

SAUL CENTERS, INC.

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Saul Centers Acquires Shopping Centers and Development Site

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For Immediate Release

BETHESDA, MARYLAND – Saul Centers, Inc. (NYSE:BFS), an equity Real Estate Investment Trust (REIT), acquired two grocery anchored shopping centers during February 2004. The Company completed the acquisition of the 130,000 square foot Countryside shopping center, its fourth neighborhood shopping center investment in fast-growing Loudoun County, Virginia. The center is 95% leased, anchored by a 47,000 square foot Safeway supermarket and was acquired for a purchase price of \$29.7 million. The Company's investments in the Ashburn Village, Broadlands Village and Countryside shopping centers and the Lansdowne land parcel are the dominant grocery anchored retail sites in these planned communities, each containing between 1,500 and 5,000 homes with average 3 mile household incomes of over \$98,000.

The Company added Publix to its list of grocery anchor tenants with the February acquisition of Boca Valley Plaza in Boca Raton, Florida. Boca Valley Plaza is a 121,000 square foot neighborhood shopping center on U.S. Highway 1 in a very attractive demographic area of South Florida. Three-mile average household incomes total over \$83,000. The center, constructed in 1988, is 90% leased and is anchored by a 42,000 square foot Publix supermarket. The property was acquired for \$17.6 million, subject to the assumption of a \$9.2 million mortgage with an interest rate of 6.82%, maturing in 2007. Publix is the dominant grocer in South Florida with an estimated 50% market share of grocery store sales in the tri-county area of Miami-Dade, Broward and Palm Beach Counties.

Finally, the Company purchased 3.4 acres of vacant land adjacent to its 109,000 square foot Lowe's anchored Kentlands square shopping center in Gaithersburg, Maryland, with plans to develop a 41,000 square foot retail /office building comprised of 25,000 square feet of in-line retail space and 16,000 square feet of professional office suites. Construction is expected to commence in the spring of 2004. Total development costs, including the land acquisition, are projected to total \$7.1 million. Substantial completion is scheduled for the fall of 2004. The property was purchased from a subsidiary of Chevy Chase Bank, a related party entity. The purchase price was determined by independent third party appraisals.

Saul Centers currently operates and manages a real estate portfolio of 38 community and neighborhood shopping centers and office properties totaling approximately 6.8 million square feet of leasable area. Over 80% of the Company's cash flow is generated from properties in the metropolitan Washington, DC/Baltimore area.

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