

June 15, 2001

REFR issues unsubstantiated future profit forecast.

Investors may be buying shares of Research Frontiers Incorporated's (NASDAQ Symbol: REFR) (Price: \$27.90) common stock at an over \$330 million market value believing that yesterday's announcement concerning the company's future profit forecast was based on customer orders or some new material or substantial developments. No orders or new developments were announced. In fact, REFR is a 35-year-old company with an uninterrupted history of losses and commercial failure. REFR did not provide any information on the amount of profits it expects nor the exact source of its expected revenues, and this is not the first time expected profits have been announced. According to the February 1997 issue of the Business Journal, Robert L Saxe, REFR's President, believed profits were possible in 1998. REFR has had end-product licensees since 1986.

Yesterday's announcement stated that REFR had completed its goal of licensing emulsion manufacturers, and that with this supply in place REFR was able to add new end-product licensees. These seemingly new and recent developments were used to support REFR's profit proclamations. Unfortunately none of this is new or recent. REFR has a 15-year history of promotional announcements claiming potential product availability and profitability, neither of which ever materialized. These promotions have not served to sell any products but have allowed the company and its insiders to together sell approximately 6 million shares of REFR stock to the public.

REFR is supposedly commercializing a 1930s smart glass technology called suspended particle device ("SPD"). There are many smart glass technologies competing in a small market. Each of the technologies has varying cost, product configuration, performance and durability specifications. REFR is the only smart glass company using SPD technology. We believe that SPD's use of organic materials, liquid suspension, required continuous use of electricity to remain in clear state, and limited light and infra-red control range make SPD less durable and less usable than other smart windows technologies that use inorganic solid materials that are more durable and do not require continuous electricity. Furthermore, according to ABC News.com, the government-funded Lawrence Berkeley Lab calculated SPD windows would cost approximately \$100 per square foot. This cost estimate and SPD's specifications help explain its 35-year uninterrupted history of commercial failure.

Asensio & Company believes REFR is grossly overvalued.