

SAUL CENTERS, INC.

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Saul Centers, Inc. Announces Tax Treatment of 2008 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 2008 dividends. The Company declared and paid four quarterly dividends totaling \$1.88 per share of Common Stock during 2008. For tax purposes, 98.0% of the dividends (\$1.8424 per common share) are characterized as ordinary income and 2.0% of the dividends (\$0.0376 per common share) are characterized as return of capital. The Company declared and paid four dividends totaling \$2.00 per depositary share on its Series A 8% Preferred Stock during 2008. The Company also declared and paid two dividends totaling \$1.1559 per depositary share on its Series B 9% Preferred Stock during 2008. For tax purposes, 100.0% of all 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 50 community and neighborhood shopping centers and office properties totaling approximately 8.2 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, Inc. is available on the Company's website at www.SaulCenters.com.

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