



SOLA

—(Inside) Welcome / SOLA Access / iQ Solutions / SOLAOne Ego / SOLA in India... and Fiji / Teachers Eyecare / and ODMA wrap-up —



(A View from the Top)

Integration in the Asia Pacific

Key opportunities in the Asia Pacific arising from the Carl Zeiss – SOLA merger.

As we continue through the challenging task of merging these two complex, global companies, key opportunities are arising for the Asia Pacific region.

Much as we're seeing in all global regions, the key opportunities for us come in the form of both partners being able to utilise and build on each other's established presence and infrastructures.

SOLA and Zeiss have extremely synergistic operations here in the Asia Pacific. For example, Zeiss will be able to leverage off SOLA's historically strong presence in Australia and New Zealand, whereas SOLA will capitalise on Zeiss' strong position in South Korea and India. There will also be significant opportunities for expansion for both companies in China, Japan and South Africa where SOLA has been

historically stronger but the Zeiss brand has significant value that we can build on.

Not taking our Eyes off you!

With everyone's focus on a smooth integration, there is a danger that we lose sight of actually doing business in the market and living up to the high expectations of our customers. We are committed to making sure our customers receive the great service they always have from SOLA, and balancing the two is really a matter of prioritisation.

We've identified some specific market initiatives for both SOLA and Zeiss that we simply cannot afford to lose momentum on, and we're progressing these simultaneously with the integration process.

We will keep you updated with all the exciting changes across the Carl Zeiss Vision Group network, in future issues of Eyespy.



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Carl Zeiss Vision General Manager Asia Pacific



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Reading the market

SOLA ACCESS is set to render traditional reading glasses obsolete and provide Australia's growing population of presbyopes with unprecedented performance and comfort in near vision.

While eyecare professionals have traditionally defined "near vision" as being vision at a distance of just 30-40cm away, or "reading distance", this interpretation hasn't always been shared by the general public. Research has repeatedly shown that most spectacle wearers actually consider their "near vision" to include anything up to 2m away.

Not surprisingly, this has led to considerable frustration among presbyopes with the restrictions imposed on them by the limited performance of traditional "reading glasses", particularly those available over-the-counter from various department and convenience stores. With the advent of the SOLA ACCESS lens, however, such limitations need no longer exist.

SOLA ACCESS clearly differentiates itself from standard plus-powered single-vision lenses by incorporating SOLA's highly advanced lens design technology. Rather than the lens providing clear vision at only 30-40cm distances across its entire surface, ACCESS locates its full-powered reading-distance area in the lower portion of the lens, then smoothly reduces power throughout the middle and

upper portions. This progression allows the user clear vision right throughout the upward rotation of the eye to a final distance of 200-400cm, depending on the prescription.

According to SOLA's Mark Thyssen, Sales & Marketing Director Asia, this has created an entirely new category of eyewear. "What we're talking about here are not reading glasses, but near glasses," he said.

"ACCESS is perfect for reading, of course, but it's also noticeably more useful and comfortable for the majority of presbyopes when it comes to their other daily tasks.

"For example, it's extremely effective for people who spend a lot of time working with computers."

Mr Thyssen said that although ACCESS was most obviously suited to presbyopes who didn't require any distance correction, it was equally suitable for those who did require some distance correction but spent the majority of their time in an office environment, so required optimised near vision. A large number of Australian practitioners also use ACCESS as a preferred option for children suffering accommodation shortfalls, he said.

UNLIMITED ACCESS
TO GROW YOUR BUSINESS

All indications are that the SOLA ACCESS near-vision lens will allow eyecare professionals to better cater to the needs of an enormous, and increasing, market.

Lens Style: ACCESS

"Near vision" opportunities on the rise

In Australia, for example, the presbyope population, typically aged 45 and over, is currently estimated at 6.7 million, and growing at 4.5% per annum.

In 2004, Australian yearly spectacle sales through ophthalmic services outlets to this group were as follows:

Single Vision: 2.483 million pairs

- 1.118 million for distance correction only.
- 1.365 million for near correction only (reading).

Bifocals: 667 thousand pairs.

Progressives: 1.117 million pairs

In other words, at least 1.365 million traditional reading glasses were sold in Australia last year to people who would almost certainly have derived far greater satisfaction and utility from SOLA ACCESS "near glasses".

Source: "An Analysis of the Australian Eyewear Industry", F R Perry & Associates Pty Ltd, March 2005. Research and report commissioned by ODMA.

Truly Personalised Lenses



SOLA is poised to genuinely revolutionise the industry's concept of how much personalisation it is possible to achieve in prescription eyewear.

Imagine creating a lens that is uniquely tailored to the consumer standing before you. Every aspect of their lifestyle, frame selection, position of wear and prescription expertly converted into a customised lens.

As eye care professionals, you will have the ability to respond to each consumer's personal vision needs. This is a genuine platform to grow sales of value added products as consumers see you responding to their precise needs.

Lifestyle Customisation

Lifestyle has always been a significant factor that determines how a wearer uses their lenses.

Often eye care professionals match lens designs to the lifestyles of their customers, such as large near zones in progressives for desk-bound office workers, or polarised second pairs for weekend outdoor warriors.

Now it is possible to build a wearer's lifestyle profile and customise a progressive design for the individual wearer.

Assessing Lifestyle

Everyone's lifestyle is different. If you're a taxi driver, office worker, shop assistant, teacher, or home provider; for example, your daily visual tasks will be dictated by the profile of your day's activities and your vision demands will vary as a consequence. It is important to take this into account when creating personalised eyewear so that the design of the lens suits your needs as a person and not just the prescription requirements of your eyes.

SOLA draws on its extensive vision research to interpret the relationship between a consumer's lifestyle and how they use their lenses.

A computer-based dispensing system – iPilot – is used to assess the visual priorities of the wearer by identifying his or her key vocational and recreational viewing tasks and evaluating the contribution of those tasks to the daily habits of the wearer. The data from this lifestyle evaluation are then analyzed in conjunction with the fitting geometry of the selected frame, and a "Customisation Code" is computed for each wearer. This Customisation Code is then used to translate the wearer's needs into a unique, lifestyle-customised progressive lens design.

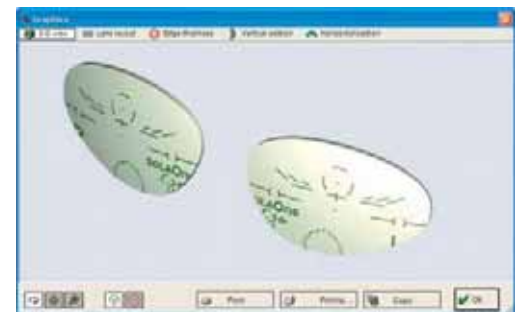
Frame Customisation

Short corridor progressives have gained popularity as frame styles have become smaller. Now progressive designs are often selected to match frame size and fitting height, although this often introduces compromises. The shorter the progressive corridor (or length to the desired add power), the more the optics of the lens design must be compressed, leaving wearers to tolerate higher levels of peripheral blur, reduced intermediate utility, and/or narrower viewing zones.

SOLAOne Ego is quite literally designed to fit the frame selected by the wearer, whether it necessitates a fitting height of 14 mm or 24 mm. This ensures adequate near performance in virtually any frame style – without unnecessarily compromising the optical performance of the lens design.

At SOLA, we believe wearer's should have the right corridor length, not just the shortest. And corridor length needs to be combined with the wearer's lifestyle disposition to ensure the total design is customised to their needs.

Making Lifestyle and Frame Customisation Possible



SOLA has developed and refined two evolutionary technologies to make customised lenses a reality.



High Definition Technology

HD Technology first came to prominence with the release of SOLAOne HD. By combining the wearer's prescription and the progressive design on the back surface of the lens, the lens power is optically optimised for the exact prescription and for the fitting geometry of the lens (i.e. the position of wear).

The application of our HD Technology is growing, just like high definition television. The benefits of greater clarity and wider fields are now available in more SOLAOne materials and treatments and also Single Vision.

The flexibility of HD Technology also opens the opportunity for uniquely tailored designs to be applied on a lens-by-lens basis. This is the entry point for SOLAOne Ego.



Morphing Technology

Morphing makes possible what was previously a dream - individually customised lenses.

The lifestyle assessment and frame selection are the two key attributes that determine the design parameters used in a SOLAOne Ego progressive lens.

Commencing with the revolutionary SOLAOne design, winner of the Optical Laboratory Association's prestigious Award of Excellence in Lens Design, the design is transformed to create a corridor length and zone size balance that reflect the wearer's lifestyle and frame.

Lifestyle and Frame needs meet the individual with SOLAOne Ego

Customisation is increasingly important in creating cutting edge progressive lens designs. Existing customised or individualised products are based purely on prescription and frame fit. They don't address the different lifestyle needs of each consumer with their individual daily task profiles and unique visual demands. Nor do they address the different preferences of each consumer when selecting frames.

SOLAOne Ego is the first progressive lens custom designed and manufactured for each individual's visual lifestyle, frame selection, position of wear and individual prescription requirements.

While SOLAOne delivers outstanding versatility for the majority of wearers, only the completely personalised

SOLAOne Ego lens design can provide true versatility for each and every wearer.

SOLAOne Ego delivers unparalleled optical performance with a level of customisation that is not possible with traditional progressive lenses. This revolutionary new technology from SOLA closes the gap between lens design technology and the actual wearer's needs, allowing SOLA to further advance the state-of-the-art by offering wearers truly personalised optical solutions that have been specifically tailored to their individual visual requirements.



i.pilot

Capturing your lifestyle profile

i.Pilot is a new computer-based dispensing system that allows you to capture the right information from each consumer about their lifestyle, frame choice and prescription requirements.

Sophisticated algorithms derived from SOLA's extensive database are used to analyse lifestyle factors and frame selection to recommend the optimal progressive, single vision or special purpose lens for the individual's visual needs.

The i.Pilot puts SOLA's research knowledge into the hands of practitioners and provides an enjoyable, interactive discussion with consumers about their vision needs. The transparency and authenticity of this process adds to the confidence consumers feel when they receive their SOLA lenses.



SOLA in India

Of the world's major ophthalmic lens distributors and manufacturers, SOLA has traditionally been one of the first to enter emerging markets. Entering the Indian market was no exception with SOLA taking a very productive approach.

SOLA first entered the Indian market in 1987/88 with the aim to establish a local CR39 casting operation in a joint venture with a local firm. Import tariffs as high as 100% on finished goods made local manufacturing a seemingly viable option, notwithstanding the fact that plastic lens penetration at that time was less than 5%. However, severe official requirements and restrictions lead to this operation being abandoned.

In 1995 SOLA made another attempt to enter the sub-continent. Under the leadership of Mr John Bastian, then General Manger SOLA Optical Australia, India was earmarked as a key market as SOLA embarked on an aggressive global expansion strategy. In November 1995 a Liaison office was set up in Mumbai managed by Mr Lalit Gore, Country Manager SOLA India.

SOLA set about working with the Indian trade in two areas – SOLA took on the responsibility of disseminating information on latest developments in the lens market worldwide, and SOLA commenced a training and education campaign throughout India through a series of seminars which were held in all the 20 major Indian towns every alternate year.

SOLA also started setting up a distribution system in India to make SOLA lenses available across the country through wholesale laboratory customers located strategically to ensure efficient logistics with regards to lens availability.

The response to SOLA products was promising and encouraged by this, SOLA set up a joint venture with a leading international manufacturer, established a CR39 manufacturing unit, known as "OLMIL" (Ophthalmic Lens Manufacturing India Limited), in Bangalore and at the same time, SOLA established a local marketing and distribution company under the name of SOLA Optical Lens Marketing, or "SOLM", managed by Mr Lalit Gore. SOLM's market strategy was to build on existing strengths and distribute SOLA lenses through local wholesale prescription laboratories. To create a demand for SOLA products, a number of well trained lens detailers were employed to form a knowledgeable sales and service team. This team set about visiting virtually every optician and optometrist in India, in order to inform them about the product range and advances in spectacle lens technology that SOLA had made, and was still making. This education campaign was exceptionally well received, particularly in the area of progressive lens uptake. Within just a few years, SOLA "Graduate" became the most prescribed progressive lens in India.

As the market developed, local and foreign competition emerged and tariffs started coming down, a period of consolidation followed, with SOLA adapting its approach to stay on top of these changing conditions.

As plastic lens penetration in India grows, now estimated at 20% of all lenses sold, India remains an immense opportunistic growth market for SOLA. The market continues to open up, and the growing numbers of highly educated young professionals are keen to seek out the most advanced products available to them.

Capitalising on this trend, SOLA – now under the Carl Zeiss Vision umbrella, following its merger between SOLA International and the Carl Zeiss Group's Ophthalmic Lens Division – recently entered into a joint venture with a leading Indian wholesale prescription laboratory. This provides SOLA access to a broad range of distribution outlets throughout India.

In short, SOLA is committed to India and excited by the opportunities for growth of the optical industry. With its vast population of 1.1 billion, India remains a primary strategic focus for SOLA. The future, for all CZV brands, is bright indeed.



"Bulla" SOLAOne!

SOLA's leading progressive lens hits the shores of beautiful Fiji.

Part of the SOLA team recently ventured to the sunny shores of Fiji to introduce our leading progressive lens design, SOLAOne, to the market.

An exclusive, invitation only information night was held in Suva to explain the outstanding benefits SOLAOne has to offer. Guests travelled from as far as Lautoka, in the far north-west of the island, and included representatives from both wholesale and retail businesses.

Sola Optical has a strong brand presence and history with the country, that spans over 13 years.

The Fijian market has matured during that time with a gradual shift from Flat tops into Progressives. The new, award winning SOLAOne progressive design will further drive that shift. The distinctive advantages of SOLAOne ensures easy adaptation for the consumer, providing confidence to the optometrist and dispenser.

Encouragingly a survey completed by the guests at the event suggested that 91% would dispense SOLAOne to the consumer. This was further encouraged by Dr Asgar's recent decision to purchase an iPilot during ODMA, to make dispensing even easier for his staff. This enthusiasm creates a great foundation for SOLA to work together with our Fijian customers to help the entire industry move forward and grow.

SOLA would like to thank all those who attended the event and we look forward to working with you into the future.

Teachers show their class

Staff rewards bring increased motivation

Christmas came early last year for staff at busy Sydney optical laboratory Teachers Eyecare.

Manager Gerald Chan took his team completely by surprise in early December when he presented each of them with brand new Apple iPods, obtained through the 2004 SOLA Benefit Christmas Catalogue.

"They were so excited," said Mr Chan. "It's amazing what a positive impact such a simple thing like this has had on everyone's morale."

Mr Chan said most of his staff had given over seven years of service, so he wanted to do something special to show them how much their on-going contributions were valued.

Benefits "important factor" in supplier choice

Part of Teachers Federation Health, a "closed" health fund of over 80,000 members for NSW teachers, their admin' staff and families, Teachers Eyecare recently took the decision to consolidate its



suppliers. For a number of reasons, they chose to focus on SOLA Optical.

"A few years ago," said Mr Chan, "we reviewed all our existing suppliers and confirmed that SOLA provided us with the ideal mix of products and services to match the values and offerings we make to our members."

Mr Chan said the SOLA Benefit program was also an important factor in the decision.

"The SOLA Benefit makes sense to us. Being part of the program, we can easily see how small changes in our product mix can change our business performance."

"And the rewards for doing so are fantastic. Over the years we've collected new optical equipment, hand tools, and most importantly, of course, it's allowed us to use rewards like the iPods to further motivate our staff."

"At the end of the day, it means greater levels of customer service for our members. And that's what we're all about."

To learn more, simply contact your local SOLA Account Manager. Or visit www.sola.com.au and click on the "SOLA Benefit" button.



Thank you for visiting SOLA during ODMFAir 2005. We hope you enjoyed meeting our team and learning about the new and exciting innovations coming to you soon from SOLA.



SPELL "SOLAONE" TO WIN \$10,000

Just One Pair

"All you need is One" pair of SOLAOne lenses ordered between September 1 & November 30, 2005 and you could to win up to \$10,000

SOLAOne: "All You Need is One" – Official Rules

HOW TO PLAY

- Starting at ROW 1, scratch off **ONLY ONE** box per horizontal row.
- If the box you scratch reveals a **LETTER** in "SOLAONE", continue to the next row. If the box reveals an "X", the game is over. Once you have scratched an "X", do not scratch any more boxes.
- Your prize depends on how many letters in "SOLAONE" you reveal, as shown below.
- Follow the instructions on the reverse side to claim your prize.

EVERY TICKET IS A WINNER!

S = \$2
SO = \$5
SOL = \$10
SOLA = \$25
SOLAO = \$50
SOLAON = \$100
SOLAONE = \$10,000

ALL YOU NEED IS One

SCRATCH and SPELL "SOLAONE" to win \$10,000!
WIN \$2, \$5, \$10, \$25, \$50, \$100, or \$10,000 instantly!

IMPORTANT: CARD IS VOID IF MORE THAN ONE BOX PER HORIZONTAL ROW IS REVEALED. (See back for complete rules.)

ROW 1 **S**
ROW 2 **O**
ROW 3 **L**
ROW 4 **A**
ROW 5 **O**
ROW 6 **N**
ROW 7 **E**

See gamecard for official rules

One Versatile Progressive: SOLAOne™ The Number One Photochromic: Transitions®

From September 1 to November 30, 2005, you'll receive one "All you need is One" Game Card with every pair of SOLAOne clear and Transition progressive lenses you order.

HOW TO WIN

- Order SOLAONE progressive lenses – clear or Transitions – through SOLA Technologies or other participating labs.
- Get one game card with each pair you order.
- Follow the instructions on the game card to scratch and spell "SOLAONE".

Each letter you reveal means a bigger cash prize.
Win \$2, \$5, \$10, \$25, \$50, \$100, or even \$10,000!

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SOLA


PROGRESSIVE LENSES


Right in any light™