

November 20, 2012



Rand Capital Corporation

\$1 Million Invested Into QuaDPharma, LLC by Rand Capital and Advantage Capital Partners

BUFFALO, NY -- (Marketwire) -- 11/20/12 -- *QuaDPharma, LLC* (Clarence, NY) (www.qdpharma.com) has completed a \$1 million financing investment from Rand Capital SBIC, Inc. (Buffalo, NY) (www.randcapital.com) (NASDAQ: RAND) and Advantage Capital Partners (Glens Falls, NY) (www.advantagecap.com). *QuaDPharma* manufactures and tests small-batch pharmaceuticals; prescription ointments, creams and tablets that researchers or drug companies need in small-scale (generally less than 1,000 liters) pre-commercial and commercial manufacturing. The funds will be used to expand and market the commercial capabilities of the business.

Chris Harris, Vice President of Advantage Capital Partners, stated, "We are pleased to participate in growing the health care industry in Western New York through our investment, and are especially interested in the potential economic impact that a company like *QuaDPharma* will have as it expands to serve new customers and creates good jobs in the region."

QuaDPharma was founded by three colleagues of a long-time Buffalo pharmaceutical manufacturer, CPL (formerly Westwood Squibb), following its plant shutdown. The founders include Stephen Panaro, Ryan Downey and Leanne Kisicki. Allen F. Grum, Rand's President stated, "The *QuaDPharma* team saw an opportunity to take their many years of pharmaceutical manufacturing experience and exploit a business opportunity to service this niche marketplace, following their former employers relocation to Southern Ontario."

"*QuaDPharma* is now poised to grow at an accelerated rate. Having obtained two strategic investors, we are able to increase our services as well as our flexibility for small/mid-scale production needs of our customers," said Stephen A. Panaro, Ph.D., President and CEO of *QuaDPharma, LLC*. "These funds will allow *QuaDPharma* to increase its marketing and awareness within the Bio-Pharmaceutical and Pharmaceutical fields." Dr. Panaro continued, "The support from the staff of the Buffalo medical campus, and its University at Buffalo-affiliated entities, helped make the initial introduction to our new investors, as well as assisting our young business in developing strong industry relationships. This reveals what can happen when good ideas, good people and good execution come together, as we demonstrate Buffalo's strengthening medical technology sector business growth."

Safe Harbor Statement

Information contained in this release should be considered forward-looking, and may be subject to inherent uncertainties in predicting future results and conditions. 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.

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 provides 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.

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