# Capital Properties, Inc.

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## PRESS RELEASE

**November 1, 2013**

## Capital Properties, Inc. Announces Third Quarter 2013 Results

## FOR IMMEDIATE RELEASE

East Providence, Rhode Island:  Today, Capital Properties, Inc. (OTCQX: CPTP) reported net income (loss) of $(65,000) and $526,000 for the three and nine months ended September 30, 2013.  Based upon 6,599,912 shares outstanding, the basic income (loss) per common share for the same periods was $(.01) and $.08.  For the three and nine months ended September 30, 2012, the Company had reported net income of $514,000 and $1,603,000, respectively.  Based upon 6,599,912 shares outstanding, the basic income per common share for the same periods was $.07 and $.24, respectively.

As compared to the corresponding periods in 2012 for the three months and nine months ended September 30, 2013, leasing revenue increased $60,000 and $231,000, respectively, principally due to scheduled increases in rentals under both short term leases and long-term land leases.  As compared to the corresponding periods in 2012 for the three months and nine ended September 30, 2013, leasing expense decreased $60,000 and $168,000, respectively, principally due to a decrease in real property taxes resulting from a reassessment of the downtown Providence parcels.

For the first four months of 2013, the Company operated the petroleum storage facility ("the Facility") for Global Companies, LLC ("Global") under a lease which expired on April 30, 2013.  In addition, Global had an option to purchase which terminated on June 3, 2013.  Effective September 1, 2013, the Company entered into a through-put agreement with Atlantic Trading & Marketing, Inc. ("ATMI") for approximately 44% of the Facility's shell barrel capacity for a term of eight months with automatic three-month extensions unless terminated by either party.

For the three months and nine months ended September 30, 2013, petroleum storage facility revenues decreased $833,000 and $1,455,000, respectively, due to the expiration of the Global lease, offset in part by revenue from the new lease with ATMI.  For the three months ended September 30, 2013, petroleum storage facility expense increased $102,000 principally due to an increase in repairs and maintenance which included the epoxy coating of two tank bottoms at a total cost of $90,000.  For the nine months ended September 30, 2013, petroleum storage facility expense increased $209,000 due to increases in professional fees in connection with the Global Option Agreement, repair and maintenance which included the epoxy coating of the two tanks, and increased insurance costs.  In both years, the Company received reimbursement for costs expended in a prior year, which reimbursements were recorded as a reduction of expense.  In 2013, the Company was reimbursed $96,000 for costs incurred for the appraisal of the Facility in accordance with the Global Option Agreement.  In 2012, the Company was reimbursed $90,000 for costs associated with a pipeline breach.

For the three months ended September 30, 2013, general and administrative expense decreased $14,000 principally due to a decrease in professional fees.  For the nine months ended September 30, 2013, general and administrative expense increased $87,000 due principally to legal and consulting fees incurred in connection with the marketing of the Facility.

In December 2012, the Company and the Bank entered into an Amended and Restated Loan Agreement pursuant to which the Company refinanced the $2,700,000 balance of the 2010 debt to the Bank and borrowed an additional $3,025,000 which was used to pay part of the extraordinary dividend described below.  The existing note was amended and now bears interest at an annual rate of 3.34%, has a 10-year term with repayments on a 20-year amortization schedule (monthly payments of $24,000 plus interest) and a balloon payment of $2,869,000 in December 2022 when it matures.  In December 2012, the Board of Directors of the Company declared an

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extraordinary dividend of $2.25 per share, which the Company paid partially in cash ($3,063,000) and partially through the issuance of $11,787,000 in principal face amount of 5% dividend notes due in December 2022, bearing interest at the annual rate of 5% payable semi-annually on June 15 and December 15.

**Financial Summary**

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|---|---|---|---|---|
| | **2013** | **2012** | **2013** | **2012** |
| Revenues: | | | | |
| Leasing | $ 1,111,000 | $ 1,051,000 | $ 3,385,000 | $ 3,154,000 |
| Petroleum storage facility | 163,000 | 996,000 | 1,502,000 | 2,957,000 |
| Total revenues | 1,274,000 | 2,047,000 | 4,887,000 | 6,111,000 |
| Expenses: | | | | |
| Leasing | 197,000 | 257,000 | 629,000 | 797,000 |
| Petroleum storage facility | 764,000 | 662,000 | 1,938,000 | 1,729,000 |
| General and administrative | 227,000 | 241,000 | 861,000 | 774,000 |
| Interest on notes: | | | | |
| Bank loan | 49,000 | 42,000 | 148,000 | 164,000 |
| Dividend notes | 147,000 | -- | 443,000 | -- |
| | 1,384,000 | 1,202,000 | 4,019,000 | 3,464,000 |
| Income (loss) before income taxes | $ (110,000) | $ 845,000 | $ 868,000 | $ 2,647,000 |
| Net income (loss) | $ (65,000) | $ 514,000 | $ 526,000 | $ 1,603,000 |
| Basic income (loss) per common share, based upon 6,599,912 shares outstanding | $.(01) | $.07 | $.08 | $.24 |

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 petroleum storage terminal and the Wilkesbarre Pier in East Providence, Rhode Island, collectively referred to as the “Facility.” For the first four months of 2013, the Company operated the Facility for Global under a lease which expired April 30, 2013. The Company is currently marketing the Facility for lease to one or more petroleum storage and distribution users.

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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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