

Capital Properties, Inc.

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PRESS RELEASE

August 5, 2015

Capital Properties, Inc. Announces Second Quarter 2015 Results

FOR IMMEDIATE RELEASE

East Providence, Rhode Island: Today, Capital Properties, Inc. (OTCQX: CPTP) reported net income of \$574,000 and \$974,000 for the three and six months ended June 30, 2015. Based upon 6,599,912 shares outstanding, the basic income per common share for the same periods was \$.09 and \$.15, respectively. For the three and six months ended June 30, 2014, the Company had reported net income of \$450,000 and \$527,000, respectively. Based upon 6,599,912, the basic income per common share for the same periods in 2014 was \$.07 and \$.08, respectively.

For the three and six months ended June 30, 2015, leasing revenue increased \$46,000 and \$117,000, respectively, from 2014 due to scheduled increases in rents under both short-term and long-term land leases, offset in part by a decrease in 2015 in the percentage rent under the lease with Lamar Outdoor Advertising, LLC. For the three and six months ended June 30, 2015, leasing expense increased \$20,000 and \$19,000, respectively, from 2014 due to an increase in repairs and maintenance at the Steeple Street Building.

For the three months and six ended June 30, 2015, petroleum storage facility revenue increased \$148,000 and \$451,000, respectively, from 2014 due to Sprague Operating Resources LLC leasing the entire Facility. Under a lease that terminated on April 30, 2014, the Company had leased to Atlantic Trading & Marketing, Inc., a portion of the storage capacity of the Facility. For the three months ended June 30, 2015, petroleum storage facility expense decreased \$22,000 from 2014 due to a decrease in insurance, offset in part by an increase in payroll and related costs. For the six months ended June 30, 2015, petroleum storage facility expense decreased \$176,000 from 2014 due to a decrease in repairs and maintenance, insurance and professional fees, offset in part by an increase in payroll and related costs.

For the three and six months ended June 30, 2015, general and administrative expense increased \$10,000 and \$34,000, respectively, from 2014 due to an increase in payroll and related costs.

For the three months and six months ended June 30, 2015 and 2014, the interest expense on the bank loan decreased \$22,000 and \$44,000, respectively. In May 2015, the Company prepaid \$1,000,000 on the bank loan. In June and December 2014, the Company prepaid \$1,000,000 and \$1,300,000, respectively, on the bank loan. For the three months and six months ended June 30, 2015 and 2014, the interest expense on the dividend notes payable remained at the 2014 level.

PRESS RELEASE (Continued)

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Financial Summary

	Three Months Ended		Six Months Ended	
	June 30		June 30	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues:				
Leasing	\$ 1,334,000	\$ 1,288,000	\$ 2,514,000	\$ 2,397,000
Petroleum storage facility	<u>880,000</u>	<u>732,000</u>	<u>1,755,000</u>	<u>1,304,000</u>
Total revenues	<u>2,214,000</u>	<u>2,020,000</u>	<u>4,269,000</u>	<u>3,701,000</u>
Expenses:				
Leasing	221,000	201,000	446,000	427,000
Petroleum storage facility	621,000	643,000	1,304,000	1,480,000
General and administrative	253,000	243,000	573,000	539,000
Interest on notes:				
Bank loan	23,000	45,000	48,000	92,000
Dividend notes	<u>147,000</u>	<u>147,000</u>	<u>295,000</u>	<u>295,000</u>
	<u>1,265,000</u>	<u>1,279,000</u>	<u>2,666,000</u>	<u>2,833,000</u>
Income before income taxes	<u>\$ 949,000</u>	<u>\$ 741,000</u>	<u>\$ 1,603,000</u>	<u>\$ 868,000</u>
Net income	<u>\$ 574,000</u>	<u>\$ 450,000</u>	<u>\$ 974,000</u>	<u>\$ 527,000</u>
Basic income per common share, based upon 6,599,912 shares outstanding	<u>\$.09</u>	<u>\$.07</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.

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