SAFE HARBOR STATEMENT

This presentation may contain statements of a forward-looking nature relating to future events. Statements contained in this presentation that are forward-looking statements are intended to be made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. 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 herein.

Please see the Company’s Annual Report on Form 10-K, 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, Harris & Harris Group, Inc. undertakes no obligation to update or revise these forward-looking statements to reflect new events or uncertainties.
Publicly traded venture capital firm with permanent capital
(NASDAQ: TINY)

- 28-year history of successful venture capital investing and capital raising.
  - $156.4 million in gross returns on $82.2 million in invested capital;
  - $150 million raised from public markets.

- Investing exclusively in companies enabled by nanotechnology since 2002.

- Four liquidity events in 2011: Solazyme (IPO), NeoPhotonics (IPOs),
  BioVex (sale to Amgen) and Innovalight (sale to DuPont): Gross IRR = 32.0%*

* Gross IRR based on values of Solazyme and NeoPhotonics based on closing price per share as of June 30, 2011, of BioVex on assumed successful completion of all regulatory and sales milestones and for BioVex and Innovalight release of the escrowed portions of the respective up-front payments in full.
We have the unique ability to identify, understand and diligence a network of discoveries all enabled at the nanoscale.
These discoveries cross-fertilize multiple billion dollar end markets in cleantech, healthcare and electronics.

Nanotechnology Focus Yields Uniquely Comprised Portfolio
By focusing on nanotechnology, we profit from the transformative breakthroughs that can become the disruptive products of tomorrow.
NANOTECHNOLOGY HAS COMPLETED THE TRANSITION FROM GESTATION TO COMMERCIALIZATION.
### Nanotechnology is Growing

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2008</th>
<th>Average Annual Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>World</td>
<td>US</td>
<td>World</td>
</tr>
<tr>
<td>R&amp;D Funding</td>
<td>$1.2B</td>
<td>$0.37B</td>
<td>$14B</td>
</tr>
<tr>
<td>Science Citation Index Papers</td>
<td>18,085</td>
<td>5,342</td>
<td>65,000</td>
</tr>
<tr>
<td>Patent Applications</td>
<td>1,197</td>
<td>405</td>
<td>12,776</td>
</tr>
<tr>
<td>People – Primary Workforce</td>
<td>60,000</td>
<td>25,000</td>
<td>400,000</td>
</tr>
<tr>
<td>Final Products Market</td>
<td>$30B</td>
<td>$13B</td>
<td>$200B</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Harris &amp; Harris Group</td>
<td>$198M</td>
<td>$380M</td>
<td>24%</td>
</tr>
<tr>
<td>Portfolio Aggregate Revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
NANOTECHNOLOGY IS PERSVASIVE

Scratch-Resistant Clearcoat

Developed using nanotechnology, a resilient polymer substance is applied after the base coat to maintain the lustrous paint quality on the LS. The elasticity in the substance improves resistance to scratches from fingernails and car washing, and its durability helps preserve the color and gloss of the LS well into its life on the road.
NANOTECHNOLOGY IS PERVERSIVE

Introducing Slickwear™
A product of Nanotex Technologies, Inc.

Looking to go the extra mile? Slickwear™ sports apparel can give you the edge you need! Based on nanotechnology developed for the Vanguard™ smart armor used by the US Military, Slickwear can monitor your body and adapt to its needs. Track your progress automatically with Griffin™ running shorts that record your heart rate, calories burned, and distance traveled and upload them to the web or your wireless device. Stay hydrated with Phoenix™ shirts that replenish lost electrolytes through transdermal patches and a sleek, discrete fluid reservoir that is lighter than a standard water-bottle. All systems are automatically powered through nanogenerators and are machine-washable. Available everywhere sporting goods are sold. Get ahead today!


SMART MONEY
Treasure Hunt
NANOTEX

STATIC ATTACK! Fabrics treated with nanoparticles can resist stains, static and even pesky pet hairs. Nano-Tex, an Oakland, Calif., firm, said it added several retailers to its customer list last year; products made with its fabrics appear in Target and J.C. Penney stores, as well as on tony Maclaren strollers.

UNDER...WHERE?

10
NANOTECHNOLOGY IS PERVERSIVE
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NANOTECHNOLOGY IS PERVERSIVE
### Nanotechnology Generates Returns

<table>
<thead>
<tr>
<th>Company</th>
<th>Liquidity Event</th>
<th>Cost</th>
<th>Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solazyme (NASDAQ: SZYM)</td>
<td>IPO</td>
<td>$5,309,991</td>
<td>$52,926,303(^1)</td>
</tr>
<tr>
<td>BioVex (Amgen)</td>
<td>Acquisition</td>
<td>$3,954,390</td>
<td>$18,182,073(^2)</td>
</tr>
<tr>
<td>NeuroMetrix (NASDAQ: NURO)</td>
<td>IPO</td>
<td>$2,103,281(^4)</td>
<td>$16,674,351(^3,4)</td>
</tr>
<tr>
<td>NanoGram Devices</td>
<td>Acquisition (Wilson Greatbatch)</td>
<td>$813,210</td>
<td>$2,749,955(^4)</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td></td>
<td><strong>$12,180,872</strong></td>
<td><strong>$90,534,767</strong></td>
</tr>
</tbody>
</table>

1. Value based on closing price per share as of June 30, 2011.
2. Assumes successful completion of all regulatory and sales milestones and release of the escrowed portion of the up-front payment in full.
3. Includes solely amounts and returns on amounts invested after 9/1/02.
4. Actual realized amounts. No future or potential additional proceeds from these investments exist.
NANOTECHNOLOGY IS POSITIONED FOR RAPID ADVANCEMENT

Unique opportunity exists now to profit from exponential growth of adoption of nanotechnology

- **Basic and Applied Research**
  - Term “Nanotechnology” Coined (1974)
  - Scanning Tunneling Microscope Invented (1981)
  - Carbon Nanotubes Discovered (1991)

- **Early Adoption**
  - H&H Portfolio Company Revenue Growth of 42% in 2010
  - Our First Liquidity Events; Four in 2011

- **Rapid Advancement**
  - First Decade of Commercialization
  - Second Decade of Commercialization

- **Mass Market**


- **First Decade of Commercialization**
- **Second Decade of Commercialization**
THREE MACRO CHALLENGES

• Many governments are forced to focus on current austerity rather than future prosperity.

• The market is a trader’s market rather than long term investor’s market.

• Worldwide assets prices have been re-valued downward – few exceptions, and don’t think you will be the exception.
Four Micro Challenges

• Venture investing as an asset class is in disarray.

• It takes a Village to raise a company as well as a child.

• Venture Investors that have survived have learned what they do well and are sticking to it strictly.

• Many industries are becoming competitive at an accelerating pace. This pressures investment returns.
Over $1 billion in capital from other venture capital firms

Over two thirds have significant corporate partnerships or investors

Over $80 million in federal funding

$136 million invested by H&H

Alloy Ventures
ARCH Venture Partners
ATA Ventures
Battery Ventures
Braemar Energy Ventures
CMEA Capital
Crosslink Ventures
DCM – Doll Capital Management

Bosch
Bristol Myers Squibb
Bunge
Coherent
Chevron
Dow
Hitachi Chemical

IMAX
Intel
LG Innotek
Lockheed Martin
Mitsui
Panasonic
Pfizer

Samsung
Sephora
Schlumberger
Synaptics
Syngenta
Tyco
Unilever

Advanced Defense Research Projects Agency
National Science Foundation
National Institute for Standards and Technology
Night Vision and Electronic Sensors Directorate
Office of Naval Research
National Institutes of Health
Department of Energy

Columbia University
California Institute of Technology
Harvard University
Lawrence Berkeley Laboratory
Massachusetts General Hospital
Massachusetts Institute of Technology
Research Triangle Institute
University of California
University College London
University of Illinois Urbana Champaign
University of Texas
Whitehead Institute

Note: All numbers are as of June 30, 2011.
WE ARE EARLY-STATE, ACTIVE INVESTORS

We hold board seats or observer rights in over 75 percent of our portfolio companies.

First Institutional Investor or Part of First Institutional Syndicate

- ABSMaterials
- Adesto
- Ancora
- Bridgelux
- Champions Oncology (PINK:CSBR)
- Contour Energy
- Enumeral
- Laser Light Engines
- Mersana
- NanoGram Devices (Acq. in 2004)
- Nantero
- NeoPhotonics (NYSE:NPTN)
- Nextreme
- PWA
- Solazyme (NASDAQ:SZYM)
- Siluria
- SiOnyx
- Ultora
- Xradia

Follow-On Investor to Existing Syndicate of Institutional Investors

- BioVex (Acq. in 2011)
- Cambrios
- Cobalt
- D-Wave Systems
- Ensemble
- Innovalight
- Kovio
- Molecular Imprints
- Nanosys
THE PACE OF COMPETITION ACCELERATES

The graph shows the progression of $\text{Lm/W}$, $\text{Lm/W/\$}$, and $\text{Lm/\$}$ over the years from 2001 to 2010. Key events include:

- Expansion of commercial TCO driven adoption
- LED becomes dominant lighting technology
- Theoretical max chip efficacy
- A19 replacement bulb approaching $5$
- Rapid mass (cost sensitive) market / bulbs adoption

The graph also highlights the cost per lumen ($\text{\$/L}$) from 2009 to 2015, showing a decrease in cost with time.
Nanotechnology is Transformative

Electronics

2001 2002 2003 2004 2005 2006 2007 2008 2009 2010

Quantum Computing

2001 2002 2003 2004 2005 2006 2007 2008 2009 2010

Quantum Computing

D-Wave
The Quantum Computing Company™

2001 2002 2003 2004 2005 2006 2007 2008 2009 2010

Quantum Computing

D-Wave
The Quantum Computing Company™
## We Have a Pipeline of Portfolio Companies

<table>
<thead>
<tr>
<th></th>
<th>Cleantech</th>
<th>Healthcare</th>
<th>Electronics</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Early Stage</strong></td>
<td>Laser Light Engines</td>
<td>Ancora</td>
<td>Adesto</td>
</tr>
<tr>
<td></td>
<td>Produced Water Absorbents</td>
<td>Enumeral</td>
<td>SiOnyx</td>
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<tr>
<td></td>
<td>Nextreme</td>
<td></td>
<td>D-Wave Systems</td>
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<tr>
<td></td>
<td>Ultora</td>
<td></td>
<td>Nantero</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Cambrios</td>
</tr>
<tr>
<td><strong>Mid Stage</strong></td>
<td>Cobalt</td>
<td>Mersana</td>
<td>Xradia</td>
</tr>
<tr>
<td></td>
<td>Contour Energy</td>
<td>Ensemble</td>
<td>NeoPhotonics (NYSE:NPTN)</td>
</tr>
<tr>
<td></td>
<td>ABSMaterials</td>
<td>Champions Oncology</td>
<td>Molecular Imprints</td>
</tr>
<tr>
<td><strong>Late Stage</strong></td>
<td>Solazyme (NASDAQ:SZYM)</td>
<td>Metabolon</td>
<td></td>
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<tr>
<td></td>
<td>Bridgelux</td>
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<tr>
<td></td>
<td>Innovalight(^1)</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Nanosys</td>
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</tbody>
</table>

**Note:** Portfolio companies and stage classifications as of June 30, 2011. Table does not include portfolio companies valued at $0 as of June 30, 2011.

\(^1\) Innovalight was acquired by DuPont on July 21, 2011

\(^2\) A portion of the potential amount we will receive from the sale of BioVex remains unrealized as of June 30, 2011.
WE WERE EARLY INVESTORS IN TODAY’S GROWTH MARKETS IN CLEANTECH

Estimated Production Cost Over Time* (Fuels and Chemicals) ($ per Metric Ton (MT))

Estimated ASPs and Production Cost ($ per MT of Oil / Bioproducts)

* Production cost over time based on built-for-purpose commercial manufacturing facility utilizing sugarcane feedstock.

For skin and personal care the >$1 million cost of production and $4 million ASP per metric ton related to Alguronic Acid®.