

SAUL CENTERS, INC.

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Saul Centers, Inc. Announces Tax Treatment of 2003 Dividends

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For Immediate Release

BETHESDA, MARYLAND - Saul Centers, Inc. (NYSE: BFS), an equity real estate investment trust (REIT), announced today the income tax treatment for its 2003 dividends. The Company declared and paid four quarterly dividends of \$.39 each, totaling \$1.56 per share of Common Stock during 2003. For tax purposes, 82.31% of the dividends (\$1.28 per share) is characterized as ordinary income, while 17.69% (\$.28 per share) is characterized as return of capital. The information will be reported to shareholders on Form 1099-DIV.

Saul Centers is a self-managed, self-administered equity real estate investment trust headquartered in Bethesda, Maryland. Saul Centers currently operates and manages a real estate portfolio of 36 community and neighborhood shopping center and office properties totaling approximately 6.6 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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