

Maxim Group Growth Conference - October 7, 2008



Earning Trust Every Moment.

Transforming Lives Every Day.

October 2008

Forward-Looking Statements

This presentation contains forward-looking statements that are subject to risks and uncertainties including, but not limited to, the impact of competition and pricing, procedure demand and marketplace acceptance, and unforeseen fluctuations in operating results and other risks detailed from time to time in the company's filings with the Securities and Exchange Commission, including but not limited to, the company's Forms 10-K and 10-Q.

Our Company

- Pure-play in laser vision correction
- Performed over 1,000,000 procedures since FDA approval in October 1995



- 78 LasikPlus[®] vision centers located in 60 markets in 34 states

Investment Highlights

- Large U.S. market opportunity
- Established company operating in uncertain economic conditions and contracting U.S. market
 - Proven business model
 - Initiatives to manage procedure volumes, reduce expenses and conserve cash
- National footprint / market leader
 - Leverage standardized processes and efficiencies
 - Achieve economy of scale via purchasing power
- Strong balance sheet

Large U.S. Market with Low Penetration

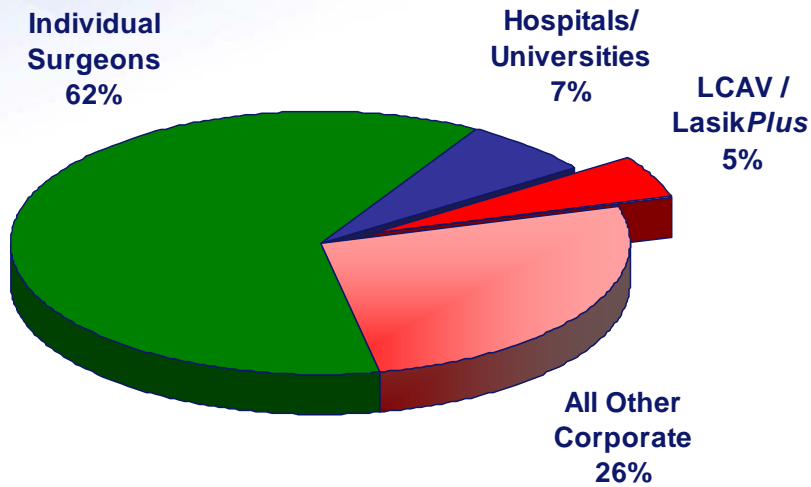
- More than 170 million wear eyeglasses or contact lenses
- 60 million are candidates for laser vision correction
 - New entrants to patient pool approximate annual procedures
- 6.6 million patients treated in the U.S. since FDA approval in October 1995
- Approximately 90% of potential candidates have not been treated

Industry data obtained from Market Scope (November 2007 and May 2008)

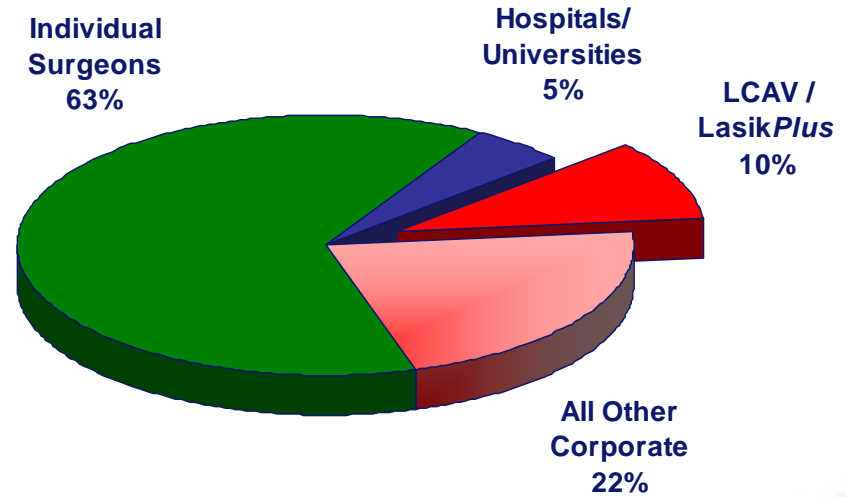
Highly Fragmented Market = Opportunity

Procedures Performed by Market Segment

2003



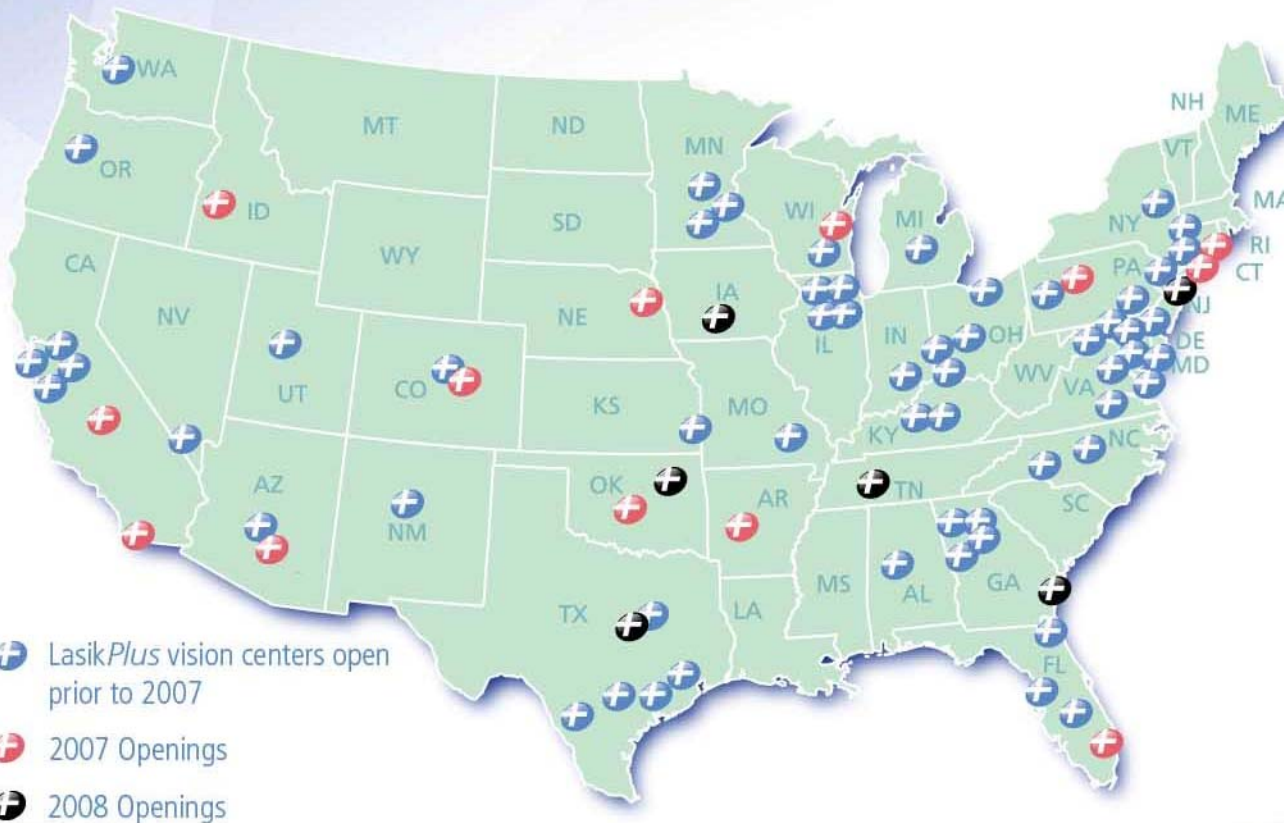
2008



- Industry data obtained from Market Scope (November 2003 and August 2008)
- 2008 data is for the second quarter ended June 30, 2008

U.S. Center Locations

- 78 LasikPlus® vision centers located in 60 markets in 34 states
- 2008: Opened 6 vision centers; relocated 2 vision centers
- Vision for the Future: Over 120 LasikPlus® vision centers located in the top 100 markets in the U.S.



2007 Openings

1. Long Island, New York
2. Omaha, Nebraska
3. Green Bay, Wisconsin
4. Harrisburg, Pennsylvania
5. Little Rock, Arkansas
6. Colorado Springs, Colorado
7. San Diego, California
8. Oklahoma City, Oklahoma
9. Scarsdale, New York
10. Fresno, California
11. Boise, Idaho
12. Coral Springs, Florida
13. Chandler, Arizona

2008 Openings

1. Savannah, Georgia
2. Des Moines, Iowa
3. Tulsa, Oklahoma
4. Woodbridge, New Jersey
5. Nashville, Tennessee
6. Arlington, Texas

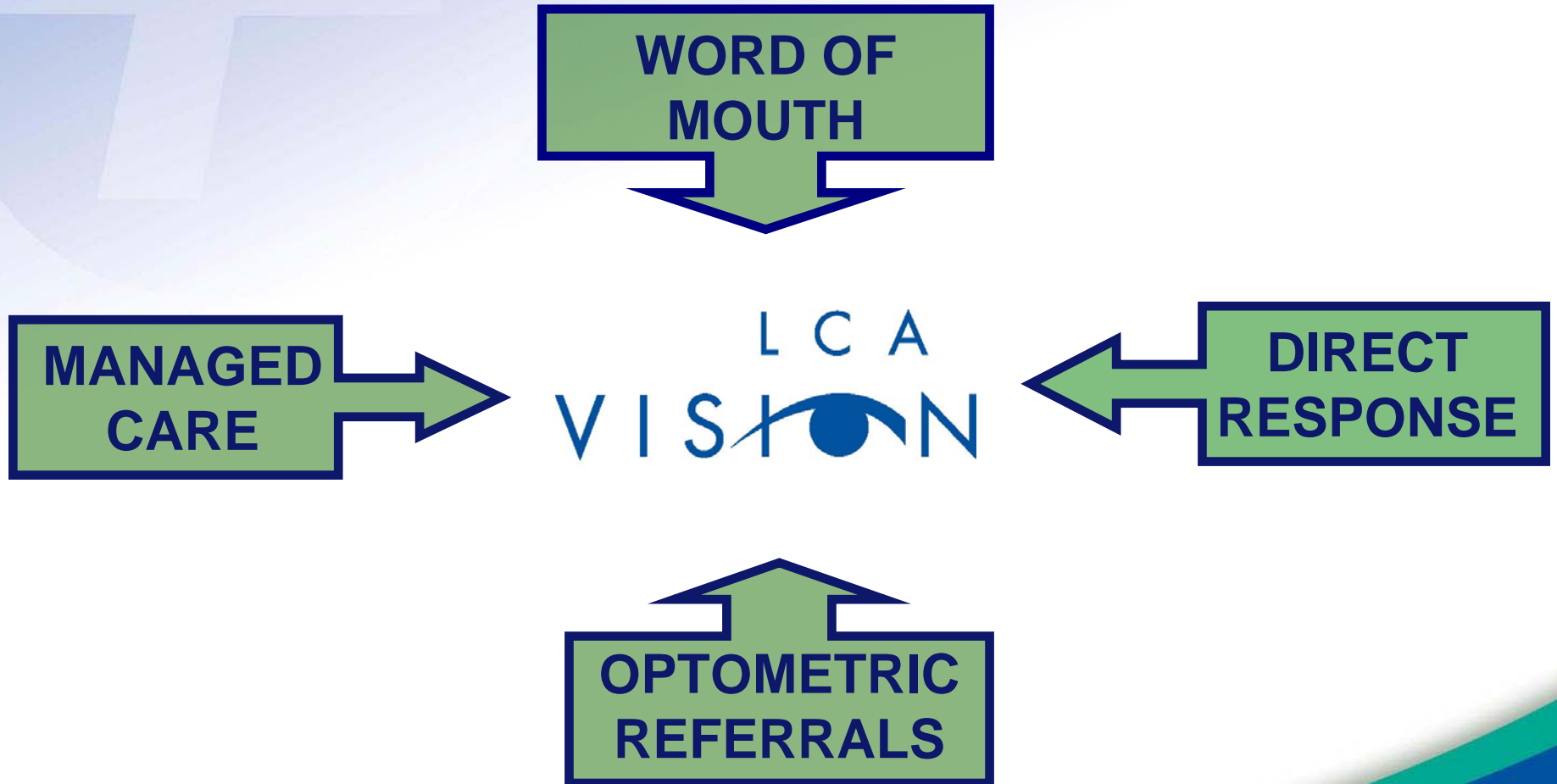
Established Company with Powerful Brand

- Proven business model
 - Closed access model supported by national patient acquisition, human resources, and finance functions
- LasikPlus® surgeons focus exclusively on laser vision correction
 - More than 1 million procedures performed since 1995
 - Experienced, proven leadership teams

Leading-Edge Technology

- Multiple lasers in all centers
- Custom and traditional procedures available in all centers
- IntraLase® femtosecond laser fully adopted
- Medical Advisory Board subcommittee assesses all current technology

Revenue Sources

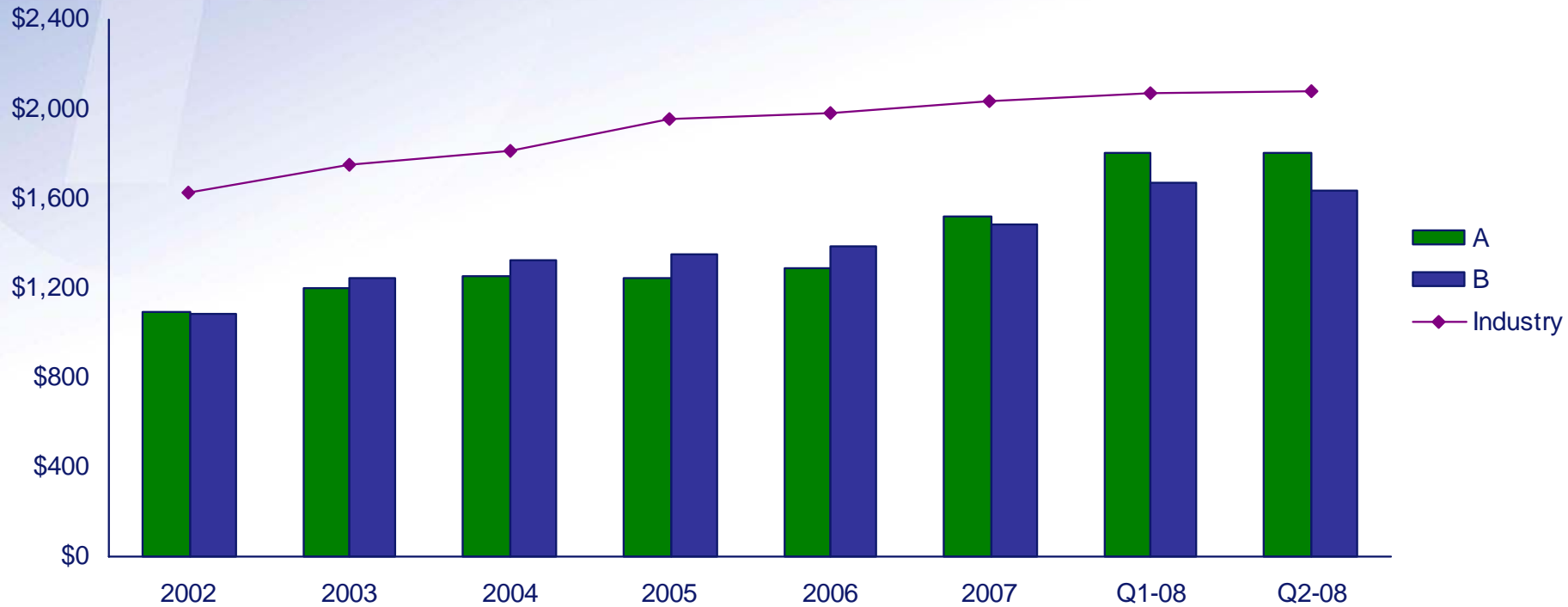


LasikPlus® Procedures



YTD-2008 = January 1, 2008 through September 30, 2008

Average Price Per Procedure



A = GAAP Revenue Per Procedure

B = Adjusted Revenue Per Procedure

Industry data obtained from Market Scope (August 2008)

Our Response to Economic Challenges

- Further leverage consumer insights to optimize marketing efforts
- Allocate funds to support local marketing and sales efforts
- Simplify market-specific pricing structure reflecting the *LasikPlus*[®] value proposition
- Conduct employee service excellence and conversion training programs
- Modify center-level incentive compensation plans
- Reduce expenses and conserve cash

Financial Overview

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Financial Summary

	2006	2007	Q1-08	Q2-08
Reported Revenue	\$ 238,925	\$ 292,635	\$ 79,568	\$ 54,181
Change in Deferred Revenue	(18,002)	8,013	5,599	4,947
Adjusted Revenue	\$ 256,927	\$ 284,622	\$ 73,969	\$ 49,234
Reported Pre-Tax Income/(Loss)	\$ 47,680	\$ 51,725	\$ 11,281	\$ (1,854)
Pre-Tax Income from Deferred Revenue	16,202	(7,211)	(5,039)	(4,453)
Adjusted Pre-Tax Income/(Loss)	\$ 63,882	\$ 44,514	\$ 6,242	\$ (6,307)
Reported Earnings Per Share	\$ 1.34	\$ 1.64	\$ 0.37	\$ (0.03)
Adjusted Earnings Per Share	\$ 1.80	\$ 1.41	\$ 0.20	\$ (0.11)
Oustanding Shares	21,235	19,858	18,587	18,525

Selected Balance Sheet Data

As of June 30, 2008
(\$ in thousands)

Cash Equivalents & Investments	\$ 67,873
Debt Obligations	24,580
Shareholders' Equity	95,304

Selected Cash Flow Data

(\$ in thousands)

	<u>2006</u>	<u>2007</u>	<u>YTD 2008</u>
Net Cash Provided by Operating Activities	\$ 51,661	\$54,979	\$ 6,323
Capital Expenditures	9,656	28,864	12,590
Dividends Paid	11,131	13,984	4,447
Shares Repurchased	51,816	44,940	-

YTD 2008 = January 1, 2008 through June 30, 2008

Adjusted After-Tax Return on Invested Capital

(\$ in thousands)

	2007
Reported Operating Income	\$ 45,565
Effect of Change in Deferred Revenue	7,211
Adjusted Operating Income	38,354
Taxes	14,253
Adjusted After-Tax Income	\$ 24,101

	12/31/06	12/31/07	Average for 2007
Shareholders' Investment	\$ 109,116	\$ 93,599	
Capital Lease Obligations	5,791	5,953	
Cash & Investments	(95,232)	(62,398)	
Invested Capital	\$ 19,675	\$ 37,154	\$ 28,414
Adjusted After-Tax Return on Invested Capital			85%

Significant Center Volume Leverage

Procedures Per Month	125	200
Cash Price Per Procedure	\$ 1,525	\$ 1,525
Change in Deferred Revenue	200	200
GAAP Revenue Per Procedure	1,725	1,725
Revenue	215,625	345,000
Variable Costs	44,438	71,100
Contribution Margin	\$ 171,188	\$ 273,900
Contribution Margin %	79%	79%
Center Costs	\$ 85,000	\$ 100,000
Marketing	50,000	80,000
Depreciation	15,000	15,000
Operating Income	\$ 21,188	\$ 78,900
Operating Income %	10%	23%

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LCA-Vision: Present and Future

- Decisive leadership
 - Swift, tactical actions
 - Managing revenues and expenses
 - Focus on optimizing patient expertise and clinical outcomes

- Strategic vision for the future
 - Create multiple patient experiences
 - Expand revenue and earnings opportunities