

Vuzix Commences Shipments of Smart Glasses to Select Enterprise Customers for Final Design Validation

Company on track for production rollout of M300 next generation smart glasses in early fourth quarter

ROCHESTER, N.Y., September 28, 2016 - Vuzix[®] Corporation (NASDAQ: VUZI), a leading supplier of Smart-Glasses, Augmented Reality (AR) and Virtual Reality (VR) technologies and products for the consumer and enterprise markets, is pleased to announce that it has begun shipping initial DVT (Design Validation Test) units of the M300 Smart Glasses to select enterprise customers and VIP developers. DVT M300s are effectively production M300 Smart Glasses going through final certification. This is the final step on the path to production rollout. It follows earlier M300 EVT prototype shipments to the Company's VIP (Vuzix Industrial Partner) application developers.

The VIP developer program offered early access to the M300 Smart Glasses, technical support and advice to ensure a smooth transition of their existing M100 applications to the new Intel Atom driven Android 6 platform, and to provide time for them to take advantage of the new M300 features such as the touch pad, new Sensory speech recognition engine, GPS, BT4.0 upgrades and more. The M300 DVT units take this a step further with finalized hardware and drivers allowing VIP developers to stress test the units, demonstrate the technology to their clients and begin POC's. Vuzix will also shortly begin to ship M300 DVT's to key end users such as DHL, SAP, GE, Boeing, and more to begin the testing and planning for migrating from their existing Vuzix and other smart glasses to the new Vuzix M300. Providing end users with early access to the M300 will allow key enterprise users to achieve immediate productivity gains as the M300 production units become available.

"We are thrilled to begin shipping the M300 DVT Smart Glasses to select customers" said Paul J. Travers, President and Chief Executive Officer of Vuzix. "Our VIPs are developing applications in most of the key enterprise markets for smart glasses. Being the world's first second generation smart glasses, and having the advanced features set requested by our large installed base of M100 customers, sets the M300 apart from the competition. Finally, enterprises have a solution that is deployable for volume applications."

To-date, the M300 has shipped to more than 50 VIPs, including NS Solutions Corporation, NTT DOCOMO, INC, XOEye Technologies, APX Labs, Ubimax, Pristine and AMA. Additional partners are expected to be announced as new VIP members join and the program grows.

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 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 the potential success of the M300, expected production shipping dates and new

VIPs joining our program, among other things, the Company's leadership in the Smart Glasses, VR and AR 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" 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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