

Saul Centers, Inc.

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Saul Centers, Inc. Reports Third Quarter Earnings

November 3, 1999, 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 12.2% to \$8,149,000 in the quarter ended September 30, 1999 compared to \$7,267,000 for the same quarter in 1998. For the nine month period ended September 30, 1999, FFO increased 9.2% to \$23,910,000 compared to \$21,904,000 for the same period in 1998. On a per share basis, FFO was \$.45 per share for the 1999 third quarter, a 6.3% increase over the same quarter last year. For the nine month period ended September 30, 1999, FFO per share increased 3.6% to \$1.33 per share over the comparable period in 1998. 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 and nonrecurring items and before real estate depreciation and amortization.

Total revenues for the 1999 third quarter increased 4.3% to \$18,409,000 compared to \$17,650,000 for the 1998 quarter. Operating income before minority interests and extraordinary charges was \$5,145,000, or \$.28 per share, representing a per share increase of 10.2% over the comparable 1998 quarter. After deducting minority interests and extraordinary charges, the company reported net income of \$3,127,000 or \$.24 per share for the 1999 quarter, a per share increase of 18.3% compared to net income of \$2,550,000 or \$.20 per share for the 1998 quarter (basic and diluted). For the 1999 nine month period, revenues increased 3.6% to \$54,393,000 compared to \$52,483,000 for the comparable period in 1998. Operating income before minority interests and extraordinary charges was \$15,117,000, or \$.84 per share, representing a per share increase of 6.9% over the comparable 1998 nine month period. After deducting minority interests and extraordinary charges, the company reported net income of \$9,211,000 or \$.71 per share for the 1999 nine month period, a per share increase of 23.1% compared to net income of \$7,228,000 or \$.57 per share for the comparable 1998 period (basic and diluted).

Same center net operating income in the shopping center portfolio grew 3.3 % for the 1999 third quarter and 4.1% for the nine month period ended September 30, 1999 compared to the same periods in 1998. Same property net operating income in the office portfolio grew 10.8% for the 1999 third quarter and 3.2% for the 1999 nine month period compared to the same periods in 1998. Overall same property net operating income for the total portfolio grew 5.1 % for the 1999 third quarter and 3.9% for the 1999 nine month period compared to the same periods in 1998. As of September 30, 1999, 92% of the portfolio was leased. Excluding the 200,000 square foot warehouse redevelopment which is currently 9% leased, 95% of the portfolio was leased.

Visit the Company's web site at SaulCenters.com

Saul Centers, Inc. operates and manages a real estate portfolio of 34 community and neighborhood shopping center and office properties totaling approximately 5.9 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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Saul Centers, Inc.

Condensed Consolidated Statements of Operations

(\$ in thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1999	1998	1999	1998
Revenue				
Base Rent.....	\$ 14,952	\$ 14,044	\$ 43,752	\$ 41,505
Other Revenue.....	3,457	3,606	10,641	10,978
Total revenue.....	18,409	17,650	54,393	52,483
Operating Expenses				
Property and administrative expenses.....	4,520	4,581	13,437	13,292
Interest expense.....	5,636	5,696	16,734	16,972
Amortization of deferred debt costs.....	104	106	312	315
Depreciation and amortization.....	3,004	2,840	8,793	8,488
Total operating expenses.....	13,264	13,223	39,276	39,067
Operating Income.....	5,145	4,427	15,117	13,416
Extraordinary, Non-Operating or Nonrecurring Item				
Early extinguishment of debt.....	--	(50)	--	(50)
Change in accounting method.....	--	--	--	(771)
Minority Interests				
Minority share of income.....	(1,451)	(1,177)	(4,203)	(3,338)
Distributions in excess of earnings.....	(567)	(650)	(1,703)	(2,029)
Total minority interests.....	(2,018)	(1,827)	(5,906)	(5,367)
Net Income.....	\$ 3,127	\$ 2,550	\$ 9,211	\$ 7,228
Per Share Amounts :				
Net income (basic and diluted).....	\$ 0.24	\$ 0.20	\$ 0.71	\$ 0.57
Funds From Operations.....	\$ 0.45	\$ 0.42	\$ 1.33	\$ 1.28
Weighted average shares outstanding :				
Common stock.....	13,157,931	12,691,486	13,037,234	12,591,536
Fully converted.....	18,287,850	17,341,977	18,043,366	17,123,723

Condensed Consolidated Balance Sheets

(\$ in thousands)

	September 30, 1999	December 31, 1998
	Assets	
Real estate investments.....	\$ 378,130	\$ 352,567
Accumulated depreciation.....	(109,838)	(101,910)
Other assets.....	22,967	20,377
Total assets.....	\$ 291,259	\$ 271,034
Liabilities and Stockholders' Equity (Deficit)		
Notes payable.....	\$ 302,511	\$ 290,623
Other liabilities.....	21,353	17,695
Stockholders' equity (deficit).....	(32,605)	(37,284)
Total liabilities and stockholders' equity (deficit) ..	\$ 291,259	\$ 271,034