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Vuzix Announces Partnership with the International Drone Racing Association

ROCHESTER, N.Y., July 5, 2016 /PRNewswire/ -- Vuzix® Corporation (NASDAQ: VUZI), a leading supplier of Video Eyewear and Smart Glasses products in the consumer, enterprise, and entertainment markets, is pleased to announce that the Company is partnering with the International Drone Racing Association, (IDRA), www.IDRA.co to provide its iWear Video Headphones for select events with the first major event being the 2016 US Drone Nationals Racing Championships held in Governors Island in New York City August 5-6, 2016. This event is scheduled to be seen on ESPN. Research firm Markets and Markets estimates that the global drone market will grow at a compound annual growth rate of 32% between 2015 and 2020 into a \$5.6 billion industry.

"Working with the IDRA is a wonderful opportunity showcasing the unique technical fit of our iWear Video Headphones," said Paul Travers, President and CEO of Vuzix. "We are excited to be part of this new professional racing industry and are excited that the iWear work so well for the racers. iWear Video Headphones provide an ultra-low latency picture necessary for pilots as they race high speed twisting and turning through airgates. The very large and crisp field of view provided by the iWear helps with a more natural feel from the pilots' seat perspective. iWear Video Headphones will help pilots make faster decisions and lessen pilot fatigue helping them compete for the best times."

"Partnering with Vuzix gives us a technical edge as we are working together to enhance both the judging, pilots, and the spectator experience. Utilizing the Vuzix iWear Video Headphones give our race officials the clearest picture as the judges fly along with the pilots' to make sure they follow the prescribed race course," said co-founder of International Drone Racing Association (IDRA) Charles Zablan.

"The Vuzix iWear is a game changer in drone racing. Combined with Amimon Connex's ProSight 720p HD camera and transmitter, the iWear erases the latency and poor transmission issues that many drone goggles experience. With 5-7 milliseconds of latency and crystal clear vision, iWear will make pilots faster, races quicker, and a more immersive experience for online viewers," said Justin Haggerty Founder and CEO of the International Drone Racing Association.

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 43 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, among other things, and the Company's leadership in the Video Eyewear, VR and AR display industry and the performance and market acceptance of the iWear Video Headphones for drone racing use. 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" 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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