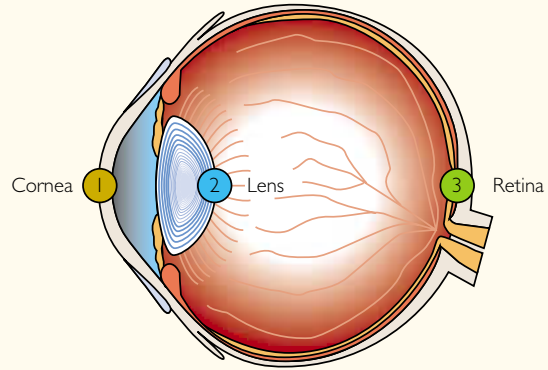


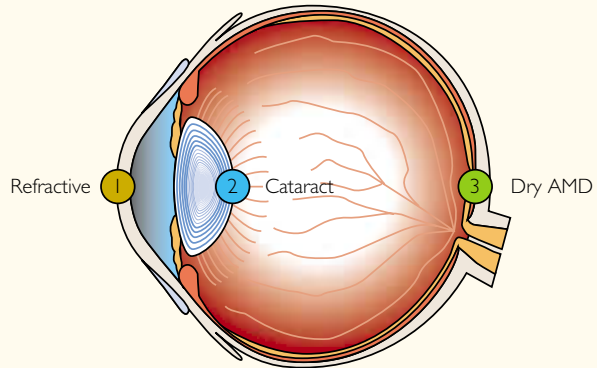
THE ANATOMY OF GREAT VISION

2003 ANNUAL REPORT AND FORM 10-K

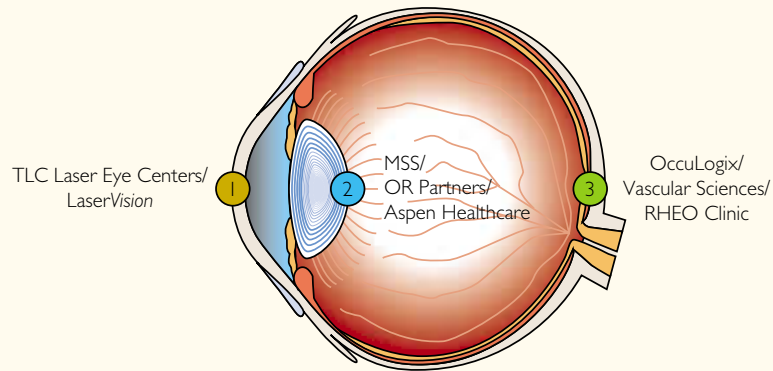
FOCUSED



ANATOMY OF THE EYE



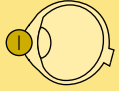
ANATOMY OF THE INDUSTRY



ANATOMY OF TLCVISION

COMPANY PROFILE

TLC*Vision* is North America's premier eye care services company. Through its subsidiaries, the company focuses on three large eye care markets – refractive surgery (surface of the eye), cataract surgery (anterior of the eye) and the development of a potential dry AMD therapy (posterior of the eye). The key drivers of TLC*Vision*'s strategy are our affiliated network of thousands of eye doctors, proven corporate and consumer marketing and education programs, and access to state-of-the-art clinical technologies. We are supported by a strong operations management culture and superior information technology.



F O C U S



ON

THE

INDUSTRY LEADERSHIP

There is no question that the scope of the refractive market opportunity is huge. Since inception, more than 1 million laser vision correction procedures have been performed using TLCVision's equipment and/or facilities. Even when demographically adjusted for age and affordability, there remains another 64 million people in the U.S. alone who are potential candidates for refractive surgery.

B O T T O M L I N E

LEADERSHIP



Within the refractive market, worldwide we provide excimer laser and microkeratome access to 318 sites through our LaserVision subsidiary, and operate 80 corporate owned or managed centers through TLC Laser Eye Centers. We have been leading the refractive industry from the moment the LASIK revolution began. Despite all the success we've had in building doctor and consumer acceptance of the procedure, the market remains under-penetrated.

Will industry surgical volumes grow again? The number one obstacle keeping people from undergoing the procedure has always been fear. We hope that the recent introduction of CustomLASIK in the U.S. will help alleviate that apprehension.

CustomLASIK uses wavefront technology to map "aberrations" in vision. Several types of visual imperfections, referred to as lower- and higher-order aberrations, exist within the eye and can affect both visual acuity and the quality of vision. Until recently, only lower-order aberrations such as myopia (nearsightedness), hyperopia (farsightedness) and astigmatism could be measured and treated. However, these do not account for all potential vision imperfections. Higher-order aberrations significantly impact on one's quality of vision and are often linked to visual glare and halos that may cause night vision problems. Higher-order aberrations cannot adequately be corrected with glasses, contact lenses or conventional LASIK treatments.

CustomLASIK uses the wavefront generated map to plan the procedure, enabling the surgeon to address a patient's unique visual requirements. The resulting "customized" LASIK procedure improves both visual acuity (which is measured against standard numerical outcomes such as 20/20) and the overall quality of vision, such as increased visual crispness and clarity.

TLCVision opened North America's first commercial CustomLASIK center in Toronto, Canada in January 2000, and our affiliated doctors have been key contributors to the technology's development. That unique experience drove the speed with which we were able to make this technology widely available throughout our U.S. system when the FDA approved it in the summer of 2003. By any measure, TLCVision's U.S. roll-out of CustomLASIK has been an unmitigated success. In fact, by December 2003, close to 50% of the surgical volumes at our owned or managed centers were comprised of CustomLASIK procedures.



O P P O R T U N I T I E S



FOR

CONTINUED

CLINICAL REPUTATION

Already the world's most widely performed non-elective surgical procedure, the aging of the U.S. population makes the cataract market increasingly appealing. About 60% of U.S. adults over the age of 60 have or will develop cataracts.

G R O W T H

OPPORTUNITIES



Our Midwest Surgical Services (MSS) subsidiary provides rural hospitals with mobile access to the equipment and technical support they need to participate in the growing cataract market. MSS was established in 1991 and currently has contracts with 350 facilities, and 360 surgeons in 40 U.S. states. The mobile cataract services offering was designed to benefit everyone involved. The hospital can offer a quality surgical program to the community and increase its volume. Ophthalmologists benefit by increasing their surgery volume. Optometrists can offer complete eye care to their community patients. The patient can now avoid the expense and inconvenience involved in traveling to the “city” and still receive the same or better care in his or her own hospital. Approximately 50,000 cataract procedures will be performed this year alone utilizing MSS services.

In urban areas, our OR Partners and Aspen Healthcare subsidiaries develop, acquire and manage ambulatory surgery centers (ASCs) in association with physician practices. These centers provide out-patient eye surgery services in an atmosphere that is less institutional than that which can be achieved in a large hospital setting and appeal to doctors seeking alternative revenue sources, improved efficiencies and financial partners. While the doctors focus on providing high levels of quality patient care, our subsidiaries manage the clinical services, physician recruitment, administration, business operations, licensing and certification, facility accreditation and financial reporting of the surgery center. TLCVision subsidiaries currently hold a majority equity interest in four ASCs and manage another 12. We expect to continue to acquire or develop similar centers in association with some of the country’s most prominent ophthalmic surgeons.



OUR VISION



OF

THE FUTURE

NEW CLINICAL TECHNOLOGIES

Dry age-related macular degeneration (Dry AMD) is the leading cause of vision loss in people over the age of 50 and has had no effective treatment. Approximately 15 million North Americans are afflicted with this progressive and devastating eye disease and experts estimate that number will exceed 30 million by the year 2020. Rheopheresis™ blood filtration (RHEO) is bringing hope, for the first time, to millions of dry AMD sufferers and their families.

IS CLEAR

OUTLOOK

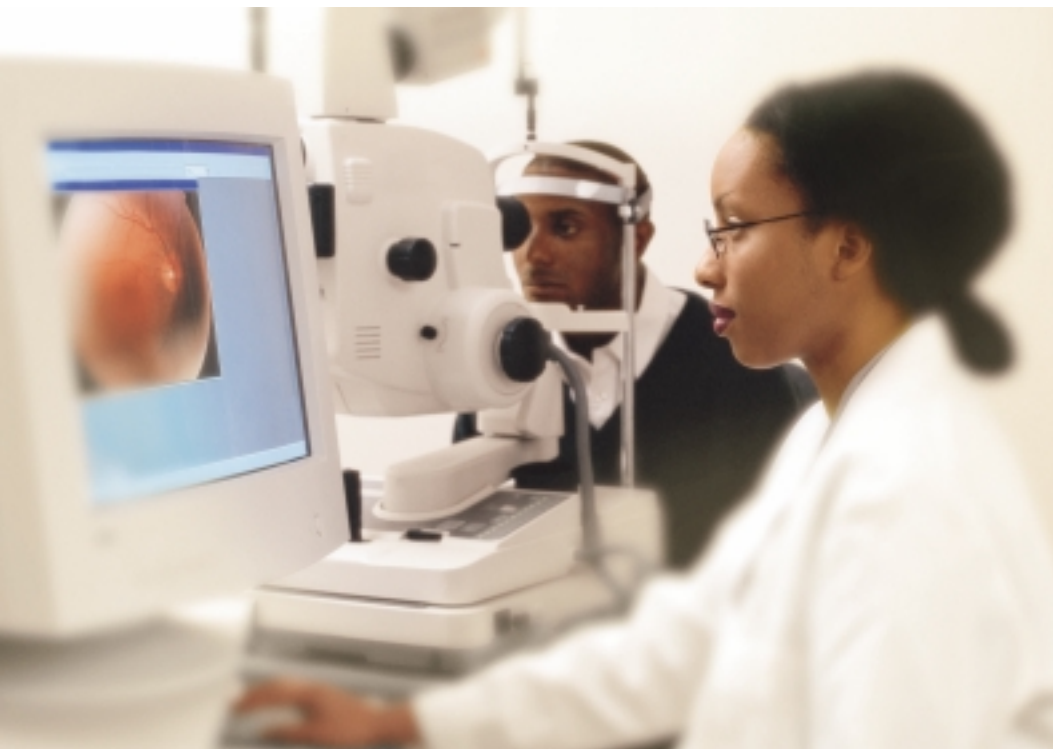


AMD is classified as either dry or wet. Most patients with AMD have the dry form of the disease, which may cause gradual, progressive deterioration of the macular tissues of the retina and can greatly affect day-to-day living by making it difficult to read, write, drive and recognize faces. A much smaller number of patients have the later stage wet AMD where new blood vessels grow into the macular tissues of the eye and subsequently leak fluid or blood. In general, the wet form of AMD is associated with more rapid and severe loss of vision.

RHEO was developed through clinical research conducted over the past ten years in Japan, Germany and the U.S. The RHEO procedure uses a unique and proprietary filtering technology to remove excess amounts of specific large proteins and fatty particles in the blood which have been associated with dry AMD. Researchers believe that blood filtered with RHEO is able to flow more easily through the tiny capillaries of the eye and that the improved microcirculation more effectively supplies the macular cells with oxygen and nutrients.

The treatment is currently undergoing a pivotal study in the U.S. which is being conducted by Vascular Sciences Corporation. The interim data from that study, known as MIRA-I, has been impressive. In fact, while success in treating AMD is often measured by the ability to slow down or halt the disease's progression, in some instances RHEO has actually improved patients' vision. While the device used for RHEO is currently not available for commercial use in the U.S., commercial treatment is available in Canada at the RHEO CLINIC, a subsidiary of TLCVision. The RHEO CLINIC commenced offering treatment to dry AMD patients in early 2003.

D I V E R S E



PLATFORM

OF

UNIQUE RELATIONSHIPS

We enjoy significant geographic coverage in virtually all major North American markets. The real advantage that TLCVision has is our ability to bring primary and secondary eye care doctors together, providing both with the services, facilities, equipment and technologies they need to help grow their practices and deliver high quality care to their patients.

S E R V I C E S

VALUE ADDED



TLC*Vision* is uniquely positioned as the first truly diversified company in the eye care industry. Prior to our merger in 2002, TLC and Laser*Vision* both focused on the surface of the eye with refractive surgery. Following the merger, armed with a number of important synergies and backed by the financial resources to support our growth, we raced together deeper into the eye's interior to build upon our position as the world's largest provider of mobile cataract surgery. Now, the company is riding the third wave of ophthalmology to the back of the eye through RHEO and its potential of being a first-of-kind treatment for dry AMD.

Clear strategies have been established and their successful execution will maximize our valuable assets and achieve our corporate goals:

- 1 help doctors provide the highest quality eye care;
- 2 establish and leverage a unique and enduring partnership with local eye doctors;
- 3 provide a cost-effective infrastructure that meets operational requirements and creates superior economic value;
- 4 maintain a corporate governance framework that protects shareholders; and
- 5 pursue complementary growth opportunities that leverage both our relationships with doctors and our technological assets.

Ultimately, the doctor is our customer. Optometrists provide approximately 80% of all primary eye care in the U.S. They are the gatekeepers – the doctors that first identify most of the visual problems that patients encounter. In our brief history, we have built an affiliated doctor network that includes thousands of optometrists. We support optometry by providing innovative practice based marketing, continuous clinical education and comprehensive staff training programs. The conditions diagnosed by optometrists often require referral to an ophthalmologist. We provide more than 1,300 affiliated ophthalmologists with access to high quality facilities, up-to-date technologies, knowledgeable staff and clinical support. We also offer our affiliated ophthalmologists access to a full range of other corporate services. After treatment by the ophthalmologist, the patient generally returns to his or her primary care provider for continuing care. From initial consultation, diagnosis, specialist referral, treatment to post-treatment care, TLC*Vision*'s delivery platform is designed to parallel the well established North American health care delivery model.

MESSAGE TO SHAREHOLDERS



ELIAS VAMVAKAS

Chairman and Chief Executive Officer

Our success comes from our strategy, our focus and our unique relationship with eye doctors.

How would you like to see TLC*Vision*? Look at the whole eye – front to back – because that's our focus. We are the premier provider of services to eye care doctors in North America. We have created a unique delivery platform that encompasses leading clinical technologies, equipment, facilities, marketing, training, and information management systems that enable doctors to deliver the highest quality care to their patients. TLC*Vision* has significant geographic reach, market share, and economies of scale.

THE MERGER

In last year's message we articulated our vision that focused on a successful merger. We also laid out some early evidence that the merger would be a success.

I believe our performance in 2003, combined with what we see coming in 2004, proves it outright.

We built our offering and our team. We right-sized for profitability and improved the momentum in our business. A spirit of collaboration, with a focus on delivering results, defines our operating style. We share a philosophy of accountability throughout the company and believe it is an essential component of our success. Every process is continuously reviewed with an eye for simplicity and cost savings. The structure of the company is now poised to absorb more procedure volume with little incremental fixed cost.

Total fiscal year 2003 net revenues were up 19% from 2002. Adjusted EBITDA of \$17.8 million achieved in 2003 compares to \$680,000 reported last year. The 2003 net loss was (\$9.4 million) or (\$0.15) per share, a significant improvement over the prior period.

I think that Jim Wachtman, our President and Chief Operating Officer, and our operations team have done an outstanding job in preparing TLC*Vision* to capitalize financially on the rebound in refractive industry procedure volumes that we hope will materialize in 2004.

LOOKING FORWARD

Our vision is clear. With each day, I am more energized as our strategy gels and we continue to build North America's premier company in eye care. All of our areas of focus have tremendous growth potential. We have a strong reputation and a highly

recognized brand identity among doctors. Our management team continues to have a clear vision, and they executed the strategy that we described last year with strong results. Management's objectives continue to be clearly defined and aligned with the interests of our shareholders.

In closing, I would like to thank everyone at TLC*Vision* for their hard work and dedication during 2003. I am very proud of what we have accomplished in such a short timeframe. Together, we face a very exciting future, and through everyone's efforts we will continue to build upon our world-leading position.



ELIAS VAMVAKAS

Chairman and Chief Executive Officer

March 4, 2004

SHARED VALUES

We have met significant challenges in the past, and expect to achieve exciting new milestones in the future, as always, guided by our core values:

Integrity builds respect and trust – We strive to communicate openly and honestly with each other, and all with whom we do business. We can be counted on to keep our promises and to use good judgment, and if we make a mistake we will accept responsibility and do everything possible to correct it. We will conduct business with impeccable ethics and a genuine desire to do the right thing. Indeed, we derive our greatest sense of accomplishment from doing what is right – not what is expedient. We are proud to work for a health care company whose products and services make a difference in people's lives and for an organization whose primary objective is to help doctors provide the highest level of patient care.

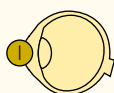
We always seek to improve – In all aspects of our business, we accept change as a positive. We study our progress and regularly seek feedback from our key customers and ourselves, in order to do things more effectively and efficiently. How we do things is as important as what we do.

We accept personal responsibility – We consider individual involvement and accountability to be both a right and a privilege, and accept personal responsibility for everything we do. We treat the company's reputation as our own and try to make wise use of our time and the company's resources. While we support our associates and work as a team, we will always take pride and accept personal responsibility in meeting or exceeding desired objectives.

We believe in true empowerment – We want TLCV to always be a performance driven organization where goals, objectives and time-lines are clearly defined; where resources are properly allocated; where decision-making is expected; and where results are measured to define success.

We are service oriented – The culture of our organization is built on providing exceptional customer service. We understand that our customers have a choice, and that customer relationships and the level of service we provide are a cornerstone of building loyalty and contribution. The needs of our customers are always considered when making business decisions that will affect them.

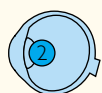
LEARN MORE



REFRACTIVE

TLC Laser Eye Centers
www.tlcvision.com

LaserVision
www.laservision.com



CATARACT

Midwest Surgical Services
www.ms-services.com

OR Partners
www.orpartners.com

Aspen Healthcare
www.aspenhc.com



DRY AMD

RHEO Clinic
www.rheo.com

OccuLogix
www.occulogix.com

SHAREHOLDER INFORMATION

CORPORATE HEADQUARTERS

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5280 Solar Drive, Suite 100
Mississauga, Ontario L4W 5M8
T: (905) 602-2020
F: (905) 602-2025

TRANSFER AGENT AND SHAREHOLDER RECORDS

Shareholders requiring information or assistance regarding individual stock records or stock certificates should contact the Transfer Agent:

The CIBC Mellon Trust Company
T: 1-800-387-0825

INDEPENDENT AUDITORS

Ernst & Young LLP

INVESTOR RELATIONS

Shareholders, analysts, investment professionals, members of the media, and potential investors who would like information about TLC*Vision's* activities should contact:

Stephen Kilmer
Vice President, Investor Relations
T: 1-800-TLC-1033 or
T: (905) 602-2020
F: (905) 602-2025
Email: investor.relations@tlcvision.com

STOCK EXCHANGE LISTING

Shares of the Corporation are listed on the NASDAQ National Market and The Toronto Stock Exchange.

TRADING SYMBOLS

NASDAQ – TLCV
TSX – TLC

FORM 10-K

Additional copies of the Company's Annual Report on Form 10-K (without exhibits) is available from the Company at no charge. Requests should be directed to Stephen Kilmer, Vice President, Investor Relations at the Company's corporate office.

ANNUAL AND SPECIAL MEETING

The Company's annual meeting of shareholders is scheduled for June 14, 2004, at 9:00 a.m. Eastern Standard Time at the TSX Broadcast & Conference Center Auditorium, The Exchange Tower, 130 King Street West, Toronto, Ontario.

ON THE INTERNET

Interested investors may browse TLC*Vision's* website at www.tlcv.com to obtain regularly updated information including press releases, webcasts, share trading data, regulatory filings, quarterly reports and financial statements.

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www.tlcv.com