

eMagin Receives Initial Production Subcontract for U.S. Army Enhanced Night Vision Goggle

BELLEVUE, Wash., June 26, 2012 - eMagin Corporation (NYSE Amex: EMAN), a leader in OLED microdisplays and virtual imaging technologies, announced today that it has received a subcontract from ITT Exelis Corporation for initial production volumes of the display beam combiner assembly (DBCA) for the Spiral Enhanced Night Vision Goggle (SENVG) for the U.S. Army, which includes eMagin's OLED-XL full color microdisplays. The total contract award is valued at approximately \$49.5 million. eMagin's subcontract has a potential value of \$3.6 million, with deliveries planned from mid-2012 through mid-2013.

The Army awarded Exelis a production option for the SENVG, designated AN/PSQ-20A. The SENVG gives soldiers the ability to detect and identify potential threats regardless of weather or environmental conditions, helping to ensure they complete their missions and come home safely.

"This is an important award for eMagin as it proves the value of the low power, high contrast and wide temperature operational advantages of our active matrix OLED technology for the U.S. Army's night vision initiatives," commented Andrew Sculley, President and Chief Executive Officer of eMagin. "We are pleased to be able to help reduce the power requirements for the SENVG with low-power, high contrast, OLED microdisplays."

According to ITT Exelis Geospatial Systems, the SENVG is production-ready, reliable and durable in challenging conditions and combines the strengths of thermal infrared imagery and image intensification. The SENVG is designed to accommodate enhancements for future network integration and lays the foundation for a digital future.

About eMagin Corporation

A leader in OLED microdisplay technology and personal display systems, eMagin integrates high-resolution OLED microdisplays with magnifying optics to deliver virtual images comparable to large-screen computer and television displays in portable, low-power, lightweight personal displays. eMagin microdisplays provide near-eye imagery in a variety of products from military, industrial, medical and consumer OEMs. The company's own Z800 3DVisor provides 3D stereovision and headtracking for PC gaming, training and simulation, immersion therapy, and other applications. More information about eMagin is available at www.emagin.com.

Forward Looking Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including those regarding eMagin Corporation's expectations, intentions, strategies and beliefs pertaining to future events or future financial performance. Actual events or results may differ materially from those in the forward-looking statements as a result of various important factors, including those described in the Company's most recent filings with the SEC. Although we believe that the expectations reflected in the forward-looking statements are reasonable, such statements should not be regarded as a representation by the Company, or any other person, that such forward-looking statements will be achieved. The business and operations of the Company are subject to substantial risks which increase the uncertainty inherent in forward-looking statements. We undertake no duty to update any of the forward-looking statements, whether as a result of new information, future events or otherwise. In light of the foregoing, readers are cautioned not to place undue reliance on such forward-looking statements.
