

TSX Symbol: COA



**COASTAL CONTACTS REPORTS RECORD FINANCIAL RESULTS FOR THE
THIRD FISCAL QUARTER OF 2009**

Vancouver, British Columbia - September 9, 2009 - Coastal Contacts Inc. (TSX: COA) the leading online retailer of contact lenses and eyeglasses reported its financial results for the three and nine months ended July 31, 2009.

Key figures for the three months ended July 31, 2009 include:

- Record sales of \$37.5 million, a 15% increase over the third quarter of 2008. Sales grew 20% excluding the impact of foreign currency exchange rate fluctuations.
- Gross profit was \$10.7 million or 28% of sales.
- 370,882 total orders shipped, a 15% increase over the third quarter of 2008.
- \$2.0 million of adjusted EBITDA, a 54% increase over the third quarter of 2008.
- Sales, General and Administrative expenses were reduced to 10% of sales, a 2% improvement over the same period in 2008.
- Net earnings were \$0.6 million, or \$0.01 per share.
- \$14.0 million of cash and no bank debt.
- Earnings excluding non-cash items generated \$1.7 million of positive cash flow

Key figures for the nine months ending July 31, 2009 include:

- Sales of \$102.2 million, an 18% increase over the same period last year.
- Gross margins increased to 29% compared with 27% in the same period last year.
- 995,314 total orders shipped, a 12% increase over the same period last year.
- \$5.2 million of adjusted EBITDA, a 169% increase over the same period last year.
- \$0.04 per share of net earnings on a diluted basis, a \$0.06 per share improvement over the same period last year.

Sales for the quarter were a record \$37.5 million, an increase of \$4.8 million or 15% from the same period in 2008. Gross profit was \$10.7 million or 28% of sales, compared to \$8.9 million or 27% in the same period in 2008. Adjusted EBITDA during the quarter was \$2.0 million, which represented a 54% increase over the same period last year, and net earnings for the quarter was \$0.6 million or \$0.01 per share. The Company ended the quarter with \$14.0 million of cash.

“Coastal continued to deliver strong performance in the third fiscal quarter amidst a challenging retail environment. Excluding the impact of foreign exchange rate fluctuations, Coastal’s business grew by approximately 20% in the quarter,” said Roger Hardy, Coastal’s President and CEO. “The financial results reflect the way in which Coastal Contacts’ brands and compelling value proposition are resonating with consumers.”

Coastal experienced positive growth in the eyeglasses business. Sales in the month of July exceeded \$1 million for the first time in the Company’s history. We believe our success to date is part of a larger trend

in the eyeglasses business, where savvy consumers are moving away from traditional channels, seeking value, quality and timely delivery. We are encouraged by these early results and look forward to updating shareholders on the progress in eyeglasses as the upcoming year unfolds.

In our mature markets we have been able to maintain or grow our customer base and leading market positions. Much of Coastal's revenue growth during the third quarter of 2009 came from outside of Coastal's mature markets, where the Company experienced sales increases in excess of 30% in key growth markets. We are becoming the dominant online retailer in more targeted geographies around the world.

As well, Coastal diligently managed Sales, General and Administrative (SG&A) expenses and demonstrated a decline in SG&A expenses in real terms and as a percentage of sales during Q3, 2009 while generating a \$4.8 million increase in sales revenue. We continued to invest in advertising during the quarter to grow our business in new markets and create awareness for our eyeglasses business."

Other events that occurred during the third quarter of 2009:

- Announced that during the month of July 2009 the Company had sold more than \$1 million in eyeglasses.
- Announced that Coastal's proprietary "Virtual Mirror" grew at an incredible rate with more than 150,000 users now having uploaded their digital image in order to "virtually" try on eyeglasses.
- Coastal announced the acquisition of the assets of EyePassion Ltd., a private company selling contact lenses directly to consumers.
- Coastal management presented at two leading investor conferences, the 8th Annual JMP Securities Research Conference and the 29th Annual Piper Jaffray Consumer Conference.
- Coastal accepted an invitation to present at the Rodman and Renshaw Annual Global Investment Conference in New York on September 11, 2009.

The following selected financial information is qualified in its entirety by, and should be read in conjunction with, our unaudited consolidated financial statements as at and for the three and nine month period ended July 31, 2009 and accompanying notes and Management's Discussion and Analysis of Financial Condition and Results of Operations filed on SEDAR.

Coastal Contacts' risks and uncertainties are discussed in detail in the Company's 2008 Annual Information Form (the "AIF") dated January 29, 2009. The AIF is available on SEDAR.

Adjusted EBITDA, orders, reorders and reorder rate are non-GAAP financial measures. Refer to "Supplemental Non-GAAP Measures" herein for definitions and a reconciliation of adjusted EBITDA to net earnings.

COASTAL CONTACTS INC.
CONSOLIDATED BALANCE SHEETS

(\$000's)

	July 31, 2009	October 31, 2008
	(Unaudited)	
ASSETS		
Current		
Cash and cash equivalents	14,000	15,206
Accounts receivable	7,503	7,336
Inventory	12,610	9,495
Prepaid expenses	1,354	1,693
Future income tax	108	157
Due from related parties	374	361
	35,949	34,248
Property, equipment and leasehold improvements	2,939	3,038
Intangible assets	9,577	11,061
Goodwill	7,598	7,908
	56,063	56,255
LIABILITIES		
Current		
Accounts payable and accrued liabilities	18,220	18,787
Income tax payable	455	-
Deferred revenue	25	27
Lease inducement	60	67
	18,760	18,881
Long-term lease inducement	26	79
Future income tax	3,450	3,825
	22,236	22,785
SHAREHOLDERS' EQUITY		
Share capital		
Authorized:		
Unlimited common shares without par value		
Unlimited Class A preferred shares without par value		
Issued and outstanding:		
56,901,719 common shares [2008 – 58,318,643]	40,248	41,250
Contributed surplus	2,085	1,600
Accumulated other comprehensive loss	(3,961)	(2,904)
Deficit	(4,545)	(6,476)
	33,827	33,470
	56,063	56,255

COASTAL CONTACTS INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND
COMPREHENSIVE EARNINGS (LOSS)

(Unaudited) (\$000's, except share and per share amounts)

	Three months ended		Nine months ended	
	July 31		July 31	
	2009	2008	2009	2008
Sales	37,511	32,725	102,154	86,731
Cost of sales	26,834	23,775	72,424	63,289
Gross profit	10,677	8,950	29,730	23,442
Advertising	5,042	3,987	13,420	10,667
Selling, general and administration expenses	3,668	3,687	11,133	10,852
Share-based compensation	189	160	485	495
Amortization on property, equipment and leasehold improvements	264	231	719	697
Amortization on intangible assets	352	432	1,115	1,234
Foreign exchange (gains) losses	252	(64)	11	(259)
Interest income, net	(12)	(91)	(68)	(477)
Restructuring charges	-	-	-	844
Earnings (loss) before income taxes	922	608	2,915	(611)
Income tax expense	319	397	816	573
Net earnings (loss)	603	211	2,099	(1,184)
Other comprehensive earnings (loss)				
Unrealized foreign exchange gains (losses) on translation of financial statements of self-sustaining foreign operations	(46)	(491)	(1,057)	2,257
Comprehensive earnings (loss)	557	(280)	1,042	1,073
Basic earnings (loss) per share	0.01	0.00	0.04	(0.02)
Diluted earnings (loss) per share	0.01	0.00	0.04	(0.02)
Weighted average number of common shares outstanding				
Basic	57,057,145	63,430,443	57,781,343	68,217,592
Diluted	57,374,702	63,534,580	57,909,739	68,217,592

Supplemental Non-GAAP Measures

We report our results in accordance with Canadian GAAP, however in this release, we present non-GAAP measures such as adjusted EBITDA, the number of orders shipped, reorders and the reorder rate, which is defined as the percentage of orders in the quarter shipped to customers that we estimate have ordered from us in the past, as we believe that our investors may use these figures to make more informed investment decisions about us.

Adjusted EBITDA does not have any standardized meaning prescribed by Canadian GAAP and is therefore unlikely to be comparable to similar measures presented by other companies.

Adjusted EBITDA is a measure we believe is useful in assessing performance and highlighting trends on an overall basis. Adjusted EBITDA differs from the most comparable GAAP measure, net income, primarily because it does not include interest income, income taxes, amortization, unrealized foreign currency exchange gains and losses, share-based compensation expense and restructuring charges.

The following table provides a reconciliation of net earnings to adjusted EBITDA:

(\$000's)	For the three months ended July 31,		For the nine months ended July 31,	
	2009	2008	2009	2008
Net earnings	603	211	2,099	(1,184)
Depreciation and amortization	616	663	1,834	1,931
Interest income, net	(12)	(91)	(68)	(477)
Income tax expense	319	397	816	573
Share-based compensation	189	160	485	495
Unrealized foreign exchange (gain) loss	252	(64)	11	(259)
Restructuring cost	-	-	-	844
Adjusted EBITDA	1,967	1,276	5,177	1,923

Beginning in the third fiscal quarter of 2009, the Company will exclude unrealized foreign exchange gains and losses from adjusted EBITDA in order to better reflect the operating performance of the business and measure the business more consistently with how management monitors the business. Prior period adjusted EBITDA amounts have been revised to conform with the current period adjusted EBITDA presentation and have been summarized below.

(\$000's)	Q1 08	Q2 08	Q3 08	Q4 08	Q1 09	Q2 09	FY 2007	FY 2008
Adjusted EBITDA - Historical Method	(76)	917	1,340	1,313	2,025	1,426	4,230	3,495
Unrealized FX (Gain) or Loss	(245)	50	(64)	361	(202)	(39)	(37)	102
Adjusted EBITDA - Current Method	(321)	967	1,276	1,674	1,823	1,387	4,193	3,597

About Coastal Contacts Inc.:

Coastal Contacts Inc. (www.coastalcontacts.com) is the world's leading direct-to-consumer vision products company which designs, produces and distributes a diversified offering of contact lenses and eyeglasses. The Company's unique combination of branded and private label products represent quality, value and above all, service. Coastal sells into more than 150 countries through proprietary web properties which reflect the culture and consumer preference of the target market. As new markets for eyeglasses and contact lenses evolve, the Company is positioned to become the vision product consumer's retailer of choice owing to its unbeatable value proposition combining value and service. A leader in many of its markets, Coastal is rapidly advancing toward its goal of becoming the "World's Optical Store".

For further information:

Terry Vanderkruyk
Vice President, Corporate Development
Coastal Contacts Inc.
604.676.4498
terryv@coastalcontacts.com

Forward Looking Statements

All statements made in this news release, other than statements of historical fact, are forward-looking statements. The words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect", "goal", "target", "should", "likely", "potential", "continue", "project", "forecast", "prospects," and similar expressions typically are used to identify forward-looking statements. Examples of such forward looking statements within this document include statements relating to: our perception of the contact lens and eyeglasses industry or market and anticipated trends in those markets in any of the countries in which we do business; our anticipated business operations and implementation of strategies; customer perceptions of and responses to our business and strategy; the effect of the current economic climate on our business and consumer behaviour; the results of further investments in our retail brands; opportunities presented by our customer database; the extent to which our business will benefit from consumers seeking lower cost alternatives; the restructuring initiatives we completed in fiscal 2008; and our ability to address challenges and opportunities resulting from current economic conditions.

Forward-looking statements are based on the then-current expectations, beliefs, assumptions, estimates and forecasts about our business and the industry and markets in which we operate. Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions which are difficult to predict. Assumptions underlying our expectations regarding forward-looking statements or information contained in this news release include, among others: the stability of foreign currency exchange rates; that our planned advertising campaigns and investments will be adequate; that our reorder rate will be consistent with prior periods; that we are positioning ourselves appropriately to take advantage of trends; that our customer database presents an opportunity for expanding our business; that we will be successful in implementing our strategy; that we will be able to generate and maintain sufficient cash flows to support our operations; that we will be successful in responding to challenges resulting from current economic conditions; and that current economic conditions will result in consumers seeking lower cost alternatives in our industry from which we will benefit. The foregoing list of assumptions is not exhaustive.

Persons reading this news release are cautioned that forward-looking statements or information are only predictions, and that our actual future results or performance may be materially different due to a number

of factors. These factors include, but are not limited to: changes in the market; downturns in economic conditions; consumer credit risk; our ability to implement our business strategies; competition; limited suppliers; inventory risk; disruption in our distribution facilities; mergers and acquisitions; foreign currency exchange rate fluctuations; regulatory requirements; demand for contact lenses and related vision care products; competition; and dependence on the internet and other risks detailed in our filings with the Canadian securities regulatory authorities. Reference should be made to the section entitled “Risk Factors” contained in our most recently filed Annual Information Form dated January 29, 2009, for a detailed description of the risks and uncertainties relating to our business. These risks, as well as others, could cause actual results and events to vary significantly. Accordingly, readers should not place undue reliance on forward-looking statements and information, which are qualified in their entirety by this cautionary statement. These forward-looking statements are made as of the date of this news release and we expressly disclaim any intent or obligation to update these forward-looking statements, unless we specifically state otherwise and except as required by applicable law.