



Press Release

Vuzix Receives Waveguide Optics Development Contract from US Army RDECOM CERDEC

Rochester, NY (July 24, 2012) – Vuzix Corporation (TSX-V: VZX, US OTC:BB, VUZI, FMB: V7X) announced today that it has received phase I of a multiphase development contract, from the US Army RDECOM CERDEC, Night Vision and Electronics Sensors Directorate, for the development of a wide field of view See Through Waveguide (“STWG”) for potential use in helmet mounted queuing systems and other head mounted display applications. The contract is to explore the possibility of supporting waveguide optics with fields of view in excess of 50 degrees and with a path to full color operation.

As part of the initial effort, Vuzix will deliver a STWG system that is full color capable with a 30 degree field of view as a basic demonstration of the principles of waveguide technology. The second component will be a trade-off study of two independent approaches in which Vuzix has offered to solve the wide field of view problem. Follow-on phases are possible and would be to deliver working prototypes of one of the two options.

Paul Travers, President of Vuzix Corporation, stated, “Vuzix’ waveguide technology is unique compared to competitive solutions in that it is capable of producing very wide fields of view with full color operation. When it comes to see through optics, the combination of these two features is critical for the coming needs of personal heads-up displays and Augmented Reality applications. Anything less than color, see through and 50 degree fields of view for many applications will compromise both the performance and the users’ expectations.”

Mr. Travers continued, “This system is based on Vuzix waveguide technology consisting of a transparent blade of glass or polymer that is just 1.4mm thick. The blade is then employed as the primary lens in see through video glasses that are similar in form factor to regular sunglasses.”

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 opportunities, the Company's ability to capitalize on new opportunities, the Company's ability to develop and sell large field of view see through waveguides and video eyewear, whether the US Army will award the Company follow-on program phases and dollars amounts thereof, the potential costs to develop, produce or manufacture the systems, the Company's leadership in the Video Eyewear industry, and other statements that may project or imply future results, events, performance or achievements. 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, 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.

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 over 47 patents and patents pending and numerous IP licenses in the Video Eyewear field. The company has won 12 Consumer Electronics Show Innovations Awards 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.

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For further press and product information, please contact:

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