

### Non-GAAP Financial Measures and Reconciliations

As used herein, "GAAP" refers to generally accepted accounting principles in the United States. We use various numerical measures in conference calls, investor meetings and other forums which are or may be considered "Non-GAAP financial measures" under Regulation G. We have provided below for your reference supplemental financial disclosure for these measures, including the most directly comparable GAAP measure and an associated reconciliation.

#### Second Quarter Fiscal 2010 Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

(\$ millions)	<u>Three Months Ended December 31, 2009</u>	
Net Income - GAAP	\$	3.7
Income Tax Expense		1.8
Interest Income		(0.2)
Interest Expense		0.5
Depreciation and Amortization		1.9
EBITDA	\$	<u>7.7</u>

#### Three and Six Months Ended December 31, 2009 Adjusted Earnings Per Share

	<u>Three Months Ended December 31, 2009</u>		<u>Six Months Ended December 31, 2009</u>	
Diluted Earnings Per Share - GAAP	\$	0.32	\$	0.75
Cost Reduction Plan Charges (a)		0.11		0.11
Adjusted Diluted Earnings Per Share	\$	<u>0.43</u>	\$	<u>0.86</u>

#### Third Quarter and Full-Year Fiscal 2010 Earnings Guidance Reconciliation

	<u>Three Months Ending March 31, 2010</u>				<u>Twelve Months Ending June 30, 2010</u>			
	Range				Range			
	Low		High		Low		High	
Diluted Earnings Per Share - GAAP	\$	0.43	\$	0.45	\$	1.70	\$	1.74
Cost Reduction Plan Charges (a)		-		-		0.11		0.11
Adjusted Diluted Earnings Per Share	\$	<u>0.43</u>	\$	<u>0.45</u>	\$	<u>1.81</u>	\$	<u>1.85</u>

(a) Diluted earnings per share for the second quarter of fiscal 2010 included total charges of approximately \$1.9 million incurred in connection with a cost reduction plan primarily associated with reduced endovascular activities and to lower overall inventory levels. This plan included approximately \$1.0 million in severance charges (\$660,000 in after-tax charges), or \$0.06 per share tax-effected, incurred as a result of headcount reduction, and approximately \$0.9 million in unabsorbed overhead expense charges (\$610,000 in after-tax charges), or \$0.05 per share tax-effected, incurred as a result of reduced work schedules during the second quarter of fiscal 2010.

**Note:** To supplement our consolidated financial statements presented in accordance with GAAP, Kensey Nash Corporation uses non-GAAP measures, such as EBITDA and Adjusted Diluted Earnings Per Share. EBITDA represents our GAAP results adjusted to exclude interest, taxes, depreciation and amortization. Adjusted Diluted Earnings Per Share is adjusted from our GAAP results to exclude certain expenses described above. These non-GAAP adjustments are provided to enhance the user's overall understanding of our historical and current financial performance and our prospects for the future. We believe the non-GAAP results provide useful information to both management and investors by excluding certain expenses that we believe are not indicative of our core operating results.

These non-GAAP measure will provide investors and management with an alternative method for assessing Kensey Nash's operating results in a manner consistent with future presentation. Further, these non-GAAP results are one of several primary indicators management uses for planning and forecasting in future periods. The presentation of this additional information should not be considered in isolation or as a substitute for results prepared in accordance with accounting principles generally accepted in the United States.