

CONSOLIDATED BALANCE SHEETS

SAUL CENTERS, INC.

<i>(Dollars in thousands)</i>	December 31, 2002	2001
Assets		
Real estate investments		
Land	\$ 90,469	\$ 67,710
Buildings and equipment	405,153	384,575
Construction in progress	8,292	2,524
	<u>503,914</u>	<u>454,809</u>
Accumulated depreciation	(150,286)	(136,928)
	<u>353,628</u>	<u>317,881</u>
Cash and cash equivalents	1,309	1,805
Accounts receivable and accrued income, net	12,505	9,217
Prepaid expenses	15,712	12,514
Deferred debt costs, net	4,125	3,563
Other assets	1,408	1,423
Total assets	<u>\$ 388,687</u>	<u>\$ 346,403</u>
Liabilities		
Notes payable	\$ 380,743	\$ 351,820
Accounts payable, accrued expenses and other liabilities	16,727	14,697
Deferred income	4,484	4,009
Total liabilities	<u>401,954</u>	<u>370,526</u>
Minority interests	<u>--</u>	<u>--</u>
Stockholders' equity (deficit)		
Common stock, \$0.01 par value, 30,000,000 shares authorized, 15,196,582 and 14,535,803 shares issued and outstanding, respectively	152	145
Additional paid-in capital	79,131	64,564
Accumulated deficit	(92,550)	(88,832)
Total stockholders' equity (deficit)	<u>(13,267)</u>	<u>(24,123)</u>
Total liabilities and stockholders' equity (deficit)	<u>\$ 388,687</u>	<u>\$ 346,403</u>

The accompanying notes are an integral part of these statements.