

# SAUL CENTERS, INC.

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## **Saul Centers, Inc. Announces Tax Treatment of 2006 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 2006 dividends. The Company declared and paid four quarterly dividends totaling \$1.68 per share of Common Stock during 2006. For tax purposes, 86.0% of the dividends (\$1.4448 per share) is characterized as ordinary income, while 14.0% (\$0.2352 per share) is characterized as return of capital. The Company declared and paid four dividends totaling \$2.00 per depositary share of its 8% Preferred Stock during 2006. For tax purposes, 100.0% of the 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 46 community and neighborhood shopping centers and office properties totaling approximately 7.7 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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