

Capital Properties, Inc.

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PRESS RELEASE

March 13, 2015

Capital Properties, Inc. Announces 2014 Results

FOR IMMEDIATE RELEASE

East Providence, Rhode Island: Capital Properties, Inc. (OTCQX: CPTP) reported net income of \$1,430,000 and \$711,000 for the years ended December 31, 2014 and 2013, respectively. Based upon 6,599,912 shares outstanding, the basic income per common share for the same periods was \$.22 and \$.11, respectively.

Leasing revenues for 2014 increased \$198,000 from 2013 due to scheduled increases in rentals under long-term land leases, increases under short-term leases and an increase in percentage rent under the Company's lease with Lamar Outdoor Advertising, LLC. Leasing expense for 2014 increased \$25,000 from 2013 due to an increase in repairs and maintenance offset in part by the decrease in rent expense resulting from the cancellation in 2013 of a third-party lease in connection with a billboard location.

Petroleum storage facility revenues for 2014 increased \$892,000 from 2013. The lease with Global Companies, LLC ("Global") expired on April 30, 2013. From September 1, 2013 to April 30, 2014, the Company had an interim lease with Atlantic Trading & Marketing, Inc. for a portion of the storage capacity at the petroleum storage facility ("the Facility"). Effective May 1, 2014, the Company entered into a five-year agreement with Sprague Operating Resources, LLC for the lease of the entire storage capacity of the Facility. In June 2013, the Company received \$96,000 from Global for reimbursement for costs incurred in a prior year in connection with the appraisal of the Facility in connection with the Global option to purchase the Facility. Exclusive of this amount, petroleum storage facility expense decreased \$130,000 due to the following: (1) repairs and maintenance decreased because in 2013 the Company incurred costs of \$90,000 to epoxy coat three tank bottoms and \$60,000 for piping modifications, and no similar repairs were undertaken in 2014; and (2) a decrease in professional fees.

General and administrative expenses in 2014 decreased \$31,000 from 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.

For the year ended December 31, 2014, bank loan interest expense was \$164,000 as compared to \$197,000 for the year ended December 31, 2013. In June and December 2014, the Company made principal prepayments of \$1,000,000 and \$1,300,000, respectively, thereby reducing the interest expense. For the years ended December 31, 2014 and 2013, the interest expense on the dividend notes was \$589,000 and \$596,000, respectively.

PRESS RELEASE (Continued)

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Financial Summary
Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Revenues:		
Leasing	\$4,696,000	\$4,498,000
Petroleum storage facility	<u>3,063,000</u>	<u>2,171,000</u>
	<u>7,759,000</u>	<u>6,669,000</u>
Expenses:		
Leasing	857,000	832,000
Petroleum storage facility	2,732,000	2,766,000
General and administrative	1,073,000	1,104,000
Interest:		
Bank loan	164,000	197,000
Dividend notes	<u>589,000</u>	<u>596,000</u>
	<u>5,415,000</u>	<u>5,495,000</u>
Income before income taxes	<u>2,344,000</u>	<u>1,174,000</u>
Income tax expense (benefit):		
Current	1,091,000	665,000
Deferred	<u>(177,000)</u>	<u>(202,000)</u>
	<u>914,000</u>	<u>463,000</u>
Net income	<u>\$1,430,000</u>	<u>\$ 711,000</u>
Basic income per share, based upon 6,599,912 shares outstanding	<u>\$.22</u>	<u>\$.11</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."

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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