THE VISION COUNCIL

2009
Benchmarking Study
(Based on 2008 Results)

CONFIDENTIAL

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The Vision Council 2009 Benchmarking Study (Based on 2008 Results) was compiled, tabulated and analyzed by Industry Insights, Inc. in cooperation with The Vision Council and key industry members.

Industry Insights, headquartered in Dublin, Ohio, is a professional research and consulting firm providing management and marketing services to trade and professional associations and their members. The company specializes in industry operating surveys, compensation studies, educational programs and customized research services.

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Introduction

About This Report

The Vision Council *Benchmarking Study* (based on 2008 data) represents the most complete, accurate and up-to-date database of industry financial and operating data published anywhere. The information contained in this report is designed to provide easy-to-understand guidelines for identifying business performance improvement opportunities.

Based on the suggestions of The Vision Council's previous Benchmarking survey participants we have again reported additional information regarding brand management and purchasing departments. In addition, we have included again a set of data tabulations detailing the performance results for firms in which sales of eyewear accessories account for more than 20 percent of company sales volume. This additional set of data will allow some participating members to better compare their operation against companies of a similar composition. For purposes of this survey, we define accessories as:

Cleaning kits/cloths	Half eyes
Chains/Straps for eyeglasses/sunglasses	Brooches
Eyeglass cases	Clip-on sunglasses-Slip-in sunglasses-Flip-up sunglasses-Magnetic clip sunglasses
Repair kits	

This report includes comparative financial ratios and statistics by all participants overall, by company sales volume size, and by frame specialty (i.e., brand and non-brand frames). In addition, this report includes data for a special grouping of high profit firms.

Perhaps the most valuable feature of The Vision Council *Benchmarking Study* is that all firms participating in the survey automatically receive a confidential Company Performance Report. This report presents a company's own ratios and data computed in a manner consistent with those appearing in the industry report and displayed alongside the appropriate industry comparatives. (Representative pages from a sample Company Performance Report are illustrated on the following page.)

As shown on any given line of the Company Performance Report, a firm's own data is included along with industry norms for firms of a comparative sales volume, profit group, etc. Thus, the individual owner/manager is provided invaluable information without having to spend time and effort making the calculations manually. In addition, these highly confidential reports contain a computer-generated qualitative assessment of a company's situation.

This *Benchmarking Study* was prepared by Industry Insights, Inc. of Dublin, Ohio, while working closely with key industry representatives in the design of the study. Confidential survey forms (refer to the Appendix for a sample) were sent to The Vision Council's members in early spring of 2009 and 25 completed and usable responses were received by June. Data submitted by participating companies is kept strictly confidential. No staff member of The Vision Council nor any company or individual inside or outside the industry, nor anyone else other than a select few Industry Insights, Inc. associates ever have access to any individual firm's data.

Sample Company Performance Report

"Your Firm's" Ratios Compared to the Appropriate Industry Norms

	YOUR FIRM	ALL FIRMS	SALES >$30 MIL.	BRAND FRAME FIRMS	HIGH PROFIT FIRMS
OVERALL PERFORMANCE MEASURES					
PROFIT MARGIN (Net Profit Before Taxes as a % of Net Sales)	--%	--%	--%	--%	--%
ASSET TURNOVER (Net Sales/Total Assets)	---X	---X	---X	---X	---X
RETURN ON ASSETS (Net Profit Before Taxes as a % of Total Assets)	--%	--%	--%	--%	--%
FINANCIAL LEVERAGE (Total Assets/Net Worth)	--X	--X	--X	--X	--X
RETURN ON NET WORTH (Net Profit Before Taxes as a % of Net Worth)	--%	--%	--%	--%	--%
FINANCIAL MANAGEMENT RATIOS					
Current Ratio (Curr. Assets/Curr. Liab.)	--X	--X	--X	--X	--X
Quick Ratio (Current Assets Minus Inventory/Current Liabilities)	--X	--X	--X	--X	--X
Cash to Current Liabilities	--%	--%	--%	--%	--%
Accounts Payable to Inventory	--%	--%	--%	--%	--%
Debt to Equity	--X	--X	--X	--X	--X
EBIT To Total Assets (Net Profit Before Interest & Taxes as a % of Total Assets)	--%	--%	--%	--%	--%
Times Interest Earned	--X	--X	--X	--X	--X
ASSET PRODUCTIVITY RATIOS					
Average Collection Period (Days)	--	--	--	--	--
Inventory Turnover.	--X	--X	--X	--X	--X

A Computer Generated "Report Card" Evaluation of Your Own Firm's Performance

OVERALL PERFORMANCE MEASURES		
Profit Margin (Net Profit Before Taxes as a % of Net Sales)	???? WEAK ????	Investigate Further
Return on Assets (Net Profit Before Taxes as a % of Total Assets)	???? WEAK ????	Investigate Further
Return on Net Worth (Net Profit Before Taxes as a % of Net Worth)	???? WEAK ????	Investigate Further
Gross Margin as a % of Sales	???? WEAK ????	Investigate Further
Asset Turnover (Net Sales/Total Assets)	???? FAIR ????	Some Concern Warranted
% Change in Overall Sales From Prior Year	>>>> STRONG <<<<	Congratulations
FINANCIAL MANAGEMENT RATIOS		
Current Ratio (Curr. Assets/Curr. Liab.)	>>>> STRONG <<<<	Congratulations
Quick Ratio (Current Assets Minus Inventory/Current Liabilities)	>>>> STRONG <<<<	Congratulations
ASSET PRODUCTIVITY RATIOS		
Average Collection Period (Days)	???? WEAK ????	Investigate Further
Inventory Turnover	???? FAIR ????	Some Concern Warranted

How to Use This Report

The Vision Council *Benchmarking Study* has been designed to help industry firms to evaluate their own performance relative to that of similar companies in order to identify improvement opportunities. The statistics in this report represent broad performance "*yardsticks*" against which a company's performance can be measured.

Using this information, industry firms can compare their own firm's financial and operating performance with: the industry as a whole; firms of a comparable sales volume; the highest profit firms; and other possible comparatives. Spotting significant differences between your own firm's performance and the industry composites can be the first step toward improving performance. Keep in mind, however, that:

1. A deviation between your firm's figures (for any performance measure) and numbers in the report is not necessarily good or bad. It merely indicates that additional analysis may be required. As a rule, the larger the difference, the greater the need for further investigation.

2. In situations where large deviations do exist, it may be helpful to go back and calculate the same performance measure over the past several years to identify any trends that may exist.

3. The information in this report should be used as a tool for informed decision making rather than absolute standards. Since firms differ as to their product emphasis, location, size, and other factors, any two firms can be successful yet have very different experiences with regard to certain performance measures.

Understanding the Data

In order to use the information in this report to maximum advantage, it is important to understand *how the data is arranged* and *how to interpret them.*

How the Tables are Organized

The tables in this report are organized to include a number of important financial ratios for each relevant "grouping" of similar firms. In particular, the major "groupings" used include:

- All Reporting Firms--refers to the results of all firms responding to the survey.
- 2008 Annual Sales Volume
- High Profit Firms (refers to those firms whose *Net Profits Before Taxes as a Percent of Total Assets* are in the upper half of performance)
- Firms That Primarily Sell "Brand" Frames (refers to those firms where "brand" frames are over 50% of the firm's total frame sales)
- Firms That Primarily Sell "Non-Brand" Frames (refers to those firms where "non-brand" frames are over 50% of the firm's total frame sales)
- Firms With Sales of Accessories Greater Than 20% of Total Sales
- Firms That Sell Direct to Retail Only

The table of contents shows specifically where each table can be found.

Interpreting the Numbers

Most of the performance indicators included in this study are reported on the basis of medians rather than arithmetical averages or means. Unlike the mean, the median is not distorted by a few unusually high or low values that may exist in the sample due to special circumstances. The "median" figure represents the mid-point of the figures for a particular measure, with one-half of the firms reporting figures above it and one-half below. Each median was computed independently based on the companies that reported for that item. As a result, mathematical relationships do not always exist when different ratios are used together in the calculation.

Smallest Number Reported Typical		Largest Number Reported
Lower 25% of Reported Figures	Middle 50% of Reported Figures (or Middle Range)	Upper 25% of Reported Figures

Figures reported by responding companies were not used unless they were in accordance with the survey instructions and definitions. In cases where the number of companies reporting was considered inadequate for the computation of a meaningful figure, blank spaces appear in the tables, or a "not available" (N/A) notation is included.

Further insights into how to use this report are included in the Appendix in the section entitled: "Ratio Definitions." An important point to keep in mind when using this report is that *even relatively simple analysis of your company's own financials using the industry data for comparison can yield important insights into your business. You do not have to be a financial expert to benefit from this information.*

Using Ratios

While it is extremely important to analyze financial information in dollars and cents, it is essential that percentages and ratios be used if the data is to be compared to past performance or to industry standards. For example, it is necessary to know your annual payroll expense, but it is even more essential to compare this expenditure with the value it produces. A useful measure of effectiveness of compensation expense is the percentage that payroll expense is relative to sales. Therefore, a ratio such as payroll expense as a percent of sales can be useful in determining how efficiently your firm uses its payroll dollars over time or compared to other Vision Council firms in general.

In addition, just as dollar figures are not too meaningful by themselves, ratios should not be used in isolation. In combination they can give an extremely accurate overall picture of financial performance and financial position. Financial performance refers to how well a firm performs over a period of time (generally one year) and financial position refers to financial strength at a given point in time.

The tables in this report include key ratios for comparing your firm's performance to norms for other Vision Council companies in the following key areas: return on investment (profitability), profit margin management, asset management, employee management, and financial management.

Overall Performance Ratio Analysis

The "Overall Performance Measures" included in this report provide key ratios for comparing a company's performance to industry norms in each of three areas: profitability, productivity, and financial management. In using this report, it is important to prioritize time and effort by starting with the Overall Performance Measures. As discrepancies are identified between a company's performance measures and the industry norms, further investigation will be needed as to the reasons for these discrepancies.

Profitability

While there are several ways to look at profitability, the most useful are those that compare profits to some other quantity. Perhaps the most frequently cited is net profit margin, or net profit as a percent of sales or total revenue. This ratio measures the difference between what a company receives in revenues and spends over a period of time. It is highly dependent upon pricing policy and expense control. In other words, if gross margin increases or expenses decrease as a percent of revenues, net profit margin will rise. Some companies prefer to use profit before income taxes since income tax in small business is often influenced by factors other than those involved in running the business. No matter which you prefer to use, net profit margin is a good overall measure of how well gross margin and expenses are being controlled.

Perhaps the best measure of overall profitability is return on investment (ROI). The two most important measures of ROI are return on assets and return on net worth. Within this report *both* return on assets and return on net worth ROI performance measures are shown. Return on assets is defined as either annual 1) profit after tax, 2) profit before tax, or 3) profit before tax and interest divided by end-of-year total assets. Return on assets is an excellent indicator of the percentage return on total assets employed in the business. As is the case with net profit margin, using profit before tax is a good idea. In addition, profit before taxes and interest divided by total assets is an even more "pure" look at the operational efficiency of the business because the amount of interest paid depends on the amount of debt the business needs or wishes to incur. This is a matter of financial policy and is not directly related to the operational efficiency of the business.

While return on assets measures ROI from a *business management standpoint*, return on net worth is the best measure of *return to the owners of the business*. It is defined as profit before or after tax to net worth. Return on net worth is the percentage return to the owners compared to the amount that they have invested in the business.

Productivity

Productivity is simply the output produced compared with input expended. As a rule, the more output produced per labor hour, employee, dollar investment or whatever the input, the more profitable a company can be. Industry firms need to always strive to improve the productivity of their principal assets--inventory, and personnel. But in order to improve productivity, you first have to measure it.

Inventory productivity is best measured by inventory turnover, defined as the cost of goods sold divided by inventory. This ratio shows how rapidly inventory is moving. Inventory turnover is expressed as "annual turns."

Personnel productivity can be measured in numerous ways. The easiest and most commonly used methods are:

- Net sales per employee--a good overall measure, but subject to distortion by inflation as described under space productivity. Always use full-time equivalents for employees.
- Gross margin per employee--another good overall measure, but also distorted by inflation.
- Payroll Expense as a percent of Net Sales--complements the previous measure by adding the dimension of compensation levels instead of just number of employees. Not distorted by inflation.

Asset turnover (net sales divided by total assets) presents a good overall indicator of total company productivity. The ratio tells us how many dollars in revenues are being generated by each dollar of assets employed in running the business.

Financial Management

There are two financial management issues of primary importance to industry firms--liquidity and leverage. Liquidity represents the short-term financial strength of the firm. It is your ability to meet short-term obligations out of currently available funds. Two liquidity measures are very commonly used.

- Current Ratio (current assets divided by current liabilities)--This measures the extent to which fairly liquid assets (all current assets) exceeds current debt.
- Quick (acid-test) ratio (current assets less inventory divided by current liabilities)--This ratio eliminates inventory from the numerator because it is not extremely liquid, and compares the result to current debt. Therefore, the quick ratio is often considerably lower than the current ratio.

Leverage is merely the extent to which a company is financed by debt as opposed to the owners' funds. It is the amount of liabilities in relation to the amount of net worth on the right hand side of the balance sheet. The most significant ratio of overall company leverage is Total Assets to Net Worth. The higher this ratio is, the higher the leverage (the proportion of debt compared to net worth).

Another leverage ratio that relates to inventory financing is:

- Accounts Payable to Inventory--Indicates the percentage of inventory financed by accounts payable.

Improving Performance Based on the Overall Performance Measures

It is very important to remember that while the key performance measures are excellent "yardsticks" for gauging the success of your business, they must be understood, not just applied blindly. For instance, if the profitability of your firm is far below the industry norm, it is important to know why. Is your business really suffering or is your profitability artificially low because you are paying high salaries? With this warning in mind, let us examine some of the key performance measures and some possible actions that can be taken if you deviate significantly from the industry average. The following are only guidelines for action and should not be considered to be specific recommendations.

Profitability

Net Profit Margin

Too Low	Further investigation is warranted. Check to see if gross margin is too low. If so, check margin by merchandise category. Check all expenses to see which need better control.
Too High	It is difficult to imagine a situation where this presents a problem, but you should know why the net profit margin is so high.

Return on Assets

Too Low	Either sales or net profit margin is too low to support your asset structure. Examination of net profit margin and asset turnover will tell which.
Too High	No problem as a rule. You are effectively managing your business.

Return on Net Worth

Too Low	If return on assets is sufficient, you may have more of your funds invested in the business than necessary (see Leverage).
Too High	This is a very good situation unless the degree of leverage is too high.

Productivity

Personnel Productivity

Too Low	Low personnel productivity during normal business conditions may indicate the business is too "people heavy." Consider decreasing staff size or generating more volume from existing personnel.
Too High	No problem as a rule. May be artificially high if many functions are performed by outsiders not on the payroll.

Inventory Productivity

Too Low — This could indicate either lack of volume or an overstocked condition. Investigate by product line.

Too High — Excessively high inventory productivity generally means too little inventory is in stock and may be suppressing sales. However, special order products (not stocked) can also cause high inventory turns.

Total Asset Productivity

Too Low — Low asset turnover can signal a need for more attention to the productivity of the areas described above. However, if you own rather than rent the majority of your locations, this could explain the deviation from typical industry figures.

Too High — Asset turnover which is significantly in excess of the industry norm might be caused by the absence of owned fixed assets or the lack of any significant amount of receivables. Check your percentage balance sheet with the composite for your type of plant.

Financial Management

Liquidity

Too Low — If current and quick ratios are too low, it is possible you are operating with insufficient liquid capital. This can be dangerous if business takes a turn for the worse or a loan payment becomes due unexpectedly. Liquidity can be increased by using more long-term financing and/or by leaving more profits in the business.

Too High — If liquidity is exceptionally high, it is possibly a sign of excess inventories and receivables. Check productivity ratios for these items. Otherwise, this is no reason for concern.

Leverage

Too Low — You have excess capacity for debt should it become necessary to borrow. Although some owners do not like borrowing any more than absolutely necessary, additional debt will increase overall profitability as long as the business can earn a before tax return which exceeds the borrowing rate.

Too High — This will severely curtail your ability to attract new borrowed funds. In addition, interest charges could be severely affecting profitability. Try to retain more profits in the business or attract new sources of equity if you wish to lower leverage.

Summary and Conclusions

We believe the information contained in The Vision Council *Benchmarking Study* to be the most comprehensive compilation of current frame company performance statistics in existence. While the quantity of information may, at first, seem overwhelming, by following the approach outlined in the preceding pages, your time and efforts can be channeled into a very effective and beneficial analysis. To summarize:

Step 1

Gather all your financial and operating results for your latest fiscal year. If you participated in the latest operating survey, this has probably already been done.

Step 2

Calculate the various performance measures for your firm that are used in the report. Start with the "Overall Performance Measures." (If you participated in the survey and filled the survey form out completely, most of the calculations have been already made for you.)

Step 3

Determine which data comparison in this report is most comparable to your firm.

Step 4

Using the analytical guidelines for the key ratios discussed above, analyze your company's strengths and weaknesses.

Even relatively simple analysis of your company's own financials using the data for comparisons can yield important insights into your business. You do not have to be a financial expert to benefit from this information.

Control, Control, Control—A Secret for Success During Any Business Climate

Managing a business is challenging enough during favorable economic periods, let alone during business downturns or during slow economic growth periods. However, history tells us that business conditions change. No matter how good the economy is, eventually a downturn (and probably a recession) will occur. Likewise, even during recessionary periods, there is some satisfaction in knowing that eventually a recovery is on the horizon.

The unfortunate part about economic cycles is that businesses are usually affected in ways that are beyond their control. When the economy is in a downturn, even the best run firms experience slower growth, lower profits and cash flow problems. To further complicate matters, economic swings are difficult to predict and virtually impossible for which to plan. Although we know cycles inevitably occur, we do not know when or for how long one will last.

A possible solution to this dilemma is to maintain control of your business at all times, regardless of what is happening in the economy. For example, resist the temptation to be "soft" on expense control just because the economy is good and your sales, cash flow, and bottom line profits are strong. There still may be expense inefficiencies that are taking away from profits and which go unnoticed due to the favorable business climate. If so, these could cause big problems if the economy turns downward.

By maintaining strong control of your business, regardless of the economy, you can be assured of maximizing your profitability at all times. To do this is nothing more than following sound, basic business practices in the management of all aspects of your business. In particular, use comparative financial performance industry information (such as is contained in The Vision Council Benchmarking Study) as a "benchmark" and follow these guidelines:

- Manage and Stay on Top of Expenses

- Resist Margin Deterioration--Cutting prices to generate sales volume during a business downturn will usually result in lower profit margins unless some productivity improvement and/or cost savings come with the price reduction.

- Monitor Inventory Productivity--Inventory that is not selling is like having stacks of $100 bills sitting in a warehouse, not earning interest and tying up your cash flow.

  Items that do sell well should receive special attention.

- Manage Your Cash--Do regular cash flow planning. It is essential to plan for "cash crunches" (sooner or later all businesses experience these) at least six months before they occur. Planning eliminates the problem.

- Control Your Receivables--There is no real mystery to this, but you have to do the basics.
  - ☐ invoic e promptly
  - ☐ send "past due" notices promptly and regularly
  - ☐ follow-up promptly on problem accounts
  - ☐ do a good job of screening new accounts
  - ☐ know how many and which accounts are past due at all times

- Manage Your Debt--If you allow your credit rating to deteriorate, you may always be constrained in future borrowing.

- Avoid Getting into Risky Businesses and Trying to be "All Things to All People"--Resist the tendency (which often occurs in times when cash flow and profits are strong) to expand into something you know nothing about and which may be somewhat risky.

- To the Extent Possible, set Realistic Sales Goals--and plan your business accordingly.

While the above guidelines are all basic to controlling a business, the key is to make sure these things are done at all times. In fact, it might be helpful to copy the list provided above and hang it in your office as a constant reminder.

In summary, even though the economy will go through "roller coaster" cycles, the effects of these "swings" can be minimized through constant "control." Comparative financial/operating performance ratios, such as are provided as benchmarks in the annual Vision Council *Benchmarking Study* can be an important "control" tool.

Executive Summary

Introduction

The Vision Council *Benchmarking Study* is organized as a set of easily referenced industry performance tables. These include the following data aggregations:

- All Responding Firms

- Respondents by 2008 Annual Sales Volume Size
  - Under $10 Million
  - $10 to $30 Million
  - Over $30 Million

- High Profit Firms (i.e., those firms whose "Net Profit Before Taxes as a Percent of Total Assets" are in the upper half of performance)
  - For purposes of this year's study, the dividing point for the upper 50% most profitable firms was firms with over X% Net Profit Before Taxes as a Percent of Total Assets.

- Firms That Primarily Sell "Brand" Frames (i.e., "Brand" Frame sales represent over 50% of the company's total sales)

- Firms That Primarily Sell "Non-Brand" Frames (i.e., "Non-Brand" Frame sales represent over 50% of the company's total sales)

- Firms With Sales of Accessories Greater than 20% of Total Sales

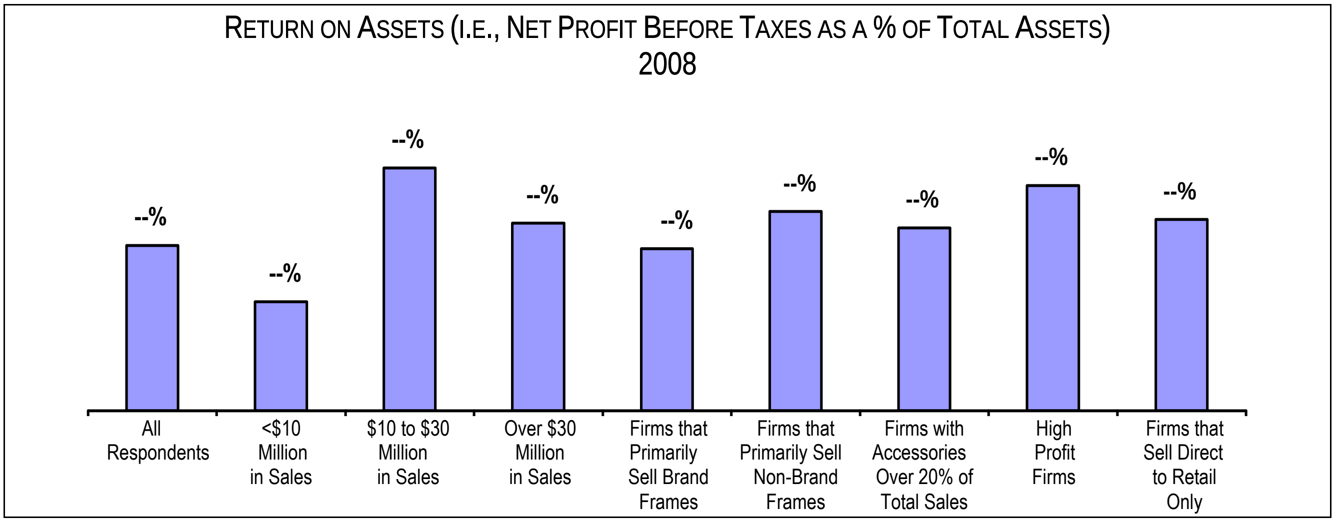
- Firms That Sell Direct to Retail Only

In using this study to evaluate your own business performance, you should refer to the set of data comparatives that most closely corresponds with your own operation. This detailed information should be kept handy and referenced from time to time as a tool for better controlling and managing your business.

The series of tables and graphs shown on the next several pages have been abstracted from the comprehensive set of statistics. These data represent good overall gauges of industry performance in key areas of profitability, expense management, inventory management and other areas of importance.

Overall Profitability

A good overall indicator of company profitability performance is the ratio "net profit before taxes as a percent of total assets," or "return on assets," as it is often labeled. Essentially, this provides an indication of what bottom line profit return is being earned on the dollars invested in total assets. For the typical survey participant, this was X% in 2008, while high profit firms reported a X% return.



As expected, significant differences existed in the profitability performance of industry firms by sales volume size during 2008.

Profit Model

In addition to return on assets, an important component of The Vision Council *Benchmarking Study* is a special analysis showing industry profitability based on "return on net worth" (before tax). This single measure essentially summarizes all the key components of profitability: margin management, asset management, and financial policy (debt) management.

The exhibit below and on the following page shows the profit model for all The Vision Council survey participants as well as firms in the various sales volume categories. This model is an extremely useful framework in which a company can quickly and easily see which areas of the business need improving. For those companies who receive a Company Performance Report, your company's figures have been calculated and displayed alongside the industry comparatives. This model's usefulness is best suited to an individual company wishing to compare their operations with a benchmark or guideline in hope of identifying improvement opportunities.

The easiest way to understand the model is by starting in the middle and working backwards. Return on assets, as the model indicates, is the product of the profit margin and asset turnover. Profit margin refers to net profit before tax divided by net sales and is a good measure of margin management, since in order to earn an acceptable profit a company must earn an acceptable gross margin while keeping expenses in line. Asset turnover depicts net sales divided by total assets and is a good measure of asset productivity. This measure indicates how many dollars in sales are being generated by each dollar of assets employed in the business. When asset turnover is multiplied by profit margin, the result is return on assets. Any improvement in your profit margin or asset turnover will improve the return on assets. Return on net worth, as the model shows, is the product of the return on assets and leverage. Leverage, an indicator of the degree to which debt is used for financing, magnifies the return on assets to yield the return on net worth. Given any level of profits, the more debt a company has (or the less net worth), the higher the return on net worth will be.

2008

All Firms

Profit Margin X Asset Turnover		Return on Assets		Financial Leverage		Return on Net Worth
Profit Margin: X%	=	X%	X	--x	=	X%
X Asset Turnover: --x						

Firms with Sales Under $10 Million

Profit Margin X Asset Turnover		Return on Assets		Financial Leverage		Return on Net Worth
Profit Margin: x%	=	x%	X	--x	=	--%
X Asset Turnover: --x						

Firms with Sales of $10 to $30 Million

Profit Margin X Asset Turnover		Return on Assets		Financial Leverage		Return on Net Worth
Profit Margin: --%	=	--%	X	--x	=	--%
X Asset Turnover: --x						

Firms with Sales of Over $30 Million

Profit Margin X Asset Turnover		Return on Assets		Financial Leverage		Return on Net Worth
Profit Margin: --%	=	--%	X	--x	=	--%
X Asset Turnover: --x						

High Profit Firms

Profit Margin X Asset Turnover		Return on Assets		Financial Leverage		Return on Net Worth
Profit Margin: --%	=	--%	X	--x	=	--%
X Asset Turnover: --x						

Mathematical relationships may not total due to rounding.
All figures in the profit model are computed on a before tax basis.

Expense Management

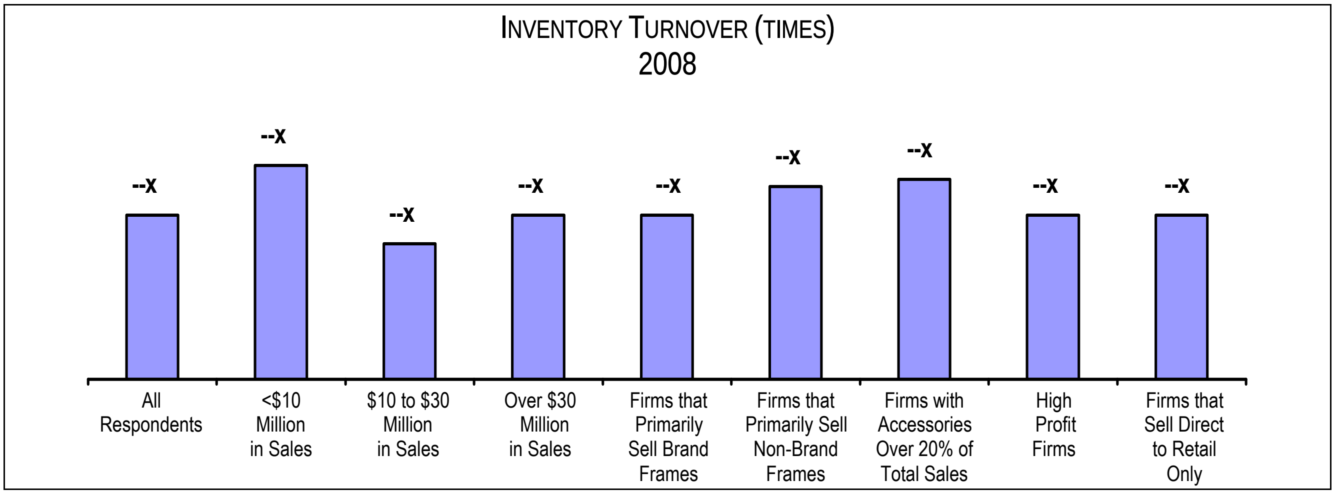
Industry firms that were the most profitable in 2008 achieved their profitability advantage by managing their costs much more effectively than the other participants. As shown in the chart below, while the typical Vision Council survey participant overall reported operating expenses of X%, the high profit companies experienced only X%.

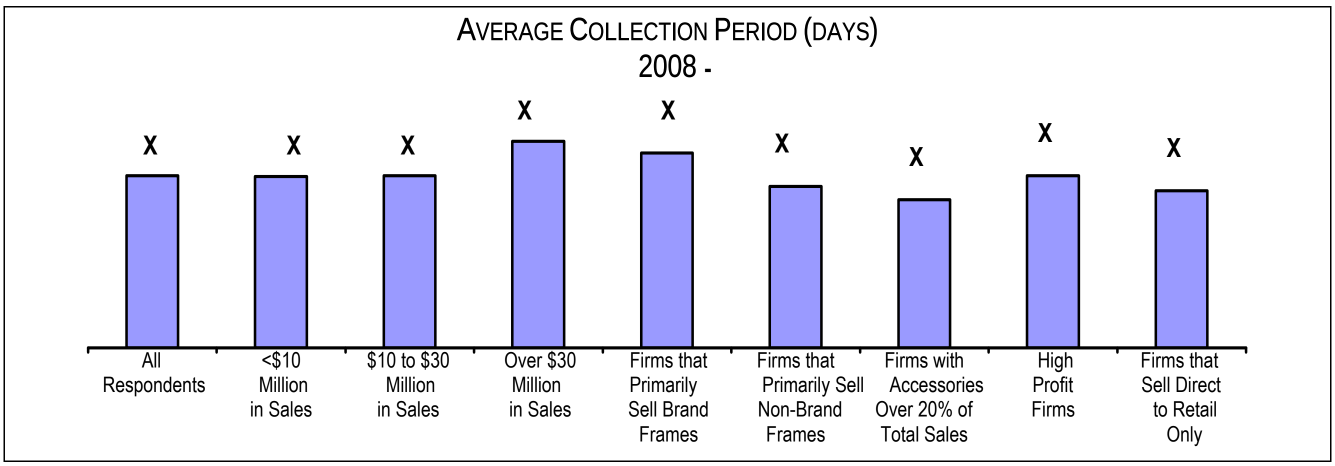
KEY INCOME STATEMENT ITEMS AS A PERCENT OF SALES (2008)

	All Firms	Sales Under $10 Million	Sales $10 to $30 Million	Sales Over $30 Million	Firms That Primarily Sell "Brand" Frames	Firms That Primarily Sell "Non-Brand" Frames	Accessories Over 20% of Sales	High Profit Firms	Firms That Sell Direct to Retail Only
Gross Margin									
Payroll Expense (including reps)									
Selling Payroll (including reps)									
Total Operating Expenses									
Net Profit Before Tax									

Inventory and Accounts Receivable Management

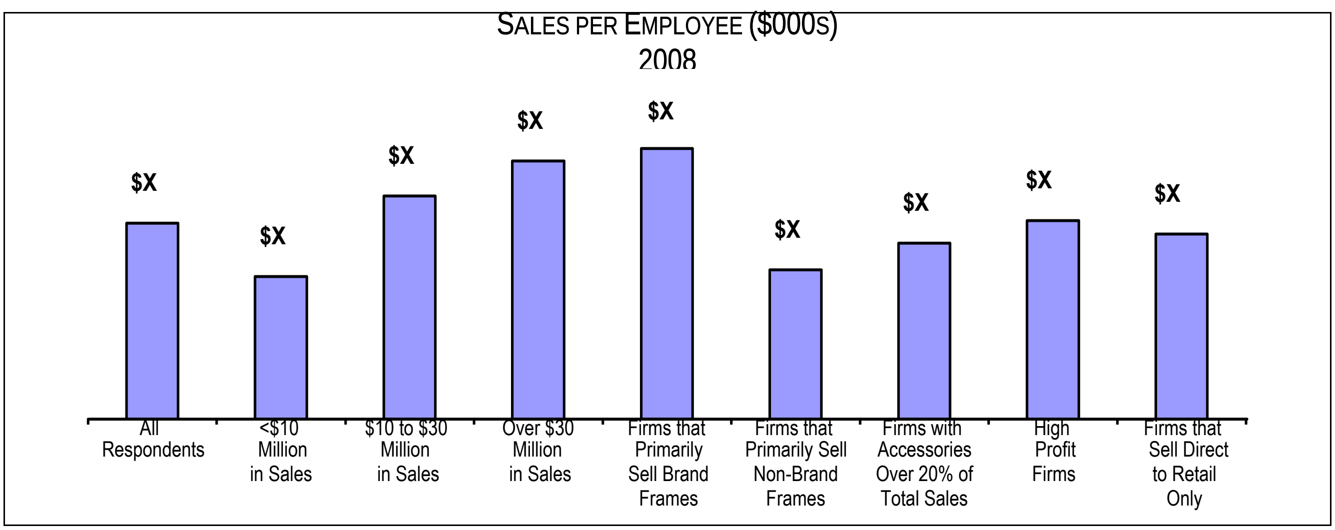
While expense management and bottom line profit margins on sales are important components of overall profitability, certainly inventory and receivables management are also very important. Other things being equal, the more times inventory is produced and sold (i.e., the essence of turnover), the more profitable an industry firm will be. Likewise, if a firm does a poor job of receivables management, cash flow and profitability problems can arise. Although, the high profit firms typically perform better than the typical respondent in terms inventory turns, asset turns, and average collection periods, they were very similar to all responding firms in these measures for 2008. This is an indication that the bottom line profit margin was the primary component of overall profitability. Another valuable resource in this area is the monthly Days Outstanding on the Books Report conducted by The Vision Council, which enables you to monitor this critical AR management issue easily and in a timely manner.



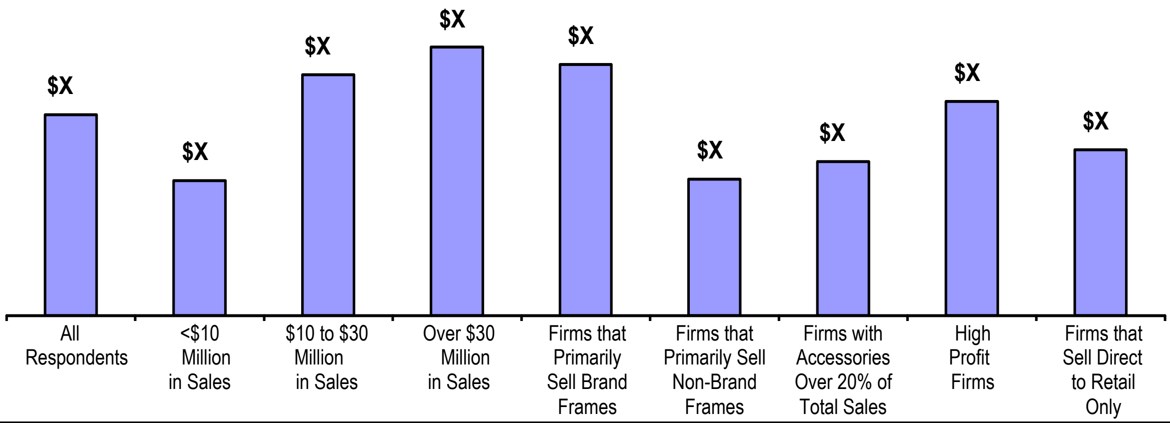


Other Important Measures

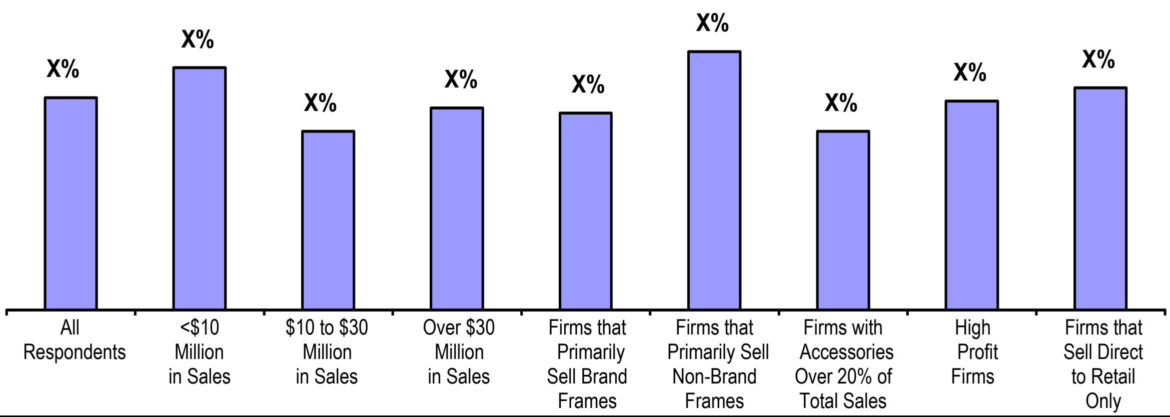
Also included in The Vision Council *Benchmarking Study (Based on 2008 Results)* are important employee productivity and liquidity management ratios. The charts below highlight these indicators.



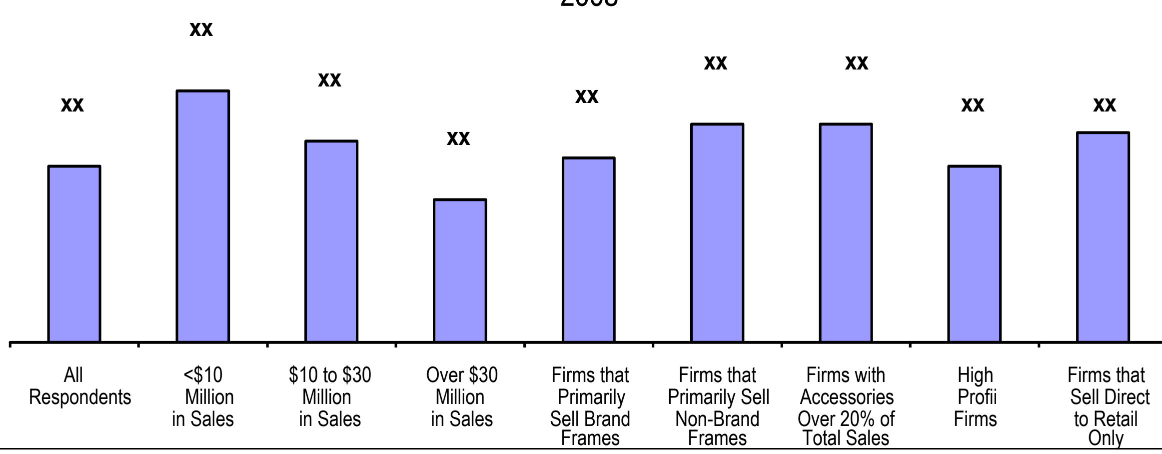
GROSS MARGIN PER EMPLOYEE ($000S)
2008

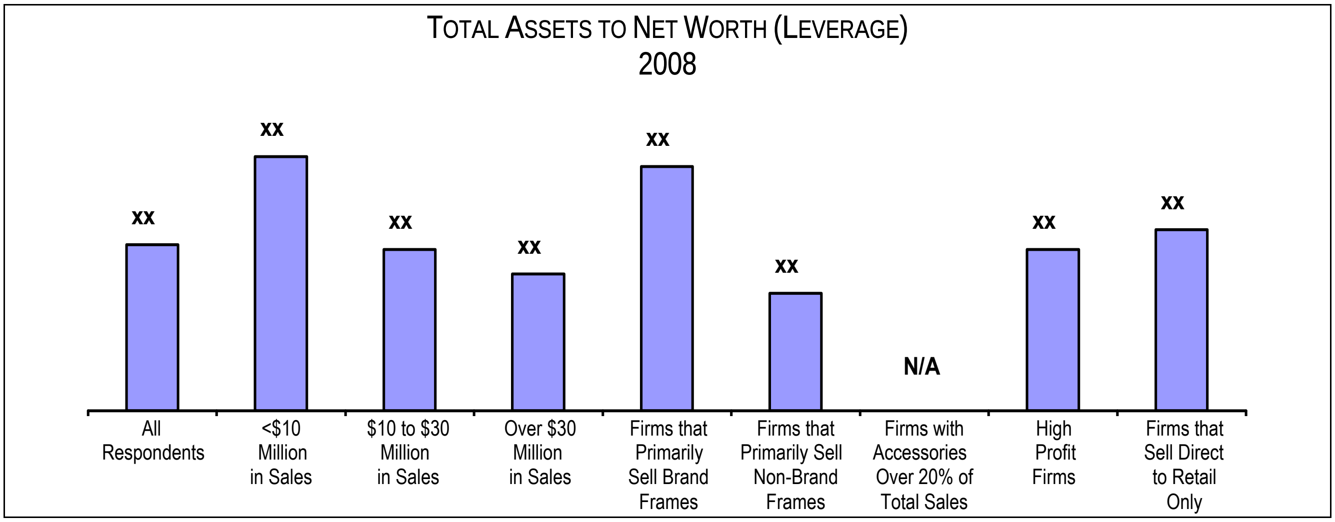


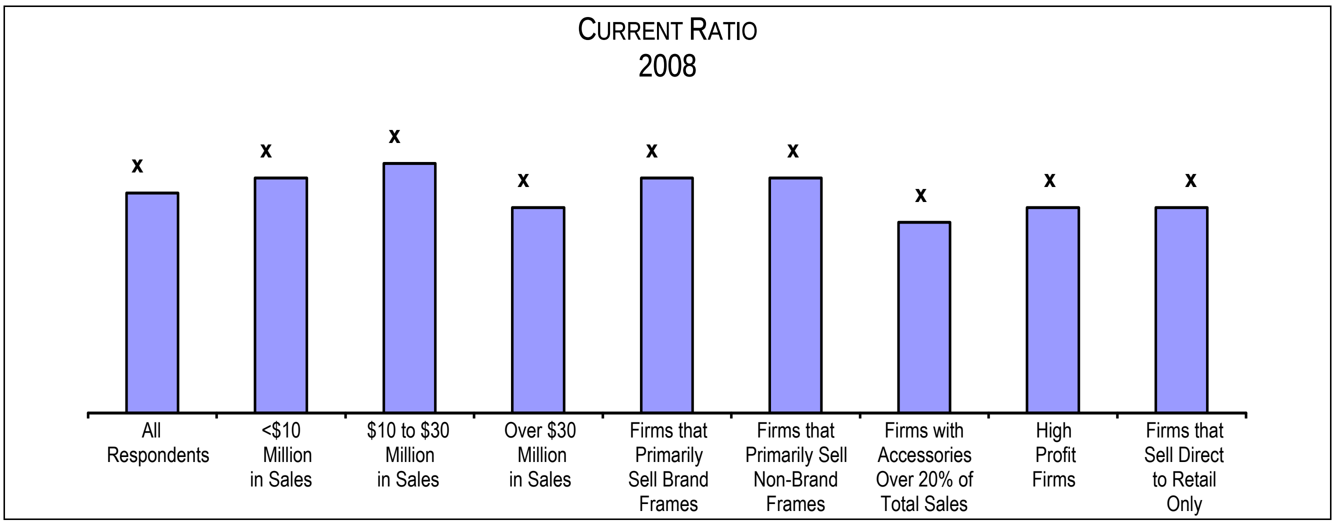
TOTAL PAYROLL (INCLUDING REPS) AS A % OF SALES
2008

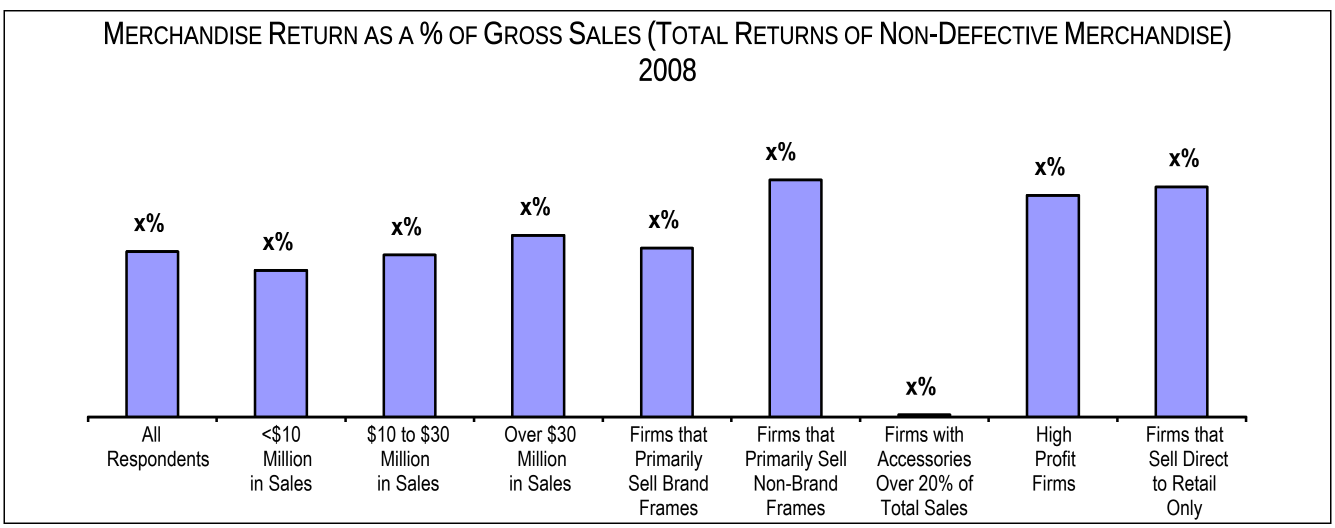


ASSET TURNOVER (I.E., SALES/TOTAL ASSETS)
2008




TOTAL ASSETS TO NET WORTH (LEVERAGE)
2008
xx
xx
xx
xx
xx
xx
N/A
xx
xx
All Respondents
<$10 Million in Sales
$10 to $30 Million in Sales
Over $30 Million in Sales
Firms that Primarily Sell Brand Frames
Firms that Primarily Sell Non-Brand Frames
Firms with Accessories Over 20% of Total Sales
High Profit Firms
Firms that Sell Direct to Retail Only


CURRENT RATIO
2008
x
x
x
x
x
x
x
x
x
All Respondents
<$10 Million in Sales
$10 to $30 Million in Sales
Over $30 Million in Sales
Firms that Primarily Sell Brand Frames
Firms that Primarily Sell Non-Brand Frames
Firms with Accessories Over 20% of Total Sales
High Profit Firms
Firms that Sell Direct to Retail Only


MERCHANDISE RETURN AS A % OF GROSS SALES (TOTAL RETURNS OF NON-DEFECTIVE MERCHANDISE)
2008
x%
x%
x%
x%
x%
x%
x%
x%
x%
All Respondents
<$10 Million in Sales
$10 to $30 Million in Sales
Over $30 Million in Sales
Firms that Primarily Sell Brand Frames
Firms that Primarily Sell Non-Brand Frames
Firms with Accessories Over 20% of Total Sales
High Profit Firms
Firms that Sell Direct to Retail Only

Detailed Performance Results

- All Responding Firms
- Respondents by 2008 Annual Sales Volume Size
- High Profit Firms
- Firms That Primarily Sell “Brand” Frames
- Firms That Primarily Sell “Non-Brand” Frames
- Firms With Sales of Accessories Over 20% of total Sales
- Firms That Sell Direct to Retail Only

	All Responding Firms	Sales Under $10 Million	Sales $10 - $30 Million	Sales Over $30 Million
Number of Reporting Firms				
RESPONDENT PROFILE INFORMATION				
Eyewear and Accessories Sales				
Brand Frames				
Non-Brand Frames				
Private Label Frames				
Accessories				
Plano/Non-Rx Sunglasses				
Non-Rx/OTC Readers				
Total				
Dollar Sales--% By Type				
Metal				
Plastic				
Combination or Rimless				
Total				
Dollar Sales--% By Selling Method				
Selling Direct to Retail Only				
Selling Indirect (as through wholesalers only)				
Total				
Organization Type				
C Corp				
S Corp				
Limited Liability Company (LLC)				
Sole Proprietorship				
Partnership				
Other				
Accounts Receivable - Aging (% of Total)				
Current				
1-30 days past due date				
31-60 days past due date				
61-90 days past due date				
Over 90 days past due date				
Total				
Credit Terms				
2/15 net 30				
2/10 net 30				
Net 30				
2/30 net 31				
Other				
Merchandise Returns as a % of Gross Sales (i.e., Sales Before Any Returns or Allowances)				
Total Returns of Defective Merchandise				
Total Returns of Non-Defective Merchandise				
INVENTORY RELATED INFORMATION				
Average Inventory as a % of Total Net Sales				
Frequency of Physical Inventory Count				
Monthly				
Quarterly				
Semi-Annually				
Annually				
Other				
Do Not Conduct a Physical Inventory				
Average Inventory Variance (Shrinkage)				
Percentage of Inventory Sold Below Cost				
Percentage of Discontinued/Obsolete Inventory				
Percentage of Inventory Dedicated to Kids Products				
Average Annual Fill Rate				
How Orders are Processed:				
Released First to Pick Slip for Processing				
Sent to an Invoice Directly				
Other				
Firms Using Warehouse Management System Software				

Firms That Primarily Sell Brand Frames	Firms That Primarily Sell Non-Brand Frames	Firms With Accessories Over 20% of Total Sales	High Profit Firms	Firms That Sell Direct to Retail Only	
					Number of Reporting Firms
					RESPONDENT PROFILE INFORMATION
					Eyewear and Accessories Sales
					Brand Frames
					Non-Brand Frames
					Private Label Frames
					Accessories
					Plano/Non-Rx Sunglasses
					Non-Rx/OTC Readers
					Total
					Dollar Sales--% By Type
					Metal
					Plastic
					Combination or Rimless
					Total
					Dollar Sales--% By Selling Method
					Selling Direct to Retail
					Selling Indirect (as through wholesalers only)
					Total
					Organization Type
					C Corp
					S Corp
					Limited Liability Company (LLC)
					Sole Proprietorship
					Partnership
					Other
					Accounts Receivable - Aging (% of Total)
					Current
					1-30 days past due date
					31-60 days past due date
					61-90 days past due date
					Over 90 days past due date
					Total
					Credit Terms
					2/15 net 30
					2/10 net 30
					Net 30
					2/30 net 31
					Other
					Merchandise Returns as a % of Gross Sales (i.e., Sales Before Any Returns or Allowances)
					Total Returns of Defective Merchandise
					Total Returns of Non-Defective Merchandise
					INVENTORY RELATED INFORMATION
					Average Inventory as a % of Total Net Sales
					Frequency of Physical Inventory Count
					Monthly
					Quarterly
					Semi-Annually
					Annually
					Other
					Do Not Conduct a Physical Inventory
					Average Inventory Variance (Shrinkage)
					Percentage of Inventory Sold Below Cost
					Percentage of Discontinued/Obsolete Inventory
					Percentage of Inventory Dedicated to Kids Products
					Average Annual Fill Rate
					How Orders are Processed:
					Released First to Pick Slip for Processing
					Sent to an Invoice Directly
					Other
					Firms Using Warehouse Management System Software

	All Responding Firms	Sales Under $10 Million	Sales $10 - $30 Million	Sales Over $30 Million
PERSONNEL RELATED DATA				
Sales Force Primarily:				
Sells Direct to Retail Only				
Sells Indirect (i.e. through wholesalers only)				
Both				
Other				
Percentage of Direct Sales Force Sales That Were:				
Field Order Sales				
Phone Order Sales				
Sales Force is Made up of:				
Entirely Employees				
Entirely Independent Sales Reps (Outside Contractors)				
A Mix of Employees and Outside Reps				
Sales Force Mix				
Employees				
Independent Sales Reps (Outside Contractors)				
Percentage of Respondents Providing the Following Benefits (Company Pays All or a Portion):				
Paid Vacation				
Sick Pay				
Health/Medical Insurance				
Dental Insurance				
Life Insurance				
Disability Insurance				
Optical/Vision Insurance				
Maternity Leave				
Paternity Leave				
Transportation				
Cafeteria Plan				
Profit Sharing Plan				
Other				
Percentage of Respondents Allowing Paid Time Off in Lieu of Paid Vacation and/or Sick Leave and/or Maternity Leave				
Percent Offering an HMO Benefit				
If HMO is Offered, Percent Paid by Your Company for:				
Employee				
Family				
Percent Offering a PPO Benefit				
If PPO is Offered, Percent Paid by Your Company for:				
Employee				
Family				
Percent Offering a Retirement Plan				
Type of Retirement Plans Offered				
Defined Benefit Plan				
401(k) Plan				
SEP IRA				
Simple 401(k)				
Other				
If 401(k) is Offered:				
Percent That Match Employee Contributions				
Employer Match per $1.00				
Up to What Percent of Employee's Salary is Matched				
Percent That Provide a Discretionary Contribution				
Average Percentage of Discretionary Contribution				

Firms That Primarily Sell Brand Frames	Firms That Primarily Sell Non-Brand Frames	Firms With Accessories Over 20% of Total Sales	High Profit Firms	Firms That Sell Direct to Retail Only	
					PERSONNEL RELATED DATA
					Sales Force Primarily:
					Sells Direct to Retail Only
					Sells Indirect (i.e. through wholesalers only)
					Both
					Other
					Percentage of Direct Sales Force Sales That Were:
					Field Order Sales
					Phone Order Sales
					Sales Force is Made up of:
					Entirely Employees
					Entirely Independent Sales Reps (Outside Contractors)
					A Mix of Employees and Outside Reps
					Percentage of Respondents Providing the Following Benefits (Company Pays All or a Portion):
					Paid Vacation
					Sick Pay
					Health/Medical Insurance
					Dental Insurance
					Life Insurance
					Disability Insurance
					Optical/Vision Insurance
					Maternity Leave
					Paternity Leave
					Transportation
					Cafeteria Plan
					Profit Sharing Plan
					Other
					Percentage of Respondents Allowing Paid Time Off in Lieu of Paid Vacation and/or Sick Leave and/or Maternity Leave
					Percent Offering an HMO Benefit
					If HMO is Offered, Percent Paid by Your Company for:
					Employee
					Family
					Percent Offering a PPO Benefit
					If PPO is Offered, Percent Paid by Your Company for:
					Employee
					Family
					Percent Offering a Retirement Plan
					Type of Retirement Plans Offered
					Defined Benefit Plan
					401(k) Plan
					SEP IRA
					Simple 401(k)
					Other
					If 401(k) is Offered:
					Percent That Match Employee Contributions
					Employer Match per $1.00
					Up to What Percent of Employee's Salary is Matched
					Percent That Provide a Discretionary Contribution
					Average Percentage of Discretionary Contribution

	All Responding Firms	Sales Under $10 Million	Sales $10 - $30 Million	Sales Over $30 Million
EMPLOYEE/DEPARTMENTAL PAYROLL INFORMATION				
AVERAGE NUMBER OF EMPLOYEES				
Officers				
Outside Sales				
Inside Sales				
Customer Service/Order Entry				
Independent Sales Reps				
Product Design and Development Staff				
IT Staff				
Office Staff				
Warehouse and Returns				
Marketing, Advertising, and PR Staff				
Brand Management Staff				
Purchasing Staff				
Other Employees				
Total Employees				
EMPLOYEES % OF TOTAL				
Officers				
Outside Sales				
Inside Sales				
Customer Service/Order Entry				
Independent Sales Reps				
Product Design and Development Staff				
IT Staff				
Office Staff				
Warehouse and Returns				
Marketing, Advertising, and PR Staff				
Brand Management Staff				
Purchasing Staff				
Other Employees				
Total Employees				
DEPARTMENTAL PAYROLL AS % OF TOTAL PAYROLL				
Officers				
Outside Sales				
Inside Sales				
Customer Service/Order Entry				
Independent Sales Reps				
Professional Fees Expense				
Product Design and Development Staff				
IT Staff				
Office Staff				
Warehouse and Returns				
Marketing, Advertising, and PR Staff				
Brand Management Staff				
Purchasing Staff				
Other Employees				
Total Employees				
EMPLOYEE PRODUCTIVITY RATIOS				
Sales Per Overall Employee (including outside reps and employees)				
Sales Per Sales Force Person (including outside sales reps and selling employees)				
Gross Margin Per Overall Employee (including outside reps and employees)				
Gross Margin Per Sales Force Person (including outside sales reps and selling employees)				
Personnel Turnover Rates (i.e., sales force personnel that departed as a percent of the total number of sales force personnel when the year began)				
Total Sales Force				
Sales Force Employees				
Independent Sales Reps (Outside Contractors)				
Other Employees				
Total Personnel Turnover				
Payroll (including reps)--% of Net Sales				
Selling Payroll (including reps)--% of Net Sales				
Employee Fringe Benefits--% of Net Sales				

Firms That Primarily Sell Brand Frames	Firms That Primarily Sell Non-Brand Frames	Firms With Accessories Over 20% of Total Sales	High Profit Firms	Firms That Sell Direct to Retail Only	
					EMPLOYEE/DEPARTMENTAL PAYROLL INFORMATION
					AVERAGE NUMBER OF EMPLOYEES
					Officers
					Outside Sales
					Inside Sales
					Customer Service/Order Entry
					Independent Sales Reps
					Product Design and Development Staff
					IT Staff
					Office Staff
					Warehouse and Returns
					Marketing, Advertising, and PR Staff
					Brand Management Staff
					Purchasing Staff
					Other Employees
					Total Employees
					EMPLOYEES % OF TOTAL
					Officers
					Outside Sales
					Inside Sales
					Customer Service/Order Entry
					Independent Sales Reps
					Product Design and Development Staff
					IT Staff
					Office Staff
					Warehouse and Returns
					Marketing, Advertising, and PR Staff
					Brand Management Staff
					Purchasing Staff
					Other Employees
					Total Employees
					DEPARTMENTAL PAYROLL AS % OF TOTAL PAYROLL
					Officers
					Outside Sales
					Inside Sales
					Customer Service/Order Entry
					Independent Sales Reps
					Professional Fees Expense
					Product Design and Development Staff
					IT Staff
					Office Staff
					Warehouse and Returns
					Marketing, Advertising, and PR Staff
					Brand Management Staff
					Purchasing Staff
					Other Employees
					Total Employees
					EMPLOYEE PRODUCTIVITY RATIOS
					Sales Per Overall Employee (including outside reps and employees)
					Sales Per Sales Force Person (including outside sales reps and selling employees)
					Gross Margin Per Overall Employee (including outside reps and employees)
					Gross Margin Per Sales Force Person (including outside sales reps and selling employees)
					Personnel Turnover Rates (i.e., sales force personnel that departed as a percent of the total number of sales force personnel when the year began)
					Total Sales Force
					Sales Force Employees
					Independent Sales Reps (Outside Contractors)
					Other Employees
					Total Personnel Turnover
					Payroll (including reps)--% of Net Sales
					Selling Payroll (including reps)--% of Net Sales
					Employee Fringe Benefits--% of Net Sales

	All Responding Firms	Sales Under $10 Million	Sales $10 - $30 Million	Sales Over $30 Million
OVERALL PERFORMANCE MEASURES				
PROFIT MARGIN (Net Profit Before Taxes as a % of Net Sales)				
ASSET TURNOVER (Net Sales/Total Assets)				
RETURN ON ASSETS (Net Profit Before Taxes as a % of Total Assets)				
FINANCIAL LEVERAGE (Total Assets/Net Worth)				
RETURN ON NET WORTH (Net Profit Before Taxes as a % of Net Worth)				
SALES PERFORMANCE				
Sales Change Versus Prior Year				
FINANCIAL MANAGEMENT RATIOS				
Current Ratio (Curr. Assets/Curr. Liab.)				
Quick Ratio (Current Assets Minus Inventory/Current Liabilities)				
Cash to Current Liabilities				
Accounts Payable to Inventory				
Debt to Equity				
EBIT To Total Assets (Net Profit Before Interest & Taxes as a % of Total Assets)				
Times Interest Earned				
ASSET PRODUCTIVITY RATIOS				
Average Collection Period (Days)				
Inventory Turnover				
BALANCE SHEET ITEMS--% OF TOTAL ASSETS				
ASSETS				
Assets - Current:				
Cash & Short-Term Investments				
Accounts Receivable				
Inventory				
Other Current Assets				
Total Current Assets				
Assets - Fixed:				
Fixed Assets (Net of Depreciation)				
Other non-current Assets (i.e., investments, cash value of the insurance, etc.)				
Total Fixed & Other Assets				
TOTAL ASSETS				
LIABILITIES & NET WORTH				
Liabilities - Current:				
Accounts Payable				
Notes Payable				
Other				
Total Current Liabilities				
Liabilities - Long-Term:				
Long Term Debt				
Other Long-Term Liabilities 3.9%				
TOTAL LIABILITIES				
MISCELLANEOUS FINANCIAL INFORMATION				
Total Capital Expenditures (2008)				
Total Capital Expenditures-% of Total Assets				
Total Capital Expenditures-% of Net Sales				
Cost of New Product Design (2008)				
Cost of New Product Design-% of Total Assets				
Cost of New Product Design-% of Net Sales				
Co-op Marketing Expense as a % of Net Sales				
IT Consultants Expense as a % of Net Sales				
IT Consultants Expense per Consultant				

Firms That Primarily Sell Brand Frames	Firms That Primarily Sell Non-Brand Frames	Firms With Accessories Over 20% of Total Sales	High Profit Firms	Firms That Sell Direct to Retail Only	
					OVERALL PERFORMANCE MEASURES
					PROFIT MARGIN (Net Profit Before Taxes as a % of Net Sales)
					ASSET TURNOVER (Net Sales/Total Assets)
					RETURN ON ASSETS (Net Profit Before Taxes as a % of Total Assets)
					FINANCIAL LEVERAGE (Total Assets/Net Worth)
					RETURN ON NET WORTH (Net Profit Before Taxes as a % of Net Worth)
					SALES PERFORMANCE
					Sales Change Versus Prior Year
					FINANCIAL MANAGEMENT RATIOS
					Current Ratio (Curr. Assets/Curr. Liab.)
					Quick Ratio (Current Assets Minus Inventory/Current Liabilities)
					Cash to Current Liabilities
					Accounts Payable to Inventory
					Debt to Equity
					EBIT To Total Assets (Net Profit Before Interest & Taxes as a % of Total Assets)
					Times Interest Earned
					ASSET PRODUCTIVITY RATIOS
					Average Collection Period (Days)
					Inventory Turnover
					BALANCE SHEET ITEMS--% OF TOTAL ASSETS
					ASSETS
					Assets - Current:
					Cash & Short-Term Investments
					Accounts Receivable
					Inventory
					Other Current Assets
					Total Current Assets
					Assets - Fixed:
					Fixed Assets (Net of Depreciation)
					Other non-current Assets (i.e., investments, cash value of the insurance, etc.)
					Total Fixed & Other Assets
					TOTAL ASSETS
					LIABILITIES & NET WORTH
					Liabilities - Current:
					Accounts Payable
					Notes Payable
					Other
					Total Current Liabilities
					Liabilities - Long-Term:
					Long Term Debt
					Other Long-Term Liabilities
					TOTAL LIABILITIES
					NET WORTH (including paid-in capital and retained earnings)
					TOTAL LIABILITIES AND NET WORTH
					MISCELLANEOUS FINANCIAL INFORMATION
					Total Capital Expenditures (2008)
					Total Capital Expenditures-% of Total Assets
					Total Capital Expenditures-% of Net Sales
					Cost of New Product Design (2008)
					Cost of New Product Design-% of Total Assets
					Cost of New Product Design-% of Net Sales
					Co-op Marketing Expense as a % of Net Sales
					IT Consultants Expense as a % of Net Sales
					IT Consultants Expense per Consultant

	All Responding Firms	Sales Under $10 Million	Sales $10 - $30 Million	Sales Over $30 Million
Freight Income as a % of Net Sales				
Freight Expense as a % of Net Sales				
Freight Cost Recovery (% of freight costs billed to customers)				
Typical Cost for a Tradeshow Booth				
Percentage Offering Customers Ability to Pay Using Credit Card				
Percentage of Orders Paid Using a Credit Card				
Percentage of Company Property That is:				
Owned				
Rented				
PROFIT & LOSS STATEMENT AS A % OF NET SALES				
NET SALES (after all returns and allowances)				
Total Cost of Goods Sold				
GROSS MARGIN				
PERSONNEL PAYROLL RELATED EXPENSES				
Officers' Salaries, Wages, Bonuses, Commissions				
Sales Force Salaries, Wages, Bonuses, Commissions:				
Outside Sales				
Inside Sales				
Customer Service/Order Entry				
Sales Force Compensation Paid to Independent Reps				
Professional Fees Expense (i.e. Accounting firms, Law Firms, IT consultants, etc.)				
Product Design and Development Staff Salaries, Wages, Bonuses, Commissions				
Technical Staff Salaries, Wages, Bonuses, Commissions				
Office Staff Salaries, Wages, Bonuses, Commissions				
Warehouse, Delivery and Returns Staff Salaries, Wages, Bonuses, Commissions				
Marketing, Advertising, and PR Staff Salaries, Wages, Bonuses, Commissions				
Brand Management Staff Salaries, Wages, Bonuses, Commissions				
Purchasing Staff Salaries, Wages, Bonuses, Commissions				
Other Employee Salaries, Wages, Bonuses, Commissions				
Health/Medical Insurance Cost				
Pension Benefit Cost				
Other Benefit Expenses				
Other Payroll Expenses (i.e., workers' compensation, FICA, etc.)				
NON-PAYROLL RELATED EXPENSES				
Marketing, Advertising, PR Related Expenses				
Brand Management Related Expenses				
Purchasing Department Related Expenses				
IT Related Expenses				
Warehouse, Delivery and Returns Expenses				
General and Administrative Expenses				
Trade Show Expenses				
Travel Expense (other than Trade Shows)				
Royalty Expense				
Depreciation Expense				
Cost of Facilities				
Bad Debt				
Insurance (business, liability, etc., not medical, vehicle, or facility related)				
All Other Expenses				
TOTAL OPERATING EXPENSES				
OPERATING PROFIT				
Other Income (i.e., interest received, rent income, gain on sale of assets, etc.)				
Interest Expense				
Other Non-Operating Expenses (i.e., loss on sale of assets, etc.)				
NET PROFIT BEFORE TAXES				

Firms That Primarily Sell Brand Frames	Firms That Primarily Sell Non-Brand Frames	Firms With Accessories Over 20% of Total Sales	High Profit Firms	Firms That Sell Direct to Retail Only	
					Freight Income as a % of Net Sales
					Freight Expense as a % of Net Sales
					Freight Cost Recovery (% of freight costs billed to customers)
					Typical Cost for a Tradeshow Booth
					Percentage Offering Customers Ability to Pay Using Credit Card
					Percentage of Orders Paid Using a Credit Card
					Percentage of Company Property That is:
					Owned
					Rented
					PROFIT & LOSS STATEMENT AS A % OF NET SALES
					NET SALES (after all returns and allowances)
					Total Cost of Goods Sold
					GROSS MARGIN
					PERSONNEL PAYROLL RELATED EXPENSES
					Officers' Salaries, Wages, Bonuses, Commissions
					Sales Force Salaries, Wages, Bonuses, Commissions:
					Outside Sales
					Inside Sales
					Customer Service/Order Entry
					Sales Force Compensation Paid to Independent Reps
					Professional Fees Expense (i.e. Accounting firms, Law Firms, IT consultants, etc.)
					Product Design and Development Staff Salaries, Wages, Bonuses, Commissions
					Technical Staff Salaries, Wages, Bonuses, Commissions
					Office Staff Salaries, Wages, Bonuses, Commissions
					Warehouse, Delivery and Returns Staff Salaries, Wages, Bonuses, Commissions
					Marketing, Advertising, and PR Staff Salaries, Wages, Bonuses, Commissions
					Brand Management Staff Salaries, Wages, Bonuses, Commissions
					Purchasing Staff Salaries, Wages, Bonuses, Commissions
					Other Employee Salaries, Wages, Bonuses, Commissions
					Health/Medical Insurance Cost
					Pension Benefit Cost
					Other Benefit Expenses
					Other Payroll Expenses (i.e., workers' compensation, FICA, etc.)
					NON-PAYROLL RELATED EXPENSES
					Marketing, Advertising, PR Related Expenses
					Brand Management Related Expenses
					Purchasing Department Related Expenses
					IT Related Expenses
					Warehouse, Delivery and Returns Expenses
					General and Administrative Expenses
					Trade Show Expenses
					Travel Expense (other than Trade Shows)
					Royalty Expense
					Depreciation Expense
					Cost of Facilities
					Bad Debt
					Insurance (business, liability, etc., not medical, vehicle, or facility related)
					All Other Expenses
					TOTAL OPERATING EXPENSES
					OPERATING PROFIT
					Other Income (i.e., interest received, rent income, gain on sale of assets, etc.)
					Interest Expense
					Other Non-Operating Expenses (i.e., loss on sale of assets, etc.)
					NET PROFIT BEFORE TAXES

Appendix

Survey Methodology and Demographics

In the early spring, 2009, The Vision Council mailed strictly confidential questionnaires to all of The Vision Council's frame company members. The primary intent of this survey was to collect detailed financial and operating information from member firms by specific sales volume size and other data aggregations of importance.

Once the questionnaires were received by Industry Insights, all company identification, if any, was removed and a confidential company identification code assigned. The data was then coded, keyed into the computer and edited by Industry Insights financial analysts for accuracy and consistency. Computer processing was performed on all data to insure statistical validity and to produce the financial and operating ratios contained in this study.

In all, X completed and usable questionnaires were received by Industry Insights, which represents nearly half of the survey forms originally sent (please note: all X respondents did not necessarily answer every question/line item on the survey). In particular, the statistical sample consists of the following:

	Number of Reporting Firms
All Reporting Firms	X
By 2008 Annual Sales Volume Size of Firm	
Firms with Sales Under $10 Million	X
Firms with Sales $10 to $30 Million	X
Firms with Sales Over $30 Million	X
High Profit Firms	X
Firms That:	
Primarily Sell "Brand" Frames	X
Primarily Sell "Non-Brand" Frames	X
Have Accessories Sales Greater than 20% of Net Sales	X
Firms That Sell Direct to Retail Only	X

The statistical information contained in this report is believed to be representative of the companies responding to the survey. All reasonable efforts were taken by Industry Insights, Inc. to assure data comparability within the limitations of accounting reporting procedures. However, the data used in this report are not necessarily based on audited financial statements and the statistical validity of any given number varies depending upon sample sizes and the amount of consistency among responses for that particular ratio. Industry Insights and The Vision Council, therefore, make no representations or warranties with respect to the results of this study and shall not be liable to clients or anyone else for any information inaccuracies, or errors or omissions in contents, regardless of the cause of such inaccuracy, error or omission. In no event shall Industry Insights and/or The Vision Council be liable for any consequential damages.

Multi-Year Trend Comparisons

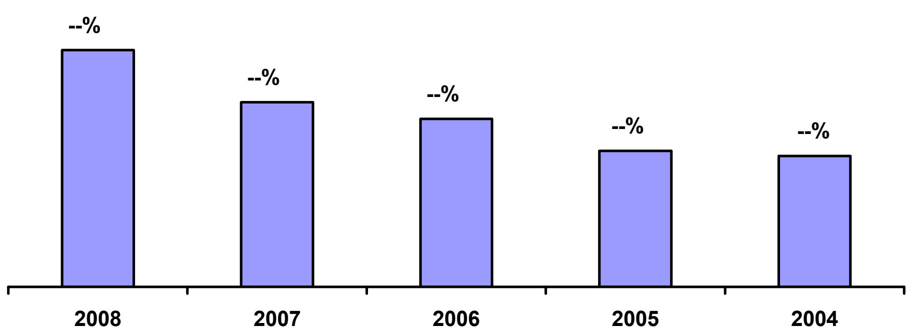
While each single year's results of *The Vision Council Benchmarking Study* are certainly useful benchmarks for evaluating your own firm's performance versus industry peers during a similar period of time, an equally important component of the study is to monitor year-to-year trends. Although the trend data shown below are not derived from identical sets of companies for each year, significant trends can still be observed. Some of these are highlighted below, followed by a more detailed listing of ratios over time.

PLEASE NOTE: Year references refer to calendar year results. For example, 2008 refers to the 2009 survey based on 2008 results.

Profitability Trends

As the chart below reveals, industry firms have experienced strong fluctuations in their profitability ratios during the past few years. In 2008, return on assets for the typical respondent continued its upward trend to X%.

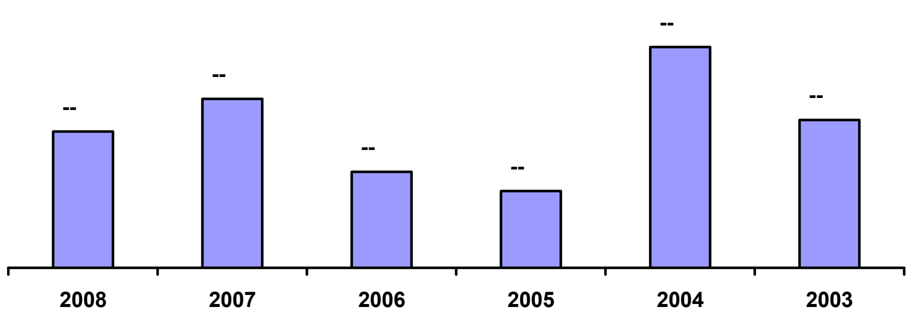
RETURN ON ASSETS (PROFIT BEFORE TAXES AS A % OF TOTAL ASSETS)



Receivables Management Trend

Average collection period (i.e., days receivables outstanding) fell from X days in 2007 to X days.

AVERAGE COLLECTION PERIOD (DAYS)



Other Industry Trends

In addition to overall profitability, inventory, and receivables management trends, various other historical patterns worth highlighting are as follows:

- The typical respondent's net profit margin rose to % for 2008, primarily as a result of improved gross margins. Gross margin rose from % for 2007 to % for 2008.
- Financial leverage continued to decline from the 5-year high of in 2006 to x in 2007 to x in 2008.

Multi-Year Performance Comparison

The following detailed table summarizes the multi-year performance results for all responding firms. Please note that the data was compiled from historical *Benchmarking Study* Surveys over time. As a result, the historical trends shown do not necessarily represent a consistent sample of The Vision Council member respondents. See the report's Appendix following these tables for ratio definitions.

	2008	2007	2006	2005	2004
Number of Reporting Firms					
RESPONDENT PROFILE INFORMATION					
Eyewear and Accessories Sales					
Brand Frames					
Non-Brand Frames					
Private Label Frames					
Accessories 11.					
Plano/Non-Rx Sunglasses					
Non-Rx/OTC Readers					
Total					
Dollar Sales--% By Type					
Metal					
Plastic					
Combination or Rimless					
Total					
Dollar Sales--% By Selling Method					
Selling Direct to Retail Only					
Selling Indirect (as through wholesalers only)					
Total					
Organization Type					
C Corp					
S Corp					
Limited Liability Company (LLC)					
Sole Proprietorship					
Partnership					
Other					
Accounts Receivable - Aging (% of Total)					
Current					
1-30 days past due date					
31-60 days past due date					
61-90 days past due date					
Over 90 days past due date					
Total					
Credit Terms					
2/15 net 30					
2/10 net 30					
Net 30					
2/30 net 31					
Other					
Merchandise Returns as a % of Gross Sales (i.e., Sales Before Any Returns or Allowances)					
Total Returns of Defective Merchandise					
Total Returns of Non-Defective Merchandise					

	2008	2007	2006	2005	2004
INVENTORY RELATED INFORMATION					
Average Inventory as a % of Total Net Sales					
Frequency of Physical Inventory Count					
Monthly					
Quarterly					
Semi-Annually					
Annually					
Other					
Do Not Conduct a Physical Inventory					
Average Inventory Variance (Shrinkage)					
Percentage of Inventory Sold Below Cost					
Percentage of Discontinued/Obsolete Inventory					
Percentage of Inventory Dedicated to Kids Products					
Average Annual Fill Rate					
How Orders are Processed:					
Released First to Pick Slip for Processing					
Sent to an Invoice Directly					
Other					
Firms Using Warehouse Management System Software					
Yes					
No					
PERSONNEL RELATED DATA					
Sales Force Primarily:					
Sells Direct to Retail Only					
Sells Indirect (i.e. through wholesalers only)					
Both					
Other					
Percentage of Direct Sales Force Sales That Were:					
Field Order Sales					
Phone Order Sales					
Sales Force is Made up of:					
Entirely Employees					
Entirely Independent Sales Reps (Outside Contractors)					
A Mix of Employees and Outside Reps					
Sales Force Mix					
Employees					
Independent Sales Reps (Outside Contractors)					
Percentage of Respondents Providing the Following Benefits (Company Pays All or a Portion):					
Paid Vacation					
Sick Pay					
Health/Medical Insurance					
Dental Insurance					
Life Insurance					
Disability Insurance					
Optical/Vision Insurance					
Maternity Leave					
Paternity Leave					
Transportation					
Cafeteria Plan					
Profit Sharing Plan					
Other					
Percentage of Respondents Allowing Paid Time Off in Lieu of Paid Vacation and/or Sick Leave and/or Maternity Leave					

	2008	2007	2006	2005	2004
Percent Offering an HMO Benefit					
If HMO is Offered, Percent Paid by Your Company for:					
Employee					
Family					
Percent Offering a PPO Benefit					
If PPO is Offered, Percent Paid by Your Company for:					
Employee					
Family					
Percent Offering a Retirement Plan					
Type of Retirement Plans Offered					
Defined Benefit Plan					
401(k) Plan					
SEP IRA					
Simple 401(k)					
Other					
If 401(k) is Offered:					
Percent That Match Employee Contributions					
Employer Match per $1.00					
Up to What Percent of Employee's Salary is Matched					
Percent That Provide a Discretionary Contribution					
Average Percentage of Discretionary Contribution					
EMPLOYEE/DEPARTMENTAL PAYROLL INFORMATION					
AVERAGE NUMBER OF EMPLOYEES					
Officers					
Outside Sales					
Inside Sales					
Customer Service/Order Entry					
Independent Sales Reps					
Product Design and Development Staff					
IT Staff					
Office Staff					
Warehouse and Returns					
Marketing, Advertising, and PR Staff					
Brand Management Staff					
Purchasing Staff					
Other Employees					
Total Employees					
EMPLOYEES % OF TOTAL					
Officers					
Outside Sales					
Inside Sales					
Customer Service/Order Entry					
Independent Sales Reps					
Product Design and Development Staff					
IT Staff					
Office Staff					
Warehouse and Returns					
Marketing, Advertising, and PR Staff					
Brand Management Staff					
Purchasing Staff					
Other Employees					
Total Employees					

	2008	2007	2006	2005	2004
DEPARTMENTAL PAYROLL AS % OF TOTAL PAYROLL					
Officers					
Outside Sales					
Inside Sales					
Customer Service/Order Entry					
Independent Sales Reps					
Professional Fees Expense					
Product Design and Development Staff					
IT Staff					
Office Staff					
Warehouse and Returns					
Marketing, Advertising, and PR Staff					
Brand Management Staff					
Purchasing Staff					
Other Employees					
Total Employees					
EMPLOYEE PRODUCTIVITY RATIOS					
Sales Per Overall Employee (including outside reps and employees)					
Sales Per Sales Force Person (including outside sales reps and selling employees)					
Gross Margin Per Overall Employee (including outside reps and employees)					
Gross Margin Per Sales Force Person (including outside sales reps and selling employees)					
Personnel Turnover Rates (i.e., sales force personnel that departed as a percent of the total number of sales force personnel when the year began)					
Total Sales Force					
Sales Force Employees					
Independent Sales Reps (Outside Contractors)					
Other Employees					
Total Personnel Turnover					
Payroll (including reps)--% of Net Sales					
Selling Payroll (including reps)--% of Net Sales					
Employee Fringe Benefits--% of Net Sales					
OVERALL PERFORMANCE MEASURES					
PROFIT MARGIN (Net Profit Before Taxes as a % of Net Sales)					
ASSET TURNOVER (Net Sales/Total Assets)					
RETURN ON ASSETS (Net Profit Before Taxes as a % of Total Assets)					
FINANCIAL LEVERAGE (Total Assets/Net Worth)					
RETURN ON NET WORTH (Net Profit Before Taxes as a % of Net Worth)					
SALES PERFORMANCE					
Sales Change Versus Prior Year					
FINANCIAL MANAGEMENT RATIOS					
Current Ratio (Curr. Assets/Curr. Liab.)					
Quick Ratio (Current Assets Minus Inventory/Current Liabilities)					
Cash to Current Liabilities					
Accounts Payable to Inventory					
Debt to Equity					
EBIT To Total Assets (Net Profit Before Interest & Taxes as a % of Total Assets)					
Times Interest Earned					
ASSET PRODUCTIVITY RATIOS					
Average Collection Period (Days)					
Inventory Turnover					

	2008	2007	2006	2005	2004
BALANCE SHEET ITEMS--% OF TOTAL ASSETS					
ASSETS					
Assets - Current:					
Cash & Short-Term Investments					
Accounts Receivable					
Inventory					
Other Current Assets					
Total Current Assets					
Assets - Fixed:					
Fixed Assets (Net of Depreciation)					
Other non-current Assets (i.e., investments, cash value of the insurance, etc.)					
Total Fixed & Other Assets					
TOTAL ASSETS 100.0%					
LIABILITIES & NET WORTH					
Liabilities - Current:					
Accounts Payable					
Notes Payable					
Other					
Total Current Liabilities					
Liabilities - Long-Term:					
Long Term Debt					
Other Long-Term Liabilities					
TOTAL LIABILITIES					
NET WORTH (including paid-in capital and retained earnings)					
TOTAL LIABILITIES AND NET WORTH					
MISCELLANEOUS FINANCIAL INFORMATION					
Total Capital Expenditures (2008)					
Total Capital Expenditures-% of Total Assets					
Total Capital Expenditures-% of Net Sales					
Cost of New Product Design (2008)					
Cost of New Product Design-% of Total Assets					
Cost of New Product Design-% of Net Sales					
Co-op Marketing Expense as a % of Net Sales					
IT Consultants Expense as a % of Net Sales					
IT Consultants Expense per Consultant					
Freight Income as a % of Net Sales					
Freight Expense as a % of Net Sales					
Freight Cost Recovery (% of freight costs billed to customers)					
Typical Cost for a Tradeshow Booth					
Percentage Offering Customers Ability to Pay Using Credit Card					
Percentage of Orders Paid Using a Credit Card					
Percentage of Company Property That is:					
Owned					
Rented					

	2008	2007	2006	2005	2004
PROFIT & LOSS STATEMENT AS A % OF NET SALES					
NET SALES (after all returns and allowances)					
Total Cost of Goods Sold					
GROSS MARGIN					
PERSONNEL PAYROLL RELATED EXPENSES					
Officers' Salaries, Wages, Bonuses, Commissions					
Sales Force Salaries, Wages, Bonuses, Commissions:					
Outside Sales					
Inside Sales					
Customer Service/Order Entry					
Sales Force Compensation Paid to Independent Reps					
Professional Fees Expense (i.e. Accounting firms, Law Firms, IT consultants, etc.)					
Product Design and Development Staff Salaries, Wages, Bonuses, Commissions					
Technical Staff Salaries, Wages, Bonuses, Commissions					
Office Staff Salaries, Wages, Bonuses, Commissions					
Warehouse, Delivery and Returns Staff Salaries, Wages, Bonuses, Commissions					
Marketing, Advertising, and PR Staff Salaries, Wages, Bonuses, Commissions					
Brand Management Staff Salaries, Wages, Bonuses, Commissions					
Purchasing Staff Salaries, Wages, Bonuses, Commissions					
Other Employee Salaries, Wages, Bonuses, Commissions					
Health/Medical Insurance Cost					
Pension Benefit Cost					
Other Benefit Expenses					
Other Payroll Expenses (i.e., workers' compensation, FICA, etc.)					
NON-PAYROLL RELATED EXPENSES					
Marketing, Advertising, PR Related Expenses					
Brand Management Related Expenses					
Purchasing Department Related Expenses					
IT Related Expenses					
Warehouse, Delivery and Returns Expenses					
General and Administrative Expenses					
Trade Show Expenses					
Travel Expense (other than Trade Shows)					
Royalty Expense					
Depreciation Expense					
Cost of Facilities					
Bad Debt					
Insurance (business, liability, etc., not medical, vehicle, or facility related)					
All Other Expenses					
TOTAL OPERATING EXPENSES					
OPERATING PROFIT					
Other Income (i.e., interest received, rent income, gain on sale of assets, etc.)					
Interest Expense					
Other Non-Operating Expenses (i.e., loss on sale of assets, etc.)					
NET PROFIT BEFORE TAXES					

*Various expense categories were added and removed in 2004. Categories that were removed were consolidated into “All Other Expenses” for the years prior to 2004.

Ratio Definitions

The primary purpose of The Vision Council *Benchmarking Study Survey* is to provide a basis for comparing your own firm's performance with your peers in the industry. In order to do this, it is necessary to calculate your firm's individual company ratios using the same methods that were used to compute the ratios in this report. These definitions appear on the pages that follow.

To further clarify the computational process, this section of the report also contains a copy of the survey form.

PERFORMANCE MEASURE	METHOD OF COMPUTATION	SUGGESTED USES
KEY INCOME STATEMENT ITEMS AS A PERCENT OF SALES		
Gross Margin	Net Sales minus Total Cost of Goods Sold	
Payroll Expense	Selling payroll (as described below) plus Officers', Production Staff, Technical Staff, Office Staff, and Other Employee Salaries, Wages, Bonuses, Commissions	
Selling Payroll	Sales Force Salaries, Wages, Bonuses, Commissions for those involved in Outside Sales, Inside Sales, Customer Service/Order Entry and Sales Force Compensation Paid to Independent Reps.	
Total Operating Expense	$\frac{\text{Total Expenses}}{\text{Net Sales}}$ x 100	
OVERALL PERFORMANCE MEASURES		
Profit Margin	$\frac{\text{Net Profit Before Taxes}}{\text{Net Sales}}$ x 100	Is an overall measure of profits earned as a percent of sales.
Asset Turnover	$\frac{\text{Net Sales}}{\text{Total Assets}}$	Is an overall measure of asset productivity; measures sales generated per dollar of assets.
Return on Assets	$\frac{\text{Net Profit Before Taxes}}{\text{Total Assets}}$ x 100	Indicates the profit earned as a percent of total assets.
Financial Leverage	$\frac{\text{Total Assets}}{\text{Net Worth}}$	Measures assets financed per dollar of net worth. The higher this ratio, the greater the reliance on debt financing.
Return on Net Worth	$\frac{\text{Net Profit Before Taxes}}{\text{Net Worth}}$ x 100	Indicates the profit earned as a percent of net worth (or owner's equity).
FINANCIAL MANAGEMENT RATIOS		
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	Another measure of liquidity; indicates a firm's ability to pay short-term debt with current assets.
Quick Ratio	$\frac{\text{Current Assets minus Inventory}}{\text{Current Liabilities}}$	Measures the ability to pay short-term debt with assets that can be converted to cash most quickly.
Cash to Current Liabilities	$\frac{\text{Cash}}{\text{Current Liabilities}}$ x100	Is a measure of liquidity, indicating a firm's ability to pay short-term debt with cash.

PERFORMANCE MEASURE	METHOD OF COMPUTATION	SUGGESTED USES
Accounts Payable to Inventory	Accounts Payable / Year End Inventory x 100	Indicates the percent of inventory financed by suppliers of the inventory.
Debt to Equity	Total Liabilities / Net Worth	An indication of debt versus equity (or owner's net worth) financing of the business.
EBIT to Total Assets	Net Profit Before Interest & Taxes / Total Assets x 100	Measures earnings from operations before taxes and interest as a percent of total assets.
Times Interest Earned	Profit Before Taxes + Interest / Interest	Provides an indication of the number of times earnings will cover interest payments.
ASSET PRODUCTIVITY RATIOS		
Average Collection Period (Days)	Accounts Receivable / (Net Sales ÷ 365 Days)	Also sometimes called "days receivables outstanding." Measures the average days between sales and receipt of customer payment. Indication of effectiveness of credit and collection policies.
Inventory Turnover	Total Cost of Goods Sold / Inventory	A measure of inventory productivity. Indicates the number of times the entire inventory stock is sold per year.
Accounts Receivable – Aging (% of Total)	Accounts receivable dollars by number of days outstanding as a % of total accounts receivable dollars	Indicates the extent to which receivables are current and/or past due.
AVERAGE ANNUAL FILL RATE	Average number of orders filled / Average number of orders received x 100	An item-based measurement that shows the percentage of demands that were met at the time they were placed.
AVERAGE INVENTORY AS A % OF ANNUAL NET SALES	Average Inventory / Annual Net Sales x 100	Measures the inventory level necessary to generate sales. A good figure to track over time for trending purposes.
SALES PERFORMANCE		
Sales Change Versus Prior Year	Prior Year Net Sales minus Current Year Net Sales / Prior Year Net Sales x 100	Indicates the growth rate in sales from last year to this year.
EMPLOYEE PRODUCTIVITY RATIOS		
Sales Per Overall Employee (including outside reps and employees)	Net Sales / Total Number of Full-Time Equivalent Employees	Is an overall employee productivity measure; is average sales generated per full-time equivalent employee.
Sales Per Sales Force Person (including outside sales reps and selling employees)	Net Sales / Full-Time Equivalent Sales Force Employees	Is an overall selling employee productivity measure; is average sales generated per full-time equivalent sales force employee.
Gross Margin Per Overall Employee (including outside reps and all other employees)	Gross Margin / Total Number of Full-Time Equivalent Employees	Measures the gross margin dollars generated per full-time equivalent employee.
Gross Margin Per Sales Force Person (including outside sales reps and selling employees)	Gross Margin / Full-Time Equivalent Sales Force Employees	Measures the gross margin dollars generated per full-time equivalent sales force employee.

PERFORMANCE MEASURE	METHOD OF COMPUTATION	SUGGESTED USES
Sales Force Turnover Rate (i.e., sales force personnel that departed as a percent of the total number of sales force personnel when the year began) (includes both employees and outside reps)	Number of Departed Sales Force Personnel / Total Number of Sales Force Personnel at the Beginning of the Year	Indicates portion of Sales Force Personnel that departed the company during the year.
Payroll (including reps)--% of Net Sales	Payroll Expense (excluding fringe benefits) / Net Sales x 100	Provides an indication of overall employee costs relative to the level of sales activity for the firm.
Selling Payroll (including reps)--% of Net Sales	Selling Payroll Expense (excluding fringe benefits) / Net Sales x 100	Provides an indication of selling employee costs relative to the level of sales activity for the firm.
Employee Fringe Benefits--% of Net Sales	Employee Fringe Benefits / Net Sales x 100	Provides an indication of employee fringe benefit costs relative to the level of sales activity for the firm.
MERCHANDISE RETURNS AS A % OF SALES BEFORE ANY RETURNS OR ALLOWANCES		
Total Returns of Defective Merchandise	Total Amount of Returns of Defective Merchandise / Total Gross Sales x 100	
Total Returns of Non-Defective Merchandise	Total Amount of Returns of Non-Defective Merchandise / Total Gross Sales x 100	

*Note: Those firms that participated in The Vision Council survey automatically received a confidential **Company Performance Report**. This report presents a company's own ratios and data already computed in a manner consistent with those appearing in the industry report, and displayed alongside the appropriate industry comparatives. As a result, participating companies received invaluable information about their own business performance without having to spend time and effort to make the calculations manually.*

CONFIDENTIAL CONFIDENTIAL CONFIDENTIAL

2009 Benchmarking Survey
(of 2008 Operations)

Once again, The Vision Council **Benchmarking Survey** promises to provide industry firms with a comprehensive profile of industry performance benchmarks against which to assess performance. By filling out as much information as possible, you will be assured of receiving a detailed, CONFIDENTIAL association-wide report showing how your industry peers performed in the aggregate, so that you can gauge your own firm's strengths and weaknesses, and improvement opportunities. ***This invaluable management tool is being provided to survey participants only, and is nowhere else available.***

General Information

- This confidential questionnaire is designed to require a minimum of effort on your part. Please fill out as much of the information as possible.
- Please provide information regarding your firm's U.S. operation only, **EXCLUSIVE OF RETAIL AND EXCLUSIVE OF MANUFACTURING OPERATIONS**. In other words, if your firm is vertically integrated, please only report information based on your sales/distribution activity, not manufacturing nor retail.
- Feel free to estimate if necessary. It is better to make an educated guess than to leave blanks. However, if items are simply not available or not applicable, please leave blank.
- Enter figures from your completed year that ended nearest to December 31, 2008. While full year data is required, you do not need to wait for audited/adjusted results from your accountant.
- If you need help or have questions, call Greg Manns of Industry Insights at 614/389-2100 extension 108.
- All responses will be kept in strictest confidence by Industry Insights, Inc. All data forms are destroyed once the information is compiled.
- Use the enclosed, self-addressed envelope to return this confidential form, or send in your form to:

Industry Insights, Inc.
PO Box 4330
Dublin, Ohio 43016

Or, if you prefer, FAX your results to Greg Manns of Industry Insights at: 614/389-3816.

Confidentiality Assurance

The Vision Council ***2009 Benchmarking Survey*** is based on a strictly confidential survey conducted of The Vision Council members by Industry Insights, Inc., an objective outside firm that specializes in such studies for many industries. Upon receipt, all survey responses are assigned a confidential code number by Industry Insights, Inc., and any name or company identification is removed. Survey processing is then conducted on an absolutely anonymous basis. No Vision Council staff member nor any company or individual inside or outside the industry, nor anyone else other than a select few Industry Insights, Inc. associates will ever see any individual firm's confidential information.

THANK YOU FOR YOUR PARTICIPATION.

PARTICIPATION DEADLINE: March 3, 2009