Rand Capital Corporation
Since 1969

Rand Capital Corporation is a registered closed-end management investment company investing in the securities of businesses, which offer unique opportunities for growth. Since its formation in 1969, Rand Capital has provided venture capital to support the growth and development of businesses in varied industries, primarily in the Northeastern United States. Rand's portfolio is comprised of such investments which includes debt and/or equity holdings in both private and publicly owned companies. Rand Capital is traded on The NASDAQ SmallCap Market tier under the symbol: RAND.

President's Letter
Allen F. Grum

To Our Shareholders,
In 1997 we continued executing the business plan that was developed and implemented in 1996. The results can be seen by:

1) A 163% increase in Investment Income, growing from $173,906 to $457,514.

2) Realized gains on investments totaling $1,304,120.

3) Operating Expenses were maintained at our 1996 levels, which was a decrease of 21% from 1995.

4) Rand invested a total of $2,542,295 in nine investments.

The nature of venture capital investing requires a patient long term outlook. Many of our investments have a minimum five year time horizon for maturity. For example, our original 1991 investment of $500,000 in ARS, Inc. matured in 1997, resulting in a realized gain of $757,820. Rand continues to be highly liquid, with over $3,000,000 available for new investments. Our ability to invest these funds is the key to the success of Rand Capital. We look forward to reporting on our progress in the coming quarters. Rand's management would like to thank and acknowledge the role of the of the Board of Directors in providing the support and guidance necessary to successfully execute on the business plan. The following pages contain detailed information about Rand Capital and our investment criteria. We appreciate your support and interest in Rand Capital Corporation.

Sincerely,

March 17, 1998

Schedule of Portfolio Investments
December 31, 1997
<TABLE>
<CAPTION>

Company	Type of Investment (a)	Date Acquired (b)	Equity (c)	Cost	Value (d)
<S>	<C>	<C>	<C>	<C>	<C>
American Tactile Corporation Medina, NY. Develops equipment and systems to produce ADA signs for the visually impaired	Convertible debentures at 8% due June 2000 and April 2001 with detachable warrants	6/23/95	11%	150,000	50,000
ARIA Wireless Systems, Inc.* Buffalo, NY. Markets radio transmission communication equipment	Common stock - 438,000 shares Option to purchase 100,000 common shares	5/23/97	9%	438,000	488,000
ARS, Inc. Cheektowaga, NY. Assembles and distributes replacement automotive products	Participation in subordinated debenture at 12%; due July 2002 thru April 2005 with detachable warrants	7/1/97	1%	1,000,000	1,029,000
BioVector, Inc	Common stock - 50,000 shares	4/17/97	9%	50,000	125,000

Orchard Park, NY. Medical technological sales force company	Convertible promissory note at 8%, due April 2002. Option to purchase 140,000 common shares			360,000	360,000
BioWorks, Inc. Geneva, NY. Develops and manufactures biological alternative to chemical pesticides	Series A convertible preferred stock - 32,000 shares	11/6/95	<1%	56,000	56,000
Clearview Cable TV, Inc. New Providence, NJ. Wireless cable television systems operator	Common stock - 400 shares	2/23/96	5%	55,541	55,541
Commercial Maintenance Organization, Inc. Coral Springs, FL. Maintenance service network for retailers, restaurants and vendors	Common stock - 163,256 shares	10/16/95	10%	100,000	20,000
Comptek Research, Inc.* Buffalo, NY. Develops electronic systems for military and non-military applications	Common stock - 49,221 shares^	6/29/95	<1%	693,998	464,023
	Term loan at prime less 1%, due June 1999	9/13/94		61,607	61,607
Lightbridge, Inc.* Burlington, MA. Provides software based services for wireless telecommunications industry. Acquired former Coral Systems, Inc. investment in November 97	Common stock - 14,253 shares	3/31/94	<1%	218,271	218,271
Fertility Acoustics, Inc. Orchard Park, NY. Developer of proprietary methods to diagnose onset of ovulation	Common stock - 50,000 shares. Option to purchase 15,000 common shares	10/1/97	8%	50,000	125,000
HealthWay Products Company, Inc. Syracuse, NY. Manufactures air filters and climate control devices	Promissory note at 24%, due June 1996. 4,667 warrants for Series A preferred stock	3/18/96	<1%	100,000	100,000
Heartland Wireless Communications, Inc.* Richardson, TX. Wireless cable television system operator	Common stock - 7,568 shares^	2/23/96	<1%	171,277	11,118
J. Giardino Buffalo, NY. Owns and leases commercial property	First mortgage @ 11%	2/26/88	-	194,921	194,921
MINRAD, Inc. Orchard Park, NY. Developer of laser guided surgical devices	Common Stock - 4,000 shares	8/4/97	<1%	9,000	40,000
	Term loan at 12%, due March 1998	10/3/97		420,000	420,000
MobileMedia Corporation* New York, NY. Provider of paging and other wireless data services	Common stock - 71,292 shares^	12/31/90	<1%	94,250	0
Pathlight Technology, Inc. Ithaca, NY. Develops high technology serial storage architecture for computer indus	Class A Series 1(a) Convertible Preferred stock- 100,000 shares with 6% cumulative dividend	10/7/97	3%	100,000	100,000
Platform Technologies Holdings, LLC Orchard Park, NY. Provides sales support and management for unique medical device and diagnostic businesses	One unit with option for one additional unit	9/24/97	<1%	295	25,000
Reflection Technology, Inc. Waltham, MA. Develops and licenses proprietary virtual display technology	Series J convertible preferred stock - 243,903 shares	10/4/95	<1%	500,000	150,000
Ultra-Scan Corporation Buffalo, NY. Ultrasonic fingerprint	Common stock - 47,583 shares	12/11/92	12%	276,986	0
	Term loan at 6% due September 1997			50,000	50,000

scanning technology				
Other investments	Other	--	60	60
	Total portfolio investments		5,150,206	4,143,541

</TABLE>

^ Unrestricted securities as defined in Note (a) * Publicly-owned Company

Notes to Schedule of Portfolio of Investments

(a) Unrestricted securities (indicated by ^) are freely marketable securities having readily available market quotations. All other securities are restricted securities which are subject to one or more restrictions on resale and are not freely marketable. At December 31, 1997, restricted securities represented 80% of the value of the investment portfolio.

(b) The Date Acquired column indicates the year in which the Corporation acquired its first investment in the company or a predecessor company.

(c) The equity percentages express the percent of outstanding voting securities held by the Corporation or the potential percentage of voting securities held by the Corporation or the potential percentage of voting securities held by the Corporation upon exercise of its warrants or conversion of debentures. The symbol "<1%" indicates that the Corporation holds equity interest of less than one percent.

(d) Under the valuation policy of the Corporation, unrestricted securities are valued at the closing bid price for over-the-counter securities for the last three days of the month. Restricted securities, including securities of publicly-owned companies which are subject to restrictions on resale, are valued at fair value as determined by the Board of Directors. Fair value is considered to be the amount which the Corporation may reasonably expect to receive for portfolio securities if such securities were sold on the valuation date. Valuations as of any particular date, however, are not necessarily indicative of amounts which may ultimately be realized as a result of future sales or other dispositions of securities. Among the factors considered by the Board of Directors in determining the fair value of restricted securities are the financial condition and operating results, projected operations, and other analytical data relating to the investment. Also considered are the market prices for unrestricted securities of the same class (if applicable) and other matters which may have an impact on the value of the portfolio company.

Changes in Investments at Cost and Realized Gain: Year Ended December 31, 1997

	Cost Increase (Decrease)	Realized Gain (Loss)
New and Additions to Previous Investments:		
ARIA Wireless Systems, Inc.	$ 438,000	
ARS, Inc.	1,000,000	
BioVector, Inc.	410,000	
Commercial Maintenance Organization, Inc.	15,000	
Fertility Acoustics, Inc.	50,000	
MINRAD, Inc.	429,000	
Pathlight Technology, Inc.	100,000	
Platform Technologies Holdings, LLC	295	
3-D Ventures	100,000	
	2,542,295	
Investments Sold/Exchanged:		
ARS, Inc.	(500,000)	$ 757,820
Heartland Wireless Communications, Inc.	(133,279)	(101,606)
Mobile Data Solutions, Inc.	(100,000)	496,300
Transworld Telecom, Inc.	(131,498)	(96,112)
3-D Ventures	(100,000)	50,000
	(964,777)	1,106,402
Other Changes:		
Debenture repayments and distributions	(164,598)	-

Net Change in Investments at Cost and Realized Gain	$ 1,412,920	$ 1,106,402
	=========	=========

Statements of Financial Position: December 31, 1996 and 1997

<TABLE>
<CAPTION>

<S>	<C> 1997	<C> 1996
Assets		
Investments at Directors' valuation (identified cost: 1997 - $5,150,206; 1996 - $3,737,286) (Note 1)	$ 4,143,541	$ 4,075,174
Cash and cash equivalents	3,031,391	1,605,501
Interest receivable (net of allowance of $58,042 in 1997 and $0 in 1996)	103,436	100,411
Deferred tax asset (Note 2)	1,028,400	751,106
Income taxes receivable (Note 2)	-	2,581
Other assets	148,732	74,423
	-------	------
Total Assets	$ 8,455,500	$ 6,609,196
	=========	=========
Liabilities and Stockholders' Equity (Net Assets)		
Liabilities		
Accounts payable and accrued expenses (Notes 4 and 6)	$ 113,980	$ 150,660
Income taxes payable	300	-
	---	-
Total Liabilities	114,280	150,660
-----------------	-------	-------
Stockholders Equity (Net Assets) (Note 3)		
Common stock, $.10 par - shares authorized 10,000,000 and 7,000,000, shares issued and outstanding 5,708,034 and 4,225,477 in 1997 and 1996	570,804	422,548
Capital in excess of par value	6,889,379	4,810,369
Undistributed net investment (loss)	(1,512,372)	(1,210,623)
Undistributed net realized gain on investments	3,055,715	2,258,386
Net unrealized (depreciation) appreciation of investments	(622,306)	177,856
	--------	-------
Net assets (per share 1997 - $1.46; 1996 - $1.53)	8,341,220	6,458,536
	---------	---------
Total Liabilities and Stockholders' Equity	$ 8,455,500	$ 6,609,196
	=========	=========

</TABLE>

Statement of Operations: Years ending December 31, 1997 and 1996

	1997	1996
Investment Income: (Note 5)		
Interest from portfolio companies	$ 178,695	$ 122,255
Interest from other investments	174,193	38,730
Other income	104,626	12,921
	-------	------
	457,514	173,906
	-------	-------
Expenses:		
Salaries	320,695	273,258
Employee benefits	34,712	32,188
Directors' fees	40,648	33,830
Legal fees	34,334	106,003
Professional fees	21,377	33,464
Shareholders and office	106,862	76,122
Insurance	94,357	94,263
Corporate development	74,434	79,557
Other operating	45,092	40,742
	------	------
	772,511	769,427
	-------	-------
Investment (loss) before income taxes	(314,997)	(595,521)
Income tax provision (Note 2)	12,000	13,000
Deferred income tax (benefit) (Note 2)	(25,248)	(210,736)

Investment (loss) - net	(301,749)	(397,785)
Realized gain (loss) on investments:		
Net gain (loss) on sales and dispositions	1,106,402	(462,964)
Net realized gain (loss) on investments	1,106,402	(462,964)
Deferred income tax provision	309,073	145,952
Net realized gain (loss)	797,329	(608,916)
Unrealized appreciation (depreciation) on investments:		
Beginning of period	337,889	3,236,040
End of period	(1,006,665)	337,889
(Decrease) in unrealized appreciation before income taxes	(1,344,554)	(2,898,151)
Deferred income tax (benefit) (Note 2)	504,392	(1,030,083)
Net (decrease) in unrealized appreciation	(840,162)	(1,868,068)
Net realized and unrealized (loss) on investments	(42,833)	(2,476,984)
Net (decrease) in net assets from operations	$ (344,582)	$ (2,874,769)

Statements of Changes in Net Assets: Years ending December 31, 1997 and 1996

	1997	1996
Net assets at beginning of period (including undistributed net investment loss of $397,785 and $409,931, respectively)	$ 6,458,536	$ 9,333,305
Operations:		
Net investment (loss)	(301,749)	(397,785)
Net realized gain (loss) on investments	797,329	(608,916)
Net (decrease) in unrealized appreciation of investments	(840,162)	(1,868,068)
Net (decrease) in net assets from operations	(344,582)	(2,874,769)
Net proceeds of private offering	2,227,266	0
Net assets at end of period (includes undistributed net investment loss of $301,749 and $397,785, respectively)	$ 8,341,220	$ 6,458,536

Notes to Financial Statements: Years ended December 31, 1997 and 1996

1. Summary Of Significant Accounting Policies

The Corporation operates as a closed-end management investment corporation registered under the Investment Company Act of 1940. It is a publicly held venture capital corporation, founded in 1969, headquartered in Buffalo, New York. The corporation's investment strategy is to provide expansion capital and investment, as well as investment banking and financial advisory services, to companies both inside and outside of the Western New York community.

Investments are stated at fair value as determined in good faith by the Board of Directors, as described in the Notes to Portfolio of Investments on page 5. Certain investments have been determined by the Board of Directors in the absence of readily ascertainable fair values. Because of the inherent uncertainty of valuation, these values may differ significantly from the values that would have been used had a ready market for the securities existed, and the difference could be material.

Amounts reported as realized gains and losses are measured by the difference between the proceeds of sale or exchange and the cost basis of the investment without regard to unrealized gains or losses reported in prior periods. The cost of securities that have, in the Directors' judgment, become worthless, are written off and reported as realized losses.

Temporary cash investments having a maturity of three months or less when purchased are considered to be cash equivalents.

Interest income generally is recorded on the accrual basis except where the investment is valued at less than cost to reflect risk of loss. In such cases, interest is recorded at the time of receipt. A reserve for possible losses on interest receivable is maintained when appropriate.

Net assets per share are based on the number of shares of common stock outstanding during the respective year. The prior years have been restated to show the effects of a twenty-five percent stock distribution that occurred during 1995, 1994 and 1993.

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Income Taxes

Deferred tax assets and liabilities are recorded for temporary differences between the financial statement and tax bases of assets and liabilities using the currently enacted tax rate expected to be in effect when the taxes are actually paid or recovered.

The net deferred tax asset presented in the Statements of Financial Position includes the following:

	1997	1996
Deferred tax asset - current	$ 1,108,096	$ 1,004,320
Deferred tax liability - current	79,696	253,214
Net deferred tax asset	$ 1,028,400	$ 751,106

The tax effect of the major temporary difference and carryforwards that give rise to the Corporation's net deferred tax asset are as follows:

	1997	1996
Operations	$ (7,634)	$ (6,020)
Investments	321,560	253,213
Net operating loss carryforwards	714,474	689,226
Capital loss carryforwards	0	309,073
	--------	--------
Net deferred tax asset	$ 1,028,400	$ 751,106
	=========	=======

The components of income tax expense (benefit) reported in the statement of operations are as follows:

	1997	1996
Current:		
State	$ 12,000	$ 13,000
	------	------
Deferred:		
(Benefit) on change in unrealized appreciation:		
Federal	(189,091)	(936,010)
State	(31,476)	(158,857)
	--------	---------
	(220,567)	(1,094,867)
	---------	-----------
Total	$ (208,567)	$ (1,081,867)
	=========	===========

A reconciliation of the benefit for the income taxes at the federal statutory rate to the benefit reported is as follows:

	1997	1996
Net investment (loss) and realized (loss) before income taxes (benefit)	$ (553,149)	$ (3,956,636)
Expected tax (benefit) at statutory rate of 34%	$ (188,071)	$ (1,295,888)
State - net of federal effect	(12,854)	(96,264)
Other	(7,642)	310,285
Total	$ (208,567)	$ (1,081,867)

Deferred income (benefit) taxes of approximately $(393,600) and $172,00 at December_31, 1997 and 1996, respectively, relate to net unrealized (depreciation) appreciation of investments. Such (depreciation) appreciation is not included in taxable income until realized.

Included in deferred taxes on the accompanying statements of financial position is approximately $72,000 and $81,000 at December 31, 1997 and 1996, respectively, applicable to a gain being reported under the installment method for income tax purposes. This amount will be reduced in future periods as payments are received.

At December 31, 1997, the Corporation had a federal and state net operating loss carryforward of approximately $1,789,000 and $1,719,000, respectively, which expire commencing in 2007.

3. Stockholders' Equity

In February 1997, the Corporation completed the sale of 1,482,557 shares of common stock at $1.55 per share via a private placement. The price of the shares was equal to the then current net asset value, making it a non-dilutive transaction.

At December 31, 1997 and 1996, there were 500,000 shares of $10 par value preferred stock authorized and unissued.

Summary of change in capital accounts:
<TABLE>
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	Undistributed Net Investment Loss	Undistributed Net Realized Gain (Loss) on Investments	Net Unrealized Appreciation (Depreciation) on Investments
<S>	<C>	<C>	<C>
Balance, December 31, 1995	$ (812,838)	$ 2,867,302	$ 2,045,924
Net (decrease) in net assets from operations	(397,785)	(608,916)	(1,868,068)
Balance, December 31, 1996	(1,210,623)	2,258,386	177,856
Net (decrease) increase in net assets from operations	(301,749)	797,329	(840,162)
Balance, December 31, 1997	$ (1,512,372)	$ 3,055,715	$ (662,306)

</TABLE>
<TABLE>
<CAPTION>

	Common Stock Shares	Common Stock Amount	Capital in Excess of Par
<S>	<C>	<C>	<C>
Balance, December 31, 1995 and 1996	4,225,477	$ 422,548	$ 4,810,369
Private offering - 1997	1,482,557	148,256	2,079,010
Balance, December 31, 1997	5,708,034	$ 570,804	$ 6,889,379

</TABLE>

4. Commitments and Contingencies

Corporation has a deferred compensation agreement which includes health and dental benefits with a former officer of the Corporation. Payments under this agreement are expected to be paid out over the period of January 1, 1996 through September 1, 1999. The amounts under this agreement were accrued as of December 31, 1995 due to all terms of the contract being satisfied by that fiscal year end. The health and dental benefits are accounted for under Statement of Financial Accounting Standards No. 106, " Employers Accounting for Postretirement Benefits Other Than Pensions" (FASB 106), requiring the accrual method of accounting for these benefits. Total accrued deferred compensation under this agreement at December 31, 1997 and 1996 was $95,977 and $132,177, respectively.

5. Transactions with Affiliates

Interest income from affiliates of the Corporation was $0 and $61,678 for the years ended December 31, 1997 and 1996, respectively.

6. Pension Expense

In prior years the Corporation sponsored a contributory and non-contributory defined benefit plan (the "Plan"). On September 23, 1996, the Corporation terminated the Plan. Prior to the termination, a former officer received a lump sum payment from the Plan in 1996 of approximately $486,000, and another participant received a lump sum distribution. As of the termination date, the Plan termination liability was $11,527 and was distributed to the two remaining vested participants in 1997. The Plan has ceased to exist as an entity. For the year ended December 31, 1996, total retirement expense amounted to $9,785 and actual contributions to the Plan amounted to $8,040. Defined benefits are not provided under a successor contributory plan.

Schedules of Selected Per Share Data and Ratios: Five Years ended December 31, 1997

Selected data for each share of capital stock outstanding throughout the five most current years is as follows:

<TABLE>
<CAPTION>

	Year ended December 31, 1997	1996	1995*	1994*	1993*
<S>	<C>	<C>	<C>	<C>	<C>
Investment income (Note 5)	$ 0.08	$ 0.04	$ 0.09	$ 0.07	$ 0.13
Expenses	0.14	0.18	0.23	0.17	0.18
Investment (loss) before income taxes	(0.06)	(0.14)	(0.14)	(0.10)	(0.05)
Income tax provision (Note 2)	.00	(0.05)	(0.05)	(0.03)	(0.01)
Net investment (loss)	(0.06)	(0.09)	(0.09)	(0.07)	(0.04)
Net realized and unrealized gain (loss) on investments	(0.01)	(0.59)	(0.89)	0.18	(0.02)
Increase (decrease) in net asset value before cumulative effect of change in method of accounting	(0.07)	(0.68)	(0.98)	0.11	(0.06)
Cumulative effect of change in method of accounting for income taxes (Note 2)	0.00	0.00	0.00	0.00	0.06
Increase (decrease) in net asset value	(0.07)	(0.68)	(0.98)	0.11	0.00
Net asset value - beginning	1.53	2.21	3.19	3.07	3.07
Net proceeds from private placement	0.00	0.00	0.00	0.01	0.00
Net asset value - ending	$ 1.46	$ 1.53	$ 2.21	$ 3.19	$ 3.07
Ratio of expense to average net assets	9.26%	9.75%	8.73%	6.13%	5.86%
Ratio of net investment (loss) to average net assets	(3.62)%	(5.04)%	(3.48)%	(2.32)%	(1.11)%
Number of shares outstanding at end of period	5,708,034	4,225,477	4,225,477	4,185,477	3,357,352

</TABLE>

*Per share data presented has been restated from prior years to reflect the 25% stock distributions of the Corporation occurring in 1995, 1994 and 1993.

Independent Auditors' Report: Deloitte and Touche LLP

To the Board of Directors and Stockholders
Rand Capital Corporation
Buffalo, New York

We have audited the accompanying statements of financial position of Rand Capital Corporation, (the "Corporation") as of December 31, 1997 and 1996, including the schedule of portfolio investments as of December 31, 1997, and the related statements of operations and changes in net assets for the years then ended, and the selected per share data and ratios for each of the five years in the period then ended. These financial statements and the selected per share data and ratios are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements and the selected per share data and ratios based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and per share data and ratios are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included examination or confirmation of securities owned as of December 31, 1997 and 1996. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and selected per share data and ratios referred to above present fairly, in all material respects, the financial position of Rand Capital Corporation as of December 31, 1997 and 1996, the results of its operations and changes in its net assets for the years then ended and the selected per share data and ratios for each of the five years in the period then ended, in conformity with generally accepted accounting principles.

As explained in Note 1, the financial statements include securities valued at $4,143,541 (50% of net assets), and $4,075,174 (63% of net assets) at December 31, 1997 and 1996, whose values have been estimated by the Board of Directors in the absence of readily ascertainable market values. We have reviewed the procedures used by the Board of Directors in arriving at its estimate of value of such securities and have inspected underlying documentation, and, in the circumstances, we believe the procedures are reasonable and the documentation appropriate. However, because of the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the securities existed, and the differences could be material.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of changes in investments at cost and realized gain on page 6 for the year ended December 31, 1997 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. This schedule is the responsibility of the Corporation's management. Such schedule has been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

January 16, 1998
Buffalo, NY

Shareholder Information:

Transfer Agent

Continental Stock Transfer & Trust Company
2 Broadway
New York, NY 10004

Shareholders

The Corporation had approximately 234 record holders of its common stock. This total does not include an estimated 853 shareholders with shares held under beneficial ownership in nominee name or within clearinghouse positions of brokerage firms or banks.

Market Prices

The common stock of Rand Capital is traded on The NASDAQ SmallCap Market tier of The NASDAQ Stock Market under the symbol: RAND. The following high and low selling prices for the shares during each quarter of the last two years were taken from quotations provided to the Corporation by the National Association of Securities Dealers, Inc.

Stock Selling Price Data

	1997		1996	
Quarter	High	Low	High	Low
1st	2	1 7/16	3 1/2	1 1/
2nd	2	1	2 1/4	1 3/8
3rd	1 9/16	1 3/16	2 1/8	1 1/2
4th	1 13/32	7/8	1 11/16	1 3/16

Notice of Annual Meeting

The Annual Meeting of Shareholders of Rand Capital Corporation will be held on Tuesday, April 14, 1998 at 10:00 am at the Rand Building, Room 1734, 14 LaFayette Square, Buffalo, New York. All shareholders are encouraged to attend.

Directors

Reginald B. Newman II — President, NOCO Energy Corporation
Buffalo, NY — Chairman, Rand Capital Corporation
Thomas R. Beecher, Jr — President, Beecher Securities Corporation
Buffalo, NY
Allen F. Grum — President, Rand Capital Corporation
Buffalo, NY
Luiz F. Kahl — President, The Vector Group, LLC
Buffalo, NY
Ross B. Kenzie — Retired
Buffalo, NY
Willis S. McLeese — Chairman, Colmac Holdings Ltd.
Toronto, Canada
Jayne K. Rand Vice — President, M&T Bank
Buffalo, NY

Officers

Allen F. Grum — President
Nora B. Sullivan — Executive Vice President
Daniel P. Penberthy — Chief Financial Officer

Corporate Counsel

Hodgson, Russ, Andrews,Woods & Goodyear
1800 One M&T Plaza
Buffalo, NY 14203

Independent Accountants

Deloitte & Touche LLP
KeyBank Tower
50 Fountain Plaza,
Suite 250
Buffalo, NY 14202

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