



Press Release

Vuzix Reports 40% Growth in Revenues for its Fourth Quarter and Releases 2010 Annual Operating Results

ROCHESTER, NEW YORK-- (March 31, 2011) - Vuzix Corporation (TSX-V:VZX, OTC:BB: VUZI FWB: V7X) (“Vuzix” or, the “Company”), today reported its fourth quarter and year-end results for the period ending December 31, 2010.

The Company reports its financial results in accordance with United States generally accepted accounting principles (“GAAP”). All figures are presented in United States dollars.

Fourth quarter revenues of \$5,552,356 compared to revenues of \$3,965,550 for the same period last year, an increase of 40%. The net loss for the fourth quarter of 2010 was \$(476,085) or \$(0.0018) per share versus a net loss of \$(894,413) or \$(0.0035) per share for the same quarterly period in 2009.

For the twelve-month period ending December 31, 2010 revenues were \$12,255,414 versus \$11,886,098 in 2009, a rise of 3.1%. The net loss for the twelve-month period was \$4,572,072 or \$0.0173 per share versus a net loss of \$3,250,424 or \$0.0151 per share for 2009.

Paul Travers, President, commented, “Certainly, the fourth quarter is our strongest quarter seasonally and our company achieved revenue growth for the fourth quarter while operating under considerable working capital constraints. Our recent capital raising activities, including \$4 million raised just prior to the close of the 2010 fiscal year and our recently announced \$2 million revolving credit facility, position the company on a firmer basis for the 2011 year.”

The Company ended the 2010 year with an order backlog of primarily Defense related products and expects revenues for Q1 to be up approximately 90% over the same period of 2010. However the Company is not offering any outlook for the rest of the year.

Key Highlights

	4 th Quarter Ended Dec 31, 2010	4 th Quarter Ended Dec 31, 2009	Percent Change
Consumer Video Eyewear	\$ 2,992,884	\$ 2,387,959	25.3%
Defense Products	1,964,735	1,559,274	26.0%
Engineering Services	594,738	18,317	3147%
Total Sales	5,552,356	3,965,550	40.0%
Net (Loss)	\$ (476,085)	\$ (894,413)	
Loss per Share	\$ (0.0018)	\$ (0.0035)	(48.2%)

	Year Ended Dec 31, 2010	Year Ended Dec 31, 2009	Percent Change
Consumer Video Eyewear	\$ 6,244,786	\$ 4,940,815	26.4%
Defense Products	4,799,271	6,020,420	(20.3)%
Engineering Services	1,211,357	924,863	31.0%
Total Sales	12,255,414	11,866,098	3.1%
Net (Loss)	\$ (4,557,133)	\$ (3,250,424)	40.2%
(Loss) per Share	\$ (0.0173)	\$ (0.0151)	10.0%

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 relate to, among other things, the pace of revenue growth in the first quarter of 2011, future order backlog, the Company's financial position, new opportunities, the Company's ability to capitalize on new opportunities and the Company's leadership in the Video Eyewear industry. 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 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.

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 Retail Vision 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, FWB: V7X) with offices in Rochester, NY, Oxford, UK and Tokyo, Japan. For more information visit www.vuzix.com.

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For further press information, please contact:

Charlotte Walker, VP Corporation Communications
 IR@vuzix.com
 75 Town Centre Drive
 Rochester, NY USA
 Tel: (585) 359-5910