

Capital Properties, Inc.

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PRESS RELEASE

July 31, 2012

Capital Properties, Inc. Announces Second Quarter 2012 Results

FOR IMMEDIATE RELEASE

East Providence, Rhode Island: Today, Capital Properties, Inc. (OTCQX: CPTP) reported net income of \$578,000 and \$1,089,000 for the three and six months ended June 30, 2012. Based upon 6,599,912 shares outstanding, the basic income per common share for the same periods was \$.09 and \$.17. For the three and six months ended June 30, 2011, the Company had reported net income of \$807,000 and \$1,139,000, respectively. Based upon 6,599,912 shares outstanding, the basic income per common share for the same periods was \$.12 and \$.17, respectively.

For the three months and six months ended June 30, 2012, leasing revenue increased \$44,000 and \$234,000, respectively, from 2011 principally due to scheduled increases in rentals under long-term land leases and increases in rentals and reimbursements for common area costs under short-term leases. For the three months ended June 30, 2012, leasing expense increased \$21,000 due to increases in expenses for the Steeple Street Building owned by the Company. For the six months ended June 30, 2012, leasing expense increased \$41,000 from 2011 due to increases in legal fees in connection with the restructuring of the Parcel 6A land lease and real property taxes on the Steeple Street Building.

In June 2011, the tenant of the petroleum storage facility reimbursed the Company \$458,000 for certain costs associated with the cleanup, inspection and repair of a tank (which costs were recorded in 2010) and an additional \$37,000 for tank repairs. Exclusive of these amounts, for the three months and six months ended June 30, 2012, petroleum storage facility revenues increased \$24,000 and \$49,000, respectively, due to scheduled annual cost-of-living adjustments under the lease for the petroleum storage facility. In May 2012, the Company was reimbursed \$90,000 for certain costs recorded in 2011 associated with a pipeline breach, which was recorded as a reduction of expense. Exclusive of this amount, for the three months ended June 30, 2012, petroleum storage facility expense increased \$41,000 principally due to increases in payroll and related costs and legal fees; for the six months ended June 30, 2012, petroleum storage facility expense decreased \$36,000 due to lower levels of repairs and maintenance offset in part by increases in payroll and related costs and legal fees.

For the three and six months ended June 30, 2012, general and administrative expense increased \$36,000 and \$43,000, respectively, due principally to increases in payroll and related costs and professional fees.

In June 2012, the Company made a principal prepayment of \$1,000,000 on its note payable. In June and December 2011, the Company made principal prepayments of \$1,000,000 and \$525,000, respectively. Any future prepayments will depend on the Company's level of available cash.

PRESS RELEASE (Continued)

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Financial Summary

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>June 30</u>		<u>June 30</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues and other income:				
Revenues:				
Leasing	\$1,091,000	\$1,047,000	\$2,103,000	\$1,869,000
Petroleum storage facility:				
Contractual	985,000	961,000	1,961,000	1,912,000
Reimbursement of tank repairs ...	--	495,000	--	495,000
Total revenues and other income	<u>2,076,000</u>	<u>2,503,000</u>	<u>4,064,000</u>	<u>4,276,000</u>
Expenses:				
Leasing	270,000	249,000	540,000	499,000
Petroleum storage facility:				
Operating	516,000	556,000	1,067,000	1,106,000
Tank repairs	--	9,000	--	87,000
General and administrative	270,000	234,000	533,000	490,000
Interest	61,000	85,000	122,000	173,000
	<u>1,117,000</u>	<u>1,133,000</u>	<u>2,262,000</u>	<u>2,355,000</u>
Income before income taxes	<u>\$ 959,000</u>	<u>\$1,370,000</u>	<u>\$1,802,000</u>	<u>\$1,921,000</u>
Net income	<u>\$ 578,000</u>	<u>\$ 807,000</u>	<u>\$1,089,000</u>	<u>\$1,139,000</u>
Basic income per common share, based upon 6,599,912 shares outstanding	<u>\$.09</u>	<u>\$.12</u>	<u>\$.17</u>	<u>\$.17</u>

Capital Properties, Inc. and its subsidiaries operate in two segments: (1) Leasing and (2) Petroleum Storage. The leasing segment consists of the long-term leasing of certain of its real estate interests in downtown Providence, Rhode Island for commercial development, the leasing of a portion of a building and the leasing of locations along interstate and primary highways in Rhode Island and Massachusetts for outdoor advertising purposes. The petroleum storage segment consists of the operating of its petroleum storage facility in East Providence, Rhode Island.

Certain written statements made in this press release may contain "forward-looking statements" which represent the Company's expectations or beliefs concerning future events. Certain risks, uncertainties and other important factors are detailed in reports filed by the Company with the Securities and Exchange Commission, including Forms 8-K, 10-K and 10-Q. The Company cautions that these statements are further qualified by important factors that could cause actual results to differ materially from those in the forward-looking statements.

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