

# Saul Centers, Inc.

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## **Saul Centers, Inc. Reports Third Quarter Earnings**

November 2, 2000, Chevy Chase, MD.

Saul Centers, Inc. (NYSE: BFS), an equity real estate investment trust (REIT), announced its third quarter operating results. Funds From Operations (FFO) increased 10.7% to \$9,023,000 in the quarter ended September 30, 2000 compared to \$8,149,000 for the same quarter in 1999. For the nine month period ended September 30, 2000, FFO increased 8.8% to \$26,022,000 compared to \$23,910,000 for the same period in 1999. On a per share basis, FFO was \$.48 per share for the 2000 third quarter, a 7.4% increase over the same quarter last year. For the nine month period ended September 30, 2000, FFO per share increased 4.9%, to \$1.39 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 third quarter increased 7.1% to \$19,724,000 compared to \$18,409,000 for the 1999 quarter. The company reported net income of \$3,842,000 or \$.28 per share for the 2000 third quarter, a per share increase of 18.1% compared to net income of \$3,127,000 or \$.24 per share for the 1999 quarter (basic and diluted). For the 2000 nine month period, revenues increased 6.9% to \$58,119,000 compared to \$54,393,000 for the comparable period in 1999. The company reported net income of \$10,524,000 or \$.78 per share for the 2000 nine month period, a per share increase of 9.9% compared to net income of \$9,211,000 or \$.71 per share for the comparable 1999 period (basic and diluted).

Same center net operating income in the shopping center portfolio grew 4.8% for the 2000 third quarter and 4.2% for the nine month period ended September 30, 2000, compared to the same periods in 1999. Same property net operating income in the office portfolio grew 11.6% for the 2000 third quarter and 12.2% for the nine month period ended September 30, 2000, compared to the same periods in 1999. Overall same property net operating income for the total portfolio grew 6.4% for the 2000 third quarter and 6.0% for the nine month period ended September 30, 2000, compared to the same periods in 1999.

As of September 30, 2000, approximately 92% of the portfolio was leased. Excluded from the leasing total is the Company's 235,000 square foot Washington Square at Old Town, a new class A mixed-use office/retail complex located in Old Town Alexandria, Virginia. The project is 49% pre-leased and initial occupancy is scheduled for November 2000.

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.

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*Visit the Company's web site at [SaulCenters.com](http://SaulCenters.com)*

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## Condensed Consolidated Statements of Operations

(\$ in thousands, except per share amounts)

|  | Three Months Ended September 30. |                 | Nine Months Ended September 30. |                 |
|--|----------------------------------|-----------------|---------------------------------|-----------------|
|  | 2000                             | 1999            | 2000                            | 1999            |
| <b>Revenue</b>                           |                                  |                 |                                 |                 |
| Base rent.....                           | \$ 15,934                        | \$ 14,952       | \$ 47,315                       | \$ 43,752       |
| Other revenue.....                       | 3,790                            | 3,457           | 10,804                          | 10,641          |
| Total revenue.....                       | 19,724                           | 18,409          | 58,119                          | 54,393          |
| <b>Operating Expenses</b>                |                                  |                 |                                 |                 |
| Property and administrative expenses.... | 4,541                            | 4,520           | 14,072                          | 13,437          |
| Interest expense.....                    | 6,037                            | 5,636           | 17,695                          | 16,734          |
| Amortization of deferred debt costs..... | 123                              | 104             | 330                             | 312             |
| Depreciation and amortization.....       | 3,164                            | 3,004           | 9,447                           | 8,793           |
| Total operating expenses.....            | 13,865                           | 13,264          | 41,544                          | 39,276          |
| <b>Operating Income.....</b>             | <b>5,859</b>                     | <b>5,145</b>    | <b>16,575</b>                   | <b>15,117</b>   |
| <b>Minority Interests</b>                |                                  |                 |                                 |                 |
| Minority share of income.....            | (1,607)                          | (1,451)         | (4,575)                         | (4,203)         |
| Distributions in excess of earnings..... | (410)                            | (567)           | (1,476)                         | (1,703)         |
| Total minority interests.....            | (2,017)                          | (2,018)         | (6,051)                         | (5,906)         |
| <b>Net Income.....</b>                   | <b>\$ 3,842</b>                  | <b>\$ 3,127</b> | <b>\$ 10,524</b>                | <b>\$ 9,211</b> |
| <b>Per Share Amounts :</b>               |                                  |                 |                                 |                 |
| Net income (basic and diluted).....      | \$ 0.28                          | \$ 0.24         | \$ 0.78                         | \$ 0.71         |
| Funds From Operations.....               | \$ 0.48                          | \$ 0.45         | \$ 1.39                         | \$ 1.33         |
| Weighted average shares outstanding :    |                                  |                 |                                 |                 |
| Common stock.....                        | 13,688,031                       | 13,157,931      | 13,556,478                      | 13,037,234      |
| Fully converted.....                     | 18,860,272                       | 18,287,849      | 18,728,719                      | 18,043,366      |

## Condensed Consolidated Balance Sheets

(\$ in thousands)

|   | September 30,<br>2000 | December 31,<br>1999 |
|---|-----------------------|----------------------|
| <b>Assets</b>   |                       |                      |
| Real estate investments.....                            | \$ 421,432            | \$ 389,583           |
| Accumulated depreciation.....                           | (120,660)             | (112,272)            |
| Other assets.....                                       | 24,909                | 22,354               |
| Total assets.....                                       | \$ 325,681            | \$ 299,665           |
| <b>Liabilities and Stockholders' Equity (Deficit)</b>   |                       |                      |
| Notes payable.....                                      | \$ 335,995            | \$ 310,268           |
| Other liabilities.....                                  | 21,016                | 21,256               |
| Stockholders' equity (deficit).....                     | (31,330)              | (31,859)             |
| Total liabilities and stockholders' equity (deficit) .. | \$ 325,681            | \$ 299,665           |