

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
(In Millions, except per share data)

	<u>Three Months Ended</u> <u>September 30,</u> <u>2003</u>
Adjusted Income	
Net Income, as reported	\$ 2.5
Exclude:	
Historical R&D Tax Credits	(0.3)
Historical R&D Tax Credit Engagement Fees	0.1
Net Income, as adjusted	<u>\$ 2.3</u>
Diluted Earnings Per Share	
Earnings Per Share, as reported	\$ 0.20
Exclude:	
Historical R&D Tax Credits	(0.02)
Historical R&D Tax Credit Engagement Fees	0.00
Earnings Per Share, as adjusted	<u>\$ 0.18</u>
Diluted weighted average common shares outstanding	12.313

Note: To supplement our consolidated financial statements presented in accordance with GAAP, Kensey Nash Corporation used non-GAAP measures of pro forma net income and earnings per share, which were adjusted from our GAAP results to exclude certain general and administrative expenses and historic research and development tax credits. These non-GAAP adjustments were provided to enhance the user's overall understanding of our historical and current financial performance and our prospects for the future. By disclosing these non-GAAP results, excluding these expenses and tax credits that we believe are not indicative of our core operating results, we believe we provide useful information to both management and investors.

The non-GAAP measures are included to provide investors and management with an alternative method for assessing Kensey Nash's operating results in a manner that is focused on the performance of Kensey Nash's ongoing operations and to provide a more consistent basis for comparison between years. 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.