

Vuzix Provides Business and M300 Smart Glasses Update

ROCHESTER, N.Y., February 13, 2017 - Vuzix® Corporation (NASDAQ: VUZI), a leading supplier of Video Eyewear and Smart Glasses products in the consumer, enterprise, and entertainment markets, announced today an update on its M300 Smart Glasses rollout to Enterprise clients and certain aspects of its general business.

The M300 is now certified to ship into Europe, the USA, Canada, Australia, India and New Zealand with certifications in all our global target markets expected by the end of the quarter. The M300 software now shipping with production units incorporates new features including advanced voice control, updated sound support with speech recognition from Sensory and improved barcode scanning. Over the air software updates are also now fully enabled along with advanced power and thermal management features not available in previous versions. The M300 Smart Glasses, after having gone through over 6 months of in-market testing with customers and developers, is now officially in volume production at our sub-contractor's California plant. In addition to software improvements, we have made a series of mechanical and electrical improvements including tougher ruggedization performance; improved thermal management and more robust cabling for greater in field reliability. Finally, we continue to grow, the line of accessories for the M300 with available battery packs from GO-Puck, mounting options for 3rd party safety glasses and hardhat support becoming available within the current quarter.

With all these advances, in this quarter we have begun ramping production of the M300 Smart Glasses towards targeted production yields and rates. We are expecting to build and ship at least 1,000 of the M300 units to customers in the current fiscal quarter. Existing paid back-orders and the fulfilment of our prior M300 migration pack sales are being shipped first along with units to our VIP partners who have been pre-allocated units for immediate deployment to their existing client base. The needs of our VIP partners are strong and they are expected to consume the majority of this quarter's initial output. With the ramping of production we will also be able to start focusing on the needs of our general Enterprise customers addressing the significant in-bound requests we have for the M300. We are also experiencing a continuing and growing demand for our M100 Smart Glasses as customers expand their deployments. As existing customer purchase orders will consume all of our current M100 inventories, our M100 Smart Glasses are now on back-order and as a result the Company has decided to move forward with another production build of the M100 this spring.

With the continued demand for the M100 and the ramping of the M300's in production, we are expecting to achieve record revenues from our Smart Glasses product lines during the current fiscal quarter. It is now clear as we rollout our M300 Smart Glasses in volume that our M100 and M300 offer distinct and differentiated features as well as pricing that will allow the two models to co-exist in the marketplace longer than originally contemplated.

"CES 2017 proved to be a great opportunity to begin 2017 for Vuzix and showcase our new industry leading wearable display technology. We were the talk of the show with many attendees and journalists offering that our product line was the most comprehensive and clearly leading in the wearable display industry. Our business is near a major inflection point thanks to our new products and technologies and we are focusing on execution to ride our growing wave of momentum in 2017," said Paul J. Travers,

President and Chief Executive Officer of Vuzix. "Interest and demand indications for our Blade 3000 Smart Sunglasses has been near overwhelming from our existing and new customers as well as from potential OEM partners. Accordingly, Vuzix intends to re-focus some its resources to bringing a version to market as early as practical."

About Vuzix Corporation

Vuzix is a leading supplier of Smart-Glasses, Augmented Reality (AR) and Virtual Reality (VR) technologies and products for the consumer and enterprise 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 49 patents and 43 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 2017 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, the future prospects and features of the M100 and M300 Smart Glasses, adoption by our customers and its volume production ramp, and the Company's leadership in the Video Eyewear, VR and AR display industry the VIP program and its ability to accelerate M300 business activities. 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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