

May 18, 2012



Harris & Harris Group Discusses Restricted Stock Proposal in Letter to Shareholders Posted on Website

NEW YORK, May 18, 2012 (GLOBE NEWSWIRE) -- Shareholders of Harris & Harris Group, Inc., (Nasdaq:TINY) may be interested to know that we have posted a Letter to Shareholders on our website that discusses the background and support for our request that shareholders approve the ability for the company to grant restricted stock under the Amended and Restated Harris & Harris Group, Inc., 2012 Equity Incentive Plan (the "Amended Plan"). The letter may be accessed directly at <http://ir.hhvc.com/letters.cfm>.

Our singular intent with the Amended Plan is to use restricted stock rather than stock options to incentivize employees and align the interests of management with those of shareholders. If shareholders approve the Amended Plan, the Compensation Committee does not plan to grant new stock options to employees. If shareholders approve the Amended Plan, the Compensation Committee intends to grant approximately 1.78 million shares of restricted stock to employees, or 5.4 percent and 5.7 percent of fully diluted outstanding shares and currently issued and outstanding shares, respectively. Approximately half of the intended restricted stock grants will vest based on continuous service over the next five years. The remaining half will vest only upon stock price appreciation and company performance. After the initial restricted stock grant, the Compensation Committee does not plan to grant additional restricted stock to existing employees for at least three years.

The management of Harris & Harris Group is available ahead of the shareholder meeting to answer questions; please feel free to contact us at 212-582-0900.

Harris & Harris Group is an early-stage, active investor in transformative nanotechnology companies. Detailed information about Harris & Harris Group and its holdings can be found on its website at www.HHVC.com.

This press release may contain statements of a forward-looking nature relating to future events. These forward-looking statements are subject to the inherent uncertainties in predicting future results and conditions. These statements reflect the Company's current beliefs, and a number of important factors could cause actual results to differ materially from those expressed in this press release. Please see the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2011, as well as subsequent filings, filed with the Securities and Exchange Commission for a more detailed discussion of the risks and uncertainties associated with the Company's business, including but not limited to the risks and uncertainties associated with venture capital investing and other significant factors that could affect the Company's actual results. Except as otherwise required by Federal securities laws, the Company undertakes no obligation to update or revise these forward-looking statements to reflect new events or uncertainties. The reference to the website

www.HHVC.com has been provided as a convenience, and the information contained on such website is not incorporated by reference into this press release.

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Source: Harris & Harris Group