
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):

March 15, 2016

HARRIS & HARRIS GROUP, INC.

(Exact name of registrant as specified in its charter)

New York
(State or other jurisdiction of
incorporation)

0-11576
(Commission File
Number)

13-3119827
(IRS Employer
Identification No.)

1450 Broadway
New York, New York 10018

(Address of principal executive offices and zip code)

(212) 582-0900

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 8.01. Other Events.

On March 15, 2016, Harris & Harris Group, Inc. (the "Company") issued a press release providing an update on the business of the Company and reporting its financial statements as of December 31, 2015. A copy of the Company's press release that includes this update on its business and summary of its financial position for the quarter ended December 31, 2015, is attached as Exhibit 99.1.

The Company also released its Annual Letter to Shareholders, which is available on the Company's website, www.HHVC.com. A copy of the Annual Letter to Shareholders is attached as Exhibit 99.2 to this Form 8-K.

The 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 the press release. Please see the Company's Annual Report on Form 10-K for the year ended December 31, 2015, as well as subsequent SEC 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.

Additional Information

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 Form 8-K.

Item 9.01. Financial Statements and Exhibits.

- (a) Not applicable.
- (b) Not applicable.
- (c) Not applicable.
- (d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release, dated March 15, 2016
99.2	Annual Letter to Shareholders

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: March 15, 2016

HARRIS & HARRIS GROUP, INC.

By: /s/ Daniel B. Wolfe

Daniel B. Wolfe
President

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated March 15, 2016
99.2	Annual Letter to Shareholders

PRESS RELEASE

FOR IMMEDIATE RELEASE

HARRIS & HARRIS GROUP, INC.®
1450 BROADWAY – 24TH FLOOR
NEW YORK, NEW YORK 10018

**HARRIS & HARRIS GROUP ISSUES BUSINESS UPDATE,
POSTS ANNUAL SHAREHOLDER LETTER AND
REPORTS FINANCIAL STATEMENTS AS OF DECEMBER 31, 2015**

NEW YORK, NY – March 15, 2016 -- Harris & Harris Group, Inc. (NASDAQ: TINY), reported today that, as of December 31, 2015, its net asset value and net asset value per share were \$88,711,671 and \$2.88, respectively. The Company's Annual Report on Form 10-K may be accessed at <http://ir.hhvc.com/sec.cfm>.

Review of 2015

In 2015, we continued to be challenged by a decline in net asset value per share (“NAV”) and a decrease in the stock price. However, we believe multiple accomplishments, and adjustments to our business made during 2015, position us for potential future value recognition. These items include:

- Two of our portfolio companies, Adesto Technologies Corporation and OpGen, Inc., completed IPOs and are now traded on the NASDAQ stock exchange under the symbols IOTS and OPGN, respectively.
- Molecular Imprints, Inc., and SiOnyx, Inc., were sold to undisclosed buyers. We hold shares in the buyer of Molecular Imprints and have an economic interest in future returns from the buyer of SiOnyx. CordenPharma International bought out SynGlyco, Inc.’s rights to future payments.
- We sold our shares of Nantero, Inc., to an undisclosed current investor in the company at a gain on our investment.
- We received milestone payments related to the sales of BioVex Group, Inc., to Amgen, Inc., and Molecular Imprints, Inc., to Canon, Inc.
- We received the final principal payment from our initial set of non-convertible debt investments made between 2010 and 2012. These investments generated an attractive return on investment, provided us with short-term income and all principal was repaid in full.
- We repurchased 509,082 shares of our stock for approximately \$1.2 million at an average price per share of \$2.36.
- We ended 2015 with \$17.9 million in cash and \$19.1 million in secondary liquidity (publicly traded positions).
- We decreased our expenses for the third consecutive year. Additionally, in 2016, we are positioned to significantly reduce net operating loss an additional 20-30%.
- AgBiome LLC, EchoPixel, Inc., Magic Leap, Inc., Metabolon, Inc., NGX Bio, Inc., and ORIG3N, Inc., raised rounds of capital from new and current investors at higher prices per share than each company's respective prior round of financing.

- HZO, Inc., raised capital from current investors at the same price per share as the prior round of financing and TARA Biosystems, Inc., attracted capital from two new investors in a convertible note financing.
- A number of our portfolio companies announced significant developments including:
 - o D-Wave secured multi-year agreements with Lockheed Martin and Google/NASA/USRA and a order from Los Alamos National Laboratory. The company also announced and shipped its first 1,000 qubit computers. Google announced that D-Wave's quantum computer was able to find solutions to complicated problems of nearly 1,000 variables up to 10⁸ (100,000,000) times faster than classical computers.
 - o AgBiome formed a strategic partnership with Genective, a leading developer of biotech crops, to accelerate the discovery of a new generation of insect control traits.
 - o HZO announced partnerships with Dell and Motorola. HZO's solutions are incorporated into Dell's Latitude 12 Rugged Tablet and Motorola's Moto Surround earbuds.
 - o OpGen announced the acquisition of AdvanDx, a developer of advanced molecular diagnostic products. Through this deal, OpGen gained a family of FDA approved and CE marked rapid molecular tests for use with the company's Acuitas MDRO Gene tests and bioinformatics for multi-drug resistant organisms.

We also faced the following challenges during the year:

- Net Asset Value per share ("NAV") decreased from \$3.51 at December 31, 2014 to \$2.88 at December 31, 2015.
- Our share price decreased from \$2.95 as of December 31, 2014 to \$2.20 as of December 31, 2015, and \$1.92 as of March 11, 2016.
- Even though financings of some of our portfolio companies may have occurred at increases in price per share from prior rounds of financing, such increases in value may not be reflected in full in our values owing to other rights and preferences afforded to investors in those rounds of financing. This challenge, in part, led to a decrease in our net asset value per share during 2015.
- IPOs of small companies are difficult to complete, and when they are completed, they often occur at valuations lower than publicly traded comparable companies and rounds of private financing.
- The values of public equities, particularly those of microcapitalization companies, are highly volatile. While Adesto Technologies Corporation is trading above its IPO price, Champions Oncology, Enumeral and OpGen all decreased in value during 2015. Our own stock price has been under considerable pressure from these and other headwinds.
- We had three companies, Cobalt Technologies, Inc., Cambrios Technologies Corporation and Ultora, Inc., cease operations and assign each company's assets to a trustee for liquidation for the benefit of creditors. We did not receive any proceeds from Cobalt Technologies, and we do expect to receive proceeds from Cambrios Technologies and Ultora.
- The downturn in the oil and gas sector has negatively affected the business operations of at least one of our portfolio companies, Produced Water Absorbents, Inc.
- While Bridgelux, Inc., agreed to be acquired by a consortium of buyers in July 2015, the transaction has yet to close and we are uncertain if and when it will close.

"Although from an acute standpoint, 2015 appears to have been a challenging year, when you look at the accomplishments above, it was also a year of strong positioning for future value recognition," said Douglas Jamison, Chairman and CEO of Harris & Harris Group. "In 2015, our portfolio continued to demonstrate liquidity events, as it has over the past five years; key maturing companies demonstrated convincing proof points of their value; we continue to reduce expenses to return more of our future returns to shareholders; and, we have staked out a strong position in the emerging precision health and precision medicine market."

Please see our 2015 Annual Letter to Shareholders posted on our web site at <http://ir.hhvc.com/letters.cfm> for more discussion on our precision health and precision medicine market opportunity, as well as a discussion on our new Co-Investment Fund opportunity for accredited investors.

Additionally, join us for our Annual Shareholder Meeting on June 7, 2016 as three of our maturing portfolio companies, D-Wave Systems, HZO and Metabolon discuss their businesses and take questions. Please see our web site at www.hhvc.com to register to attend.

SUMMARY OF FINANCIAL POSITION

	December 31, 2015 (Audited)	December 31, 2014 (Audited)	September 30, 2015 (Unaudited)
Total Assets	\$ 96,461,286	\$ 112,094,861	\$ 94,158,008
Net Assets	\$ 88,711,671	\$ 109,654,427	\$ 86,974,196
Net Asset Value per Share	\$ 2.88	\$ 3.51	\$ 2.80
Shares Outstanding	30,845,754	31,280,843	31,022,866

Harris & Harris Group is a publicly traded, internally managed business development company that builds transformative companies from disruptive science. Detailed information about Harris & Harris Group and its holdings can be found on its website at www.HHVC.com, on Facebook at www.facebook.com/harrisharrisvc and by following on Twitter [@harrisandharrisgroup](https://twitter.com/harrisandharrisgroup).

PRESS CONTACT:

Douglas W. Jamison
Harris & Harris Group, Inc.
212-582-0900

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, 2015, 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 references to the websites www.HHVC.com and www.Facebook.com have been provided as a convenience, and the information contained on such websites is not incorporated by reference into this press release. The Company is not responsible for the contents of third party websites.



2015 Annual Letter to Shareholders

Fellow Shareholders:

As we begin 2016, we continue to focus intently on three areas where we believe we can create value for shareholders now and into the future.

- 1) We believe major changes are coming to the American health care system over the next decade. The promise of precision medicine will be leading many of these changes. We believe we are in a unique position to build certain of our current and our future portfolio companies addressing precision health and precision medicine as majority owned subsidiaries or controlled partner companies. Our team is already actively engaged in this market with our companies.
- 2) We will continue to cultivate our maturing companies that have the potential to generate substantial returns. When these maturing companies exit, we plan to return to shareholders a much greater portion of future realized gains from these investments in the form of dividends and share repurchases than we have historically.

As we announced on March 9, 2016, we will also begin offering limited numbers of accredited investors the opportunity to co-invest with Harris & Harris Group in some of these maturing companies through a newly formed co-investment fund that will be managed by Harris & Harris Group.

- 3) We will continue to reduce our net operating loss (defined as our investment income less our expenses). We will see a further reduction in net operating loss of 20-30 percent in 2016, after an 11 percent reduction over the period of time from 2013 through 2015. We believe this will take us to an expense level we believe is at a minimum to operate a publicly traded Business Development Company in the current regulatory environment. This reduction in net operating loss will permit our shareholders to realize more of the value of our portfolio as it matures in the coming years.

We will also seek to increase substantially the short-term income generated from existing and new investments to offset our operating expenses and potentially generate additional cash flows for shareholders of Harris & Harris Group.

Co-Investment Fund Opportunity:

We would like to focus on this newly-formed co-investment fund discussed in point 2 above, briefly. A consistent question we hear from our shareholders and other attendees at our *Meet the Portfolio Day* events and in other conversations is, 'How can I invest directly in your portfolio companies?' As our portfolio companies grow, we have rights to invest in future rounds of financing if we so choose. These rights are often referred to as pre-emptive rights.

We believe that offering some of these special rights to accredited investors of Harris & Harris Group can be a catalyst to invest in and hold our stock. It permits accredited investors to invest in the companies within our portfolio that they believe have outsized growth potential while the companies are still private and not readily available to a wide group of investors. Having accredited investors of Harris & Harris Group participate where and when they would like in financings of our more mature portfolio companies is a way that Harris & Harris Group can keep more control and retain greater ownership than we can otherwise achieve alone, and these accredited investors have the opportunity to potentially generate returns on invested capital in individual portfolio companies.

These opportunities to invest in maturing companies will be provided through H&H Co-Investment Partners, LLC, a newly formed entity that will be managed by Harris & Harris Group. We expect to solicit interest from shareholders in separate series established by H&H Co-Investment Partners to invest in individual portfolio companies, ahead of potential future rounds of financing. We expect that accredited investors who have held Harris & Harris Group stock prior to the close of each financing will have priority in the allocation of these limited co-investment opportunities. We will provide more information on how accredited investors may subscribe to our offerings later this month.

Precision Health and Precision Medicine:

Over the past few years, we have been actively building a set of companies in the precision health and precision medicine market space, including: Metabolon, Inc., ORIG3N, Inc., EchoPixel, Inc., NGX Bio, Inc., TARA Biosystems, Inc., Interome, Inc., ProMuc, Inc. and Phylagen, Inc.

We define precision health and precision medicine as a focus on health, wellness and medicine at the individual level. It includes not just medical technologies, but digital technologies, genetic technologies, and big data and data mining technologies. These technologies working together are permitting individuals to take control of their health and medical treatment. Our specific expertise is in areas where phenotypic, or environmental information, is intersecting with genetic information.

We believe the current health care market is ripe for change. According to the Congressional Budget Office, health care expenditures have grown at a level two percent greater than Gross Domestic Product (GDP) each year since 1975. Each year health care has taken increasingly more of our economic output in the United States. Health care has grown from 8 percent of GDP in 1975 to just under 18 percent today. Not only is this trend unsustainable, but it has escalated while not providing health care consumers 1) answers to chronic diseases that are individualized to their illness nor 2) specific answers that can be used to prolong health and wellbeing for extended periods of time.

Precision health and precision medicine will be an increasingly important piece of the changing health care market over the next decade. Already, technologies are available that can provide information that is specific to you as an individual for guiding your health or for treating disease. Consumers of health care and foundations focused on certain diseases and conditions have been driving the adoption of these new technologies to provide answers for those in need. Certain medical markets such as cancer, cardiovascular disease, rare disease, undiagnosed disease and fertility have begun to adopt these technologies into their practices.

We believe that building a bridge between the consumer and the clinical market, where large data sets of information can be stored, interrogated, and clinically interpreted is an opportunity for Harris & Harris Group to become an impactful leader in the health care market. Our portfolio companies ORIG3N and NGX Bio are already focused on driving consumer data in the regenerative medicine and genomics, respectively. Metabolon, TARA Biosystems and Phylagen each provide precision information at an individualized level. Our newest portfolio company, Interome, Inc., is focused on gathering and interrogating information, some provided by our portfolio companies mentioned above, to provide clinically actionable information. Interome is currently focused in the area of undiagnosed diseases.

As we have studied the emergence of new markets and changing industries, and as we have looked back and learned from our venture capital experiences as well as those of others, we have concluded that building a focused set of synergistic companies focused on the emergence of a new market and a changing industry is the best way to create value for our shareholders over the coming years. Precision health and precision medicine provides this opportunity. Please see our Q3 Letter to Shareholders that was posted as a press release on November 9, 2015, for additional information. This letter can be accessed at http://files.shareholder.com/downloads/TINY/1618546288x0x860493/49BC8B3E-FAC4-4D5C-BC1E-EF30B4018653/2015_Q3_Shareholder_Letter.pdf.

We would like to conclude by inviting you to our Annual Shareholder Meeting on June 7, 2016, at the New York Genome Center located in New York City. The New York Genome Center couldn't be a more fitting venue to continue our discussion of precision health and precision medicine. It is a leading center for genomic and phenotypic research in New York City. This year, we are doing something different. We are inviting a few of our most mature companies to present for 15-20 minutes with audience questions to follow. Additionally, our portfolio company ORIG3N will be present to draw your blood, if you so choose, to re-create your own individualized, induced pluripotent stem cells (iPSCs) to be stored for potential use in the future and to be used to advance the science of precision health and medicine. We welcome you to join us, and learn more about what our companies are doing to change health care and advance precision medicine. It could change your life, literally.

Thank you for your continued support and interest in Harris & Harris Group.

/s/ Douglas W. Jamison
Douglas W. Jamison
Chairman, Chief Executive Officer
and Managing Director

/s/ Daniel B. Wolfe
Daniel B. Wolfe
President, Chief Operating Officer
and Managing Director

March 15, 2016

This letter 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 letter. Please see the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015, 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 references to any websites have been provided as a convenience, and the information contained on such websites is not incorporated by reference into this letter. Harris & Harris Group is not responsible for the contents of third party websites.