



Press Release

Vuzix Wins SBIR Phase II Award from the Office of Naval Research



Rochester, NY (February 26, 2014) – Vuzix Corporation (OTCQB: VUZI), a leading supplier of Video Eyewear and Smart Glasses products in the consumer, commercial and entertainment markets announced today that it had been awarded the remaining ~\$75,000 Phase I Option and a ~\$680,000 Phase II, Small Business Innovation Research (SBIR) award from the Office of Naval Research. The SBIR entitled "Head Worn Display ("HWD") Augmented Reality for Military Training Applications" is to develop the thin see through waveguide based optics and display engines fitted in a pair of goggles that are low-cost and high-performance to superimpose computer generated information on an individual's view of the real world.

PHASE II of this SBIR will be to develop the optics and display engines and partner with Six15 Technologies to integrate those optics into a standard pair of goggles that will deliver high-performance imagery to superimpose computer-generated information on an individual's view of the real world. For simplicity, we will call this a Head Worn Display (HWD).

Augmented reality is a technology that places virtual computer-generated objects into a person's field of view. Placing virtual characters, objects, and effects in the real world has the potential to revolutionize training. Currently, one of the biggest challenges to using augmented reality technologies in dismounted applications is the head worn display. There is a need for augmented reality HWDs that have the form factor of sunglasses or ballistic goggles and can operate for hours without needing to be recharged. The commercial sector is rapidly developing augmented reality applications for smart phones, but a consumer grade HWD is needed for serious military training applications.

Follow-on phases of the award, which are expected to be valued at significantly higher dollar value, will develop field deployable solutions with larger field of views that can be put to work in the simulation and training needs of the US Navy. Paul Travers, President of Vuzix Corporation, stated, "The engineering team at Vuzix demonstrated an in-depth command of the technical and development challenges for the requirements of this award. Our technology showed the greatest innovation and the ability to provision displays to meet the see through and wide field of view requirements of the Navy's program."

Mr. Travers continued, "This system is based on an advanced optical waveguide version of Vuzix' see-through optics technology that enables high definition (HD) displays to be incorporated into very thin lenses similar to normal eyeglasses. Vuzix will be working with our partners Six-15 Technologies to integrate the display engines into existing goggles and looks forward to moving this effort to potential phase III procurement program with our partners at Six-15 Technologies."

About Vuzix Corporation

Vuzix is a leading supplier of Video Eyewear and Smart Glasses products in the consumer, commercial and entertainment markets. The Company's products include personal display and wearable computing devices that offer users a portable high quality viewing experience, provide solutions for mobility, wearable displays and virtual and augmented reality. Vuzix holds 36 patents and 12 additional patents pending and numerous IP licenses in the Video Eyewear field. The Company has won Consumer Electronics Show (or CES) awards for innovation for the years 2005 to 2014 and several wireless technology innovation awards, among others. Founded in 1997, Vuzix is a public company (VUZI:QB) with offices in Rochester, NY, Oxford, UK and Tokyo, Japan.

About Six-15 Technologies

Six15 Technologies, formerly Vuzix TDG, is a world leader in rugged, high-resolution head mounted displays (HMD) and OEM optoelectronic module manufacturing. Located in Henrietta, NY our 9,000 square foot military qualified production facility manufactures OEM components for thermal imagers; off-the-shelf military and industrial display systems, R&D projects, and custom computing and display solutions. Six15 Technologies is the exclusive reseller of Vuzix products in the Defence, Security, and First Responder markets globally.

Forward-Looking Statements Disclaimer

Certain statements contained in this news release are "forward-looking statements" within the meaning of the Securities Litigation Reform Act of 1995 and applicable Canadian securities laws. Forward looking statements contained in this release relate to and include waveguide optics, full funding and completion of the Phase II award and options, subsequent Phase III, and eventual field deployable volume production solutions, the value of the IP portfolio, among other things, and the Company's leadership in the Video Eyewear and AR display industry. They are generally identified by words such as "believes," "may," "expects," "anticipates," "should" and similar expressions. Readers should not place undue reliance on such forward-looking statements, which are based upon the Company's beliefs and assumptions as of the date of this release. The Company's actual results could differ materially due to risk factors and other items described in more detail in the "Risk Factors" section of the Company's Annual Reports and MD&A filed with the United States Securities and Exchange Commission and applicable Canadian securities regulators (copies of which may be obtained at www.sedar.com or www.sec.gov). Subsequent events and developments may cause these forward-looking statements to change. The Company specifically disclaims any obligation or intention to update or revise these forward-looking statements as a result of changed events or circumstances that occur after the date of this release, except as required by applicable law.

For further Vuzix information:

www.vuzix.com

Investor Relations Contacts:

Andrew Haag

Managing Partner

IRTH Communications

vuzi@irthcommunications.com

877-368-3566

or

Investor Information at IR@Vuzix.com

Grant Russell, 585-359-7562

For further Six-15 information:

www.six-15.com

Contact:

James Donnelly, Vice President of Business Development

jdonnelly@six-15.com

585-359-5901