



Press Release

Vuzix Awarded DARPA Development Contract for Next Generation Display Technology

ROCHESTER, NY -- (April 5, 2011) - Vuzix Corporation (TSX-V: [VZX](#), OTC:BB: [VUZI](#), FMB: [V7X](#)) ("Vuzix" or the "Company") announced today that it has been awarded a research contract under the Defense Advanced Research Projects Agency's (DARPA) Persistent Close Air Support (PCAS) Program. The funding will go towards research and development of a next generation holographic optical display system for use by Joint Terminal Attack Controllers (JTAC). Vuzix has designed and recently started production deliveries of similar but current generation devices for the Battlefield Air Operations Kit (BAO). PCAS will fund the development of a high definition (HD) micro display and a see-through holographic optic. This technology is based on Vuzix' patented Blade Optical system.

The award is for \$1 million and will fund a one-year development program, delivering prototype systems for integration into the larger PCAS program. PCAS will significantly increase CAS capabilities for both the JTAC and airborne platforms by developing a system of technologies that provides continuous CAS availability and lethality to the supported ground commander. PCAS will be a 'system-of-systems' approach demonstrating the ability to digitally task a CAS platform from the ground. The system will also be designed to reduce collateral damage and potential fratricide to friendly forces. Enabling technologies are: manned/unmanned airborne platforms, next generation graphical user interfaces, data links, digital guidance and control, and advanced targeting and visualization tools.

Paul Travers, Chief Executive Officer, commented, "We are very pleased to have the opportunity to develop this next generation system, which offers a competitive step-up for our military personnel. Recent advancements in micro display quality, combined with our patented Blade Optical system, are finally enabling the delivery of the HD head mounted displays (HMD's) which will help improve our ground forces' safety and effectiveness."

Distribution Statement "A" (Approved by DARPA for Public Release, Distribution Unlimited).

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.

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, future product releases, 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 from those projected in the Company's forward-looking statements 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 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.

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