

Capital Properties, Inc.

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PRESS RELEASE

March 15, 2016

Capital Properties, Inc. Announces 2015 Results

FOR IMMEDIATE RELEASE

East Providence, Rhode Island: Capital Properties, Inc. (OTCQX: CPTP) reported net income of \$2,163,000 and \$1,430,000 for the years ended December 31, 2015 and 2014, respectively. Based upon 6,599,912 shares outstanding, the basic income per common share for the same periods was \$.33 and \$.22, respectively. Net income for 2015 included \$163,000, or approximately \$0.02 per common share, due to a reduction in the Company's deferred tax liability arising from 2014 legislation cutting the Rhode Island corporate income tax from 9% to 7% which became effective on January 1, 2015. Under United States generally accepted accounting principles, the reduction should have been reported in 2014. The Company has concluded that the understatement of 2014 net income, tax rate and shareholders' equity was not material.

Leasing revenues for 2015 increased \$320,000 from 2014 due to scheduled rent increases under long-term land leases and increased rentals under short-term leases, offset in part by a decrease in percentage rent under the Company's lease with Lamar Outdoor Advertising, LLC. Leasing expense for 2015 increased \$15,000 from 2014 due to an increase in repairs and maintenance at the Steeple Street Building.

Petroleum storage facility revenues for 2015 increased \$457,000 due to Sprague Operating Resources, LLC leasing the entire terminal for a full year as opposed to eight months in 2014. Under a lease that terminated on April 30, 2014, the Company leased to Atlantic Trading & Marketing, Inc. a portion of the storage capacity at the petroleum storage facility. Petroleum storage facility expense for 2015 decreased \$163,000 due to a reduction in insurance, professional fees and depreciation expense resulting from certain assets becoming fully depreciated in 2015, offset in part by an increase in payroll and related costs.

General and administrative expenses in 2015 increased \$31,000 from 2014 due to an increase in payroll and related costs.

For the years ended December 31, 2015 and 2014, bank loan interest expense was \$113,000 and \$164,000, respectively. Interest paid on the bank loan was lower due to principal prepayments in 2015. The Company paid the bank loan in full in November 2015, resulting in the remaining deferred financing fees of \$49,000 being written off and included in interest expense in 2015.

The interest expense on the dividend notes remained at the same level (\$589,000) in both years.

PRESS RELEASE (Continued)

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Financial Summary
Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Revenues:		
Leasing	\$5,016,000	\$4,696,000
Petroleum storage facility.....	<u>3,520,000</u>	<u>3,063,000</u>
	<u>8,536,000</u>	<u>7,759,000</u>
Expenses:		
Leasing	872,000	857,000
Petroleum storage facility.....	2,569,000	2,732,000
General and administrative.....	1,104,000	1,073,000
Interest:		
Bank loan.....	113,000	164,000
Dividend notes.....	<u>589,000</u>	<u>589,000</u>
	<u>5,247,000</u>	<u>5,415,000</u>
Income before income taxes.....	<u>3,289,000</u>	<u>2,344,000</u>
Income tax expense (benefit):		
Current.....	1,417,000	1,091,000
Deferred.....	<u>(291,000)</u>	<u>(177,000)</u>
	<u>1,126,000</u>	<u>914,000</u>
Net income	<u>\$2,163,000</u>	<u>\$1,430,000</u>
Basic income per share, based upon 6,599,912 shares outstanding	<u>\$.33</u>	<u>\$.22</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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