

June 18, 2001

REFR uses 12-year-old promotion in its supposedly new story, reports Asensio & Company.

In a press release dated June 14, 2001, Research Frontiers Incorporated (NASDAQ: REFR) (Price: \$24.38) announced that in the first quarter of 2001 it added two new end-product licensees, AP Technoglass Co. and InspecTech Aero Service, Inc apparently to support the latest version of its 35-year-old smart glass story.

In an Automotive News article dated April 9, 2001 discussing REFR's end-product license with AP Technoglass, an AP representative was quoted stating that REFR "...hadn't really thought about the automotive market." On the contrary, we found that REFR has, for more than a decade, repeatedly promoted its smart automotive glass story. For example, AP Technoglass is a subsidiary of Asahi Glass Co., Ltd. Another subsidiary of Asahi Glass, Glaverbel S.A. entered into a licensing agreement with REFR in 1992 to use REFR's technology in automobiles. In addition, an article about REFR in The New York Times dated March 8, 1989 states that REFR's "technology may be adapted to... automobile sunroofs."

On March 22, 2001, InspecTech Aero Service, Inc. announced that it had acquired a REFR license for aircraft windows. InspecTech is an immaterial Ft. Lauderdale distributor of aftermarket aircraft parts and is not in the business of selling OEM aircraft windows. According to the U.S. Business Directory, as of June 1, 1999, InspecTech had 9 employees and sales of \$500,000-\$1 million. REFR seems to be promoting the idea of converting aircraft window shades from something mechanical, simple and unquestionably effective to something that uses electricity and controls, is unproven, highly questionable, and complex to install and maintain and cannot change from totally clear to totally dark. We believe that the plan is non workable and that it is absurd to claim that the virtually non-existent InspecTech will succeed with such a hyperbolized unrealistic scheme. Furthermore, even if aircraft manufacturers really want "smart windows," they have many other technologies to choose from that do not require the continuous use of 115 AC voltage electricity.

Asensio & Company believes REFR is grossly overvalued.