

## Non-GAAP Financial Measures and Reconciliations

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.

### Kensey Nash Corporation Non-GAAP Financial Measures and Reconciliations Adjusted Income and Earnings Per Share Reconciliation

	(Unaudited) As Reported Three Months Ended September 30, <u>2007</u>	Non-GAAP Adjustments Embolic Protection <u>2007</u>	Non-GAAP Adjustments One-Time Equity Acceleration <u>2007</u>	(Unaudited) As Adjusted Three Months Ended September 30, <u>2007</u>
Revenues:				
Net sales				
Biomaterials	\$ 10,167,299	\$ -	\$ -	\$ 10,167,299
Endovascular	1,364,230	-	-	1,364,230
Total net sales	11,531,529	-	-	11,531,529
Research and development	-	-	-	-
Royalty income	6,070,888	-	-	6,070,888
Total revenues	17,602,417	-	-	17,602,417
Operating costs and expenses:				
Cost of products sold	5,644,149	(154,726)	(253,879)	5,235,544
Research and development	4,932,003	(92,630)	(849,678)	3,989,695
Sales and marketing	3,763,152	(71,474)	(262,148)	3,429,530
General and administrative	3,813,438	(4,898)	(1,627,173)	2,181,367
Total operating costs and expenses	18,152,742	(323,728)	(2,992,878)	14,836,136
(Loss) Income from operations	(550,325)	323,728	2,992,878	2,766,281
Interest and other income, net	226,344	-	-	226,344
Pre-tax (loss) income	(323,981)	323,728	2,992,878	2,992,625
Income tax (benefit) expense	(101,640)	110,068	1,017,579	1,026,006
Net (loss) income	\$ (222,341)	\$ 213,660	\$ 1,975,299	\$ 1,966,619
Basic (loss) earnings per share	\$ (0.02)	\$ 0.02	\$ 0.17	\$ 0.16
Diluted (loss) earnings per share	\$ (0.02)	\$ 0.02	\$ 0.16	\$ 0.16
Weighted average common shares outstanding	11,967,302	11,967,302	11,967,302	11,967,302
Diluted weighted average common shares outstanding	11,967,302	12,625,226	12,625,226	12,625,226

**Note:** To supplement our consolidated financial statements presented in accordance with GAAP, Kensey Nash Corporation uses non-GAAP measures of as adjusted net income and earnings per share, which are adjusted from our GAAP results to exclude certain expenses. 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.

We have adjusted our GAAP results for the discontinuance of our embolic protection platform and for the accelerated vesting of stock awards. As previously announced, the Company has excluded the impact of write-offs of inventory, certain dedicated embolic protection equipment, and other assets related to the Company's decision in June 2007 to discontinue the embolic protection product line. Additional charges related to severance and clinical trial closeout costs were recorded in the first fiscal quarter of 2008, as set forth in the reconciliation. In addition, the Company is excluding the impact of the acceleration of vesting of the stock awards from the first quarter results due to the "Change in Control" as defined in the Company's equity compensation plan on August 30, 2007 when Ramius Capital Group, L.L.C. and its affiliates acquired more than 20 percent of the Company's outstanding common stock.

These non-GAAP measures will provide investors and management with an alternative method for assessing Kensey Nash's operating results in a manner consistent with the presentation prior to the discontinuance of our embolic protection division and the accelerated vesting of stock awards. Further, these non-GAAP results are one of the 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.