

September 27, 2012



Rand Capital Corporation

Rand Announces Repurchase of 75,742 Shares, Initial Sale of Synacor Holdings, and Participation in WNY Investors Conference

BUFFALO, NY -- (Marketwire) -- 09/27/12 -- Rand Capital (NASDAQ: RAND) (www.randcapital.com) announced that through September 24, 2012 the Corporation has repurchased 75,742 of its securities on the open market at an average price of \$2.56 per share.

Allen F. Grum, Rand's President, had previously stated, "At present our shares continue to trade at a substantial discount to our NAV and we continue to evaluate our stock repurchase program; this program allows Rand to repurchase up to 340,047 shares through October 28th,, 2012." He continued, "When the underlying value of Rand's investments is greater than the market price of the stock, repurchases will enhance the per share value of Rand shares."

The Corporation also announced that during the second quarter it has sold 50,000 shares of Synacor (www.synacor.com). These shares had a cost basis of \$0.78 per share. Rand's Synacor securities became freely tradable during August 2012. Rand continues to hold 852,362 shares with a current market value of \$6.4 million.

Daniel Penberthy, Rand's Chief Financial Officer, will address The Western New York Investors Conference at on Friday, September 28th, at the Buffalo Marriott Niagara, Amherst, NY. The Conference provides an opportunity to see and hear about the unique diversity of dynamic companies and to learn more about the success stories that continue to emerge out of Western New York; some of which were prior Rand portfolio businesses. (www.wnyinvest.org)

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." Rand is headquartered in Buffalo, N.Y.

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