

## 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 Earnings Per Share

	Six Months Ended December 31, 2008	Six Months Ended December 31, 2007	Year over Year % Change
Earnings Per Share - GAAP	\$ 0.87	\$ 0.19	
Special Charges (a)	-	0.17	
Adjusted Diluted Earnings Per Share	<u>\$ 0.87</u>	<u>\$ 0.36</u>	<u>142%</u>

(a) Diluted earnings per share for the six months ended December 31, 2007 included approximately \$3.0 million in charges (\$2.0 million in after-tax charges, or \$0.16 per share tax-effected), for the acceleration of stock awards, and approximately \$324,000 in charges (\$215,000 in after-tax charges, or \$0.02 per share tax-effected), related to the discontinuation of the Company's embolic protection platform, both of which were incurred during the first quarter of fiscal 2008.

### Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) and Adjusted EBITDA Reconciliations

	Six Months Ended December 31, 2008	Six Months Ended December 31, 2007	Year over Year % Change
<b>(\$ millions)</b>			
Net Income - GAAP	\$ 10.5	\$ 2.4	
Income Tax Expense	4.8	1.1	
Interest Income	(0.8)	(0.8)	
Interest Expense	1.0	0.4	
Depreciation and Amortization	3.5	3.6	
EBITDA	<u>\$ 19.0</u>	<u>\$ 6.6</u>	188%
Special Charges (b)	-	3.3	
Adjusted EBITDA	<u>\$ 19.0</u>	<u>\$ 9.9</u>	<u>92%</u>

(b) Adjusted EBITDA for the six months ended December 31, 2007 included approximately \$3.0 million in charges for the acceleration of stock awards, and approximately \$324,000 in charges related to the discontinuation of the Company's embolic protection platform, both of which were incurred during the first quarter of fiscal 2008.

**Note:** To supplement our consolidated financial statements presented in accordance with GAAP, Kensey Nash Corporation uses non-GAAP measures of adjusted earnings per share, EBITDA and adjusted EBITDA, which are adjusted from our GAAP results to exclude certain expenses and in the calculation of EBITDA and adjusted EBITDA also interest income. 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 accelerated vesting of stock awards. We excluded the impact of write-offs of inventory, certain dedicated embolic protection equipment, and other assets related to our decision in June 2007 to discontinue the embolic protection product line. Additional charges related to severance and clinical trial closeout costs were recorded during the fiscal year ended 2008, as set forth in the reconciliation. We excluded the impact of the acceleration of vesting of the stock awards from the adjusted fiscal 2008 results due to the "Change in Control" as defined in our 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 future presentation. 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.