



STAAR[®]
S U R G I C A L

Stephens Fall Investment Conference

November 10, 2015

NASDAQ: STAA

FORWARD-LOOKING STATEMENTS



All statements in this presentation that are not statements of historical fact are forward-looking statements, including statements about any of the following: any projections of earnings, revenue, sales, profit margins, cash, effective tax rate or any other financial items; the plans, strategies, and objectives of management for future operations or prospects for achieving such plans; statements regarding new, existing, or improved products, including but not limited to, expectations for success of new, existing, or improved products in the U.S. or international markets or government approval of new or improved products (including the Toric ICL in the U.S.); the nature, timing and likelihood of resolving issues cited in the FDA's 2014 Warning Letter or 2015 FDA Form 483; future economic conditions or size of market opportunities; expected costs of quality system or FDA remediation; statements of belief, including as to achieving 2015 plans; expected regulatory activities and approvals, product launches, and any statements of assumptions underlying any of the foregoing. Important additional factors that could cause actual results to differ materially from those indicated by such forward-looking statements are set forth in the company's Annual Report on Form 10-K for the year ended January 2, 2015 under the caption "Risk Factors," which is on file with the Securities and Exchange Commission and available in the "Investor Information" section of the company's website under the heading "SEC Filings."

These statements are based on expectations and assumptions as of the date of this presentation and are subject to numerous risks and uncertainties, which could cause actual results to differ materially from those described in the forward-looking statements. The risks and uncertainties include the following: our limited capital resources and limited access to financing; the negative effect of unstable global economic conditions on sales of products, especially products such as the ICL used in non-reimbursed elective procedures; the challenge of managing our foreign subsidiaries; backlog or supply delays as we fully integrate our manufacturing facility consolidation; the risk of unfavorable changes in currency exchange rate; the discretion of regulatory agencies to approve or reject new or improved products, or to require additional actions before approval (including but not limited to FDA requirements regarding the TICL and/or actions related to the 2014 FDA Warning Letter or 2015 FDA Form 483); the risk that research and development efforts will not be successful or may be delayed in delivering products for launch; the purchasing patterns distributors carrying inventory in the market; the willingness of surgeons and patients to adopt a new or improved product and procedure; patterns of Visian ICL use that have typically limited our penetration of the refractive procedure market, negative media coverage in different regions regarding refractive procedures, and a general decline in the demand for refractive surgery particularly in the U.S. and the Asia Pacific region, which STAAR believes has resulted from both concerns about the safety and effectiveness of laser procedures and current economic conditions. The Visian Toric ICL and the Visian ICL with CentraFLOW are not yet approved for sale in the United States.

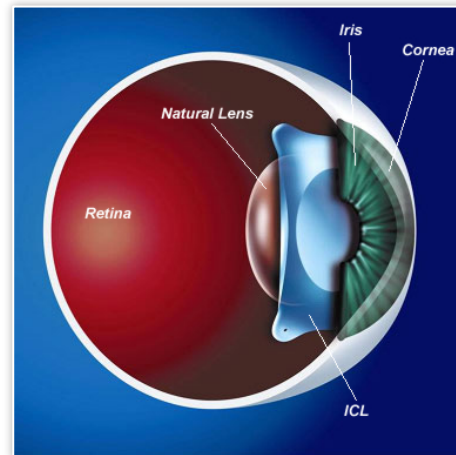
In addition, to supplement the GAAP numbers, this presentation includes supplemental non-GAAP financial information, which STAAR believes investors will find helpful in understanding its operating performance. "Adjusted Net Income" excludes the following items that are included in "Net Income (Loss)" as calculated in accordance with U.S. generally accepted accounting principles ("GAAP"): manufacturing consolidation expenses, gain or loss on foreign currency transactions, stock-based compensation expenses and FDA panel and remediation expenses. A table reconciling the GAAP information to the non-GAAP information is included in our financial release which can be found in our Form 8-K filed on October 28, 2015 and also available on our website.

STAAR® SURGICAL IS...



... a Leading Developer, Manufacturer and Marketer of Premium Implantable Lenses for Refractive Vision Correction

- **Implantable Collamer® Lens or “ICL”™**
 - A Premium Refractive Procedure and an Alternative to LASIK
 - >**550,000** Visian® ICLs Implanted



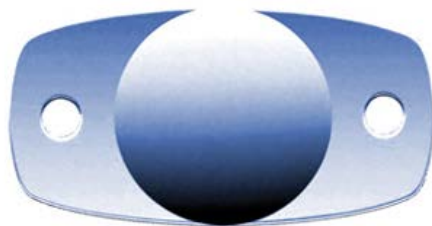
70% YTD 2015 Lenses

STAAR SURGICAL IS...

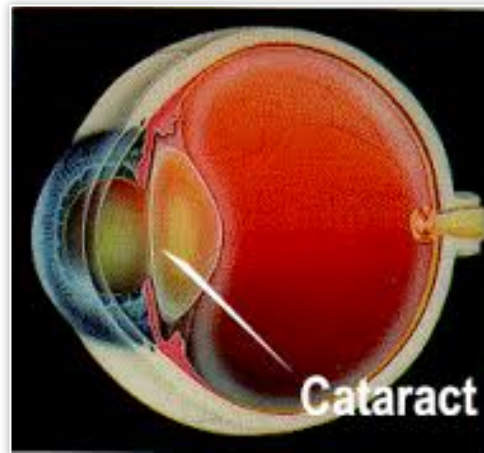


... a Leading Developer, Manufacturer and Marketer of Premium Implantable Lenses for Cataract Lens Replacement

- **Intraocular Lens (IOL)**
 - Used to Replace the Natural Lens after Cataract Surgery



nanoFLEX COLLAMER ASPHERIC IOL.

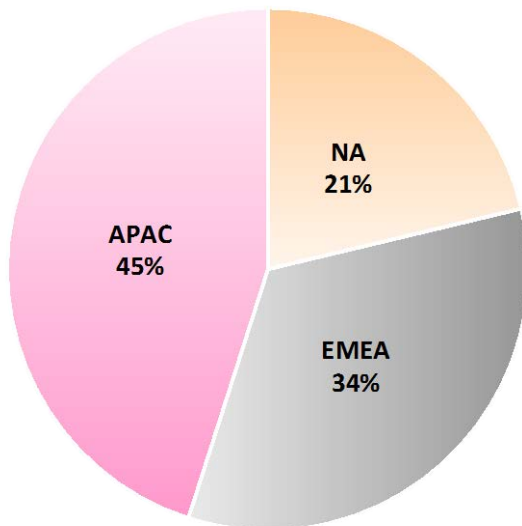


30% YTD 2015 Lenses

REFRACTIVE MARKET 2017

WW Refractive Market by Region

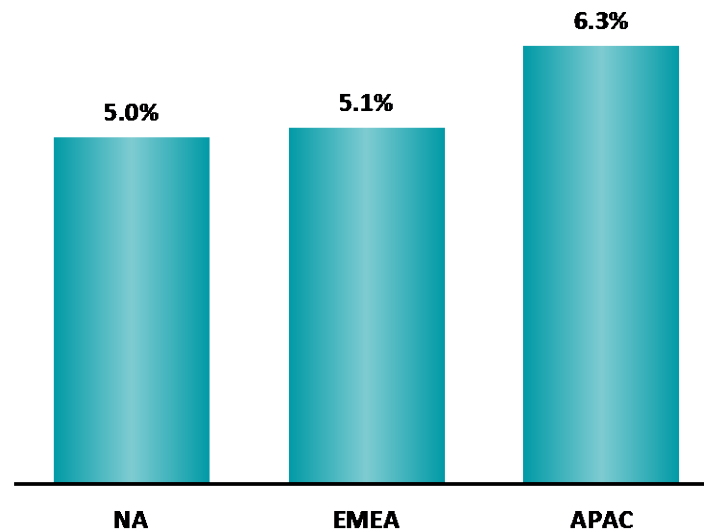
Total Procedures 3.3 Million
% by Region



Year 2014

2014-2017 Growth Rate

Total Procedures 3.9 Million
3-year CAGR = 5.6%



TOP 10 COUNTRIES – REFRACTIVE PROCEDURES



| | |
|---------------|---------|
| - China | 875,000 |
| - USA | 602,000 |
| - India | 156,430 |
| - South Korea | 139,280 |
| - Germany | 135,000 |
| - Japan | 125,000 |
| - Italy | 105,240 |
| - Spain | 105,000 |
| - Brazil | 102,580 |
| - UK | 97,540 |

STAAR APPROACH TO THE MARKET



2014

- Focused on Lenses Inserted into the Eye and Delivery Systems Therefor
- Two Large Market Opportunities
- Sustainable Competitive Advantages
- Rapid Cadence of New ICL and IOL Products
 - Focus on Top 12 Markets for ICLs
 - Selective approach with IOLs in 8 main markets based on market opportunity for premium prices and STAAR business structure
- Increasing IP Position with New Technologies
- Provide sufficient clinical data to HCPs that supports STAAR products
- Increasing emphasis on growing the consumer demand for ICLs; expand to presbyopic patients for V6 models
- Selective adjustments to business structure based on market opportunity and distributor performance

Now

- Focused on Lenses Inserted into the Eye with Companion Delivery Systems Delighting Surgeons and Their Patients
- Three Large Vision Enhancement Opportunities
- Market Leading Technology
- Build and Deliver Extraordinary Vision Solutions:
 - Focus and Effectively Target All Global Markets for ICLs
 - Treat Cataract Care Lens Development (IOL) as a Required Vision Choice and Determine Best Approach to Market with Distinct Advantages and Affordability
- Materially Strengthen IP Patent Estate, Secure Trade Secrets
- Build Global Clinical Validation, Clinical Utility and Patient Registries as Best in Class
- Become a Consumer Facing Company Highlighting the Patient Experience by Patients and for Surgeons... Focus on Visual Freedom for all Ages
- Aggressively Model Global Go-to-Market to Include Direct, Distributor, Centers of Excellence and Focus Partnerships

OUR FOCUS 2015 - 2017



BUILDING A FOUNDATION FOR CONSISTENT GROWTH

- Engender *Culture of Quality* - FDA Remediation and Systemic Change
- Build R & D Continuum: CentraFLOW®/ Presbyopia/ Cataract Care
- Invest in Proprietary Technology and Process Improvements
- Develop Global Clinical Validation and Clinical Utility Competency
- Properly Size Commercial Strategic Investment – People and Services
- Create an Extraordinary Surgeon and Patient Experience
- Deliver Shareholder Value

OUR FOCUS 2015 - 2017



BUILDING A FOUNDATION FOR CONSISTENT GROWTH

- ***Culture of Quality* - FDA Remediation and Systemic Change & Upgrade**
 - Diligently Focus on Meeting or Exceeding Remediation Requirements: Meeting Internal Metrics
 - Hire Top Talent to Manage and Direct Systemic Correction and Upgrade:
We have begun the transition from a strong contingent of Consultant support to the hiring of several new Quality Leaders including:
 - Vice President of Global Quality Assurance, Quality Systems Managers, Principle Quality Engineers, Microbiology Quality Engineers, Quality System Auditors and Quality Control Inspectors
 - *Building* Compliant Quality System Including IT Infrastructure
 - Engender Employee Ownership as *Culture of Quality*: Underway
 - Meet 2015 Incremental Remediation Budget of \$4M: On Target

OUR FOCUS 2015 - 2017



BUILDING A FOUNDATION FOR CONSISTENT GROWTH

- **Build R & D Continuum: CentraFLOW®/ Presbyopia/ Cataract Care**

Dr. Jose F. Alfonso MD, PhD and colleagues published a paper on ICL results in the April 2015 issue of the Journal of Cataract and Refractive Surgery. In a study of 3430 eyes with various ICL models, the data indicated that the incidence of cataract was low at the 6 year follow up. For CentraFLOW ICLs, the follow up time was shorter, but no cataracts were reported thus far. This is just one of 14 peer-reviewed articles on the CentraFLOW® Visian ICL Lens.

| | V4 | V4B | V4C |
|--------------------|-----------|----------|----------|
| N | 1106 | 1276 | 1048 |
| Cases of Cataract | 16 | 5 | 0 |
| % of cases | 0.5% | 0.2% | 0 |
| Years of follow-up | Up to 12y | Up to 4y | Up to 2y |

Prevalence of cataract after collagen copolymer phakic intraocular lens implantation for myopia, hyperopia, and astigmatism José F. Alfonso, MD, PhD, Carlos Lisa, MD, Luis Fernández-Vega, MD, PhD, Dagoberto Almanzar, MD, Cari Pérez-Vives, MSc, Robert Montés-Micó, PhD Journal of Cataract & Refractive Surgery Volume 41, Issue 4, Pages 800-805 (April 2015)

OUR FOCUS 2015 - 2017

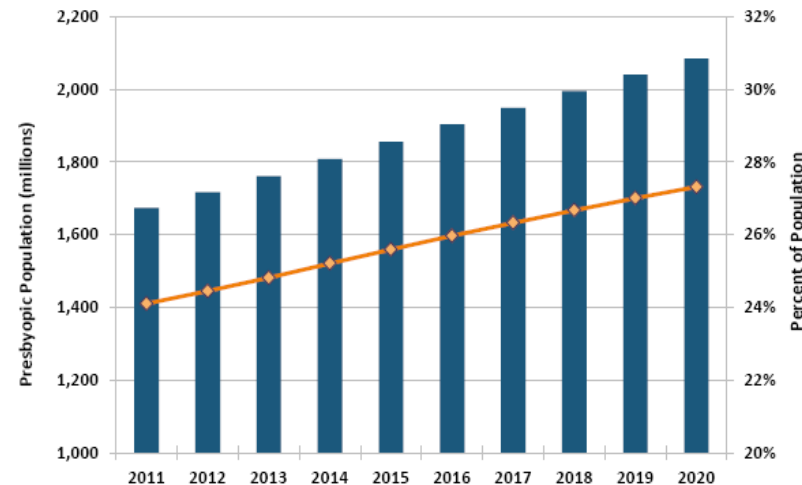


BUILDING A FOUNDATION FOR CONSISTENT GROWTH

- **Build R & D Continuum: CentraFLOW®/ Presbyopia/ Cataract Care**

Hired Dr. Keith Holliday VP R&D

- Supporting Remediation
- Presbyopic ICL Development
- Materials and Engineering Projects
- New Categories of Lens Development
- New Delivery Systems



Source: 2014 Comprehensive Report on the Global Presbyopia Surgery Market by Market Scope

OUR FOCUS 2015 - 2017



BUILDING A FOUNDATION FOR CONSISTENT GROWTH

- **Invest in Proprietary Technology and Process Improvements**
 - Building Research Lab for Materials Science with Emphasis on Next Generation Collamer® Versions 2016/17
 - Assessing Opportunities to Expand Patent Estate (Patents and Trade Secrets)
 - We have completed our Intellectual Property Patent Estate review and filing new applications for recent developments is underway
 - Initiating PRD New Product Development Project Management Capability including Planning for IT Enabled Support
 - We have adopted a much stronger project management focus with the addition of a more rigorous phase review discipline which will be in place by year-end
 - Charting Investments in Supply Chain and Equipment Upgrade - Underway

OUR FOCUS 2015 - 2017



BUILDING A FOUNDATION FOR CONSISTENT GROWTH

- **Enhance Global Clinical Validation and Clinical Utility Competency**

- Recruited Clinically Lauded Ophthalmic Surgeons for *Working Groups* in Presbyopia and Sizing
 - We have created a Clinical Affairs Department led by industry recognized leaders both on staff and supporting us on a consultative basis... every aspect of our current commitments to regulatory bodies and future opportunities for clinical studies and validation is being reviewed and plans solidified
- Building Clinical Validation/ Clinical Utility/Patient Experience Profiles

Preserving the Cornea and
Lens for the Future.

Premium Outcomes, Established Safety and Exceptional Patient Satisfaction.

 Vision ICL[®]

OUR FOCUS 2015 - 2017

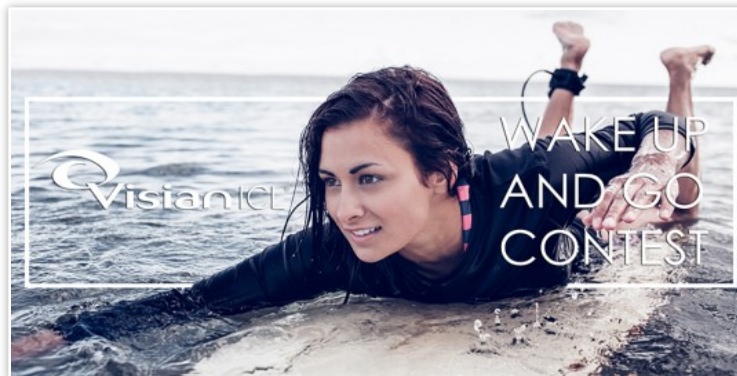


BUILDING A FOUNDATION FOR CONSISTENT GROWTH

- **Create an Extraordinary Surgeon and Patient Experience:**

- Prof. Kimiya Shimizu – authored a paper with other leading doctors from Japan, published in December of 2014 in the Journal of Cataract and Refractive Surgery. It provided that *the Visian® ICL may offer significant vision related quality of life benefits over wave front guided LASIK for myopia in the long term.*

We are finalizing a new branding and patient experience strategy with the goal of increasing the appeal of the Visian ICL for Surgeons and their Millennial patients.



OUR FOCUS 2015 - 2017



BUILDING A FOUNDATION FOR CONSISTENT GROWTH

- Engender *Culture of Quality* - FDA Remediation and Systemic Change
- Build R & D Continuum: CentraFLOW®/ Presbyopia/ Cataract Care
- Invest in Proprietary Technology and Process Improvements
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- Deliver Shareholder Value

RECENT FINANCIAL RESULTS



Q3 2015 GAAP (\$ millions, except per share)

| Income Statement | Q3 2015 | Q3 2014 |
|--------------------------------|-----------|-----------|
| Revenue | \$ 18.8 | \$ 18.2 |
| Gross Profit | \$ 12.8 | \$ 11.9 |
| Gross Profit Margin | 68.3% | 65.3% |
| Operating Expenses | \$ 14.8 | \$ 13.4 |
| Other Income (Loss) | \$ 0.3 | \$ (0.6) |
| Income (Loss) Before Taxes | \$ (1.8) | \$ (2.2) |
| Net Income (Loss) | \$ (1.8) | \$ (2.7) |
| Net Inc. (Loss) per Dil. Share | \$ (0.04) | \$ (0.07) |

RECENT FINANCIAL RESULTS



Q3 2015 Non-GAAP (\$ millions, except per share)

| Adjusted Net Income | Q3 2015 | Q3 2014 |
|---------------------------------------|----------|----------|
| Net Income (Loss) | \$ (1.8) | \$ (2.7) |
| Foreign Currency Impact | - | \$ 0.6 |
| Stock-Based Compensation Expense | \$ 0.9 | \$ 1.6 |
| FDA Panel / Remediation Expense | \$ 0.8 | \$ 0.6 |
| Adjusted Net Income (Loss) | - | \$ 0.1 |
| Adj. Net Income (Loss) Per Dil. Share | - | - |

Q3 FINANCIAL HIGHLIGHTS



- Sales of \$18.8M: +3% from Prior Year and +7% in Constant Currency
 - ICL units increased 21% WW: +37% in EMEA; +13% in APAC; +10% in NA
- Gross Margin Improved 300 bps: 68.3% Compared to Prior Year of 65.3%
 - Favorable product mix, lower unit costs, and higher avg. selling prices, partially offset by negative impact of weaker euro
- Operating Expense Increased 10% from Prior Year
 - Increase due to reversal of bonus accruals in prior year period
- Net Loss of 4 Cents per Share; Adjusted Net Income was Breakeven
- Cash of \$16.1M with Addition of \$750k in 3rd Quarter
 - Driven by addition of \$1.1M cash from operating activities



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