

eMagin Signs Long-term Exclusive Supply Agreement with Sagem (Safran group) - France

BELLEVUE, Wash., November 12, 2012 - eMagin Corporation (NYSE MKT: EMAN), a leader in OLED microdisplays and virtual imaging technologies, announced today that it has signed a contract extension with Sagem (Safran group), Paris, France, for the exclusive supply of OLED Microdisplays for FELIN, Fantassin à Équipement et Liaisons Intégrés (Integrated Infantryman Equipment and Communications). The original agreement, signed in 2006, was for supply of OLED microdisplays for the helmet-mounted display, weapon sights and target designator used in the FELIN system. To date, more than 17,000 active matrix OLED microdisplays have been delivered for FELIN, with an approximate 15,000 additional microdisplays to be delivered during the extended contract period. The contract extension frames a strategic partnership between Sagem and eMagin making eMagin the exclusive OLED supplier for FELIN and future Sagem Optronics products through 2017, and providing Sagem early access to a soon to be announced family of new eMagin OLED microdisplays.

FELIN is a modular infantry combat suite, offering efficient ergonomics, autonomy and weight saving. In March 2004, Sagem won the DGA contract to develop and produce up to 22,500 infantry combat suits, to field with all French Army active infantry regiments. Fielding began in mid-2010. FELIN systems comprise a modified weapon system, integral sensors, wearable computer, communications and display systems, advanced uniform, protection and headgear. FELIN is deployed in Afghanistan.

"We are excited about the opportunity to work closely with Sagem on new products for defense and security applications. eMagin OLED microdisplays are the most advanced in resolution, performance, and proven durability, world-wide. Combining our new offerings with Sagem optronics technology is a perfect match for producing affordable, high performance night vision and surveillance products," commented Andrew Sculley, eMagin's president and chief executive officer. "We look forward to the continued long relationship with Sagem."

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.

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