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Press Release

Vuzix Wins Award from U.S. Air Force Research Laboratory

Rochester, NY (September 21, 2010) – Vuzix Corporation (TSX-V: VZX, US OTC:BB, VUZI) announced today that it had been awarded Phase I of a multi-phase Small Business Innovation Research (SBIR) Award from the Air Force Research Laboratory. The Phase I objective of the award, valued at about \$100,000, is to design a binocular display system for a combat pilot helmet capable of presenting 1280 x 1024 monochrome imagery from a flat panel micro display in 40-degree field-of-view (FOV) to the same high quality specifications as the micro-CRT and classical optics. Follow-on phases of the award, which are expected to be valued at significantly higher dollar value, will develop pathways to full color displays and lightweight, easy to wear, curved visors.

Paul J. Travers, President and CEO of Vuzix Corporation, stated, “Our engineering team at Vuzix demonstrated an in-depth command of the technical and development challenges for the requirements of this award. Our technology showed the greatest innovation and the ability to provision displays to the rigorous quality standards and manufacturing specifications of the Air Force.”

Mr. Travers continued, “This system is an advanced holographic version of Vuzix’s see-through Blade™ based technology. This technology enables our high definition (HD) displays to be incorporated into very thin lenses similar to normal eyeglasses. We believe that innovative display systems for advanced applications like those described in this award will be used in future mobile video displays and next generation video games.”

Recent developments in holographic optics make it possible to replace current optical systems with lightweight, see-through optics. The research proposed by Vuzix will determine the feasibility of the Vuzix holographic waveguide visor display (HWVD) for use in aircraft helmet mounted displays. Vuzix will pursue an approach using newly refined holographic recording materials. The successful development of the HWVD will allow the Air Force to field a lightweight head-mounted display (HMD) with the high acuity and field of view required by the war fighter. HWVD’s have the potential to surpass the performance of existing display technologies.

About Vuzix Corporation

Vuzix is a leading manufacturer of Video Eyewear; personal display devices that provide users with portable high quality viewing experiences. Vuzix started in the defense sector with a focus on R&D of next generation display solutions for the US DoD and the Special Operations community, and today is a leading supplier of display products for thermal sighting systems, tactical wearable displays and consumer products. Vuzix has 51 patents in the Video Eyewear field and provides solutions for mobile computing, tactical information display, video, virtual and augmented reality, and 3D entertainment. The Company addresses the defense, industrial, consumer and medical markets and has shipped well over 200,000 display solutions since its inception. Vuzix has won multiple CES Innovations Awards, the RetailVision Best New Product award, several wireless technology innovation awards, among others. Founded in 1997, Vuzix recently became a public company listed on the TSX Venture Exchange (TSX-V: [VZX](http://www.vuzix.com) - [News](http://www.vuzix.com)). Its stock was recently listed in the U.S. (OTC:BB, [VUZI](http://www.vuzix.com)). The company has offices in Rochester, NY, London, UK and Tokyo, Japan.

Forward-Looking Statements Disclaimer

Certain statements contained in this 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 may relate to, among other things, future products, product features and applications. They are generally identified by words such as "plans," "seeks," "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 from those projected in the Company's forward-looking statements due to, among other things, our ability to raise necessary capital; government regulation of our technologies; our ability to enforce our intellectual property rights and protect our proprietary technologies; the timing of new product launches; delays in product development; and dependence on third parties for certain key components. These risk factors and others are described in the Company's reports filed with the United States Securities and Exchange Commission and applicable Canadian securities regulators. 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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