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# Vuzix Reports Record Annual 2011 Revenues and Releases 2011 Operating Results

ROCHESTER, N.Y., April 16, 2012 /PRNewswire/ -- 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, 2011.

(Logo: <https://photos.prnewswire.com/prnh/20110518/MM04932LOGO>)

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

For the twelve-month period ending December 31, 2011, revenues were \$13,054,296 versus \$12,255,414 in 2010, a rise of 6.5%. The net loss for the twelve-month period decreased to \$3,879,581 or \$0.0147 per share versus a net loss of \$4,557,133 or \$0.0173 per share for 2010.

Fourth quarter revenues of \$3,809,251 compared to revenues of \$5,552,356 for the same period last year, a decrease of 31%. The net loss for the fourth quarter of 2011 was \$(1,611,183) or \$(0.0155) per share versus a net loss of \$(476,085) or \$(0.0018) per share for the same quarterly period in 2010. All fourth quarter results are unaudited.

Paul Travers, President, commented, "While we achieved record sales revenues in 2011, our continuing liquidity issues, growing negative working capital base, and high interest costs on our debt, continues to constraint our ability to take advantage of opportunities and improve our operating results. The Company was not in compliance with EBITDA covenants for the third quarter of 2011 and for its annual period in its loan agreements with both of its senior lenders. The Company has requested that they waive the Company's noncompliance with the EBITDA covenants or enter into a forbearance agreement, but they have not done so. Our senior term debt lender has however, agreed to defer until maturity in December 2014 scheduled principal repayments totaling \$424,998 over the last three months. Until these issues are addressed, we are limited in what we can achieve to grow our business and leverage our technology advances. In addition to exploring our options with respect to new debt borrowing and equity financings, we are also pursuing the sale of certain assets to fund our operations and reduce debt. Due to these uncertainties, the Company is not offering any outlook for 2012."

## 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, refinancing opportunities, potential asset sales, debt reduction, improving operating results, 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](http://www.sedar.com) or [www.sec.gov](http://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](http://www.vuzix.com).

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