

# FORM 4

☐ Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

## UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

### STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

#### OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

(Print or Type Responses)

|                                                                                  |                                         |                                                                              |                                                                |                                                                                                                                                                                     |                                                                                                                                                              |                                                             |                                                          |
|----------------------------------------------------------------------------------|-----------------------------------------|------------------------------------------------------------------------------|----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|----------------------------------------------------------|
| 1. Name and Address of Reporting Person<br>GROSVENOR GILBERT M                   |                                         | 2. Issuer Name <b>and</b> Ticker or Trading Symbol<br>SAUL CENTERS INC [BFS] |                                                                | 5. Relationship of Reporting Person(s) to Issuer<br>(Check all applicable)<br><br>__X__ Director<br>____ Officer (give title below)<br>____ 10% Owner<br>____ Other (specify below) |                                                                                                                                                              |                                                             |                                                          |
| (Last)                                                                           | (First)                                 | (Middle)                                                                     | 3. Date of Earliest Transaction (Month/Day/Year)<br>01/03/2005 |                                                                                                                                                                                     | 6. Individual or Joint/Group Filing (Check Applicable Line)<br>__X__ Form filed by One Reporting Person<br>____ Form filed by More than One Reporting Person |                                                             |                                                          |
| 7501 Wisconsin Avenue, 15th Floor                                                |                                         |                                                                              | 4. If Amendment, Date of Original Filed (Month/Day/Year)       |                                                                                                                                                                                     |                                                                                                                                                              |                                                             |                                                          |
| (Street)<br><br>Bethesda, MD 20814                                               |                                         |                                                                              |                                                                |                                                                                                                                                                                     |                                                                                                                                                              |                                                             |                                                          |
| (City)                                                                           |                                         |                                                                              | (State)                                                        |                                                                                                                                                                                     |                                                                                                                                                              |                                                             |                                                          |
| (Zip)                                                                            |                                         |                                                                              |                                                                |                                                                                                                                                                                     |                                                                                                                                                              |                                                             |                                                          |
| Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned |                                         |                                                                              |                                                                |                                                                                                                                                                                     |                                                                                                                                                              |                                                             |                                                          |
| 1. Title of Security<br>(Instr. 3)                                               | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed Execution Date, if any<br>(Month/Day/Year)                        | 3. Transaction Code<br>(Instr. 8)                              | 4. Securities Acquired (A) or Disposed of (D)<br>(Instr. 3, 4 and 5)                                                                                                                | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s)<br>(Instr. 3 and 4)                                                             | 6. Ownership Form: Direct (D) or Indirect (I)<br>(Instr. 4) | 7. Nature of Indirect Beneficial Ownership<br>(Instr. 4) |
|                                                                                  |                                         |                                                                              | Code                                                           | V                                                                                                                                                                                   | Amount                                                                                                                                                       | (A) or (D)                                                  | Price                                                    |
| Common Shares                                                                    |                                         |                                                                              |                                                                |                                                                                                                                                                                     |                                                                                                                                                              |                                                             |                                                          |
|                                                                                  |                                         |                                                                              |                                                                |                                                                                                                                                                                     | 700                                                                                                                                                          | D                                                           |                                                          |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned  
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security<br>(Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date<br>(Month/Day/Year) | 3A. Deemed Execution Date, if any<br>(Month/Day/Year) | 4. Transaction Code<br>(Instr. 8) |   | 5. Number of Derivative Securities Acquired (A) or Disposed of (D)<br>(Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date<br>(Month/Day/Year) |                | 7. Title and Amount of Underlying Securities<br>(Instr. 3 and 4) |                 | 8. Price of Derivative Security<br>(Instr. 5) | 9. Number of Derivative Securities Beneficially Owned Following Reported Transaction (s)<br>(Instr. 4) | 10. Ownership Form of Derivative Security: Direct (D) or Indirect (I)<br>(Instr. 4) | 11. Nature of Indirect Beneficial Ownership<br>(Instr. 4) |
|-----------------------------------------------|--------------------------------------------------------|-----------------------------------------|-------------------------------------------------------|-----------------------------------|---|--------------------------------------------------------------------------------------------|-------------------------------------------------------------|----------------|------------------------------------------------------------------|-----------------|-----------------------------------------------|--------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-----------------------------------------------------------|
|                                               |                                                        |                                         |                                                       | Code                              | V |                                                                                            | (A)                                                         | (D)            | Date Exercisable                                                 | Expiration Date |                                               |                                                                                                        |                                                                                     |                                                           |
| Stock Option                                  | \$25.78                                                |                                         |                                                       |                                   |   |                                                                                            | 04/26/2004                                                  | 04/26/2014     | Common Stock                                                     | 2,500           |                                               | 2,500                                                                                                  | D                                                                                   |                                                           |
| Phantom Stock <sup>(4)</sup>                  | <sup>(1)</sup>                                         | 01/03/2005                              |                                                       | A                                 |   | 198.658                                                                                    | <sup>(2)</sup>                                              | <sup>(2)</sup> | Common Stock                                                     | 198.658         | \$37.25                                       | 25,204.452 <sup>(3)</sup>                                                                              | D                                                                                   |                                                           |

## Reporting Owners

| Reporting Owner Name / Address                                                   | Relationships |           |         |       |
|----------------------------------------------------------------------------------|---------------|-----------|---------|-------|
|                                                                                  | Director      | 10% Owner | Officer | Other |
| GROSVENOR GILBERT M<br>7501 Wisconsin Avenue<br>15th Floor<br>Bethesda, MD 20814 | X             |           |         |       |

## Signatures

Scott V. Schneider, by Power of Attorney

01/05/2005

Signature of Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) 1 for 1

(2) Under the terms of the reporting person's Deferred Fee Agreement, payment of shares of the issuer's common stock commences at such time as the reporting person ceases to be a director of the issuer. Payment will be a lump sum upon termination of directorship.

(3) Includes 305,570 shares (\$31.5250/share) awarded October 29, 2004 as dividend reinvestments on shares of phantom stock held by the reporting person pursuant to the issuer's Deferred Compensation Plan under its 2004 Stock Plan and shares of phantom stock issued under the issuer's Deferred Compensation and Stock Plan for Directors.

Pursuant to the issuer's Deferred Compensation Plan under its 2004 Stock Plan and the Deferred Fee Agreement executed by the reporting person, the reporting person has elected to defer receipt of his director's fees, and receive phantom stock, the amount of which is calculated as the quotient of the dollar value of fees deferred, divided by the fair market value of the issuer's shares on the date the phantom stock is received.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.