

Vuzix Demonstrates New Waveguide Augmented Reality (AR) Technology

ROCHESTER, N.Y., July 15, 2016 - Vuzix[®] Corporation (NASDAQ: VUZI), a leading supplier of Video Eyewear and Smart Glasses products in the consumer, enterprise, and entertainment markets, announced today that it has released a short video demonstrating its new waveguide augmented reality (AR) technology at the following video:

<https://www.youtube.com/watch?v=hyxppK0sy6U&feature=youtu.be>

This clip shows raw video footage viewed through the waveguide at Vuzix' New York corporate offices.

Consumer awareness and interest in AR is beginning to build, as was highlighted in the New York Times published article entitled ['Pokemon Go Brings Augmented Reality to a Mass Audience.'](#) Paul Travers commented that "the success of Pokémon Go represents one of the first use cases to bring AR into the consumer world and shows just how huge this can be. We believe that Vuzix new waveguide technology is key in the evident progression that takes AR to the next level."

Vuzix has been a pioneer and leader in the AR space and has built and sold AR products for over a decade, including its award winning AR hardware and ride-system used at the Japanese Worlds' Fair in 2004, as well as a variety of other AR products. There is already a growing awareness of AR, and acceptance of it in Enterprise, leading to significant cost efficiencies and production advances in the workplace; with numerous Fortune 500 companies using AR on Vuzix Smart Glasses in industrial settings providing hands free access to digital information directly connected to the real world.

With the forthcoming Vuzix M3000 and AR3000 augmented reality glasses, the wearer will be able to reach out and interact with virtual 3D objects overlaid in the real world. The M3000 and AR3000 will accommodate the adoption of powerful AR applications with advanced operator support for many enterprise, industrial and medical uses.

"At Vuzix, we have long anticipated that the adoption curve for AR would eventually be rapid and steep, as Enterprise, gamers and consumers generally recognize that the experience is unparalleled. We are hoping to lead the way in bringing increased functionality to our industrial customers and enhanced entertainment for general consumer users and gamers with our AR technology on Vuzix products," said Paul Travers, President and Chief Executive Officer at Vuzix.

About Vuzix Corporation

Vuzix is a leading supplier of Video Eyewear and M300 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 and smart glasses industry and the ultimate success of upcoming Vuzix M3000 and AR3000 products. 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 Company's Annual Reports and other filings with the 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), including in the "Risk Factors" and MD&A sections thereof. 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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