

# SAUL CENTERS, INC.

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

## **Saul Centers, Inc. Announces Tax Treatment of 2004 Dividends**

January 13, 2005

### 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 2004 Common Stock and Preferred Stock dividends. The Company declared and paid four quarterly Common Stock dividends of \$.39 per share each, totaling \$1.56 per share during 2004. For tax purposes, 80.0% of the Common Stock dividend (\$1.248 per share) is characterized as ordinary income, while 20.0% (\$.312 per share) is characterized as return of capital. The Company declared and paid four Preferred Stock dividends totaling \$1.811 per depositary share during 2004. For tax purposes, 100.0% of the Preferred Stock dividends are characterized as ordinary income. 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 40 community and neighborhood shopping center and office properties totaling approximately 7.2 million square feet of leasable area. Over 83% of the Company's cash flow is generated from properties in the metropolitan Washington, DC/Baltimore area.

Contact: Scott V. Schneider

(301) 986-6220