

SAUL CENTERS, INC.

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Saul Centers, Inc. Announces Tax Treatment of 2016 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 2016 dividends. The Company declared and paid four quarterly dividends totaling \$1.84 per share of Common Stock during 2016. For tax purposes, 95.1% of the dividends (\$1.75 per common share) are characterized as ordinary income, while 4.9% of the dividends (\$0.09 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 2016. 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 is a self-managed, self-administered equity REIT headquartered in Bethesda, Maryland. Saul Centers currently operates and manages a real estate portfolio comprised of 58 properties which includes (a) 49 community and neighborhood shopping centers and 6 mixed-use properties with approximately 9.6 million square feet of leasable area and (b) 3 land and development properties. Approximately 85% of the Company's property operating income 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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