

# **Capital Properties, Inc.**

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## **PRESS RELEASE**

**August 5, 2014**

### **Capital Properties, Inc. Announces Second Quarter 2014 Results**

#### **FOR IMMEDIATE RELEASE**

East Providence, Rhode Island: Today, Capital Properties, Inc. (OTCQX: CPTP) reported net income of \$450,000 and \$527,000 for the three and six months ended June 30, 2014. Based upon 6,599,912 shares outstanding, the basic income per common share for the same periods was \$.07 and \$.08. For the three and six months ended June 30, 2013, the Company had reported net income of \$251,000 and \$591,000, respectively. Based upon 6,599,912 shares outstanding, the basic income per common share for the same periods in 2013 was \$.04 and \$.09, respectively.

For the three and six months ended June 30, 2014, leasing revenue increased \$78,000 and \$123,000, respectively, 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 first quarter of 2013, the Company accrued real property taxes on its downtown Providence parcels based upon the 2012 tax level. In June 2013, the tax bills received from the City of Providence reflected a reduction in the assessed valuation of the downtown Providence parcels, resulting in a reversal of the first quarter 2013 property tax accrual. Exclusive of this reversal, leasing expenses remained at the 2013 level for both the three and six months ended June 30, 2014.

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 June 30, 2014, petroleum storage facility revenue increased \$392,000 from 2013. 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 partially leased for the first month of the second quarter and fully leased for the last two months of the second quarter. For the six months ended June 30, 2014, petroleum storage facility revenue decreased \$35,000.

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 three and six months ended June 30, 2014, petroleum storage facility expense increased \$34,000 and \$210,000, respectively, due to an increase in repairs and maintenance.

For the three and six months ended June 30, 2014, general and administrative expense decreased \$36,000 and \$95,000, respectively, due to lower costs for professional fees.

**PRESS RELEASE (Continued)**

**August 5, 2014**

**Capital Properties, Inc. Announces Second Quarter 2014 Results**

**Financial Summary**

	<u>Three Months Ended</u> <u>June 30</u>		<u>Six Months Ended</u> <u>June 30</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues:				
Leasing .....	\$ 1,288,000	\$ 1,210,000	\$ 2,397,000	\$ 2,274,000
Petroleum storage facility .....	<u>732,000</u>	<u>340,000</u>	<u>1,304,000</u>	<u>1,339,000</u>
Total revenues .....	<u>2,020,000</u>	<u>1,550,000</u>	<u>3,701,000</u>	<u>3,613,000</u>
Expenses:				
Leasing .....	201,000	149,000	427,000	432,000
Petroleum storage facility .....	643,000	513,000	1,480,000	1,174,000
General and administrative .....	243,000	279,000	539,000	634,000
Interest on notes:				
Bank loan .....	45,000	50,000	92,000	99,000
Dividend notes .....	<u>147,000</u>	<u>144,000</u>	<u>295,000</u>	<u>296,000</u>
	<u>1,279,000</u>	<u>1,135,000</u>	<u>2,833,000</u>	<u>2,635,000</u>
Income before income taxes .....	<u>\$ 741,000</u>	<u>\$ 415,000</u>	<u>\$ 868,000</u>	<u>\$ 978,000</u>
Net income .....	<u>\$ 450,000</u>	<u>\$ 251,000</u>	<u>\$ 527,000</u>	<u>\$ 591,000</u>
Basic income per common share, based upon 6,599,912 shares outstanding .....	<u>\$ .07</u>	<u>\$ .04</u>	<u>\$ .08</u>	<u>\$ .09</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.

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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.*

**CONTACT:**

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