

# News & Views

THE SHAMIR  
QUARTERLY NEWSLETTER

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## Message from the CEO

"Firstly, I would like to share with you our positive results for the last financial year and take this opportunity to thank you for contributing to the company's success"...

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## Message from the CEO

**As promised, this newsletter number two is aimed at keeping you all informed and in touch.**

Firstly, I would like to share with you our positive results for the last financial year and take this opportunity to thank you for contributing to the company's success.



Here are some of the year's main highlights: Revenues for the year ended December 31, 2010, increased by 11% to \$158 million. Gross profits were \$86.5 million, or 54.8% of revenues. Operating income increased by 14% to \$19.8 million, representing 12.5% of revenues. Net income for the year increased by 17.5% to \$15.6 million.

During the past year, we continued to successfully increase recognition for Shamir-branded products, a testament to the strength of our organic growth and strategic acquisition strategy. We also continued to realize similar success with our efforts to optimize our operations, as demonstrated during the fourth quarter, streamlining our French two-subsiidiary structure down to a single, more efficient structure.

Most recently, we expanded our reach in Israel through the acquisition of the operations of a local distributor. Through this transaction, we expect to achieve improved access to customers and to drive an increased sales volume. In addition, we completed an acquisition of a local Italian laboratory which will allow us to broaden our presence in Italy. Finally, we expect to finalize our arrangement with Essilor this year as we look ahead towards another year of successful growth.

Very truly yours,  
**Amos Netzer, CEO**



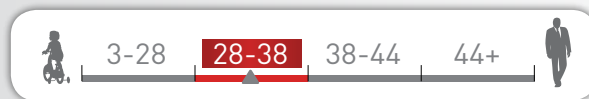
**NEW**  
FROM SHAMIR

## Ever Innovating

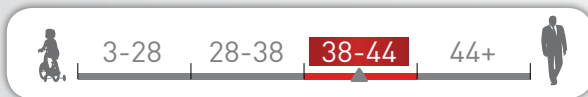
### Shamir Relax™ and Shamir FirstPAL™

The life improvement lenses

Two new Shamir products are targeting a previously ignored market niche – young adults and young presbyopes.



Shamir Relax is designed to relieve the eyestrain associated with long hours of intermediate and close vision tasks. After a long day of focusing on computer, cell phone, and tablets, eyes feel the strain and begin to tear, redden and blur. With extra reading power in the lower part of the lens, Shamir Relax helps keep the eyes feeling relaxed and fresh so that there's no more tired eye syndrome at the end of the day.



Shamir FirstPAL is a new unique optical solution from Shamir for young presbyopes who are about to get their first pair of glasses. Shamir FirstPAL offers clear and wide far vision, a comfortable reading zone, and an easy transition between the two. The perfect solution for young presbyopic patients with a low addition power, Shamir FirstPAL gives them everything they need in one pair of glasses and eases their introduction into the world of progressive lenses.

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**NEW**  
FROM SHAMIR

## Ever Innovating

### **IMAGINE an exciting interactive tool for in-store communication**

The good news is you don't have to, it's here! Shamir is proud to present Shamir Imagine™ the first ophthalmic ICP - Interactive Communication Platform. With a 21.5" touch screen, Shamir Imagine is an attractive dispensing and sales support tool that's easy and fun to use for both customers and shop staff. Enhancing communication, Shamir Imagine informs customers about products and their benefits, while also serving as an aid to sales personnel with clear explanations of optical and personal needs and solutions. Providing a platform for new developments, Shamir Imagine will continually be updated with new campaigns, innovations and products.



## **Latest marketing campaigns** Vision in action

### **Shamir ProLine™ - A new look at maximizing performance**

Introducing a new concept in customized lenses, Shamir ProLine is the first line of optical lenses designed to match the wearer's activity. Based on unique technologies and analysis of eye movements, Shamir ProLine provides all-over clear vision, near or far, exactly where it's needed. With only minimal distortion throughout a comfortably wide viewing field, Shamir ProLine is harnessing visual acuity for maximized performance





## **Shamir Ski™ - Lenses designed with the skier in mind**

The first ProLine product, Shamir Ski ensures the skier sharp focus whether looking down at the skis, a rapidly approaching obstacle, or a distant ridge. Shamir Ski is made from advanced safety materials, is available in SV or progressive lens designs, adaptable to any frame, and available in a professional range of colors with UV protection.

## **Special Events**

### **Management Conference - Porto, Portugal**

During the last days of November, Shamir managers from all over the world gathered for a Management Conference at the Shamir laboratory, Shamir Portugal Lda, in the city of Porto. The conference addressed important issues including marketing objectives, strategies for increasing sales, new Shamir products, and new marketing tools such as Shamir Imagine, and more. Shamir CEO, Amos Netzer, presented the company's 2011 objectives, ending a most pleasant event, flawlessly hosted by the Portuguese team.



# On Display and Looking Good Exhibitions

## Shamir Optic GmbH at Opti Munich 2011

This year Shamir Optic GmbH tripled the size of its booth with its appearance at Opti Munich, reflecting the consolidation of its position in the German market. Great teamwork and an attractive booth resulted in the company's meeting its highest expectations. The booth enjoyed a large number of ECP visitors who were particularly attracted by products such as Shamir Attitude™ and Shamir Imagine™. Exposed for the first time to the German market, Shamir Imagine won over ECP's with its easy handling and reasonable commercial offer. The booth proved to be a great start to a challenging year.



## Mido 2011

Our booth presented Shamir's new branding line with an added flavor of innovation and advanced technology. Once again Shamir enjoyed an increasingly full schedule of meetings with existing partners as well as with many new interested customers. The display focused on our latest marketing tool, Shamir Imagine™, and other exciting new products, reaffirming Shamir's passion and commitment to innovation and the development of ophthalmic solutions that meet the needs of modern lifestyles.





## Rewarding excellence Well earned awards

Shamir Optic GmbH won the Crystal Sky Award 2011 from Marchon in the category "Best Lens Supplier" at Opti Munich 2011. The local team, led by Tom Scholl and Karl Heinz Leuchten, was proud to receive the award at the gala event attended by 400 professional ECP`s and industry leaders.



## Shamir around the world Focus on subsidiaries

### New service center opening in central Israel

Shamir is expanding its Israel activities with the purchase of a service center located in Petach Tikva. Following the signing of the agreement, a fast and diversified Shamir service center has been established. It will supply stores with a wide ranging stock of lenses and framing services, providing deliveries several times a day. The new service center reflects Shamir's belief in moving closer to the market with a range of quality solutions. Sales are expected to grow significantly in the coming years, positioning Shamir as Israel's leading lens supplier.



## Employees in the spotlight



Having joined Shamir Insight Inc. (USA) as its VP of Marketing 4.5 years ago, Matt Lytle has accomplished a lot. His challenge was to recreate brand awareness. "We are now a known entity and taken seriously amongst the players in our industry," says Lytle. He achieved this by creating bold advertising campaigns that not only got them noticed, but won numerous awards. Marketing and POP material was redeveloped, and unique programs created, e.g. the Freeform Certification and Autograph Authenticity Programs, both considered leading programs in the market. Today, as VP of Sales and Marketing, Lytle is focused on sales force productivity. "My future goals," Lytle says, "are to increase revenues by 30%, to grow sales despite fierce competition, and stay on the cutting edge of all that we do. I would like to outfit our sales force with tools like the iPad for field use, and further develop our sales/marketing synergies."



## Because we care Involvement in the Community

### Shamir sponsors youth sports club

Shamir is strengthening its community involvement with its decision to support the region's Water Polo youth sports club. The club's objectives are to provide youngsters with a place to go during their leisure time, where they learn educational lessons of sportsmanship. Over 70 boys and girls from 6 to 18 are currently active members of the club that is training a total of 5 teams. The teams represent the club in local as well as international tournaments and regularly take part in national leagues.

Shamir places great importance on involvement in, and support of its local community, helping to instill values of excellence and teamwork among its youth.