

SAUL CENTERS, INC.

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

Saul Centers, Inc. Announces Tax Treatment of 2017 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 of its 2017 dividends. The Company declared and paid four quarterly dividends totaling \$2.04 per share of Common Stock during 2017. For tax purposes, 83.4% of the dividends (\$1.70 per common share) are characterized as ordinary income, while 16.6% of the dividends (\$0.34 per common share) are characterized as return of capital. The information will be reported to shareholders on Form 1099-DIV.

The Company declared and paid four dividends totaling \$1.71875 per depositary share on its 6.875% Series C Preferred Stock during 2017. 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, Inc. is a self-managed, self-administered equity REIT headquartered in Bethesda, Maryland, which currently operates and manages a real estate portfolio of 58 properties which includes (a) 49 community and neighborhood shopping centers and six mixed-use properties with approximately 9.2 million square feet of leasable area and (b) three land and development properties. Approximately 85% of the Saul Centers' property operating income is generated by 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