

Coronado Industries, Inc.

Seeing the Future Clearly

October 3, 2000

McIntire Investment Institute

Tim Schenk

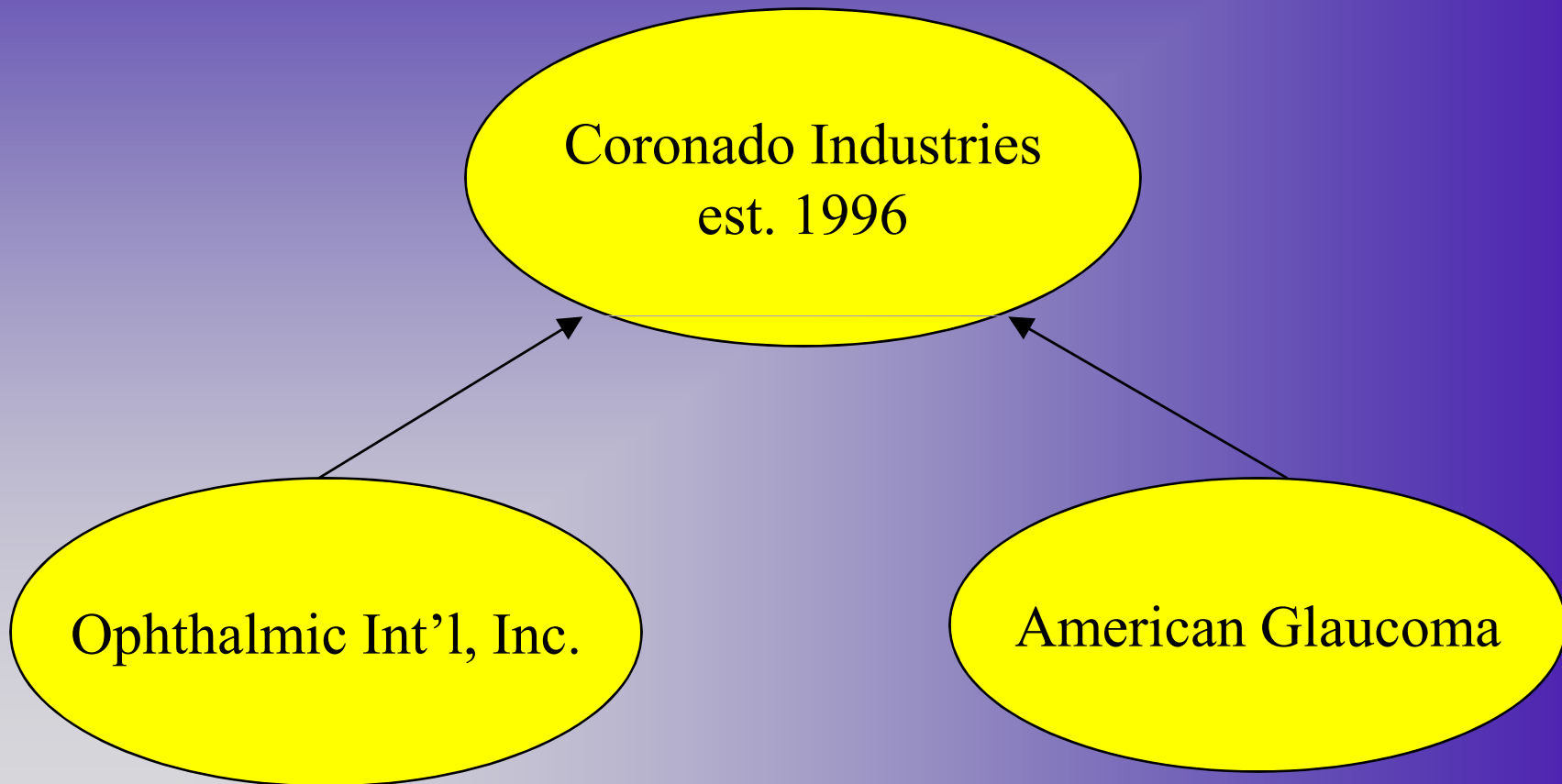
Today's Presentation

- Background of the firm
- Glaucoma: the disease and treatments
- The Coronado treatment
- Why Coronado?
 - FDA approval
 - Distribution
 - Future prospects

Background of the firm

- Owner of patented vacuum fixation device to treat open angle and pigmentary glaucoma
- An emerging company, Coronado currently has no revenues

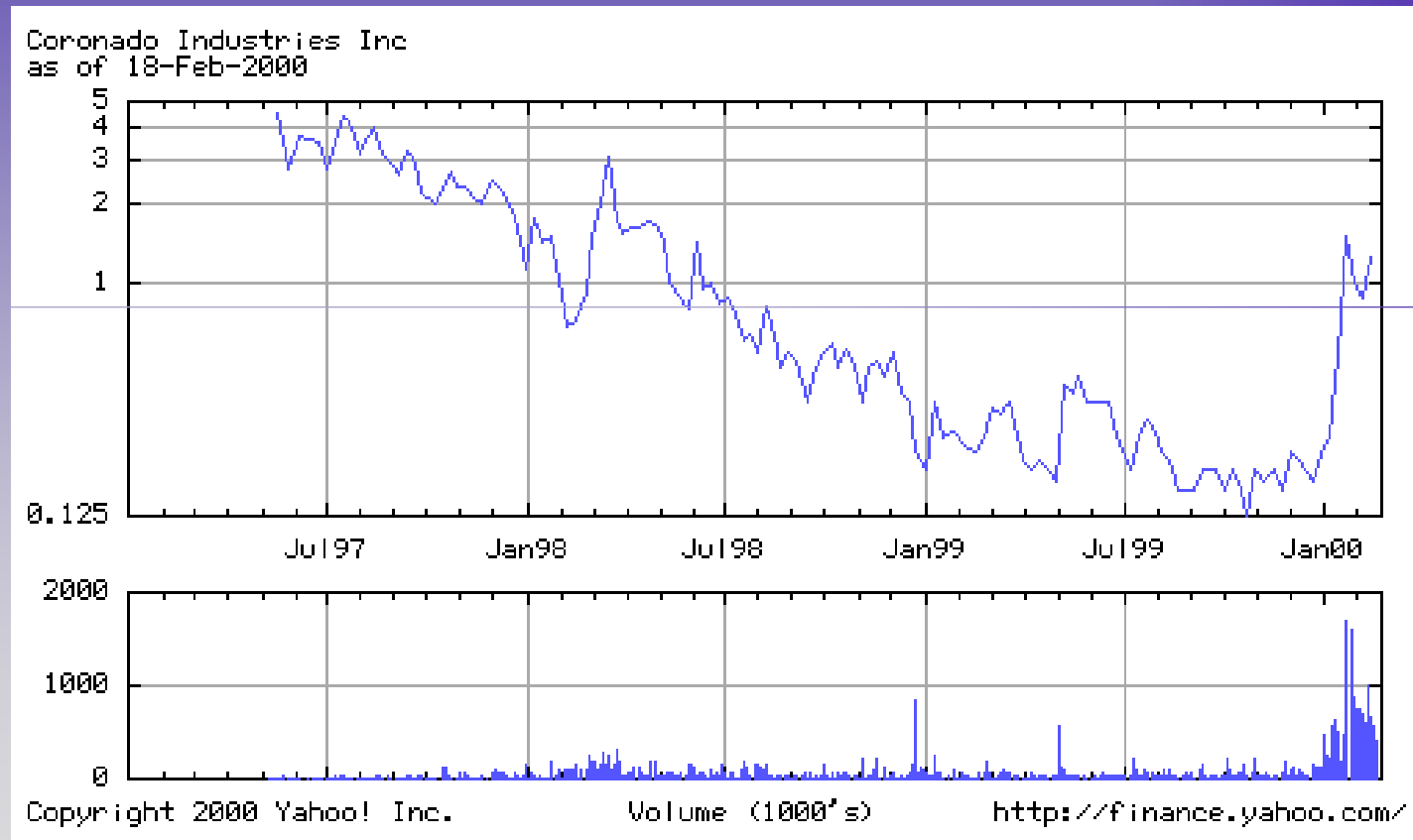
Background of the firm



Background of the firm

- Traded on NASDAQ → OTC
 - trading near \$1.25, off March high of \$4.06
- Market cap approx. \$50,000,000- small firm
 - Compare to MSFT \$323 billion
- Operated treatment center in Scottsdale, AZ
 - Had revenues for short time, to get medical backing
- Large support group in Boca Raton, FL
- Clinical trials have been excellent
 - Phase III of FDA approval (more on this later)

Background of the firm



Background of the firm



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Background of the firm

- Executive leadership
 - Richard Smith, 51, CEO
 - President of eye care medical parts co. for 9 years
 - Gary Smith, 55, President
 - Detroit Institute of Tech, also worked w/ SCMD
 - Bob Smith, VP Operations
 - Two doctors serve as consultants

Glaucoma

- Optic nerve cells transform light entering eye into electrical impulses
 - Lose too many of these, vision is impaired
- Optic nerve damage occurs due to buildup of intraocular pressure (IOP) inside the eye
 - Aqueous humor fluid builds up
- 7.5 million Americans suffer

Glaucoma

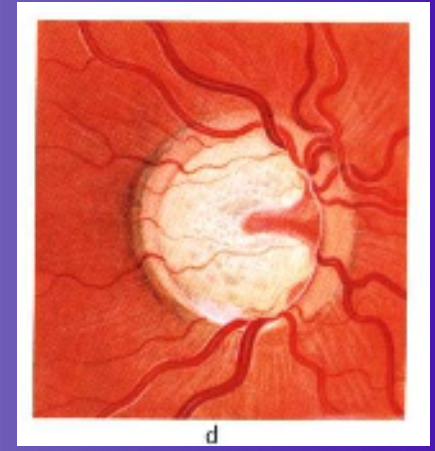
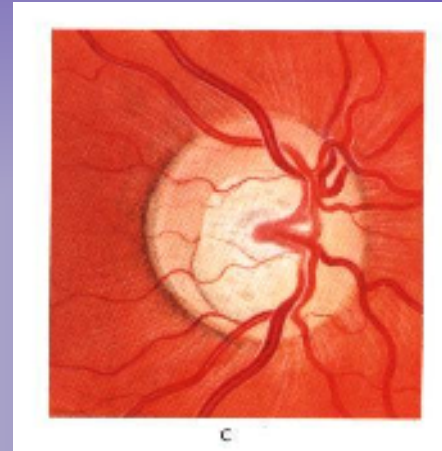
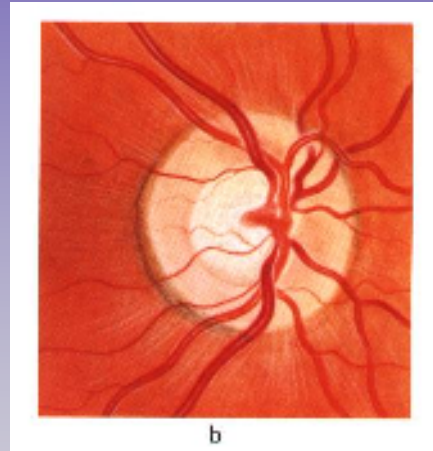
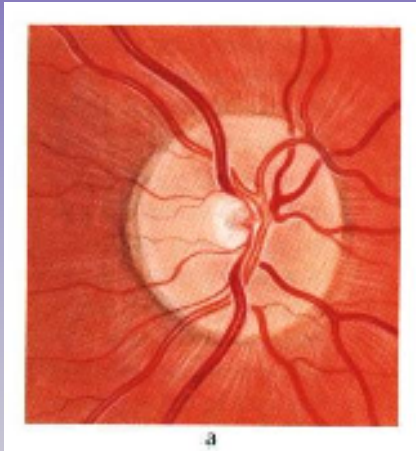
Risk Factors for Glaucoma

- High intraocular pressure
- African-American
- Elderly
- Family history of glaucoma
- Nearsightedness
- Medical diseases:
 - ✓ Diabetes
 - ✓ High blood pressure
 - ✓ Migraine headaches

How often should an individual be examined to detect glaucoma?

- **Between age 40 and 60**
At least once every two years
- **Older than age 60**
Once a year
- **Other risk factors (e.g., diabetes, high blood pressure, family history)**
Once each year after age 40
- **African-American (Between age 30 and 40)**
Once every two years

Glaucoma



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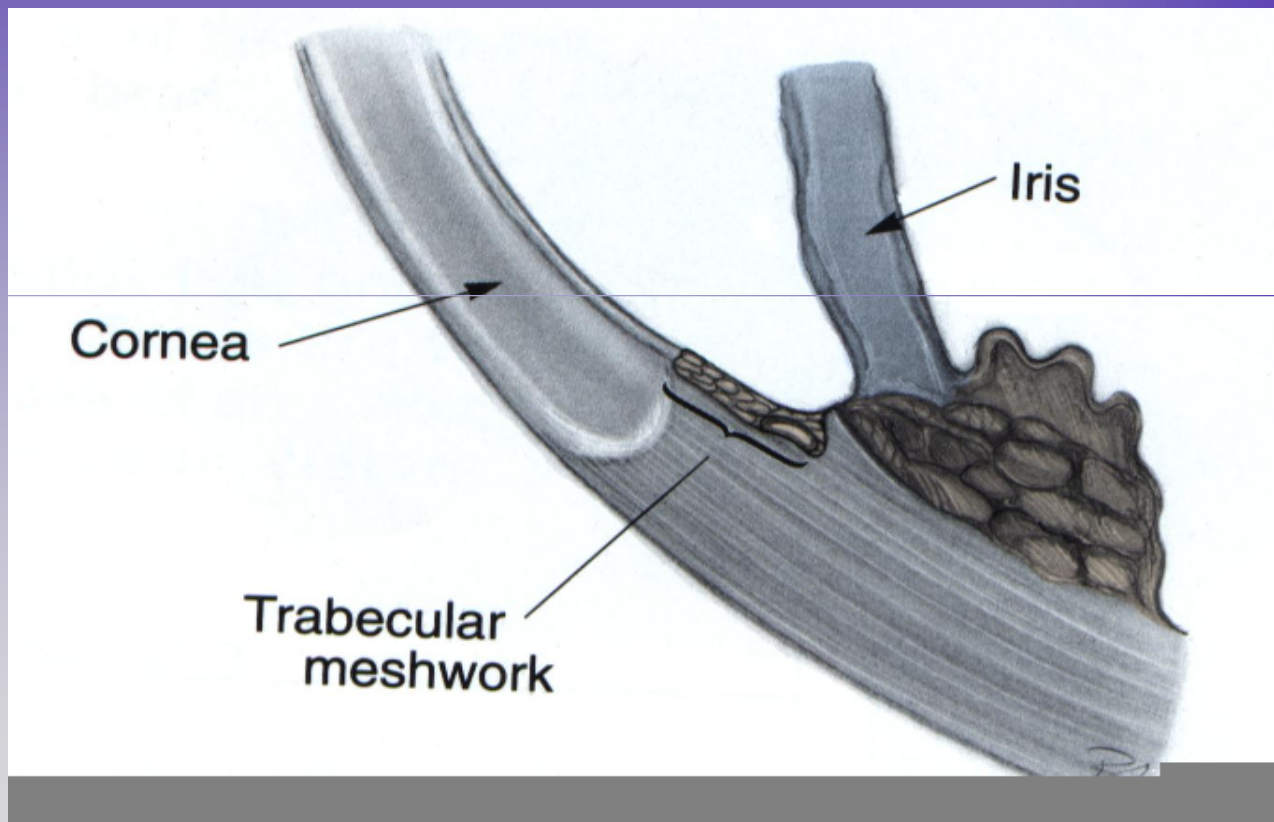
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Glaucoma

- Aqueous humor needs to drain from eye to maintain an IOP of around 15 mm Hg
 - Glaucoma patients have 19 or above on avg.
- IOP increases when drain is ineffective or sealed off
 - A high IOP doesn't necessarily mean glaucoma

Glaucoma

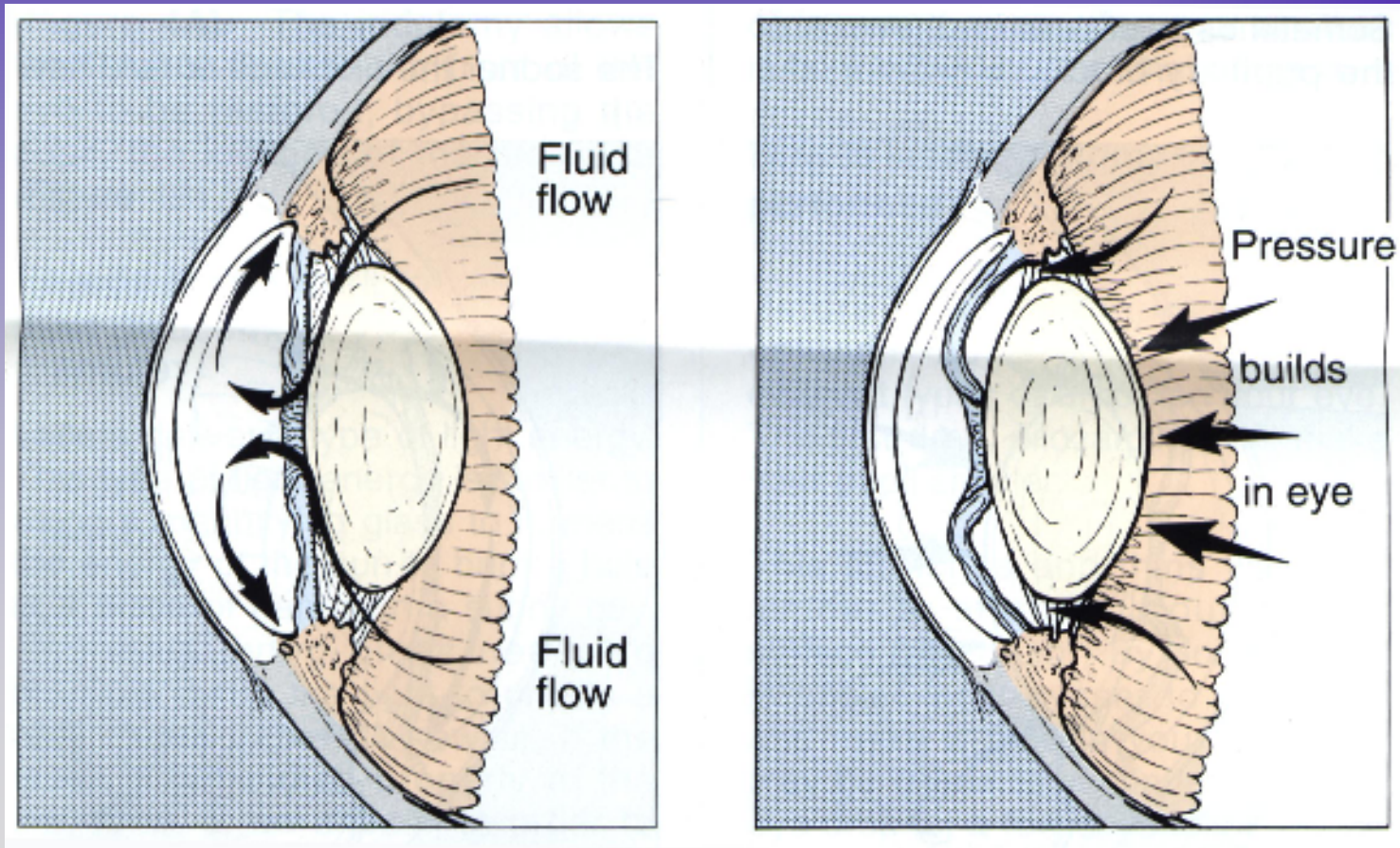


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Glaucoma



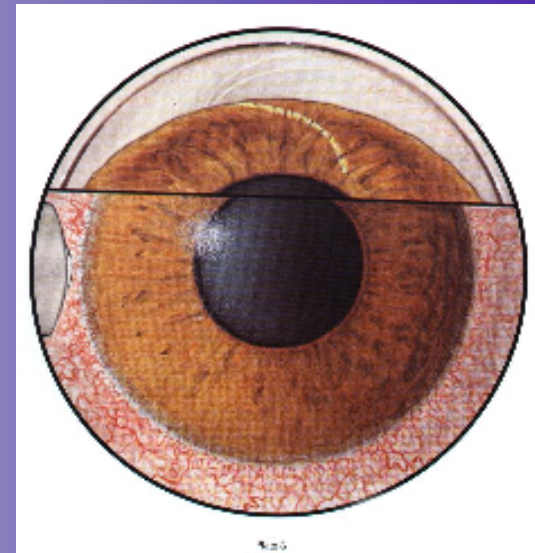
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Glaucoma

- Symptoms include reduced field of vision, difficulty with night vision, headaches while reading, poor color perception, etc.



Glaucoma

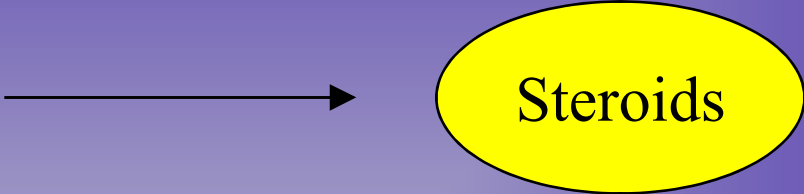


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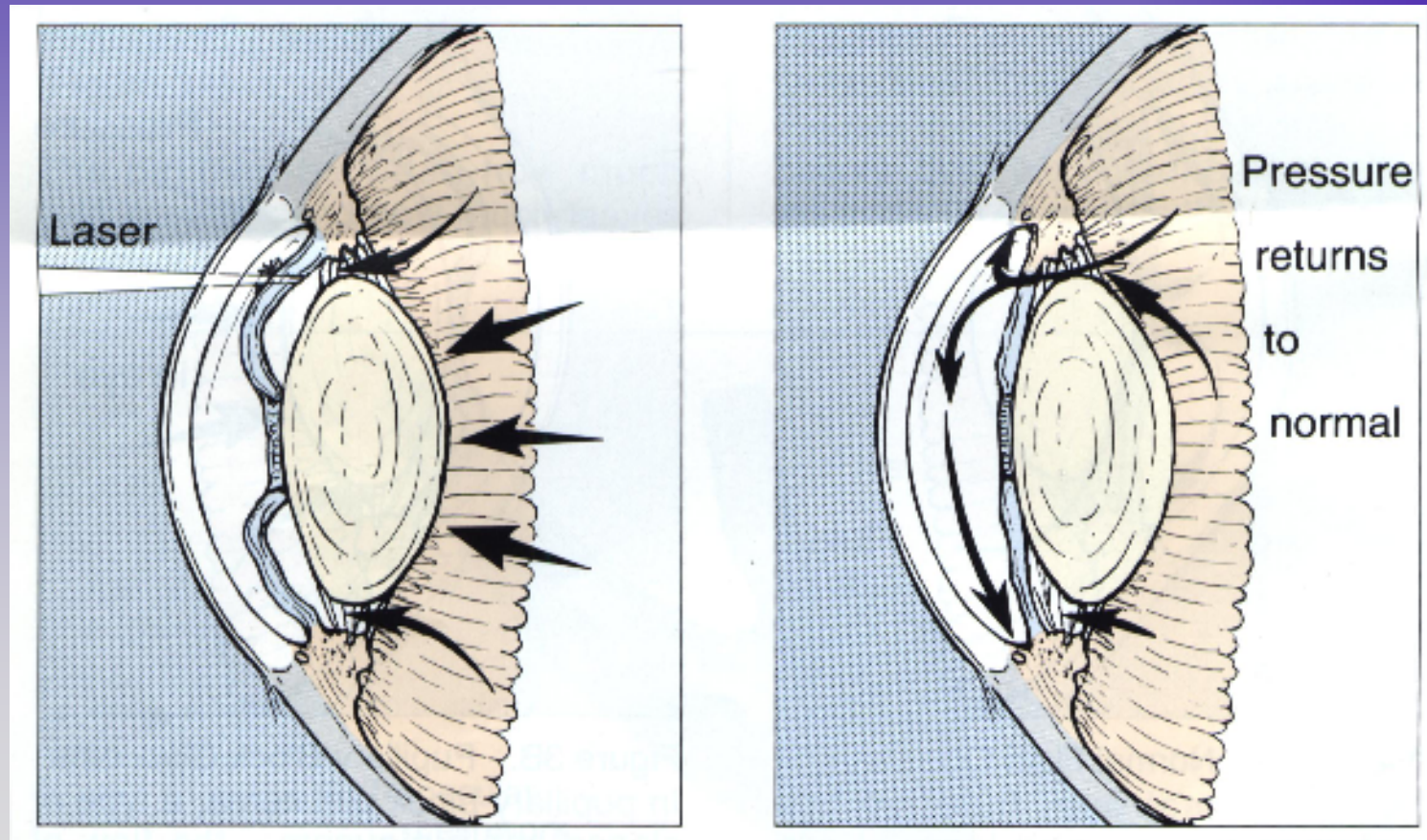
Glaucoma: treatment

- Eye drops
 - Pills
 - Trabeculectomy
 - Surgeon creates new valve, leaves skin flap
 - Pressure may drop completely
 - Body tries to heal like a cut, may recur
 - May need medication even after surgery
- 

Glaucoma: treatment

- Laser therapy
 - NOT a cure, makes small burns in ‘drain’
 - May still need medication; good for age 60+
- Aqueous shunt
- Neuroprotection
 - Note that cortisone, BP medicine, and pupil dilating drugs may hurt glaucoma sufferers

Glaucoma: treatment



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Glaucoma: treatment

- The main problem: glaucoma medications and treatments can cause multiple side effects including heart failure, kidney disease, depression, vomiting, anorexia, and others.



The Coronado Treatment

- PNT: Pneumatic Trabeculoplasty
 - Non-invasive, all on surface
- Vacuum fixation device with suction ring that actually touches outside of eye
- Whole procedure takes 2-3 minutes
- Clinical trials in '92, '96, '97, and '00
 - 150 million sufferers worldwide

The Coronado Treatment

- Treatment lasts 3-4 months
 - Glaucoma patients should see ophthalmologist 4 times annually, at least
- Topical anesthesia on eye
 - NO side effects, can be repeated as needed
- In clinical trials, 94% successful
 - 50% needed NO medication after treatment
 - 44% cut their medication in half
 - NO side effects in ANY trials

Why Coronado?

FDA approval

- Top lawyer that helps get drugs through FDA
- Currently in Phase III
 - Plan to market in US sometime next year
 - Already have CE market to sell internationally
- FDA is happy according to CEO
 - They want final tests done on one eye only
- Sticky situation
 - Big pharma players sell high-profit glaucoma medications → FDA may/may not be swayed?

Why Coronado?

Distribution

- Finalizing negotiations with major pharmaceutical firm
 - Pfizer? (Visine) ‘Leader in eye care’ will have exclusive worldwide distribution, help push PNT through FDA Phase III
- Will name distributor in a few weeks
- Board of pharma company voted to back Coronado 100%
- Worldwide marketing and production will get underway after FDA approval

Why Coronado?

Business plan

- Sustainable competitive advantage
- Vacuum will sell for \$5,000-\$10,000 and suction ring for \$10-15
- Suction ring costs \$.03-\$.05 to produce!!
- Procedure will cost \$350 to patient, but Medicare WILL cover \$100/month (but NOT other glaucoma medications)
- Everyone in value chain happy- patient, doc, distributor, Coronado

Why Now?

Business plan

- Announcing worldwide distributor in a few weeks, but have signed confidentiality agreement until then.
- Stock price deflated after closing AZ center
- Unbelievable competitive advantage
- After FDA approval, sky is the limit
 - Optimistic analyst forecasts \$30/share

Conclusion

- 150 million glaucoma sufferers worldwide
- Other treatments are costly with dangerous and unwanted side effects
- Coronado has a superior treatment, proven effective
- Phase III of FDA approval nearing an end
- Pharma distributor/firm will boost price

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