

# **Capital Properties, Inc.**

100 Dexter Road  
East Providence, RI 02914  
Phone: 1.401.435-7171  
Fax: 1.401.435-7179

## **PRESS RELEASE**

**August 5, 2013**

### **Capital Properties, Inc. Announces Second Quarter 2013 Results**

#### **FOR IMMEDIATE RELEASE**

East Providence, Rhode Island: Today, Capital Properties, Inc. (OTCQX: CPTP) reported net income of \$251,000 and \$591,000 for the three and six months ended June 30, 2013. Based upon 6,599,912 shares outstanding, the basic income per common share for the same periods was \$.04 and \$.09. For the three and six months ended June 30, 2012, the Company had reported net income of \$578,000 and \$1,089,000, respectively. Based upon 6,599,912 shares outstanding, the basic income per common share for the same periods was \$.09 and \$.17, respectively.

For the three months and six months ended June 30, 2013, leasing revenue increased \$119,000 and \$171,000, respectively, from 2012 principally due to scheduled increases in rentals under long-term land leases and increases under short-term leases. For the three months and six ended June 30, 2013, leasing expense decreased \$121,000 and \$108,000, respectively, from 2012 principally due to a decrease in real property taxes resulting from a reassessment of the downtown Providence parcels; the adjustment to the property tax accrual was made in June 2013 when the tax bills were received from the City of Providence.

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.

For the three months and six months ended June 30, 2013, petroleum storage facility revenues decreased \$645,000 and \$622,000, respectively, due to the expiration of the Global lease. For the three months ended June 30, 2013, petroleum storage facility expense remained at the 2012 level. An increase in real property taxes was offset by a decrease in repairs and maintenance. For the six months ended June 30, 2013, petroleum storage facility expense increased \$107,000 due to increases in professional fees in connection with the Global Option Agreement, payroll and related costs and insurance costs, offset in part by a decrease in repairs and maintenance. In the second quarter of 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 June 30, 2013, general and administrative expense remained at the 2012 level. For the six months ended June 30, 2013, general and administrative expense increased \$101,000 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 the extraordinary dividend of \$2.25 per share, which the Company paid

## PRESS RELEASE (Continued)

August 5, 2012

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

out in cash (\$3,063,000) and issued \$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

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>June 30</u>		<u>June 30</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues:				
Leasing .....	\$ 1,210,000	\$ 1,091,000	\$ 2,274,000	\$ 2,103,000
Petroleum storage facility.....	340,000	985,000	1,339,000	1,961,000
Total revenues .....	<u>1,550,000</u>	<u>2,076,000</u>	<u>3,613,000</u>	<u>4,064,000</u>
Expenses:				
Leasing .....	149,000	270,000	432,000	540,000
Petroleum storage facility.....	513,000	516,000	1,174,000	1,067,000
General and administrative.....	279,000	270,000	634,000	533,000
Interest on notes:				
Bank loan .....	50,000	61,000	99,000	122,000
Dividend notes .....	144,000	--	296,000	--
	<u>1,135,000</u>	<u>1,117,000</u>	<u>2,635,000</u>	<u>2,262,000</u>
Income before income taxes .....	<u>\$ 415,000</u>	<u>\$ 959,000</u>	<u>\$ 978,000</u>	<u>\$ 1,802,000</u>
Net income.....	<u>\$ 251,000</u>	<u>\$ 578,000</u>	<u>\$ 591,000</u>	<u>\$ 1,089,000</u>
Basic income per common share, based upon 6,599,912 shares outstanding.....	<u>\$ .04</u>	<u>\$ .09</u>	<u>\$ .09</u>	<u>\$ .17</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." 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.

---

*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**