



# Press Release

## Vuzix Reports 97.5% Revenue Growth For Its First Quarter 2011

ROCHESTER, NEW YORK-- (May 16, 2011) - Vuzix Corporation (TSX-V:[VZX](#), OTC:BB:[VUZI](#), FMB: [V7X](#)) ("Vuzix" or, the "Company"), a leader in the design and manufacture of Video Eyewear products that provide users with portable high quality viewing experiences, today reported its first quarter results for the period ending March 31, 2011. Unless otherwise indicated, dollar amounts referred to herein are references to United States dollars. No regulatory authority has approved or disapproved the information contained in this news release.

For the first quarter period ending March 31, 2011, revenue was \$4,073,109 as compared to \$2,061,959 for the same period last year, an increase of 97.5%. A net loss of \$420,306 or \$0.0016 per share was reported for the three month period ending March 31, 2011, versus a loss of \$1,507,200 or \$0.0058 per share in the same period of 2010. The gross margin expanded to 41.8% in the first quarter 2011 against 27.1% in the first quarter of 2010 reflecting a significantly larger proportion of higher margin defense and industrial product and engineering services revenue. These products and services represented 84.1% of revenues in the quarter versus 40.5% in the same quarter in 2010. Gross profit grew 203.2% to \$1,697,399 in the first quarter 2011 compared to \$559,884 in the same period of 2010.

Paul Travers, Chief Executive Officer, said, "Our first quarter reflected the continued strong growth in our defense and industrial products. We signed an important new research program with the Defense Agency Research Projects Agency (DARPA) and also began volume deliveries for the Air Force Battlefield Airman Head Mounted Display Program. We also announced key partnerships with NS Solutions, the systems integration unit of Nippon Steel, and metaio GmbH. These partnerships underscore the interest we are currently fielding for our new Augmented Reality (AR) enabled eyewear products. These products are allowing our customers to build and implement mobile AR applications that can provide advantage to their operations. Vuzix is again leading with market firsts and strong innovation."

### Forward-Looking Statements Disclaimer

Certain statements contained in this 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, among other things, new products, new opportunities, the Company's ability to capitalize on new opportunities and the Company's leadership in the Video Eyewear industry. They are generally identified by words such as "plans," "seeks," "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, among other things, our ability to raise necessary capital; government regulation of our technologies; our ability to enforce our intellectual property rights and protect our proprietary technologies; the timing of new product launches; delays in product development; and dependence on third parties for certain key components. These risk factors and others are 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](http://www.sedar.com) or [www.sec.gov](http://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.

### **About Vuzix Corporation**

Vuzix is a leading supplier of Video Eyewear products in the defense, consumer and media & entertainment markets. The Company's products, personal display devices that offer users a portable high quality viewing experience, provide solutions for mobility, thermal sighting systems, tactical wearable displays and virtual and augmented reality. With its origins in defense research and development for next generation display solutions, Vuzix holds over 51 patents in the Video Eyewear field. The company has won 9 Consumer Electronics Show Innovations Awards, the RetailVision Best New Product and several wireless technology innovation awards, among others. Founded in 1997, Vuzix is a public company (TSX-V:[VZX](#) - News, OTC:BB: [VUZI](#), FMB: [V7X](#)) with offices in Rochester, NY, Oxford, UK and Tokyo, Japan. For more information visit [www.vuzix.com](http://www.vuzix.com).

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

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