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REFR's silly circus takes to the air, reports Asensio & Company, Inc.

Last week Research Frontiers Incorporated (NASDAQ Symbol: REFR, \$20.67) made an alleged "historic" announcement: seven SPD windows had been installed in a single Learjet 25C. According to REFR "this formally marks the end of a monumental development and scale-up effort". As REFR previously promoted, InspecTech, a very small Ft. Lauderdale airplane-refurbishing outfit, persuaded National Jets of Ft. Lauderdale--InspecTech's neighbor--to replace 7 shades with 7 SPD slides in one of its 6 small planes. The transaction may have yielded REFR up to \$780 in licensing revenue from product sales, its first after 35 years of self-promotion. Sillier still is that even this embarrassingly insignificant and long over due event is riddled with gross deception.

REFR claims that SPD shades reduce fuel consumption and increase flying range. REFR also stated that the SPD shades reduce maintenance, downtime and cost of operation. REFR did not provide any support for these absurd statements. We have advised REFR that we believed these statements to be false, requested a response and supporting documentation. REFR failed to provide any response or support for their statements.

Additionally, InspecTech issued a press release containing statements that the replaced shades frequently jammed and did not stay up, and required constant maintenance. We checked with airplane maintenance companies. They confirmed that the shades that are a standard part of aircraft windows rarely, if ever, require maintenance. Notably, according to Lexis/Nexis, InspecTech never issued a single press release before it started issuing statements concerning the sales potential of REFR's SPD product in March 2001. We know of no reason for this oddity other than an attempt by REFR to create the illusion of independent verification of SPD.

For over 35 years REFR has been claiming to be on the verge of commercializing a 1930's light valve technology, which uses electricity to lighten windows. SPD uses organic materials, liquid suspension, requires continuous use of electricity to remain in a clear state, and has limited light and infrared control range (for instance they can not black out light in airplanes for daytime movie viewing or sleeping). Other smart windows technologies use inorganic solid materials that are more durable and do not require continuous use of electricity. These are only a few of the many good reasons that explain SPD's 35 years of failure and REFR's reliance on deception to sell its stock to the public.

Asensio & Company believes REFR is grossly overvalued.