

REACHING NEW HEIGHTS

**VM TOP U.S. OPTICAL
50 2015 RETAILERS**


The Top 50 U.S. Optical Retailers Hit Record Sales Over \$11B

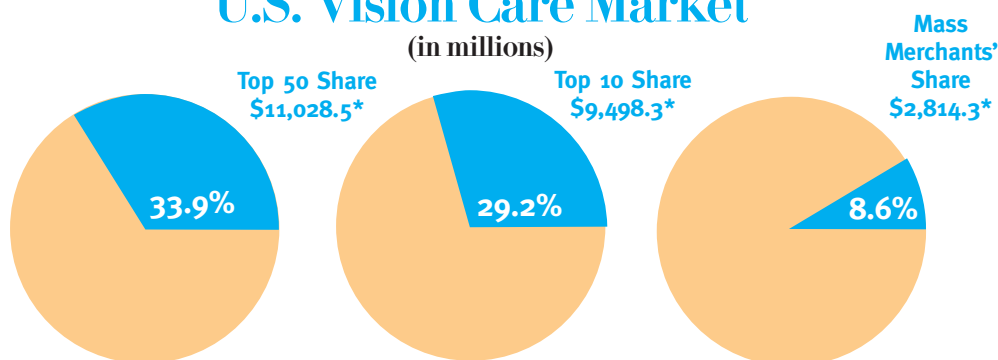
BY JOHN SAILER / SENIOR EDITOR

NEW YORK—The Top 50 U.S. optical retailers achieved record sales of over \$11 billion for calendar year 2014, according to *Vision Monday's* estimates. The numbers reflect, in part, a good sales performance for most of the year. The estimates and movements on the VM Top 50 chart also reflect an influx of private equity capital that propelled several leading eyewear and eyecare groups forward either through the facilitation of organic growth or via a new wave of consolidation which propelled the acquisition of multi-location groups and the addition of existing

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U.S. Vision Care Market

(in millions)



Total 2014 Market: \$32,551.0**

* VM Estimate ** Vision care products and services sold at optical retail locations. Source: VisionWatch
Data is from 12ME Dec. 2014

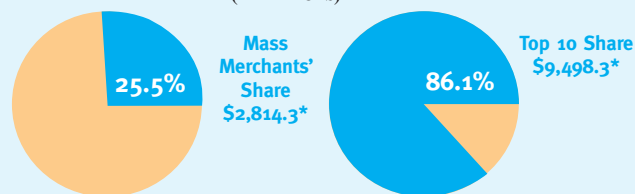
Top 10 and Mass Merchants Shares Stable

NEW YORK—The 10 largest retailers' share of the Top 50 for 2014 changed little at an estimated 86.1 percent, compared to an estimated 85.5 percent in 2013.

Similarly, the mass merchants' share of the Top 50's estimated U.S. optical sales for 2014 remained stable at an estimated 25.5 percent compared to an estimated 25.7 percent in 2013. However, the total estimated sales for the mass merchandising chains and warehouse clubs increased by an estimated 5.6 percent from an estimated \$2,665.7 million for calendar year 2013 to an estimated \$2,814.3 in 2014. ■

Top 50 Retailers' Sales

(in millions)



Total Top 50 Sales: \$11,028.5*

* VM Estimate Data is from 12ME Dec. 2014

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Key Optical Players Ranked by U.S. Sales in 2014

2014 Rank	2013 Rank	Retailer	2014 Sales ¹ (\$ Millions)	2013 Sales ¹ (\$ Millions)	2014 Units	2013 Units	Comments
1	1	Luxottica Retail	\$2,318.5*	\$2,336.0*	2,291	2,433	U.S. sales estimate includes revenues from company-owned and franchised Pearle Vision stores. Retail brands: LensCrafters (863 units), Pearle Vision (127 company-owned and 343 franchised units), Sears Optical (569 units), Target Optical (346 units), Illori/Optical Shops of Aspen (30 units), Oliver Peoples (9 units), Alain Mikli (4 units). All U.S. + P.R. locations.
2	2	Vision Source L.P.	\$2,212.9	\$1,969.0	3,023	2,797	In accordance with franchise law, Vision Source is a franchisor, and its members are franchisees who own their respective practice.
3	3	Wal-Mart Stores	\$1,521.0*	\$1,476.0*	3,310*	3,202*	Retail brands: Walmart Vision Center (2,737* company-owned units), Sam's Club Optical (573* units).
4	5	National Vision, Inc.	\$890.0*	\$780.0*	792	745	Retail brands: America's Best Contacts & Eyeglasses (407 units), The Vision Center (Walmart 227 units), Eyeglass World (79 units), Vista Optical (Fred Meyer 30 units), National Vision (military 48 units), other (1 unit). Revenue figures include e-commerce.
5	4	Visionworks of America, Inc.	\$880.1	\$784.8	652	619	Retail brand: Visionworks
6	6	Costco Wholesale	\$833.0	\$757.0	457	440	Retail brand: Costco Optical
7	7	Refac Optical Group	\$274.8	\$236.9	736	747	U.S. Vision store count by retail brand: JCPenney Optical (346 units), BJ's Optical (195 units), Nationwide Vision Centers (67 units), The Optical Shop at Meijer (69 units), Boscov's Optical (38 units), Sears Optical (19 units), other (2 units).
8	8	Eyemart Express, Ltd.	\$228.0	\$220.0	168	150	Retail brands: Dr. Barnes' Eyemart Express (133 units), Dr. Barnes' Vision 4 Less (14 units), Dr. Barnes' Eyewear Express (2 units), Dr. Barnes' VisionMart Express (1 unit). Added new brand Dr. Barnes 20/20 Express in Dallas (9 units) and Houston (9 units).
9	9	For Eyes/Insight Optical Mfg.	\$175.0*	\$165.0*	144*	144*	Retail brand: For Eyes Optical.
10	13	MyEyeDr/Capital Vision Services, LLC	\$165.0	\$104.0	139	64	Retail brands: MyEyeDr. Acquired Doctors Vision Center's 17 corporate locations in North Carolina, Jan. 2014; acquired eight Lord Eye Center locations in Georgia, Feb. 2014; acquired 27 Eye Care Associates locations in North Carolina, Dec. 2014, to be included in next year's count.
11	10	Cohen's Fashion Optical	\$150.0	\$150.4	128	126	All stores are franchised.
12	12	Texas State Optical	\$105.0*	\$104.1*	125	127	All locations are independent network affiliates.
13	14	Shopko Stores Operating Co., LLC	\$94.0*	\$91.0*	140	143	Retail brands: Shopko Eyecare Center (129 units), Shopko Hometown Eyecare Center (9 units), Shopko Express Eyecare Center (2 units).
14	15	Emerging Vision, Inc.	\$93.5	\$85.1	126	118	Sales include revenue from company-owned and franchised stores. Retail brands: Site for Sore Eyes (39 franchised units), Sterling Optical (12 company-owned and 63 franchised units), The Eye Gallery (9 company-owned units), Singer Specs (1 franchised unit), Kindy Optical (1 franchised unit), and The Artful Eye (1 company-owned unit); acquired The Eye Gallery and Artful Eye locations from American Optical Services bankruptcy Sept. 2014.
15	16	Eyecarecenter, OD PA	\$77.6	\$72.5	62	61	Sales include revenue from 25 company-owned and 37 franchised locations.
16	17	Henry Ford Optimeyes	\$68.0	\$66.2	19	17	Retail brands: Henry Ford Optimeyes (12 units) [acquired Expert Eyes (1 unit) in Chesterfield, MI, July 2014, and renamed Henry Ford OptimEyes], Henry Ford Optimeyes Super Vision Center (7 units). Opened a brand new office in the Renaissance Center, Detroit.
17	20	Luxury Optical Holdings	\$67.3	\$53.4	59	49	Retail brands: Optica (22 units), Morgenthal Frederics (11 units), Robert Marc (8 units; acquired Sept. 2014), Scene (5 units), Davante (4 units), Leonard Opticians (3 units), Aucourant (2 units), Optic Masters (1 unit), Opticians3 (1 unit), Spectacles (1 unit), Specs Optical (1 unit, acquired Jan. 2014).
18	18	Clarkson Eyecare	\$65.5*	\$64.6	63	61	Clarkson Eyecare (63 units), Thoma & Sutton Eyecare (acquired 19 units Oct. 1, 2014) to be included in next year's count.
19	19	SVS Vision	\$65.4	\$59.0	63	60	
20	21	Vision Precision Holdings LLC (formerly Macarius & Daniel)	\$63.8	\$45.0	43	43	Retail brands: Stanton Optical (34 units), MyEyeLab (9 units).
21	22	Ossip	\$48.0*	\$44.0*	47*	43*	Ossip Optometry and Ophthalmology

Source: VM's 2015 Top 50 U.S. Optical Retailers. When 2014 sales are the same for more than one company, the retailer with fewer 2014 U.S. stores is ranked first.

¹ Includes retailers' product sales, professional services and managed vision benefit revenues. U.S. sales include Puerto Rico, not Canada.

*=VM estimate. N=not on last year's list.

2014 Rank	2013 Rank	Retailer	2014 Sales ¹ (\$ Millions)	2013 Sales ¹ (\$ Millions)	2014 Units	2013 Units	Comments
22	23	Eye Care Associates	\$46.0 ³	\$43.7	27	27	Acquired by MyEyeDr Dec. 1, 2014. Reflects 11 months of sales. ³
23	25	NuCrown, Inc.	\$40.8	\$36.9	28	29	Retail brand: Crown Vision Center.
24	26	Allegany Optical	\$34.5	\$32.5	27	25	Retail brands: Allegany Optical (18 units), National Optometry (9 units). Acquired Eye Tech (1 unit), Cumberland, Md., March 2014, renamed Allegany
25	28	Today's Vision Licensing Corp.	\$34.4	\$31.7	44	41	All locations are independent network affiliates.
26	27	OptiCare Eye Health Centers, Inc.	\$34.0	\$32.0	18	18	Retail brand: OptiCare Eye Health & Vision Centers.
27	34	Partners In Vision, Inc.	\$34.0	\$24.2	92	70	Operates leased optical departments in MD practices.
28	29	Eye Doctor's Optical Outlets	\$31.8	\$30.2	44	42	Retail brand: Optical Outlets.
29	30	SEE, Inc.	\$31.2	\$30.0	36	32	
30	31	Wisconsin Vision, Inc.	\$30.0	\$30.0	37	35	Retail brands: Wisconsin Vision (23 units), Heartland Vision (4 units), Eye Boutique (8 units). Acquired 2 Indiana-based Optiview locations from American Optical Services bankruptcy, Sept. 2014.
31	32	Rx Optical Laboratories, Inc.	\$29.3*	\$29.2*	51	53	Sales revenue from 51 company-owned units; closed one location and one leased department in 2014.
32	33	Schaeffer Eye Centers	\$27.5*	\$26.0*	15	15	
33	N	HW Holdings, LLC	\$25.5	N	22	N	Retail brand: All About Eyes
34	35	Houston Eye Associates	\$21.7	\$18.8	19	28	
35	36	Standard Optical	\$19.0	\$17.5	19	19	Retail brands: Standard Optical (19 units), Opticare of Utah, Schubach Originals Eyewear.
36	38	Eye Express	\$18.5	\$15.7	12	11	Acquired McCoy Vision Center (1 unit), Kissimmee, Fla., May 2014, renamed Eye Express.
37	37	City Optical Co., Inc.	\$17.4*	\$16.2*	19	19	Retail brands: Dr. Tavel Family Eyecare (17 units), Vision Values (2 units).
38	39	Rosin Eyecare	\$16.5	\$15.5*	19	19	Rosin Eyecare (16 units, 4 "centers of excellence" with both ODs and MDs), 3 university retail optical shops.
39	40	Spex	\$16.2*	\$15.5*	22	21	
40	42	Eyetique	\$15.0*	\$12.5*	17	15	Retail brands: Eyetique (12 units), Three Guys Optical (4 units), Norman Childs Eyewear by Eyetique (1 unit); acquired Sewickley Optical in Sewickley, Penn., (1 unit) Feb. 2014 and renamed Eyetique.
41	43	J.A.K. Enterprises, Inc.	\$14.0*	\$12.5*	20	20	Retail brand: Bard Optical.
42	41	The Hour Glass, Inc.	\$13.8	13.6	12	12	Retail brands: South East Eye Specialist (8 units), The Hour Glass (2 units), The Hour Glass of Albany (2 units).
43	44	Horizon Eyecare	\$12.5*	\$12.0*	6	6	Based in Charlotte, N.C.
44	45	Cocolunette Holding, LLC	\$12.3	\$11.5	12	11	Retail brand: Edward Beiner Purveyor of Fine Eyewear.
45	46	Accurate Optical Co., Inc.	\$11.9	\$11.2	14	14	Retail brands: Accurate Optical (8 units), H. Rubin Vision Centers (6 units).
46	47	See Center/Group Health	\$11.5*	\$11.0*	14	12	Retail brand: The See Center.
47	48	Midwest Vision Centers, Inc.	\$9.0	\$10.1	19	20	
48	50	Eye Doctors of Richmond, PLLC./Eye Surgeons of Richmond, Inc.	\$8.8	\$8.1	11	14	Retail brands: Virginia Eye Institute (11 units); divested Virginia Eye Health Partners (3 units)
49	49	Thoma & Sutton Eye-Care Professionals, LLC	\$8.5 ^{4*}	\$10.0	19	20	Acquired by Clarkson Eyecare, Sept. 2014; reflects 8 months of sales. ⁴
50	N	WCE, LLC	\$6.5	N	8	N	Retails brands: Co/Op Optical, Couture Optique
		TOTAL	\$11,028.5*	\$10,222.1^{2*}	13,290*	12,837^{2*}	

² The retailers and totals given for 2013 are different from what appeared on the May 2013 VM Top 50 list because the Top 50 companies differ from year to year due to industry consolidation and other factors.

³ Sales figures represent first 11 months of 2014. The last month's sales are included in MyEyeDr's 2014 revenue.

⁴ Sales figures represent first 8 months of 2014. The last four months of 2014 are included in Clarkson Eyecare's 2014 revenue.

Snapshots of Optical's 10 Largest U.S. Retail Players



1 LUXOTTICA RETAIL

The number one U.S. optical retailer again this year is Luxottica Group's Luxottica Retail division, which generated an estimated \$2,318.5 million from 2,287 locations in the U.S., including Puerto Rico. The number of retail locations operated by Luxottica Retail decreased dramatically last year, from 2,433 units in 2013 to 2,287 in 2014. While Luxottica Retail's Target Optical locations added 11 units, Sears Optical locations declined from 652 units in 2013 to 569 units in 2014, amidst Sears Holding Corp.'s continued decline, and Pearle continued converting corporate locations to licensed operations.

LensCrafters performance and comp store sales improved in the second half of the year. This momentum continued into 2015 when the company said that based on LensCrafters and Sunglass Hut's strength it would invest about €1 billion over the next five years into retail operations to open or remodel stores and roll out a new LensCrafters format to be launched in North America before year-end.

Luxottica Retail started 2014 with leadership changes for the North American market, appointing Nicola Brandolese the new president of Retail Optical of Americas, replacing the retiring Mark Weikel. Reporting to Brandolese are Eric Anderson, president and GM of LensCrafters; Pete Bridgman, Sr. VP and GM of Pearle Vision; Mary Anne Stangby, Sr. VP and GM of Sears Optical; and Alexis McLaughlin, Sr. VP and GM of Target Optical. At the same time, Ed Jankowski joined Luxottica Retail Optical North America as VP and GM, to manage Ilori and Optical Shop of Aspen, reporting to John Haugh, president of sun, luxury and retail services N.A.

LensCrafters launched a global advertising campaign in Feb. 2014 to emphasize the role of the eyes in overall health and continued to innovate with the rollout of its AccuExam digital eye exam technology in stores throughout the country. Also in early 2014, Luxottica Retail acquired Glasses.com.

Luxottica Retail ended the year with its parent company, Luxottica Group, experiencing major top-level executive changes after the departure of CEO Andrea Guerra in September. A new management structure under the direction of founder Leonardo Del Vecchio was accompanied by two new co-CEOs, Massimo Vian, who was previously COO, and Adil Mehboob-Khan, formerly of Procter & Gamble.



2 VISION SOURCE

Vision Source is a franchisor consisting of approximately 4,000 member optometrists who treated over 12 million patients last year, including 1.5 million diabetics.

Vision Source clinicians operate over 3,000 locations (68 percent of which are branded Vision Source) in all 50 states and the District of Columbia, according to Vision Source, which said that it is building upon a foundation that was created in 2013 on which to develop further growth in an era of health care transformation. In addition, the supporting infrastructure of Vision Source includes approximately 350 clinical and business professionals who work in the field as local clinician leaders called administrators, business development leaders, and the Houston-based Member Support Center teams that offer marketing, technology, real estate, practice management and vendor relations support.

With an emphasis on its expansion efforts along with a focus on the programs that Vision Source has afforded member optometrists and their patients since its formation in 1991, the company launched an initiative during 2013 to closely align optometry with the clinically integrated systems that are forming to effectively manage population health in the rapidly evolving health care landscape. Vision Source uses population health management, integrated care networks, and accountable care organizations, all of which are accomplished through the Patient-Centered Medical Home model.

This initiative continues in 2015, and to date, Vision Source optometrists have become a part of organized collaborative care teams in Arizona, California, Colorado, Florida, Maryland, Massachusetts, Missouri, New Hampshire, New York, North Carolina, Ohio, Texas, Virginia and Washington D.C. The company's leaders are actively engaged with health care delivery systems in most major markets.

Other 2014 highlights included the planning and development of The 2015 Optical Dream initiative, which is a nationwide effort among members, focused on increasing the sales of eyewear products and contact lenses and improving the optical care

rendered in Vision Source practices. The Optical Dream provides Vision Source practices with proven patient-centric strategies, marketing tools, training, edutainment and incentives to increase eyewear and contact lens sales and improved patient experiences.



3 WAL-MART STORES

Remaining in the number three spot among the most prominent companies of Vision Monday's Top 50 U.S. Optical Retailers, Wal-Mart generated an estimated \$1,521 in revenue from 3,310 optical locations, up 3.1 percent and 3.4 percent, respectively from 2013 to 2014.

Effective Jan. 1, 2014, Wal-Mart Stores Inc. began offering vision benefits to its eligible employees and their dependents through VSP Vision Care. With the potential for a million new members, this represented "the biggest contract in the history of VSP," according to a VSP spokesperson. Walmart Vision Centers and Sam's Club Optical locations are the primary eyecare providers for the plan's participants. If no Walmart Vision Center or Sam's Club Optical is within five miles of an associate's work location, they may select a VSP network provider.

In April 2014, Labeed Diab was named senior vice president of the health and wellness division of Walmart U.S. He succeeds John Agwunobi, MD, who held the position for several years.

Independent optometrists operate private offices next to Walmart Vision Centers and Sam's Club Optical Centers to provide comprehensive eye exams, lens fitting and prescriptions by appointment and on a walk-in basis. In addition, Walmart and Sam's Club have on-site opticians in their respective Vision Centers and Optical Centers to assist with fitting glasses in store or in club.



4 NATIONAL VISION

The year started off for National Vision with its acquisition by KKR in March of 2014 for an undisclosed amount reportedly in excess of \$1 billion. KKR acquired the U.S. optical retailer from Berkshire Partners, which remains a minority investor after eight years as the

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Snapshots of Optical's 10 Largest U.S. Retail Players (cont'd)

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private equity owner of National Vision.

"We at National Vision are excited to be starting down the road with our new partner, KKR, and pleased that our former owner has decided to remain with us for the next chapter as well," said Reade Fahs, National Vision's CEO. "Now with the acquisition complete, NVI management is pleased to be back to focusing our energies entirely on serving our patients and customers via serving our associated optometrists and customer-facing store associates."

Growth among National Vision's brands in 2014 included Eyeglass World opening its first three stores in metropolitan Detroit in January followed by its fourth store in the area in June with plans for additional stores to follow.

In November 2014, National Vision announced a strategic partnership with e-commerce eyewear site DITTO, which will license its patented virtual try-on technology and experiment with in-store kiosks at America's Best locations.

National Vision operates vision centers across the country in 43 states plus the District of Columbia and Puerto Rico, including America's Best Contacts & Eyeglasses and Eyeglass World freestanding concepts and vision centers inside Walmart, Fred Meyer and on U.S. military bases. National Vision also sells its products directly to consumers through 25 consumer-facing websites, including ACLens.com and Discount-ContactLenses.com.



5 VISIONWORKS OF AMERICA

Following the completion of its two-year national rebranding effort that concluded at the end of 2013, Visionworks started 2014 with all of its optical locations throughout the U.S. operating under the Visionworks banner.

Under the management of Visionworks president Jim Eisen (who was also named CEO of parent company HVHC, Inc. in November 2014, following David Holmberg's promotion to president and CEO of HVHC's parent Highmark Health) the optical retail leader increased its number of locations from 619

to 652 to generate revenues of \$880.1 million for the full year 2014, a 12.1 percent increase from the \$784.8 million in sales for 2013.

Operating in 40 states and the District of Columbia, Visionworks (formerly Eye Care Centers of America, Inc.) is a wholly owned subsidiary of HVHC, Inc., which also includes Davis Vision, all of which are headquartered in San Antonio. HVHC's parent company, Highmark Health, is a Pittsburgh-based enterprise that employs more than 35,000 people nationwide and serves 40 million Americans in all 50 states as the third largest integrated health care delivery and financing network in the country.

In his first report on the consolidated financial performance of Highmark Health since being named president and CEO, Holmberg announced that the company's revenue grew by \$1 billion in 2014, in part due to its strong performance in the vision sector. "It was a record year for Visionworks," he said, announcing plans to open 50 new stores in 2015 for the national optical chain, including locations in Michigan and Connecticut for the first time, as well as extending its presence in New York City boroughs by adding more locations to Queens and entering Bronx and Brooklyn for the first time.



6 COSTCO WHOLESALE

With 457 of its 483 Costco Wholesale locations in the U.S. operating Costco Optical vision centers at the end of last year, the company generated \$833 million in revenue from its vision centers during calendar year 2014, an increase of 10 percent over calendar year 2013.

Beginning in early 2014, Costco became a provider for Superior Vision and Davis Vision, as a result of agreements signed with the two managed vision care companies at the end of 2013. Costco Optical also became a provider on the UnitedHealthcare Vision network in 2013.

Costco Optical's optical locations nationwide provide frames, prescription lenses, contact lenses, and a variety of lens options. For comprehensive eye exams, most have an independent doctor of

optometry in or near the optical department. These ODs are contracted individually.



7 REFAC OPTICAL GROUP

Refac Optical Group's leadership changed mid-year with the resignation of CEO David Pierson and CFO Carmen Nepa III, effective Aug. 25, 2014. The CEO position was assumed on an interim basis by Drew Scielzo, an operating partner of ACON Investments, the private equity firm that acquired Refac in March 2011.

In addition, in mid-July, George Gorman, who oversaw the U.S. Vision division of Refac, left the company. As of now, Scielzo is overseeing the operations of Refac's U.S. Vision division. In 2014, U.S. Vision closed several underperforming stores including a number of stores at JCPenney, Sears and Macy's.

Last year was also the first full year operating Nationwide Vision's locations since Refac's acquisition of the Arizona optical group at the end of 2013. Al Bernstein, president of Refac Group's freestanding division, Nationwide Vision Group, remains in his role as president and CEO of that division.

Bernstein and his management team will continue to lead the expansion of Refac's freestanding strategy in Arizona through Nationwide Vision openings and working together with Scielzo and the Refac team to actively pursue other acquisitions in the freestanding store category. "We are continuing to support our goal of acquisitions, particularly for our freestanding Nationwide division," said Scielzo. "ACON is very bullish on the long term future of Refac."



8 EYEMART EXPRESS

Fueled in part by a private equity investment from FFL Partners, the owners of Eyemart Express launched a new store concept under the brand 20/20 Express at the end of 2014. Partnering with local ophthalmology clinics, 20/20 Express gears its optical environment toward the urban metropolitan market, according to

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Mass Merchants' & Clubs' Share Remains Stable at One-Quarter of Top 50's Sales

NEW YORK—With the addition of an estimated 139 optical locations, sales by leading mass merchandising chains and warehouse clubs grew by an estimated 5.6 percent from an estimated \$2,665.7 million in 2013 to an estimated \$2,814.3 in 2014. The combined number of in-store vision centers in mass merchandising chains and warehouse clubs grew an estimated 3.0 percent from an estimated 4,566 locations in 2013 to an estimated 4,705 locations in 2014.

Number one Wal-Mart Stores firmly held its position with an estimated 2,964 optical locations generating an estimated \$1,538.0 million in sales for 2014. That's up 2.6 percent from the estimated \$1,499.0 million that was generated by 2,884 Walmart Vision Centers in 2013. The total of Walmart's vision business in 2014 includes an estimated \$1,367.0 million in sales from Walmart's own optical departments plus an estimated \$171.0 million from those operated by

National Vision.

In second place among the mass merchants/warehouse clubs, Costco remains well ahead of Sam's Club in the number three spot and the others that round out the chart—Target, Shopko, BJ's and Fred Meyer.

Highlights from 2014 for some of the leading mass merchandising chains and warehouse clubs were:

National Vision, which operates Vista Optical locations in select Fred Meyer stores along with Walmart optical leased locations, was acquired at the end of the first quarter of 2014 by KKR from Berkshire Partners for an undisclosed amount that is reportedly in excess of \$1 billion.

Wal-Mart Stores Inc. implemented "the biggest contract in the history of VSP" when it began offering vision benefits to its eligible employees and their dependents through VSP Vision Care. Representing a potential million new members, company

participants can choose Walmart Vision Centers or Sam's Club Optical locations as their primary eyecare providers.

Costco, beginning in early 2014, became a provider for Superior Vision and Davis Vision, as a result of agreements signed with the two managed vision care companies at the end of 2013. Costco also became a UnitedHealthcare Vision provider in 2013.

Target Optical was the only area where Luxottica Retail's optical retail locations showed any increase, adding 11 units to grow from 335 locations in 2013 to 346 by the end of 2014.

In June of 2014, Mike Bettiga retired from his position as Shopko's senior vice president, retail health, after 37 years with the company. The position was then filled by Michael Cantrell, a registered pharmacist and licensed attorney. ■

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Leading Mass Merchants, Clubs With Optical Departments

Rank 2014	Rank 2013	Mass Merchant (Operator)	2014 Retail Sales (\$ in Millions)	2014 Units ¹	Class	2013 Retail Sales (\$ in Millions)	2013 Units ¹
1	1	Walmart Wal-Mart Stores National Vision	\$1,538.0* \$1,367.0* \$171.0*	2,964* 2,737* 227	MM	\$1,499.0* \$1,328.5* \$170.5*	2,884* 2,657* 227
2	2	Costco Wholesale	\$833.0	457	WC	\$757.0	440
3	3	Sam's Club Wal-Mart Stores	\$154.0*	573*	WC	\$147.5*	545*
4	5	Target/Super Target Luxottica Retail	\$95.0*	346	MM	\$78.7*	335
5	4	Shopko Stores	\$94.0*	140	MM	\$91.0*	143
6	6	BJ's Wholesale Refac Optical Group	\$85.3*	195	WC	\$82.5*	188
7	7	Fred Meyer National Vision	\$15.0*	30	MM	\$10.0*	31
		Totals	\$2,814.3*	4,705*		\$2,665.7*	4,566*

Source: VM's 2015 Top 50 Optical Retailers

*=VM Estimate MM=Mass merchant WC=Warehouse club 1 Optical locations

For a detailed look at how VM's Top 50 list was created, go to the Methodology Box on VisionMonday.com.



Acquisitions, Organic Growth Propel Top 50 to Record \$11B in Sales

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single-location practices.

Many of those in the Top 10 experienced the most substantial growth among those in the Top 50 overall, with Vision Source adding 226 new franchisees/member locations, Wal-Mart Stores expanding by 80 Walmart Vision Centers and 28 Sam's Club Opticals for a total of 108 new locations, National Vision growing by a total of 47 new locations comprised of 37 America's Best and 10 Eyeglass Worlds, and Visionworks adding 33 locations, all under one name.

Appearing for the first time in the Top 10 from its spot at number 13 last year, MyEyeDr experienced a dramatic increase in its number of locations, from 64 to 139, adding 75 stores and locations through acquisition. MyEyeDr added 45 locations in North Caroli-

na alone with the acquisitions of 18 corporate Doctors Vision Centers and 27 Eye Care Associates locations.

Among the rest of the Top 50, Luxury Optical Holdings added 10 high-end optical boutiques with the high-profile acquisition of eight Robert Marc Eyewear locations, among others, and Partners in Vision increased its number of leased optical departments in ophthalmology offices by 22 locations.

A couple of companies entered the chart for the first time—HW Holdings at the 33rd spot with \$25.5 million in sales and WCE, which bought Co/Op Optical out of bankruptcy in 2012 and appears on the chart this year in 50th place with \$6.45 million in sales.

Conspicuously absent from this year's Top 50 rankings is American Optical Services (AOS), whose infamous bankruptcy last year left the company closing or

auctioning off the locations it had been aggressively acquiring over the past few years. Some auctioned locations ended up under the ownership of other optical retailers in this year's Top 50. For example, 14th place Emerging Vision acquired one The Artful Eye practice in Santa Rosa Beach, Fla., and nine The Eye Gallery locations, seven in Atlanta and two in Panama City, Fla. Wisconsin Vision purchased two Indiana-based Optiview locations out of the AOS bankruptcy.

Nationwide Vision, in the 24th position last year and a sizeable player in prior years, left the chart because of its acquisition by Refac Optical Group. Next year, the same will happen to Thoma & Sutton and Eye Care Associates, acquired near the end of 2014 by Clarkson Eyecare and MyEyeDr, respectively. ■

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Snapshots of Optical's 10 Largest U.S. Retail Players (cont'd)

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CEO Doug Barnes, Jr., who said the focus is less on price and more on express. Between Nov. 15 and Dec. 13, 2014, the company opened 18 20/20 Express locations, nine in Dallas and nine in Houston.

In June, Eyemart Express will celebrate the 25th anniversary of its founding in 1990. Headquartered in Dallas, the company has more than doubled revenue on an organic basis since 2008, according to the company, growing more than four times the industry average. Building on the growth it has experienced over the years and most recently with its private equity investment last year, the company plans to open 200 more new stores in the next five years.

"We see that there is a lot of space to build out more locations and serve more customers," Chris Harris, director of FFL, said. "We really believe that Eyemart Express is a special company and asset in this space. Our expansion strategy for the future will be 'more of the same.' Based on an extensive survey we've done with customers we learned that their reputation is very strong, and their net promoter score is also very high. Eyemart Express is satisfying customers and building loyalty."



9 FOR EYES/INSIGHT OPTICAL MFG.

For Eyes continues to focus on running its stores in existing markets including Boston, Philadelphia, Washington DC, Illinois and Florida, and the company is planning to open eight to 12 new locations in 2015.

For Eyes' marketing is a mix of broadcast and online, but in 2014 the company boosted its presence in digital media overall, along with radio in smaller markets. Its overall focus blends its stores and its online presence for generating bricks and clicks for customer convenience and millennial engagement.

Via its merchandising and product mix, customer retention is high, underscoring For Eyes' overall brand promise of delivering the highest level of customer service at the most affordable prices for consumers, executives said.

For Eyes is still independent and privately owned and operated by the same family and friends who started the company in Philadelphia in 1972. The company continues to operate its own lab in Hialeah, Fla.



10 MYEYEDR/CAPITAL VISION SERVICES

Appearing for the first time in the Top 10 this year due to its major expansion drive, MyEyeDr went from 13th place last year to become the 10th largest U.S. optical retailer for calendar year 2014.

MyEyeDr started and ended 2014 with major acquisitions in North Carolina—Doctors Vision Centers and Eye Care Associates. The rest of the year was filled with other smaller strategic acquisitions, such as Lord Eye Center's eight locations acquired in Georgia.

MyEyeDr is pursuing acquisitions of similar scale in new geographies, in addition to purchases of single and multi-office practices in its core states of D.C., Georgia, Maryland, North Carolina, South Carolina and Virginia.

The company's growth is fueled by an infusion of private equity capital into the business by an undisclosed minority investment from Boston-based Monitor Clipper Partners in December 2012. The last quarter began with co-founder, Sue Downes promoted to CEO. President since its inception in 2001, Downes founded MyEyeDr with Robert Samit, OD, chairman of the board. ■