

SAUL CENTERS, INC.

7501 Wisconsin Avenue, Suite 1500, Bethesda, Maryland 20814-6522
(301) 986-6200

Saul Centers Declares Quarterly Dividends

September 21, 2009

For Immediate Release

BETHESDA, MARYLAND – Saul Centers, Inc. (NYSE: BFS) has declared a quarterly dividend of \$0.36 per share on its common stock, to be paid October 30, 2009 to holders of record on October 16, 2009. The amount of the quarterly common dividend payable is a decrease of \$0.03 per share or 7.7% from the amount paid in the previous quarter and 23.4% from the amount paid in the prior year's comparable quarter. The Company's Board of Directors has followed a practice of setting the dividend at a level approximately equal to its taxable income so that it could comply with Real Estate Investment Trust regulations, but not pay Federal corporate income tax. This practice allowed the Company to retain the maximum amount of excess cash flow for either future acquisitions and development or retirement of debt. To continue this appropriately conservative practice, the Board took into account two additional factors which warranted reducing the common dividend. First, during 2009, the Company refinanced a significant portion of its \$62.7 million of fixed-rate mortgage debt due to mature December 2011 and modified and extended the maturity of its revolving credit facility to June 2012. As a result of these financing activities, the Company incurred prepayment penalties and loan modification costs which have reduced 2009 taxable income by approximately \$2.0 million. Second, the retail environment continues to be stressed as a result of current economic and credit market conditions, resulting in retail tenant delinquencies, which in turn has negatively impacted the Company's income. The Company believes the dividend reduction to be a prudent measure, appropriate for these challenging market conditions, in order to maintain a strong capital and liquidity position.

The reduced dividend payout further strengthens the Company's sound balance sheet with over 93% of its debt consisting of fixed rate, amortizing non-recourse mortgage loans, only \$19.1 million of which matures before October 2012. Additionally, the Company has no outstanding borrowings on its \$150 million revolving credit facility.

The Company also declared the quarterly dividends for its 8% Series A Cumulative Redeemable Preferred Stock in the amount of \$0.50 per depositary share and 9% Series B Cumulative Redeemable Preferred Stock in the amount of \$0.5625 per depositary share. The amounts of both preferred dividends are unchanged from the prior quarter and will be paid October 15, 2009 to holders of record on October 1, 2009.

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 52 operating community and neighborhood shopping center and office properties totaling approximately 8.4 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.

More information about Saul Centers is available on the Company's website at www.saulcenters.com.

CONTACT: Scott V. Schneider (301) 986-6220