)
Total liabilities and stockholders' equity (deficit)	\$ 341,588	\$ 334,450