



Press Release

Vuzix Signs Collaboration Agreement with Global Consumer Electronics and Mobile Firm to Develop and Supply Vuzix See-Through Optics Technologies

ROCHESTER, N.Y., June 7, 2016 - Vuzix® Corporation (NASDAQ: VUZI) (“Vuzix” or, the “Company”), a leading supplier of video eyewear and smart glasses products in the consumer, commercial and entertainment markets, is pleased to announce it has entered into a collaboration agreement to explore waveguide technologies for the production of augmented reality, or AR, smart glasses with an undisclosed global leader in the consumer electronics and mobile communications fields.

According to the agreement, the parties will use their best commercial efforts to collaborate jointly on near-eye displays, smart glasses, and wearable computing products and technologies. In particular, Vuzix will work to produce custom solutions of its optic technology for near-eye displays, including flat passive waveguides and related projection optics. The agreement calls for the development of functioning prototypes leading to potential commercialization for volume production by the customer for mid-2017. Under the agreement, Vuzix will be making deliveries of its new and custom developed waveguides and display engines to the customer and will work with the customer towards a successful integration of the Vuzix technology with the customer’s proposed smart glasses solution. For the provision of these services, samples, custom waveguides and projector engines, Vuzix will receive a minimum of \$500,000. Production is part of a follow on effort and the parties have agreed to negotiate amicably in the future for the possible volume production of Vuzix waveguides and display engines. There are no technology transfers or licenses being granted between the parties at this stage.

“We are excited to be working on this solution and feel our selection as a partner for this program validates Vuzix’ technology and solutions,” said Paul Travers, President and CEO of Vuzix.

About Vuzix Corporation

Vuzix is a leading supplier of Video Eyewear and Smart Glasses products in the consumer, enterprise and entertainment markets. The Company's products include personal display and wearable computing devices that offer users a portable high quality viewing experience, provide solutions for mobility, wearable displays and virtual and augmented reality. Vuzix holds 40 patents and 23 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 2016 and several wireless technology innovation awards among others. Founded in 1997, Vuzix is a public company (NASDAQ: VUZI) with offices in Rochester, NY, Oxford, UK and Tokyo, Japan.

Forward-Looking Statements Disclaimer

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 the collaboration agreement, the success and acceptance of the deliverables, and any further follow-on development work or volume production supply, among other things, and the Company's leadership in the Video Eyewear, VR 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" and MD&A sections of the Company's Annual Report and other filings 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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