

# Saul Centers, Inc.

8401 Connecticut Avenue  
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## **Saul Centers, Inc. Reports 2000 Earnings**

February 6, 2001, Chevy Chase, MD.

Saul Centers, Inc. (NYSE: BFS), an equity real estate investment trust (REIT), announced its operating results for the year and quarter ended December 31, 2000. Funds From Operations (FFO) increased 8.6% to \$35,648,000 in the year ended December 31, 2000 compared to \$32,830,000 for the 1999 year. For the quarter ended December 31, 2000, FFO increased 7.9% to \$9,626,000 compared to \$8,920,000 for the 1999 quarter. On a per share basis, FFO was \$1.90 per share for the 2000 year, a 4.8% increase over the prior year. For the quarter ended December 31, 2000, FFO per share increased 4.9% to \$.51 per share over the comparable 1999 quarter. 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 gains and losses from property sales, extraordinary items and real estate depreciation and amortization.

Total operating revenues for the 2000 year increased 7.1% to \$79.0 million, compared to \$73.8 million for the 1999 year and total operating revenues for the 2000 quarter increased 7.8% to \$20.9 million, compared to \$19.4 million for the 1999 quarter. Operating income before extraordinary items and minority interests increased 3.3% to \$1.18 per share for the 2000 year compared to \$1.14 per share for the 1999 year (basic and diluted). Operating income before extraordinary items and minority interests was level for the 2000 and 1999 quarters but decreased 3.0% on a per share basis, to \$.29 per share, compared to \$.30 per share for the 1999 quarter (basic and diluted).

Net income increased 1.7% to \$1.03 per share for the 2000 year compared to \$1.01 per share for the 1999 year (basic and diluted). During the fourth quarter of 1999, the company reported a \$553,000 property sale gain. The net income increase per share for the 2000 year was 6.0% before considering this gain. Net income for the 2000 quarter decreased \$565,000 to \$.25 per share compared to \$.31 per share for the 1999 quarter (basic and diluted). The comparative decrease resulted from the 1999 quarter's property sale gain. Because gains and losses on property sales are excluded in its calculation, FFO was not impacted by the prior year's property sale gain.

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

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Same center operating income increased 3.3% for the shopping center portfolio, 9.9% for the office properties and 4.8% overall. Excluding the 235,000 square foot Washington Square development which was 49% leased at December 31, 2000, space leased by tenants averaged 92.6% for all of 2000 compared to the 1999 average of 91.8%. As of December 31, 2000, 92.9% of the portfolio was leased.

During 2000, the company paid four quarterly distributions of \$.39 per share to shareholders, of which 90.11% was taxable as ordinary income and 9.89% represented a return of capital.

Saul Centers, Inc. is a self-managed, self-administered equity real estate investment trust headquartered in Chevy Chase, Maryland. Saul Centers currently 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 leasable area. Over 80% of our cash flow is generated from properties in the metropolitan Washington, D.C./Baltimore area.

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## Condensed Consolidated Statements of Operations

(\$ in thousands, except per share amounts)

	Three Months Ended December 31,		Years Ended December 31,	
	2000	1999	2000	1999
<b>Revenue</b>				
Base rent.....	\$ 16,522	\$ 15,448	\$ 63,837	\$ 59,200
Other revenue.....	4,388	3,950	15,192	14,591
Total revenue.....	20,910	19,398	79,029	73,791
<b>Operating Expenses</b>				
Property and administrative expenses...	5,008	4,540	19,080	17,977
Interest expense.....	6,148	5,834	23,843	22,568
Amortization of deferred debt costs.....	128	104	458	416
Depreciation and amortization.....	4,087	3,370	13,534	12,163
Total operating expenses.....	15,371	13,848	56,915	53,124
<b>Operating Income.....</b>	5,539	5,550	22,114	20,667
<b>Extraordinary and Nonrecurring Items</b>				
Gain on property disposition	--	553	--	553
<b>Minority Interests</b>				
Minority share of income.....	(1,506)	(1,696)	(6,081)	(5,899)
Distributions in excess of earnings.....	(512)	(321)	(1,988)	(2,024)
Total minority interests.....	(2,018)	(2,017)	(8,069)	(7,923)
<b>Net Income.....</b>	\$ 3,521	\$ 4,086	\$ 14,045	\$ 13,297
<b>Per Share Amounts :</b>				
Net income (basic and diluted).....	\$ 0.25	\$ 0.31	\$ 1.03	\$ 1.01
Funds From Operations.....	\$ 0.51	\$ 0.48	\$ 1.90	\$ 1.81
Weighted average shares outstanding :				
Common stock.....	13,823,889	13,289,477	13,623,330	13,100,295
Fully converted.....	18,996,130	18,461,718	18,795,571	18,147,954

## Condensed Consolidated Balance Sheets

(\$ in thousands)

	December 31, 2000	December 31, 1999
<b>Assets</b>		
Real estate investments.....	\$ 433,009	\$ 389,583
Accumulated depreciation.....	(124,180)	(112,272)
Other assets.....	25,621	22,354
Total assets.....	\$ 334,450	\$ 299,665
<b>Liabilities and Stockholders' Equity (Deficit)</b>		
Notes payable.....	\$ 343,453	\$ 310,268
Other liabilities.....	22,152	21,256
Stockholders' equity (deficit).....	(31,155)	(31,859)
Total liabilities and stockholders' equity (deficit) ...	\$ 334,450	\$ 299,665