

June 08, 1998

Chromatics has no material sales or earnings potential.

Asensio & Company, Inc. issued an institutional research report and initiated coverage of Chromatics Color Sciences International, Inc.'s (OTC Symbol: CCSI) (Price: \$10.75) common stock with a Strong Sell and Short Sell recommendation.

Investors are buying shares of Chromatics Color Sciences International, Inc. believing that the company has developed a proprietary medical instrument, the Colormate III, which offers certain unique advantages in a market it estimates to be between \$330 and \$510 million. These product and market size claims are completely false and untrue. The Colormate III is a simple, common non-invasive bilirubinometer. Non-invasive bilirubinometers are inexpensive colorimeters adapted to generate estimates of bilirubin blood levels. They have been in use since the 1950's. In fact, the Colormate III itself is over 10 years old, was FDA approved for marketing almost a year ago and has yet to register a single sale. Frost & Sullivan estimates the entire world market for bilirubinometers to be less than \$2.5 million per year. Chromatics' widely published claim that this smallest of segments of the clinical laboratory instrument market is over 100 to 200 times its actual size is absurd. Chromatics lacks any reasonable or factual support for any of its product and market claims. Any information to the contrary is necessarily false and misleading. We believe that Chromatics has purposely disseminated such false and misleading information in order to defraud investors. We further believe Chromatics' stock rise is based on the belief that the Colormate III has the potential to generate significant earnings. There is no truth to this belief. As a result, we believe the shares will soon trade below \$1.00 per share.

Chromatics has approximately 19.4 million fully diluted shares outstanding including all outstanding preferred shares, options and warrants. At yesterday's closing bid price, Chromatics had a fully diluted market value of approximately \$170 million. In the latest twelve-month period Chromatics had \$9,700 and \$6.1 million in operating revenues and losses, respectively. Chromatics' only source of funds is a system of below market private stock sales followed by registrations that allow the private stock to be resold publicly, and fraudulent stock promotions. After its Investors Associates, Inc. underwriting, Chromatics had 4.1 million shares of common stock outstanding. Investors Associates and its principals were expelled from the securities business and charged with securities fraud. Today, Chromatics has 14.8 million shares outstanding. Using its method of private stock sales and fraudulent promotions, Chromatics has sold an additional 10.7 million shares of its stock at an average private selling price of \$2.00 per share without ever selling a single additional share through an underwriting. These shares were then resold at a profit to public investors.

Short selling involves a risk not associated with the purchase of stock including, but not only limited to, unlimited loss and stock borrowing risks. Additional information is available upon request.