



Press Release

Vuzix' Recently Closed Financing Strengthens Balance Sheet

ROCHESTER, NY (August 13, 2013): Vuzix Corporation (OTCQB: VUZI), a leading developer and supplier of smart glasses, today announced the formal closing of its recent public offering and debt restructuring.

Through a public offering of public common stock and warrants, as well as the full exercise of an over-allotment by the Company's agent Aegis Capital Corp, with Chardan Capital Markets acting as a financial advisor, Vuzix has raised gross proceeds of approximately \$8,050,000, or \$6,700,000 after direct offering costs and expenses. Approximately \$2,095,000 of these net proceeds have been used to repay debt consisting of principal and interest on outstanding notes, convertible debentures, and bank loans. Simultaneous with the closing, a total of \$3,960,000 in term debt was converted into common shares and warrants, on the same basis of the public offering. The Company now has approximately \$4,500,000 in cash, positive stockholders' equity and is virtually debt free with all of the Company's assets owned first by its shareholders.

"With this cash we are now executing on the enormous opportunity in front of us in the burgeoning technology revolution of wearable computing and displays. At this moment we are gearing up for production of our award-winning M100 smart glasses and our other industry leading wearable tech products through our manufacturing partners. Our distribution channels are already awaiting our shipments and are eager for strong sales demand. We are seeing tremendous interest, particularly in the prosumer and enterprise markets with our M100. Our first waveguide based AR monocular for the industrial space, the M2000AR will shortly be released late this summer and is the first of many new planned products that will take advantage of this new 1.4 mm thin optics technology. We see waveguide technology as a paradigm shift in the available optics technology for wearable displays and one that is needed to finally deliver fashionable smart glasses to the market," Stated Vuzix CEO Paul J. Travers.

"Today we believe Vuzix is the world's leader in AR display systems and the M100 is the first in a series of new AR smart glasses that Vuzix will be introducing. We have developed a portfolio of technologies focused on the most advanced mobile computing and display equipment delivered through a form factor that is user-friendly and robust. Our proven technologies, robust IP portfolio, track record of 15-plus years in optics and wearable computing, early leadership with commercialized video eyewear and augmented reality glasses, and most importantly our products' benefits and features position us well for success," concluded Travers.

About Vuzix Corporation

Vuzix is a leading supplier of Video Eyewear products in the consumer, commercial and entertainment markets. The Company's products, personal display devices that offer users a portable high quality viewing experience, provide solutions for mobility, wearable displays and virtual and augmented reality. Vuzix holds 33 patents and 15 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 2013 and several wireless technology innovation awards, among others. Founded in 1997, Vuzix is a public company (OTCQB: VUZI) with offices in Rochester, NY, Oxford, UK and Tokyo, Japan.

Forward-Looking Statements

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 the completion of the M100 Smart Glasses for volume manufacturing, distribution channel product demand, the M2000AR product release, the benefits of the waveguide optical technology, 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 Investor Information, please contact:

Vuzix Corporation
75 Town Centre Drive
Rochester, NY 14623 USA
Investor Information – Grant Russell
IR@Vuzix.com
Tel: +1 (585) 359-7562

Andrew Haag
Managing Partner
IRTH Communications
vuzi@irthcommunications.com
1-866-976-IRTH (4784)