

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 Six Months Ended December 31, <u>2007</u>	Non-GAAP Adjustments Embolitic Protection <u>2007</u>	Non-GAAP Adjustments One-Time Equity Acceleration <u>2007</u>	(Unaudited) As Adjusted Six Months Ended December 31, <u>2007</u>
Revenues:				
Net sales				
Biomaterials	\$ 21,652,211	\$ -	\$ -	\$ 21,652,211
Endovascular	3,026,181	-	-	3,026,181
Total net sales	24,678,392	-	-	24,678,392
Royalty income	12,561,950	-	-	12,561,950
Total revenues	37,240,342	-	-	37,240,342
Operating costs and expenses:				
Cost of products sold	11,821,673	(154,726)	(253,879)	11,413,068
Research and development	8,891,594	(92,630)	(849,678)	7,949,286
Sales and marketing	7,506,077	(71,474)	(262,148)	7,172,455
General and administrative	5,999,887	(4,898)	(1,627,173)	4,367,816
Total operating costs and expenses	34,219,231	(323,728)	(2,992,878)	30,902,625
Income from operations	3,021,111	323,728	2,992,878	6,337,717
Interest and other income, net	422,262	-	-	422,262
Pre-tax income	3,443,373	323,728	2,992,878	6,759,979
Income tax expense	1,057,548	110,068	1,017,579	2,185,194
Net income	\$ 2,385,825	\$ 213,660	\$ 1,975,299	\$ 4,574,785
Basic earnings per share	\$ 0.20	\$ 0.02	\$ 0.16	\$ 0.38
Diluted earnings per share	\$ 0.19	\$ 0.02	\$ 0.16	\$ 0.36
Weighted average common shares outstanding	12,037,997	12,037,997	12,037,997	12,037,997
Diluted weighted average common shares outstanding	12,633,529	12,633,529	12,633,529	12,633,529

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 embolitic 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 embolitic protection equipment, and other assets related to the Company's decision in June 2007 to discontinue the embolitic 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 embolitic 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.