

SAUL CENTERS, INC.

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Saul Centers, Inc. Prices Offering of 6.875% Series C Cumulative Redeemable Preferred Depositary Shares

January 29, 2013

For Immediate Release

BETHESDA, MARYLAND - Saul Centers, Inc. (NYSE: BFS) (the "Company") today announced that it priced 5 million depositary shares, each representing a 1/100th fractional interest in a share of the Company's 6.875% Series C Cumulative Redeemable Preferred Stock, at an initial public offering price of \$25.00 per depositary share. The dividend rate of the Series C Cumulative Redeemable Preferred Stock underlying the depositary shares will be at a fixed rate of 6.875% of the liquidation preference per year, which is equivalent to an annual dividend of \$1.71875 per depositary share. Dividends will be paid quarterly in arrears. The Company estimates that net proceeds from this offering, after deducting underwriting discounts, commissions and estimated offering expenses, will be approximately \$120.6 million (assuming no exercise of the underwriters' over-allotment option).

The Company intends to use the net proceeds from this offering to redeem all outstanding shares of its 9% Series B Cumulative Redeemable Preferred Stock and the related depositary shares. With any remaining net proceeds, the Company intends to redeem outstanding shares of its 8% Series A Cumulative Redeemable Preferred Stock and the related depositary shares.

The offering is expected to close on or about February 12, 2013, subject to customary closing conditions. Up to 600,000 additional depositary shares may be issued pursuant to the underwriters' over-allotment option within 30 days of the initial issuance of the depositary shares. The Company anticipates listing the depositary shares on the New York Stock Exchange.

The joint book-running managers for the offering are Raymond James & Associates, Inc., Robert W. Baird & Co. Incorporated, RBC Capital Markets, LLC, and Stifel, Nicolaus & Company, Incorporated.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or other jurisdiction. The offering is being made pursuant to the Company's existing shelf registration statement, previously filed with the Securities and Exchange Commission. The offering of these securities will be made only by means of a prospectus and a related preliminary prospectus supplement. Copies of the prospectus and the preliminary prospectus supplement relating to these securities may be obtained from Raymond James & Associates, Inc. by calling toll-free 800-248-8863 or writing to prospectus@raymondjames.com, Robert W. Baird & Co. Incorporated by calling toll-free 800-792-2473, RBC Capital Markets, LLC by calling toll-free 866-375-6829 or writing to usdebtcapitalmarkets@rbccm.com, or Stifel, Nicolaus & Company, Incorporated by calling toll-free 855-300-7136. You may also obtain a copy of the prospectus and the prospectus supplement, subject to completion, and other documents the Company has filed with the Securities and Exchange Commission for free by visiting the Commission's Web site at www.sec.gov.

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 59 community and neighborhood shopping center and mixed-use properties totaling approximately 9.5 million

square feet of leasable area. Over 85% of the Company's cash flow is generated from properties in the metropolitan Washington, DC/Baltimore, MD area.

Statements in this press release that are not strictly historical are "forward-looking" statements, including statements with regard to the Company's securities offering and the anticipated use of the net proceeds. Forward-looking statements involve known and unknown risks, which may cause the Company's actual results to differ materially from expected results. No assurance can be given that the securities offering discussed above will be completed on the terms described, or at all, or that the net proceeds of the offering will be used as indicated. Completion of the securities offering on the terms described, and the application of net proceeds, are subject to numerous conditions, many of which are beyond the control of the Company, including, without limitation, general economic conditions, local real estate conditions and the availability of capital. Additional information concerning these and other factors that could cause actual results to differ materially from those forward-looking statements is contained from time to time in the Company's Securities and Exchange Commission filings, including, but not limited to, Item 1A. Risk Factors of the Company's annual report on Form 10-K. Copies of each filing may be obtained from the Company or the Commission. The Company undertakes no obligation to publicly release the results of any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date these statements were made.

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