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## *Is the 46-year-old REFR Dream Finally Coming True?*

Research Frontiers Inc. (NASDAQ: REFR) announced on February 7th that its “smart glass” technology will be used in an option available on the Mercedes-Benz SLK model to be released this summer. According to REFR, for about \$2,600 purchasers of the SLK can have a “Magic Sky Control” glass roof featuring REFR’s technology.

While REFR shareholders no doubt appreciated the rise in REFR’s share price from \$6.64 to \$10.29 surrounding the press release, REFR’s track record may give other investors pause. REFR was incorporated 46 years ago, in 1965, and has burned through approximately \$80 million of shareholder funds on the promise of one day commercializing its smart glass. To date, REFR has only delivered recurring net losses and has failed to develop substantial revenues. For the nine months ended September 30, 2010, REFR had a net loss of \$3 million on revenues of \$425,942.

asensio.com began reporting on REFR in 2001. In 2003, REFR claimed that a bus manufactured by Daimler AG, which also manufactures Mercedes Benz cars, would be using REFR’s technology. The bus failed to deliver meaningful sales.

REFR held a conference call on February 9th to discuss the SLK feature. While REFR did not give precise revenue guidance, REFR stated that there are estimates that around 42,000 of the new Mercedes SLK will be sold, though it did not state how many had been sold in the previous year. REFR did not estimate how many buyers might opt for the “Magic Sky.” REFR stated that it would be getting a 10% royalty on the wholesale price of the glass, but it could not specify what the wholesale price is.

With all the questions that remain to be answered, and with REFR’s track record, investors may find that the (new) Daimler deal ends up making REFR’s current valuation look excessive (again).