

January 9, 2013



Rand Capital Corporation

Rand Announces Record \$6 Million of Portfolio Financings in 2012

BUFFALO, NY -- (Marketwire) -- 01/09/13 -- Rand Capital Corporation ("Rand") (NASDAQ: RAND), a business development company (BDC) founded in 1969, and its subsidiary, Rand Capital SBIC, Inc. announced that in 2012 its portfolio investment activity exceeded \$6 million and represented the largest single investment period in the 40+ years of the fund.

During 2012 Rand's investment activity included:

- \$6.0 million in investment.
- 14 separate financing transactions were completed.
- 10 businesses received an investment, including four (4) new portfolio companies.

The businesses that Rand financed in 2012 included: BinOptics Corporation (www.binoptics.com), First Wave Products Group, LLC (www.firstwaveproducts.com), Gemcor II, LLC (www.gemcor.com), Knoa Software, Inc. (www.knoa.com), Liazon Corporation (www.liazon.com), Mercantile Adjustment Bureau, LLC (www.mercantilesolutions.com), Mezmeriz, Inc. (www.mezmeriz.com), Mid America Brick & Structural Clay Products, LLC (www.midamericabrick.com), QuaDPharma, LLC (www.quadpharmainc.com) and Rheonix, Inc. (www.rheonix.com).

Daniel Penberthy, Rand's Executive Vice President, stated, "The total capital from all investors in the portfolio financing rounds exceeded \$43 million, and 70% of these businesses were located in Upstate New York!" Participating in Rand's 2012 financings were more than eight notable institutional investors, including, Advantage Capital Partners, Bain Capital Ventures, Bessemer Venture Partners, Cayuga Venture Fund, Fidelity Biosciences, Gefinor Ventures, Pine Street Capital, Stonehenge Capital Company and others.

Reid Hutchins, Senior Vice President of Advantage Capital Partners (www.advantagecap.com), based in Glens Falls, New York, stated, "Upstate New York is a historically underserved market for capital. We were pleased to co-invest in five of Rand's 2012 transactions, and we continue to seek out new investment opportunities that will help grow businesses and drive job creation in the region."

Allen F. Grum, Rand's President, stated, "The 10 companies in which we invested reported employing 546 people and \$47 million in revenues at the time of our investment. Our funding is typically used as working capital to assist the company to grow and expand their employment bases and revenues. We are hopeful that these companies will continue their growth and become the successful exits of our future."

Safe Harbor Statement

Information contained in this release, other than historical information, should be considered forward-looking, and may be subject to inherent uncertainties in predicting future results and

conditions. These statements reflect the Corporation's current beliefs and are subject to a number of risk-factors, including: general economic conditions which affect Rand and our portfolio companies' operations; valuation and illiquid nature of the portfolio investments; high degree of risk from investing in private companies; the regulated environment in which we operate; the amount of debt resulting from borrowing funds from the SBA; dependency upon key management for investment decisions; and the competitive market for investment opportunities and fluctuations in quarterly results. Please see the Corporation's Form 10-Q, Item 1A, previously filed with the Securities and Exchange Commission for a detailed discussion of the risks and uncertainties associated with the Corporation's business. Except as otherwise required by Federal securities laws, Rand Capital Corporation and Rand Capital SBIC, Inc. undertakes no obligation to update or revise forward-looking statements for new events and uncertainties.

ABOUT RAND CAPITAL

Rand Capital is a publicly held Business Development Company (BDC), and its wholly owned subsidiary is licensed by the Small Business Administration (SBA) as a Small Business Investment Company (SBIC). Rand and its subsidiary provide capital and managerial expertise to small and medium sized private companies primarily located in the Northeast U.S. Rand is traded on the NASDAQ under the symbol "RAND" and is headquartered in Buffalo, NY. www.randcapital.com

Investor Contact:
Allen F. Grum
President
716-853-0802
Email Contact

Source: Rand Capital Corporation