

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	Non-GAAP Adjustments	(Unaudited) As Adjusted
	Three Months Ended June 30, 2007	Embolio Protection 2007	Three Months Ended June 30, 2007
Revenues:			
Net sales			
Biomaterials	\$ 9,701,925	\$ -	\$ 9,701,925
Endovascular	805,574	356,261	1,161,835
Total net sales	10,507,499	356,261	10,863,760
Research and development	-	-	-
Royalty income	6,471,459	-	6,471,459
Total revenues	16,978,958	356,261	17,335,219
Operating costs and expenses:			
Cost of products sold	8,658,502	(3,391,326)	5,267,176
Research and development	5,844,513	(728,701)	5,115,812
Sales and marketing	3,269,627	(86,777)	3,182,850
General and administrative	2,331,032	(120,034)	2,210,998
Total operating costs and expenses	20,103,674	(4,326,838)	15,776,836
(Loss) Income from operations	(3,124,716)	4,683,099	1,558,383
Interest and other income, net	106,278	-	106,278
Pre-tax (loss) income	(3,018,438)	4,683,099	1,664,661
Income tax (benefit) expense	(1,273,666)	1,592,254	318,588
Net (loss) income	\$ (1,744,772)	\$ 3,090,845	\$ 1,346,073
Basic (loss) earnings per share	\$ (0.15)	\$ 0.26	\$ 0.11 0
Diluted (loss) earnings per share	\$ (0.15)	\$ 0.25	\$ 0.11
Weighted average common shares outstanding	11,913,480	11,913,480	11,913,480
Diluted weighted average common shares outstanding	11,913,480	12,564,872	12,564,872

	(Unaudited) As Reported	Non-GAAP Adjustments	(Unaudited) As Adjusted
	Twelve Months Ended June 30, 2007	Embolio Protection 2007	Twelve Months Ended June 30, 2007
Revenues:			
Net sales			
Biomaterials	\$ 41,116,111	\$ -	\$ 41,116,111
Endovascular	3,786,257	356,261	4,142,518
Total net sales	44,902,368	356,261	45,258,629
Research and development	-	-	-
Royalty income	24,592,076	-	24,592,076
Total revenues	69,494,444	356,261	69,850,705
Operating costs and expenses:			
Cost of products sold	24,621,727	(3,391,326)	21,230,401
Research and development	20,265,046	(728,701)	19,536,345
Sales and marketing	12,524,501	(86,777)	12,437,724
General and administrative	8,299,525	(120,034)	8,179,491
Total operating costs and expenses	65,710,799	(4,326,838)	61,383,961
Income from operations	3,783,645	4,683,099	8,466,744
Interest and other income, net	636,920	-	636,920
Pre-tax income	4,420,565	4,683,099	9,103,664
Income tax expense	787,416	1,592,254	2,379,670
Net income	\$ 3,633,149	\$ 3,090,845	\$ 6,723,994
Basic earnings per share	\$ 0.31	\$ 0.26	\$ 0.57 0
Diluted earnings per share	\$ 0.29	\$ 0.25	\$ 0.53
Weighted average common shares outstanding	11,773,317	11,773,317	11,773,317
Diluted weighted average common shares outstanding	12,580,526	12,580,526	12,580,526

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 embolio protection division. The Company has excluded the impact of write-offs of inventory, certain dedicated embolio protection equipment, and other assets related to the Company's decision in June 2007 to discontinue the embolio protection product line. Additional charges related to severance and clinical trial closeout costs will be recorded in the first fiscal quarter of 2008. We expect to recognize asset impairment and other related charges totaling approximately \$5.3 million before taxes. These charges include cash charges primarily related to severance, clinical trial and other contract termination costs totaling approximately \$0.7 million in aggregate. These charges also include non-cash charges totaling approximately \$4.6 million primarily related to abandonment of inventory and machinery and equipment. Of the approximately \$5.3 million in charges, approximately \$4.7 million (including \$4.6 million of non-cash asset impairment charges and \$0.1 million of cash charges) has been recorded in the fourth quarter ending June 30, 2007, and the remainder is expected to be recognized in the first fiscal quarter of 2008. These charges will be presented within the Company's results from contin

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 as a result of the discontinuance of our embolic protection division. 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.