



Earning Trust  
Every Moment.

Transforming Lives  
Every Day.





### **Our Market**

*Of the estimated 170 million people who wear glasses or contacts in the United States, approximately 60 million are candidates for the laser vision correction procedure. Since U.S. Food and Drug Administration approval of the laser vision correction technology in October 1995, about 6.2 million people have undergone the laser vision correction procedure, leaving about 90% of the potential patient pool untreated. At LCA-Vision, we will continue to leverage our strengths -- outstanding patient care, advanced technology at an affordable price and exceptional outcomes -- to further penetrate this untapped potential patient pool.*

### **Earning Trust Every Moment. Transforming Lives Every Day.**

*Our mission statement is the foundation of our company culture. It exemplifies the high standards of LCA-Vision. It signifies our commitment, our passion, and our desire to provide the best patient care to improve the quality of life of every patient we encounter. We strive to be the first choice for laser vision correction in every market we serve. Our success will continue to come from exceeding our patients' expectations.*

## Dear Shareholders:

More Americans chose LasikPlus® in 2007 than any other laser vision correction provider. During the year we were able to modestly grow procedure volume to over 192,200 from 185,300 procedures in 2006. Although it was a challenging year for the laser vision correction industry, we saw opportunity and made strategic investments that leveraged our business model in real estate, technology and people. Among these, we expanded our national footprint by opening 13 LasikPlus® vision centers in 12 new markets, as well as relocating two vision centers in existing markets.

In April, we began a clinical test in four of our LasikPlus® vision centers of Advanced Medical Optics' IntraLase® technology, a laser method to create a corneal flap for the LASIK procedure. In October, following the assessment by our Medical Advisory Board and under their guidance and leadership we began a national rollout of this technology. By the end of 2007, the IntraLase® technology was operational in 45 of our LasikPlus® vision centers and accounted for over 30% of our total procedures. The consumer response to the IntraLase® technology continues to exceed our expectations.

In late December, we opened our new national call center and data center in Cincinnati, Ohio. These new facilities will provide a solid platform to support our continued national expansion over the coming years.

We further strengthened our executive management team in 2007 with the additions of Jim Brenner as Chief Marketing Officer, and Steve Jones as Senior Vice President of Human Resources. Our management team has an excellent blend of retail and healthcare skills and experience. In the near future, we also plan to announce the addition of a Senior Vice President of Operations. Our leadership team is cohesive, focused, aggressive, entrepreneurial, and committed to win.

Looking forward, what should you expect from LCA-Vision in 2008 and beyond? While we recognize that current economic conditions and declining consumer confidence could make 2008 a challenging year, I assure you that we will continue to make the appropriate strategic investments to further grow our leadership position within the laser vision correction industry.

We plan to open five to 10 vision centers throughout 2008, primarily in new markets, and will relocate four to seven of our older locations to new nearby retail locations.

We also expect to complete the national rollout of the IntraLase® technology in our LasikPlus® vision centers early in

the second quarter. We are making excellent progress with IntraLase® currently operational in 65 of our LasikPlus® vision centers, and accounting for over 50% of our total procedures through the first half of March.

We are leveraging consumer insights from extensive market research to optimize our marketing efforts. We recently updated our LasikPlus® website ([www.lasikplus.com](http://www.lasikplus.com)) with dynamic functionality and other enhancements, and to respond to the needs of the consumer, we changed our hours of operation to include more early mornings, evenings, and weekends to be available outside the traditional weekday medical office hours.

While we continue to invest in our company, we are also aggressively managing expenses. In February 2008, we reduced our workforce throughout the U.S. by approximately 16% to align our labor costs with anticipated demand for services, while continuing to provide a best-in-class patient experience.

The mission of LCA-Vision and LasikPlus® is to earn trust every moment and transform lives every day. By staying true to our mission, we will continue to reward our patients with exceptional clinical outcomes at an affordable price, while providing a high level of employee satisfaction.

We are committed to our established and proven business model. It is the foundation that will help us maintain and strengthen our position as the industry leader, which we will continue to build on as we expand the LasikPlus® brand to the top 100 U.S. markets over the next three to four years. We believe we are well prepared for the future, and the success it will bring to our company. Thank you for your interest in LCA-Vision and LasikPlus®.

Sincerely,



Steve Straus  
Chief Executive Officer  
LCA-Vision Inc.

March 13, 2008





**Anthony Woods**

Chairman of the Board  
LCA-Vision Inc.  
Chairman, Deaconess Associations, Inc.



**Thomas G. Cody**

Vice Chairman  
Macy's Inc.



**Steven C. Straus**

Chief Executive Officer  
LCA-Vision Inc.



**John H. Gutfreund**

Senior Advisor  
Collins Stewart LLC



**William F. Bahl**

Co-Founder & President  
Bahl & Gaynor Investment Counsel



**John C. Hassan**

Consultant  
BCS Ventures

## EXECUTIVE MANAGEMENT TEAM



**Steven C. Straus**

Chief Executive Officer



**Michael J. Celebrezze**

Senior Vice President,  
Finance and Treasurer



**Alan H. Buckley**

Executive Vice President,  
Finance and Chief Financial Officer



**Stephen M. Jones**

Senior Vice President,  
Human Resources



**James H. Brenner**

Chief Marketing Officer



## 2008 Annual Shareholder Meeting

The annual meeting of shareholders will be held on Monday, May 12, 2008 at 10:00 a.m. (ET) at the Queen City Club, 331 East Fourth Street, Cincinnati, Ohio 45202.

## Investor Relations

Shareholders, analysts, investment professionals, members of the media, and potential investors who would like corporate and financial information on LCA-Vision Inc. should contact:

Patricia Forsythe  
Vice President, Investor Relations

LCA-Vision Inc.  
7840 Montgomery Road  
Cincinnati, Ohio 45236

Phone: 513-792-5629 or 800-688-4550 x 351  
E-Mail: [Invest@lca.com](mailto:Invest@lca.com)

## Securities & Exchange Commission Filings

All reports filed electronically by LCA-Vision Inc. with the United States Securities and Exchange Commission (SEC), including the Annual Report on Form 10-K, quarterly reports on Form 10-Q, and current event reports on Form 8-K, as well as any amendments to those reports, are accessible at no cost on our corporate websites: [www.lca-vision.com](http://www.lca-vision.com) or [www.lasikplus.com](http://www.lasikplus.com), or by contacting Investor Relations. These filings are also accessible on the SEC's website at [www.sec.gov](http://www.sec.gov).

## Registrar & Transfer Agent

Computershare serves as the Registrar and Transfer Agent for LCA-Vision Inc. common stock. Shareholders of record may access their accounts via the internet at [www.computershare.com](http://www.computershare.com). For log-in assistance or other inquiries, call 781-575-4593.

## LCA-Vision & LasikPlus® on the Internet

Additional corporate and investor information, such as news releases, webcasts, share trading data and regulatory filings are available at our corporate website at [www.lca-vision.com](http://www.lca-vision.com). To learn more about LasikPlus® vision centers visit us at: [www.lasikplus.com](http://www.lasikplus.com) or call 888-312-LCAV (5228).

## Common Stock Listing



LCA-Vision's common stock trades on the Nasdaq Stock Market under the symbol LCAV.

## Independent Accountants

Ernst & Young, LLP  
Cincinnati, Ohio

## Corporate Counsel

Taft Stettinius & Hollister LLP  
Cincinnati, Ohio

## Corporate Governance

LCA-Vision's corporate governance practices are described in the following documents: Governance Guidelines and Principles, Audit Committee Charter, Nominating & Governance Committee Charter, Code of Business Conduct & Ethics, and Compensation Committee Charter. These documents are available on our corporate website at [www.lca-vision.com](http://www.lca-vision.com) and in print form through the investor relations department.

## LCA-Vision Corporate Governance Hotline

Concerns or complaints regarding accounting, internal accounting controls or auditing matters may be submitted anonymously and confidentially via the LCA-Vision Corporate Governance Hotline at 800-789-6417. This hotline is available to all of the company's employees and other stakeholders to report questionable accounting or auditing matters. The hotline is managed by a third-party and is available 24-hours a day, seven days a week.

