

Leading the Way:

2013

ANNUAL REPORT



THE **VISION**COUNCIL



DEAR MEMBERSHIP,

As the Chairman and the CEO of The Vision Council, we have pledged that there were certain things that we would focus on during our tenure. Those things included government and regulatory affairs, economic and market trends, technological advances, educating consumers, and partnerships – both domestically and abroad.

As a result of that commitment, we are proud to say that 2013 was one of our best years ever at The Vision Council, and throughout the following pages you will see why.

We sincerely thank you for your membership, and look forward to sharing another exciting year with all of you.

Sincerely,



Raanan Naftalovich
Chairman, The Vision Council



Ed Greene
CEO, The Vision Council



GOVERNMENT & REGULATORY AFFAIRS

- The Vision Council continued its efforts to monitor government and regulatory affairs of interest to members in 2013, focusing on topics including: California Green Chemistry Initiative, OSHA Inspections, FDA Establishment Registrations, HITECH Final Rule (HIPAA) Guidance, California Medical Device Licensing Process, Physician Payment Sunshine Act, and California Proposition 65.
- The Vision Council's Leadership was directly engaged with California Governor Gerry Brown's office and to discuss Proposition 65 measures and implications.
- On May 2013 The Vision Council conducted a Congressional staff educational briefing titled, "Veterans and Low Vision 101: Cost-Effective Solutions Improving the Lives of Our Men and Women in Uniform". The Vision Council partnered with the American Optometric Association (AOA) and the Blinded Veterans Association (BVA) for congressional staff to learn more about low vision and how it affects veterans. The briefing was well attended by approximately 50 congressional staffers.



ECONOMY & MARKET TRENDS

June

The Vision Council released the European Market Overview to be used as a baseline for trending reports, specific to Europe.

July

The Business Benchmarking survey was expanded to include the Lens Processing Technology, Eyewear & Accessories, and Optical Lab Divisions. The report looks at data about production, sales, spoilage, productivity, cost of goods sold, and personnel to help business owners and managers to improve their business.

October

The Vision Council released the 2013 Buying Group/IPA Report. This comprehensive report provides information on how ECPs are using buying groups and independent practice alliances (IPA) for their optical product and service needs. This report is the first of its kind.

TECHNOLOGICAL ADVANCES

In an effort to educate eye care providers and other event attendees on the latest technological advances, International Vision Expo and Vision Monday partnered to launch **Eye² Zone**, a dedicated showcase exclusive to Vision Expo where attendees can see, touch and experience the next generation of vision technology. Doctors and dispensers who visit the Zone learn about the products so they can then be a trusted resource to their patients on the safe and proper use of non-traditional vision-related technologies. Twelve companies participated in the launch of this program.



THE VISION COUNCIL EXECUTIVE SUMMIT

The Vision Council continued its efforts to educate members on the latest technological advances and other industry happenings at the **2013 Executive Summit**. The event featured an updated meeting format jam-packed with dynamic content and events, including two blockbuster keynote speakers. Eric Ryan, *The Method method*, and Andrew Duguay, Market Trend Forecaster, kicked off each day followed by breakouts on value-based leadership and B2B customer service and branding. Controversy abounded around the new *Game-Changer* interview with E. Dean Butler, and an industry panel discussing *The Future of Eyewear Retailing*.

2013 was a breakout year for consumer outreach about lenses, piggybacking off of the overwhelmingly successful release of the first ever digital eye strain report, ***Keeping Your Eyes Safe in a Digital Age***, in Q4 of 2012. The initial response was so positive that The Vision Council continued our consumer and media outreach by sponsoring a booth at the 2013 Consumer Electronics Showcase, which, combined with other efforts, generated media interest in addition to blogger engagement and led to an outstanding **4,680 stories** and **441 million impressions** by the end of the year.

CONSUMER EDUCATION CAMPAIGNS

The Vision Council's consumer campaigns – educating the public about the variety of eyewear and sunwear options –generated more than **1 Billion impressions** in 2013 – a record reach for MarComm Committee activities.



- **Eyecessor 2013:** 340+ million print, online, broadcast and social media impressions
- **UV 2013:** 354+ million impressions from over 4k individual stories stemming from the UV report and related media outreach efforts
- **Lens Trends and Technology 2013:** 357+ million impressions from over 3k individual stories
- **Low Vision 2013:** 55+ million impressions from over 2,500 stories stemming from the launch of the low vision website in February and supporting search engine marketing and PR efforts.
- **Readers 2013:** Our readers campaign continues to gain YouTube views, with over 75k views in 2013, resulting in a boost to the consumer side of The Vision Council's Facebook page, gaining 560 likes.

TIME



The Vision Council partnered with **TIME Magazine** for a two-page spread advertorial in the magazine's first ever combined *Most Defining Moments* and *Person of the Year* (Pope Francis), December 2013 issue. The spread featured editorial content from a consumer's perspective about his experience with HD lenses, and included quotes from both Ed Greene and optician Val Manso. This placement garnered over 35 million impressions. This issue hit newsstands on December 13, 2013, and copies were sent to many Lens Division members.

Recognizing that The Vision Council's target market (and a captive market at that) frequently flies on commercial airlines, partnerships were developed with both **DeltaSky** and **United Hemispheres** magazines. Using messaging around Lens Trends and Technology, we were featured in the August 2013 issue of **DeltaSky** and September 2013 issue of **United Hemispheres** for a combined total of almost 10 million impressions.

eyecessorize

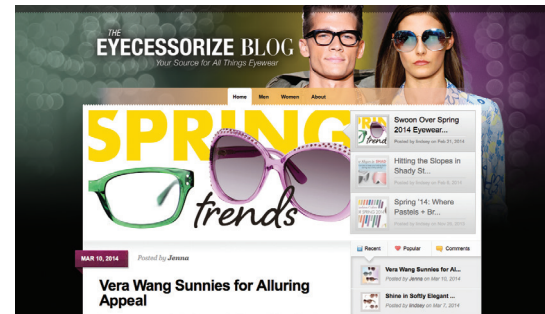
The Vision Council's Eyecessorize campaign seeks to position eyewear and sunwear as must-have fashion accessories to the media and consumers through the following outreach: a strong social media presence, a popular blog and website, targeted monthly e-Pitches, seasonal trend kits and look books, placements in high-profile print, broadcast and online outlets, and eyewear-focused events.



Social Media

Over 25 million social media impressions, most notably reaching the 100,000 "likes" mark on the campaign's official Facebook page

Eyecessorize Blog



More than 106,000 blog page views, an approximate 37 percent increase from 2012

Trend Kits and Look Books

Seasonal trend kits and look books were sent to hundreds of fashion and lifestyle editors nationwide



The Vision Council Board of Directors made a significant financial contribution to the Think About Your Eyes campaign in an effort to jumpstart eye exam growth and related eyewear sales. Support of this campaign was the single largest initiative for The Vision Council in 2013.



SELF allure

TRAVEL+ LEISURE

Men'sHealth



Securing millions of impressions through top-tier publications

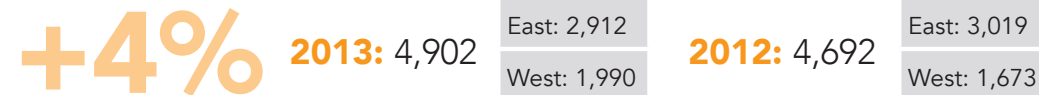
For more information, visit Eyecessorize.com.



Nearly 450 companies participated in the Customer Invitation program, designed to promote their booth and provide customers and prospects with complimentary exhibit hall passes. The program continues to deliver successful results with 8,500 verified attendees in 2013, a 67% increase over 2012, proving that eyecare professionals recognize and trust vendors to provide special benefits.

INTERNATIONAL VISION EXPOS CONTINUE TO SEE GROWTH

International attendance increased at the Vision Expo events by **4%** in 2013, accounting for over **16%** of the total attendance at each event and attracting eyecare professionals from over 90 countries.



The Vision Council's Optimum program – designed to deliver key decision-makers/ buyers, ophthalmic professionals, lab owners/directors and top level management from \$1M OD Practices, Canada Top 20 Retailers, VisionMonday's Top 50 retailers, and more – grew by 20% this past year.

- Vision Expo East's Optimum program delivered 981 attendees, and increase from 821 last year, and the program at Vision Expo West attracted 713 attendees, up from 649 last year.

The first Vision Expo West in 1988 had **68,800 sq. ft.**, **281 exhibitors** and **4,786 attendees**. It has grown to **184,200 sq. ft.**, **443 exhibitors**, and **13,019 attendees**.

25th Anniversary:
Vision Expo West celebrated 25 years by recognizing our founding exhibitors, hosting an anniversary toast, an opening night kick-off party and free food on the exhibit hall floor each day.



DOMESTIC AND INTERNATIONAL PARTNERSHIPS

- January 2013 -The California Optical Laboratories Association (COLA) joined The Vision Council as the California Lab Committee within the Optical Lab Division. COLA was an organization of full-service optical labs from California and Western States.
- May 2013, Portugal - The Vision Council and the European Sunglass Association held a Spring conference that featured sessions designed to help Executives expand their businesses in a global marketplace. There were nearly 60 attendees from the vision industry.
- July 2013 - The Vision Council continued to take our messages abroad, as we partnered with the Wenzhou Spectacles Association, Taiwan Spectacles Association and the Hong Kong Optical Manufacturers Association to conduct a series of seminars on U.S. Standards and Compliance issues with hundreds of our members' partner manufacturers overseas.
- Through a Affiliate Partner Programs, Vision Expo continues to grow and strengthen relationships with a diverse network of optometric associations, professional organizations, alliances and buying groups. Incentives are customized to each group to encourage organizations to come together with their members and prospects to network, hold meetings, share ideas and deliver education to better the ophthalmic industry as a whole.
- In 2013, the program grew to include 97 groups, up from 69 in 2012. Their members accounted for a combined total of just under 10,000 attendees at the Vision Expo Events.

FINANCIALS

Financial information shown below represents The Vision Council's financial status as of Feb. 28, 2014. As such, it is preliminary and unaudited. The net loss was due to The Vision Council's commitment to the *Think About Your Eyes* campaign.

Projected 2013 Balance Sheet

Assets	
Current Assets	\$4,667,550
Long Term Assets	
Net Fixed Assets	989,456
Investments	8,952,215
Total Assets	14,609,221
Liabilities	
Short Term	901,691
Long Term	706,157
Net Assets	
Beginning Net Assets	15,265,543
Year-to-Date Net Income	(2,264,170)
Less Designated Net Assets	(460,102)
Total Undesignated Net Assets	12,541,271
Designated Net Assets	460,102
Total Liabilities and Net Assets	\$14,609,221

Projected 2013 Income Statement

Revenues	
Shows	\$8,757,050
Dues	1,408,596
All Other Income	991,904
Total Revenue	11,157,550
Expenses	
Personnel	3,933,122
General & Administration	1,333,740
Program	
Marketing & Communications	1,988,123
Shows & Meetings	1,578,389
Member Services/Public Affairs	2,285,563
Executive Initiatives	436,883
Think About Your Eyes	2,000,000
Optical Lab Division Programs	437,161
Total Expenses	13,992,981
Net Income from Operations	(2,835,431)
Investment Income	571,261
Total Net Loss	(\$2,264,170)

