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EMAGIN CORP  
Form 8-K  
April 01, 2005

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 28, 2005

eMagin Corporation

(Exact name of registrant as specified in its charter)

Delaware	000-24757	56-1764501
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(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

2070 Route 52, Hopewell Junction, New York 12533  
(Address of principal executive offices and Zip Code)

Registrant's telephone number, including area code (845)-838-7900

Copies to:

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 4.02 Non-Reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim Review

In connection with the preparation of the Company's annual report on Form 10-KSB for the year ended December 31, 2004, on March 28, 2005 the Company was advised by its independent registered public accounting firm that the conversion of the debt to equity during the first quarter should be classified as a debt transaction and therefore an expense should have been recorded in connection

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with the conversion. As a result, the Company is required to record non-cash interest expenses consisting of a debt discount of (\$1,598,335) as well as the write-off of unamortized financing expense of (\$74,637) during the fiscal quarter ended March 31, 2004. Accordingly, the financial statements for the three months ended March 31, 2004, six months ended June 30, 2004 and nine months ended September 30, 2004 should no longer be relied upon.

As a result, for the three months ended March 31, 2004, the Company's net interest expense should have been reported as (\$5,076,082) and its net loss should have been (\$6,605,944), for the six months ended June 30, 2004, the Company's net interest expense should have been reported as (\$5,068,069) and its net loss should have been (\$8,004,666), and for the nine months ended September 30, 2004, the Company's net interest expense should have been reported as (\$5,042,062) and its net loss should have been (\$9,759,565). In addition, for the three months ended March 31, 2004, the Company's basic and diluted loss per common share should have been reported as (\$0.13), for the six months ended June 30, 2004, the Company's basic and diluted loss per common share should have been reported as (\$0.14) and for the nine months ended September 30, 2004, the Company's basic and diluted loss per common share should have been reported as (\$0.16).

On March 25, 2005, the Company previously reported on Form 8-K the change in accounting treatment for the re-pricing of certain warrants during the fiscal quarter ended September 30, 2004, in which \$594,568 originally treated as an expense was reclassified as an equity transaction.

The Company is continuing to review all debt and equity related transactions for 2004 and 2003.

Unaudited Statement of Operations	Three months ended March 31, 2004		Six months ended June 30, 2004		Nine Septe
	Restated	As Filed	Restated	As Filed	Resta
Other Income (expense)	(\$5,076,082)	(\$ 3,403,110)	(\$ 5,068,069)	(\$3,395,098)	(\$5,04
Net loss	(\$6,605,944)	(\$ 4,932,972)	(\$ 8,004,666)	(\$6,331,694)	(\$9,75
Basic and diluted loss per common share	(\$0.13)	(\$0.09)	(\$0.14)	(\$0.11)	(

In addition to the foregoing, on March 14, 2005 the Company provided preliminary un-audited results for the quarter and year ended December 31, 2004 and updated those results in the Form 8-K filed by the Company on March 25, 2005, where for the same reasons stated above \$1,040,813 originally reported as a non-cash interest expense related to warrant re-pricing during the fourth quarter was reclassified as an equity transaction. The preliminary results as reported on March 14, 2005 for the three months and twelve months ended December 31, 2004 were a net loss of (\$3,991,986) and (\$12,673,143), respectively, and a loss per share of (\$0.05) and (\$0.20) per share. Reflecting the changes mentioned above increases interest expense \$1,672,972 for the twelve months as a result of the first quarter reclassification and decreases interest expense \$594,568 and \$1,040,813 as a result of the third and fourth quarter reclassifications. The net change for the twelve month period from the initial preliminary report is an increase in interest expense and net loss of \$37,595. Loss per share is

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unchanged from the initial report. The updated preliminary results are reflected in the table below.

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Unaudited Statement of Operations	Three months ended December 31, 2004:		Twelve mon December
	Restated	Initially Reported	Restated
Net loss	(\$ 2,951,173)	(\$ 3,991,986)	(\$12,710,738)
Basic and diluted loss per common share	(\$ 0.04)	(\$0.05)	(\$0.20)

Complete Description

The foregoing description of the revised condensed financial data is not a complete summary. You are urged to read the complete documents on Form 10-QSB/A for the quarters ended March 31, 2004, June 30, 2004 and September 30, 2004, copies of which will be filed in the near future and will be found on the website of the U.S. Securities and Exchange Commission at [www.sec.gov](http://www.sec.gov).

On March 31, 2005, we issued a press release announcing the restated financial data. A copy of this press release has been filed with this Current Report on Form 8-K as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(a) Financial statements of business acquired.

Not applicable.

(b) Pro forma financial information.

Not applicable.

(c) Exhibits

Exhibit Number	Description
99.1	Press Release of eMagin Corporation dated as of March 31, 2005.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

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eMagin Corporation

Date: April 1, 2005

/s/ Gary W. Jones

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Gary W. Jones

President and Chief Executive Officer