

SAUL CENTERS, INC.

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

Saul Centers, Inc. Announces Tax Treatment of 2009 Dividends

January 15, 2010

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 2009 dividends. The Company declared and paid four quarterly dividends totaling \$1.53 per share of Common Stock during 2009. For tax purposes, 100.0% of the dividends (\$1.53 per common share) are characterized as ordinary income. 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 four dividends totaling \$2.25 per depositary share on its Series B 9% Preferred Stock during 2009. 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 52 community and neighborhood shopping centers 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, Inc. is available on the Company's website at www.SaulCenters.com.

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