

SAUL CENTERS, INC.

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Saul Centers Acquires Waldorf, Maryland Shopping Center

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For Immediate Release

BETHESDA, MARYLAND – Saul Centers, Inc. (NYSE:BFS), an equity Real Estate Investment Trust (REIT), acquired a Safeway grocery anchored shopping center in January 2006. The company acquired the 198,000 square foot Smallwood Village Center, located on 25 acres within the St. Charles planned community of Waldorf, Maryland, a suburb of metropolitan Washington, DC, through a wholly-owned subsidiary of its operating partnership. The purchase price was \$17,500,000 and was paid with cash and by the assumption of a mortgage loan. The outstanding balance on the loan was \$11,333,000 at settlement. The loan matures January 2013 and requires fixed monthly principal and interest payments based upon a 6.12% interest rate and 30 year amortization. Smallwood Village Center was constructed in three phases from 1978 to 1986, is 89% leased and is anchored by a recently remodeled and expanded 55,000 square foot Safeway supermarket and 10,000 square foot CVS drugstore. The St. Charles residential development is approximately 60% complete and is expected to total approximately 25,000 dwelling units. Over 15,000 households with annual incomes averaging greater than \$71,000 are located within a three-mile radius of the center.

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 45 community and neighborhood shopping center and office properties totaling approximately 7.6 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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