



Press Release

Vuzix Wins SBIR Award from the Office of Naval Research



Rochester, NY (June 20, 2012) – Vuzix Corporation (TSX-V: VZX, US OTC:BB, VUZI, FMB: V7X) announced today that it had been awarded a \$150,000 Phase I and Phase I option, Small Business Innovation Research (SBIR) award from the Office of Naval Research. The SBIR program entitled "Head Worn Display ("HWD") Augmented Reality for Military Training Applications" is to develop a lightweight, low-cost, high-performance device to superimpose computer generated information on an individual's view of the real world.

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. To allow for the use of augmented reality HWDs there is a need for them to have the form factor of sunglasses or ballistic goggles along with the ability to operate for hours without needing to be recharged. The Navy commented that the commercial sector is rapidly developing augmented reality applications for smart phones, but that there is a need for a consumer grade HWD for serious military training applications.

PHASE I of this SBIR will be to develop a concept for a low-cost, high-performance device 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).

Follow-on phases of the award, which are expected to be valued at significantly higher dollar value, will develop pathways to lightweight, easy to wear, curved visors. Paul Travers, President of Vuzix Corporation, stated, "Vuzix' engineering team demonstrated an in-depth command of the technical and development challenges needed to meet the see through and wide field of view needs of the Navy's requirements."

Mr. Travers continued, "This system is to be based on an advanced optical waveguide version of Vuzix' see-through Blade based technology that enables high definition (HD) displays to be incorporated into very thin lenses similar to normal eyeglasses."

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 high definition HWD smart video eyewear in a sunglass form factor, whether the Navy will award the Company follow-on SBIR program phases and dollars amounts thereof, the potential costs to develop, produce or manufacture the HWD, 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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