Recent Developments:

Subsequently, he was promoted to National Sales Director. Prior to joining CSA, Crais spent seven years as Strategic Sales Representative for Princeton, NJ—overseeing CSA’s sales team. Crais joined CSA in 1999 as a Regional Sales Manager based in Chicago where he was responsible for sales in the Midwest. Crais will be responsible for directing both domestic and international sales activities, formulating sales strategies, coordinating sales programs and sales expertise and service.

Crais will be responsible for directing both domestic and international sales activities, formulating sales strategies, coordinating sales programs and international markets. This hybrid sales structure provides immediate and widespread access to all markets while maintaining a high level of demand for its instruments to grow and will continue to leverage these efforts by partnering with additional distribution partners active in the U.S. and international markets. With an expanded distribution network in place and a refined internal sales force actively placing the Careside system, the Company expects the coming year will add market opportunities.

Waiting for test results has always been an accepted part of the healthcare process. Administration, labeling, shipping and follow-up calls are all part of a process whereby most doctors send out samples for testing at centralized laboratories for even the most common diagnostics. Careside has developed a product in the CARESIDE Analyzer, which enables the physician to eliminate the administration and most importantly, the delay associated with this centralized system. Test results are made available within minutes and diagnoses and/or prescriptions can be made at the time of the patient’s initial visit. This point-of-care capability provides a convenience to the patient, and both an economic and efficiency proposition for the physician.

More than 50 million tests are sent to labs each year that can be done today using the CARESIDE Analyzer. The patent protects CSA’s approach to automating the fluid metering and delivery process in the CARESIDE Analyzer to deliver accurate results at the point of care.

Recent Developments:

? October 18, 2001 – CSA announced that it received a U.S. patent covering the interaction between its patented cartridge technology and the CARESIDE Analyzer. The patent protects CSA’s approach to automating the fluid metering and delivery process in the CARESIDE Analyzer to deliver accurate results at the point of care.

?? Sept. 27, 2001 – CSA announced that it promoted veteran sales executive David R. Crais, 37, to Vice President of Sales, effective immediately. In this role, Crais will be responsible for directing both domestic and international sales activities, formulating sales strategies, coordinating sales programs and overseeing CSA’s sales team. Crais joined CSA in 1999 as a Regional Sales Manager based in Chicago where he was responsible for sales in the Midwest. Subsequently, he was promoted to National Sales Director. Prior to joining CSA, Crais spent seven years as Strategic Sales Representative for Princeton, NJ.
Recent Developments (Continued).

Warrants:
Symbol: CSA.WS
Expiration: June 16, 2004
Exercise price: $14.00
Redemption: For one Warrant and $9.00, warrant holders can purchase one share of Common Stock.

Financial Highlights:
Fiscal year: December 31
(000’s omitted)

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Sales, net</td>
<td>$741</td>
<td>$61</td>
<td>$---</td>
<td>$---</td>
</tr>
<tr>
<td>Net loss</td>
<td>$(16,703)</td>
<td>$(11,591)</td>
<td>$(8,936)</td>
<td>$(6,331)</td>
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<tr>
<td>Net loss per share</td>
<td>$(1.92)</td>
<td>$(1.88)</td>
<td>$(1.93)</td>
<td>$(2.04)</td>
</tr>
<tr>
<td>Shares used in computing basic &amp; diluted net loss per share</td>
<td>8,800</td>
<td>6,210</td>
<td>4,630</td>
<td>3,099</td>
</tr>
</tbody>
</table>

Corporate Information:
CORPORATE HEADQUARTERS: 6100 Bristol Parkway Culver City, CA 90230 (310) 338-6767 www.careside.com

OFFICERS: W. Vickery Stoughton Chairman, CEO James R. Koch Executive VP, CFO

LEGAL COUNSEL: Pepper Hamilton Philadelphia, PA

AUDITORS: Arthur Anderson, LLP Los Angeles, CA

TRANSFER AGENT & REGISTRANT: American Stock Transfer & Trust Co. New York, NY

The statements in this Corporate Backgrounder that relate to future events or performance, statements about growth, levels of sales and market size and future manufacturing capacity and efficiencies are forward-looking statements that involve risks and uncertainties, including risks associated with uncertainties related to the development of markets for and commercial acceptance of the company’s products and services, the availability of components, competitors’ product introductions and other risks identified in the Company’s SEC filings. Actual results may differ from those described in these forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The information presented in this document is not to be construed as an offer to sell or a solicitation to buy any securities referred to herein. The information contained is considered reliable, but not guaranteed as to accuracy or completeness.