



## Luna Innovations Announces New Credit Facility

May 22, 2008

ROANOKE, Va.--(BUSINESS WIRE)--May 22, 2008--Luna Innovations Incorporated (NASDAQ:LUNA) announced today that it has entered into a \$10 million credit facility with Silicon Valley Bank. Included in this facility is a four-year term debt of \$5 million and a remaining facility available under a four-year revolving line of credit of up to \$10 million.

"The credit facility will support our working capital needs as we execute on our business model of developing and then commercializing our most promising technology into viable products and businesses," said Kent Murphy, Chairman and Chief Executive Officer.

The facility is secured by certain company assets and is subject to customary covenants, including covenants requiring the company to meet EBITDA milestones and liquidity ratios. In connection with this transaction, the company also extended the maturity dates of its existing convertible notes totaling \$5 million to December 31, 2012.

About Luna Innovations:

Luna Innovations Incorporated ([www.lunainnovations.com](http://www.lunainnovations.com)) develops and manufactures new-generation products for the healthcare, telecommunications, energy and defense markets. Our products are used to measure, monitor, protect and improve critical processes in the markets we serve. Through its disciplined commercialization business model, Luna has become a recognized leader in transitioning science to solutions. Luna is headquartered in Roanoke, Virginia.

Safe Harbor Statement:

This release includes information that constitutes "forward-looking statements" made pursuant to the safe harbor provision of the Private Securities Litigation Reform Act of 1995, including statements regarding, but not limited to: the facility supporting Luna's working capital needs, Luna's developing and commercializing technology into viable products, businesses and business opportunities. Statements that describe the company's business strategy, goals, prospects, opportunities, outlook, plans or intentions are also forward looking statements. Actual results may differ materially from the expectations expressed in such forward-looking statements as a result of various factors, including risks and uncertainties set forth in the company's periodic reports and other filings with the Securities and Exchange Commission. Such filings are available at the SEC's website at <http://www.sec.gov>, and at the company's website at <http://www.lunainnovations.com>. The statements made in this release are based on information available to the company as of the date of this release and Luna Innovations undertakes no obligation to update any of the forward-looking statements after the date of this release.

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