

# **Capital Properties, Inc.**

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## **PRESS RELEASE**

**November 7, 2012**

### **Capital Properties, Inc. Announces Third Quarter 2012 Results**

#### **FOR IMMEDIATE RELEASE**

East Providence, Rhode Island: Today, Capital Properties, Inc. (OTCQX: CPTP) reported net income of \$514,000 and \$1,603,000 for the three and nine months ended September 30, 2012. Based upon 6,599,912 shares outstanding, the basic income per common share for the same periods was \$.07 and \$.24. For the three and nine months ended September 30, 2011, the Company had reported net income of \$139,000 and \$1,278,000, respectively. Based upon 6,599,912 shares outstanding, the basic income per common share for the same periods was \$.02 and \$.19, respectively.

For the three and nine months ended September 30, 2012, leasing revenue increased \$53,000 and \$287,000, respectively, from 2011 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 September 30, 2012, leasing expense decreased \$66,000 from 2011 due to decreases in professional fees. For the nine months ended September 30, 2012, leasing expense decreased \$25,000 from 2011 due to decreases in expenses for the Steeple Street Building.

For the three months ended September 30, 2012, petroleum storage facility ("Facility") revenues increased \$27,000 from 2011 due to scheduled annual cost-of-living adjustments under the lease for the Facility. At September 30, 2011, the Company recorded costs of \$355,000 in connection with a pipeline breach in August 2011 and \$132,000 in connection with an ultra low sulfur diesel incident in March 2011. Exclusive of these amounts, for the three months ended September 30, 2012, Facility expense increased \$59,000 from 2011 due to professional fees in connection with the preliminary exercise of the option to purchase the Facility by the tenant, offset in part by lower levels of repairs and maintenance costs.

In June 2011, the tenant of the 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 nine months ended September 30, 2012, Facility revenues increased \$76,000 from 2011 due to scheduled annual cost-of-living adjustments under the lease for the Facility.

At September 30, 2011, the Company recorded costs of \$355,000 in connection with a pipeline breach in August 2011 and \$132,000 in connection with an ultra low sulfur diesel incident in March 2011. In May 2012, the Company was reimbursed \$90,000 in costs associated with that pipeline breach, which amount was recorded as a reduction of expense. Exclusive of these amounts, for the nine months ended September 30, 2012, Facility expense increased \$23,000 from 2011 due to increases in payroll and related costs and professional fees in connection with preliminary exercise of the option to purchase the Facility by the tenant, offset in part by lower levels of repairs and maintenance costs.

For the three months ended September 30, 2012, general and administrative expense increased \$10,000 from 2011 due to increases in professional fees. For the nine months ended September 30, 2012, general and administrative expense increased \$53,000 from 2011 due 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)

November 7, 2012

### Capital Properties, Inc. Announces Third Quarter 2012 Results

#### Financial Summary

	<u>Three Months Ended</u> <u>September 30</u>		<u>Nine Months Ended</u> <u>September 30</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues and other income:				
Revenues:				
Leasing.....	\$1,051,000	\$ 998,000	\$3,154,000	\$2,867,000
Petroleum storage facility:				
Contractual.....	996,000	969,000	2,957,000	2,881,000
Reimbursement of tank repairs....	--	--	--	495,000
Total revenues and other income.....	<u>2,047,000</u>	<u>1,967,000</u>	<u>6,111,000</u>	<u>6,243,000</u>
Expenses:				
Leasing.....	257,000	323,000	797,000	822,000
Petroleum storage facility:				
Operating .....	662,000	735,000	1,819,000	1,841,000
Pipeline rupture.....	--	355,000	(90,000)	355,000
Tank repairs .....	--	--	--	87,000
General and administrative .....	241,000	231,000	774,000	721,000
Interest .....	42,000	72,000	164,000	245,000
	<u>1,202,000</u>	<u>1,716,000</u>	<u>3,464,000</u>	<u>4,071,000</u>
Income before income taxes .....	<u>\$ 845,000</u>	<u>\$ 251,000</u>	<u>\$2,647,000</u>	<u>\$2,172,000</u>
Net income.....	<u>\$ 514,000</u>	<u>\$ 139,000</u>	<u>\$1,603,000</u>	<u>\$1,278,000</u>
Basic income per common share, based upon 6,599,912 shares outstanding.....	<u>\$.07</u>	<u>\$.02</u>	<u>\$.24</u>	<u>\$.19</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.

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*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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