



Vuzix Enters into Interest Deferral Agreement and Receives the Resignation of a Director

ROCHESTER, NEW YORK—(December 19, 2011) - Vuzix Corporation (TSX-V: [VZX](#), OTC:BB: [VUZI](#), FMB: [V7X](#)) (“Vuzix” or, the “Company”) a leader in the design and manufacture of Video Eyewear products that provide users with portable high quality viewing experiences, today reported that on December 13, 2011, Richard F. Conway resigned as a Director of the Company. The board of the Company has no intention of filling this vacancy at the current time. In addition to being a member of the Board of Directors of the Company, at the time of his resignation Mr. Conway was a member of the Audit Committee and of the Compensation Committee of the Board of Directors of the Company and his positions will be assumed by other members of board.

On December 14, 2011, the Company entered into a Supplemental Agreement with LC Capital Master Fund Ltd., a senior lender to the Company (the "Lender"). Pursuant to the Supplemental Agreement, payment of interest in the amount of \$309,502 payable to the Lender on December 23, 2011 pursuant to a Convertible Loan and Security Agreement dated as of December 23, 2010 ("Loan Agreement") between the Lender and the Company, will be deferred until the maturity of the loan made by the Lender to the Company pursuant to the Loan Agreement. The stated maturity date of that loan is December 23, 2014. Repayment of this loan can be accelerated upon the occurrence of an Event of Default, as described in the Loan Agreement. The Company remains out of covenant with the Lender.

About Vuzix Corporation

Vuzix is a leading supplier of Video Eyewear products in the defense, consumer and media & entertainment markets. The Company’s products, personal display devices that offer users a portable high quality viewing experience, provide solutions for mobility, thermal sighting systems, tactical wearable displays and virtual and augmented reality. With its origins in defense research and development for next generation display solutions, Vuzix holds over 51 patents in the Video Eyewear field. The company has won 9 Consumer Electronics Show Innovations Awards, the RetailVision Best New Product and several wireless technology innovation awards, among others. Founded in 1997, Vuzix is a public company (TSX-V:VZX - News, OTC:BB: VUZI, FMB: V7X) with offices in Rochester, NY, Oxford, UK and Tokyo, Japan. For more information visit www.vuzix.com.

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