

Capital Properties, Inc.

100 Dexter Road
East Providence, RI 02914
Phone: 1.401.435.7171
Fax: 1.401.435.7179

PRESS RELEASE

October 31, 2014

Capital Properties, Inc. Announces Third Quarter 2014 Results

FOR IMMEDIATE RELEASE

East Providence, Rhode Island: Today, Capital Properties, Inc. (OTCQX: CPTP) reported net income of \$448,000 and \$975,000 for the three and nine months ended September 30, 2014. Based upon 6,599,912 shares outstanding, the basic income per common share for the same periods was \$.07 and \$.15. For the three and nine months ended September 30, 2013, the Company had reported net income (loss) of \$(65,000) and \$526,000, respectively. Based upon 6,599,912 shares outstanding, the basic income (loss) per common share for the same periods in 2013 was \$(.01) and \$.08, respectively.

For the three months ended September 30, 2014, leasing revenue increased \$19,000 from 2013 due to scheduled increases in rentals under both short-term leases and long-term land leases. For the nine months ended September 30, 2014, leasing revenue increased \$142,000 from 2013 due to an increase in contingent rent and scheduled increases in rentals under both short-term leases and long-term land leases. For the three and nine months ended September 30, 2014, leasing expense increased \$19,000 and \$14,000, respectively, from 2013 due to increases in expenses for the Steeple Street Building.

For the first four months of 2013, the Company operated the petroleum storage facility (“the Facility”) for Global Company, LLC (“Global”) under a lease which expired on April 30, 2013. From September 1, 2013 to April 30, 2014, the Company had an interim lease with Atlantic Trading & Marketing, Inc. (“ATMI”) for a portion of the storage capacity of the Facility. Effective May 1, 2014, the Company entered into a five-year agreement with Sprague Operating Resources LLC (“Sprague”), a wholly-owned subsidiary of Sprague Resources LP, for the entire storage capacity of the Facility.

For the three months ended September 30, 2014, petroleum storage facility revenue increased \$721,000 from 2013 due to the commencement of the Sprague agreement. For the nine months ended September 30, 2014, petroleum storage facility revenue increased \$646,000. The Global lease expired on April 30, 2013 and the Terminal was vacant for the balance of the second quarter of 2013. In 2014, the Terminal was fully leased from May 1, 2014.

For the three months ended September 30, 2014, petroleum storage facility expense decreased \$165,000. In 2013, the Company incurred professional fees for the marketing of the Facility and repairs and maintenance expense was higher in 2013 due to the epoxy coating of two tank bottoms.

In June 2013, the Company received \$96,000 from Global for reimbursement for costs incurred in a prior year. Exclusive of this reimbursement, for the nine months ended September 30, 2014, petroleum storage facility expense increased \$51,000 from 2013 due to an increase in repairs and maintenance and insurance, offset in part by a decrease in professional fees.

For the three months ended September 30, 2014, general and administrative expense increased \$42,000 from 2013, due to an increase in medical claims and an increase in the maximum level of reimbursement allowed under the Company’s medical reimbursement plan. For the nine months ended September 30, 2014, general and administrative expense decreased \$53,000 as compared to the same period in 2013 due to lower costs for professional fees, offset in part by an increase in medical claims and an increase in the maximum level allowed under the Company’s medical reimbursement plan.

PRESS RELEASE (Continued)

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Financial Summary

	<u>Three Months Ended</u> <u>September 30</u>		<u>Nine Months Ended</u> <u>September 30</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues:				
Leasing	\$ 1,130,000	\$ 1,111,000	\$ 3,527,000	\$ 3,385,000
Petroleum storage facility	<u>884,000</u>	<u>163,000</u>	<u>2,188,000</u>	<u>1,502,000</u>
Total revenues	<u>2,014,000</u>	<u>1,274,000</u>	<u>5,715,000</u>	<u>4,887,000</u>
Expenses:				
Leasing	216,000	197,000	643,000	629,000
Petroleum storage facility	605,000	764,000	2,085,000	1,938,000
General and administrative	269,000	227,000	808,000	861,000
Interest on notes:				
Bank loan	37,000	49,000	129,000	148,000
Dividend notes	<u>147,000</u>	<u>147,000</u>	<u>442,000</u>	<u>443,000</u>
	<u>1,274,000</u>	<u>1,384,000</u>	<u>4,107,000</u>	<u>4,019,000</u>
Income (loss) before income taxes	<u>\$ 740,000</u>	<u>\$ (110,000)</u>	<u>\$ 1,608,000</u>	<u>\$ 868,000</u>
Net income (loss)	<u>\$ 448,000</u>	<u>\$ (65,000)</u>	<u>\$ 975,000</u>	<u>\$ 526,000</u>
Basic income per common share, based upon 6,599,912 shares outstanding	<u>\$.07</u>	<u>\$ (.01)</u>	<u>\$.15</u>	<u>\$.08</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 petroleum storage terminal and the Wilkesbarre Pier in East Providence, Rhode Island, collectively referred to as the "Facility," which the Company operates for the tenant of the Facility.

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.

CONTACT:

Barbara J. Dreyer, Treasurer
(401) 435-7171