SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1998

Commission file number 0-26224

INTEGRA LIFESCIENCES CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	51-0317849
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
105 Morgan Lane Plainsboro, New Jersey	08536
(Address of principal executive offices)	(Zip code)

(609) 275-0500
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

[x] - Yes [ ]- No

As of May 11, 1998 the registrant had outstanding 29,905,097 shares of Common Stock, $.01 par value.

INTEGRA LIFESCIENCES CORPORATION

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

INTEGRA LIFESCIENCES CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

(Dollars in thousands)

	March 31, 1998	December 31, 1997
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 5,922	$ 2,083
Short-term investments	17,632	24,189
Accounts receivable, net	3,139	2,780
Inventories	2,390	2,350
Prepaid expenses and other current assets	521	400
Total current assets	29,604	31,802
Property and equipment, net	6,376	6,414
Other assets	115	140
Total assets	$ 36,095	$ 38,356
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable, trade	$ 325	$ 541
Accrued expenses and other current liabilities	3,080	1,854
Total current liabilities	3,405	2,395
Other liabilities	247	206
Total liabilities	3,652	2,601
Stockholders' Equity:		
Preferred stock, $.01 par value (15,000,000 authorized shares; no shares issued or outstanding)	-	-
Common stock, $.01 par value (60,000,000 authorized shares; 29,905,097 and 29,903,082 issued and outstanding at March 31, 1998 and December 31, 1997, respectively)	299	299
Additional paid-in capital	111,736	111,728
Unearned compensation related to stock options	(232)	(266)
Notes receivable - related parties	(35)	(35)
Accumulated other comprehensive income	(77)	(26)
Treasury stock at cost (1,000 shares at March 31, 1998)	(4)	-
Accumulated deficit	(79,244)	(75,945)
Total stockholders' equity	32,443	35,755
Total liabilities and stockholders' equity	$ 36,095	$ 38,356

The accompanying notes are an integral part
of the condensed consolidated financial statements

INTEGRA LIFESCIENCES CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

(In thousands, except per share amounts)

	Three Months Ended March 31,	
	1998	1997
REVENUE		
Product sales	$ 3,163	$ 2,970
Product license fees	1,015	-
Product development	250	-
Research grants	69	154
Royalties	63	64
Total revenue	4,560	3,188
COSTS AND EXPENSES		
Cost of product sales	1,726	1,556
Research and development	2,142	1,417
Selling and marketing	1,560	1,118
General and administrative	2,822	1,415
Total costs and expenses	8,250	5,506
Operating loss	(3,690)	(2,318)
Other income	390	488
Net loss	$ (3,300)	$ (1,830)
Basis and diluted net loss per share	$ (0.10)	$ (0.06)
Weighted average number of common and common equivalent shares outstanding	31,904	28,935

The accompanying notes are an integral part
of the condensed consolidated financial statements

INTEGRA LIFESCIENCES CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

(In thousands)

	Three Months Ended March 31,	
	1998	1997
OPERATING ACTIVITIES:		
Net loss	$ (3,300)	$ (1,830)
Adjustments to reconcile net loss to net cash used in Operating activities:		
Depreciation and amortization	336	486
Gain on sale of assets	(40)	(43)
Amortization of discount and interest on investments	249	22
Amortization of unearned compensation	34	31
Changes in assets and liabilities:		
Accounts receivable	(359)	526
Inventories	(40)	(131)
Prepaid expenses and other current assets	(121)	(74)
Non-current assets	(7)	-
Accounts payable, accrued expenses and other liabilities	1,108	(197)
Net cash used in operating activities	(2,140)	(1,210)
INVESTING ACTIVITIES:		
Proceeds from sale of assets	47	48
Purchases of available-for-sale investments	(8,662)	(9,922)
Proceeds from sale/maturity of investments	14,920	8,000
Purchases of property and equipment	(330)	(147)
Net cash provided by (used in) investing activities	5,975	(2,021)
FINANCING ACTIVITIES:		
Treasury stock purchase	(4)	-
Proceeds from exercised stock options	8	286
Proceeds from sale of common stock	-	-
Net cash provided by financing activities	4	286
Net increase (decrease) in cash and cash equivalents	3,839	(2,945)
Cash and cash equivalents at beginning of period	2,083	11,762
Cash and cash equivalents at end of period	$ 5,922	$ 8,817

The accompanying notes are an integral part
of the condensed consolidated financial statements

INTEGRA LIFESCIENCES CORPORATION AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. General

In the opinion of management, the March 31 unaudited condensed consolidated financial statements contain all adjustments (consisting only of normal recurring accruals) which the Company considers necessary for a fair presentation of the financial position and results of operations of the Company. Operating results for the three month period ended March 31, 1998 are not necessarily indicative of the results to be expected for the entire year. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, including disclosures of contingent assets and liabilities, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. These unaudited condensed consolidated financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 1997 included in the Company's Annual Report on Form 10-K.

2. Loss per share

Since the Company incurred net losses in all periods presented, outstanding options and warrants to purchase an aggregate of 3,812,000 and 2,911,000 shares of common stock at March 31, 1998 and March 31, 1997, respectively, were not included in the diluted per share calculations, as their effect would be antidilutive.

3. Recent accounting pronouncement

The Company adopted Statement of Financial Accounting Standards No. 130 "Reporting Comprehensive Income" ("SFAS 130"). SFAS 130 establishes standards for reporting and display an alternative income measurement and its components (revenue, expenses, gains and losses) in a full set of general purpose financial statements. The total comprehensive income for the three months ended March 31, 1998 is $3,351,000, compared to $1,861,000 for the three-month period ending March 31, 1997. Total comprehensive income includes the net loss and the net unrealized gains and losses on securities.

4. Inventory

Inventories consist of the following:

(In thousands)	March 31, 1997	December 31, 1997
Finished goods	$ 758	$ 773
Work-in-process	1,242	1,251
Raw materials	390	326
	$ 2,390	$ 2,350

5. Current Liabilities

Accrued expenses and other liabilities consist of the following:

(In thousands)	March 31, 1997	December 31, 1997
Legal fees	$ 1,360	$ 471
Contract research	288	252
Vacation	268	214
Other	1,164	917
	$ 3,080	$ 1,854

6. Legal Matters

On or about November 4, 1997, Integra (Artificial Skin) Corporation ("IASC"), a wholly-owned subsidiary of the Company, and the Massachusetts Institute of Technology ("MIT") filed a patent infringement lawsuit against LifeCell Corporation ("LifeCell"). LifeCell filed counterclaims seeking declaratory judgments of non-infringement and patent invalidity and filed a complaint against MIT and IASC in Texas state court claiming tortious interference, business and product disparagement, unfair competition amoung other charges. LifeCell was seeking unspecified actual monetary damages in an amount not less than $12 million together with treble damages, unspecified punitive damages, and other relief. On April 9, 1998, the Company and LifeCell agreed to settle all litigation pending between the parties. Under the terms of the settlement, the Company has agreed not to assert certain patents against LifeCell's current technology or reasonable equivalents thereof and LifeCell has acknowledged the validity of these patents. As part of the settlement agreement, the Company agreed to purchase $500,000 of LifeCell common stock, and LifeCell agreed to a royalty-bearing license for any possible future biomaterials-based matrix products developed by LifeCell that may be covered by the patents.

In January 1994, ABS LifeSciences, Inc., a wholly-owned subsidiary of the Company, entered into a five-year distribution agreement with the distributor of the Company's Chronicure product pursuant to which the distributor is obligated to purchase certain minimum quantities of wound care products. In October 1995, the Company's subsidiary filed a complaint in the United States District Court for the District of New Jersey claiming the distributor breached the distribution agreement by, among other things, not paying the subsidiary for certain products delivered. In November 1995, the distributor filed an affirmative defense and counterclaim alleging, among other things, fraudulent misrepresentation and breach of contract and seeking damages of approximately $1.2 million plus unspecified punitive damages. During 1997, the case was inactive and dismissed by the court based on a tentative settlement with leave to reinstate on the request of either party. Settlement discussions are continuing and the Company has submitted a request to reinstate the case in the event that a settlement is not reached. The Company will continue to defend the counterclaim if the case is reinstated.

On or about July 18, 1996, Telios Pharmaceuticals, Inc. ("Telios"), a wholly owned subsidiary of the Company, filed a patent infringement lawsuit against three parties: Merck KGaA, a German corporation, Scripps Research Institute, a California nonprofit corporation, and David A. Cheresh, Ph.D., a research scientist with Scripps. The lawsuit was filed in the U.S. District Court for the Southern District of California. The complaint charges, among other things, that the defendant Merck KGaA "willfully and deliberately induced, and continues to willfully and deliberately induce, defendants Scripps Research Institute and Dr. David A. Cheresh to infringe United States Letters Patent No. 4,729,255." This patent is one of a group of five patents granted to The Burnham Institute and licensed by Telios that are based on the interaction between a family of cell surface proteins called integrins and the arginine-glycine-aspartic acid (known as "RGD") peptide sequence found in many extracellular matrix proteins. The Company is

pursuing numerous medical applications of the RGD technology in the fields of anti-thrombic agents, cancer, osteoporosis, and a cell adhesive coating designed to improve the performance of implantable devices and their acceptance by the body. The defendants have filed a countersuit asking for an award of defendants' reasonable attorney fees.

In August 1995, Telios received confirmation of its Chapter 11 plan of reorganization in the United States Bankruptcy Court for the Southern District of California. Under the plan, Telios assumed a certain License Agreement and a certain Research Agreement entered into with the University of Utah and the University of Utah Research Foundation ("University") in 1991. On March 27, 1996, Telios filed a motion with the bankruptcy court for a determination as to whether there were any "cure" requirements for the assumed contracts with the University (the "Motion"). In the meantime, on March 22, 1996, the University filed a complaint against Telios in the United States District Court for the District of Utah seeking a declaration that the License Agreement and Research Agreement were terminated or terminable. The District Court case was subsequently dismissed in light of the pending Motion in the bankruptcy court. In November 1997, the bankruptcy court entered an order decreeing that Telios' license to certain of the patents and technology rights under the License Agreement had been reduced to a non-exclusive license. However, the court did not terminate the license. In addition, Telios still retains an exclusive license to certain patents, technology and rights to make, use and sell licensed products thereunder, which have been exclusively sublicensed by Telios to Cambridge Antibody Technology, Limited. A hearing has been set for May 27, 1998 to determine whether Telios has licensing rights to a certain new invention disclosed by the University under the License Agreement and/or the Research Agreement.

The ultimate liability of the cases not settled can not be determined because of the considerable uncertainties that exist. The Company's financial statements do not reflect any significant amounts related to possible unfavorable outcomes of these matters. The Company intends to continue its vigorous defense of these matters. However, it is possible that the Company's results of operations, financial position and cash flows in a particular period could be materially affected by these contingencies.

7. Century Medical, Inc.

On March 12, 1998, the Company entered into a series of agreements with Century Medical, Inc. ("CMI"), a wholly-owned subsidiary of ITOCHU Corporation, under which CMI will distribute the Company's neuro-surgery products in Japan. Under the agreements, CMI paid an up-front non-refundable licensing fee of $1.0 million on March 31,1998 and agreed to purchase 500,000 shares of newly issued preferred stock of the Company for $4.0 million in the second quarter of 1998. CMI will also underwrite all costs of the Japanese clinical trials and regulatory approval processes. On April 30, 1998, CMI closed on its initial purchase of 250,000 shares of preferred stock for $2 million.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion contains trend information and other forward-looking statements related to the future use and revenues of INTEGRA(TM) Artificial Skin and anticipated expenditure levels and are made pursuant to the safe harbor provisions of the Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties which may cause results to differ materially from those set forth in these statements. In addition, the economic, competitive, governmental, technological and other factors identified in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission could affect such results.

General

The Company develops, manufactures and markets medical devices, implants and biomaterials primarily used in the treatment of burns and skin defects, spinal and cranial disorders, orthopedics and other surgical applications. The Company seeks to be the world's leading company specializing in implantable medical and biopharmaceutical therapies to target and control cell behavior, and to build shareholder value by acquiring, discovering and discovering cost-effective, off-the-shelf products that satisfy unmet medical needs.

Results of Operations

Three Months Ended March 31, 1998 Compared to Three Months Ended March 31, 1997

Total revenues increased to approximately $4.6 million for the three months ended March 31, 1998 from $3.2 million for the three months ended March 31,1997 with increases in licensing fees, product development funding and product sales. Product sales increased to $3.2 million for the three months ended March 31, 1998 from $3.0 million for the three months ended March 31, 1997. Sales of INTEGRA(TM) Artificial Skin ("INTEGRA") for the three months ended March 31, 1998 increased slightly to $1.3 from the prior year as international sales increases (representing 36% of INTEGRA sales) were offset by a decline in North American sales. The Company believes that the primary application of INTEGRA in the United States has been for patients with severe life-threatening burns, and it believes that future domestic sales growth will require the expansion of use to additional indications including reconstructive procedures. These additional indications require approval by the FDA before the product can be marketed domestically for the applications. The Company has clinical data on the use of INTEGRA in reconstructive and wound healing procedures and recently received CE Mark approval in the European Community to market the product for these applications. The Company believes that in addition to the severe burn market, the use and sale of INTEGRA will depend on its ability to market the product in the EU and other international markets for reconstructive indications. The Company also plans on submitting a pre-approval market amendment to the FDA seeking the additional indications in the United States.

Product sales of the Company's other medical devices were approximately $1.8 million for the three months ended March 31, 1998 up slightly from $1.7 million for the three months ended March 31, 1997. Product sales increases in the Company's infection control and dental products were partially offset by a decline related to a discontinued product. Sales of the Company's other medical devices can vary significantly on a quarter to quarter basis depending on the timing of shipments to private label customers and contract distributors. Export sales for the three months ended March 31, 1998 increased to $640,000 from $290,000 for the three months ended March 31, 1997 and included an increase of $275,000 in international INTEGRA sales.

Other revenue, which includes grant revenue, license fees, product development revenue and royalties, was approximately $1.4 million for the three months ended March 31, 1998 compared to $220,000 for the three months ended March 31, 1997. Included in other revenue during the first quarter of 1998 was a $1 million non-refundable licensing fee from Century Medical, Inc. related to a distribution agreement for the

Company's neurosurgical products. The Company's product development revenue increased by $250,000 related to the Company's development and marketing agreement with Johnson & Johnson Professional, Inc. The Company continues to seek research grants, licensing arrangements and development funding for several of its technologies, although the timing and amount of such revenue, if any, can not be predicted.

Cost of product sales increased to approximately $1.7 million (55% of product sales) for the three months ended March 31, 1998 from $1.6 million (52% of product sales) for the three months ended March 31, 1997. The increase in cost of product sales as a percentage of product sales was primarily attributable to lower utilization of the Company's INTEGRA manufacturing facility during the quarter. Due to the high fixed costs of the manufacturing facility for INTEGRA, the Company is anticipating higher unit costs until there is a requirement for higher production volume. The Company believes its current capacity to produce INTEGRA and its other medical products is sufficient to support significant growth, and the utilization of this capacity will affect its gross margin on product sales.

Research and development expense increased to approximately $2.1 million for the three-month period ended March 31, 1998 from $1.4 million for the three-month period ended March 31, 1997. Increases included the addition of development personnel and the funding of several contract development programs for the skin and orthopedic business lines as well as other business ventures. The Company expects the level of research and development expenditures in 1998 will continue to exceed 1997 levels as the Company continues to expand its development programs. The amount of resources and the allocation of those resources to fund research and development will vary depending upon a number of factors, including the progress of development of the Company's technologies, the timing and outcome of pre-clinical and clinical results, changing competitive conditions, potential funding opportunities and determinations with respect to the commercial potential of the Company's technologies.

Selling and marketing expense increased to approximately $1.6 million for the three-month period ended March 31, 1998 from $1.1 million for the three-month period ended March 31, 1997. Increases included international sales and marketing expenses associated with the addition of technical personnel and consultants involved in training and promotional activities, and domestic costs associated with the Company's product and cost reimbursement training programs.

General and administrative expense increased to approximately $2.8 million for the three-month period ended March 31, 1998 from $1.4 million for the three-month period ended March 31, 1997, and included a provision of $200,000 related to the closing of the Company's West Chester, Pennsylvania facility. The hiring of additional management personnel during the latter part of 1997 (including the Company's Chief Executive Officer and Chief Operating Officer) and additional legal and other professional costs contributed to the increase in general and administrative expenses during the first quarter of 1998 and are expected to continue to represent an increase over the comparable year prior periods for the next several quarters of 1998. The Company settled its litigation with LifeCell Corporation during April 1998, but expects to continue to incur significant litigation costs associated with the Company's various litigation matters. (See footnote 6 under Item 1).

Liquidity and Capital Resources

At March 31, 1998, the Company had cash, cash equivalents and short-term investments of approximately $23.6 million and no long-term debt. The Company's principal uses of funds during the three-month period ended March 31, 1998 were $2.1 million for operations and $340,000 in purchases of property and equipment. The Company anticipates that it will continue to use its liquid assets to fund operations until sufficient revenues can be generated through product sales and collaborative arrangements. There can be no assurance that the Company will be able to generate sufficient revenues to obtain positive operating cash flows or profitability.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

3	Certificate of Designation, Preferences and Rights of Series A Convertible Preferred Stock of Integra LifeSciences Corporation
10.1	Stock Purchase Agreement dated as of February 26, 1998 by and between Integra LifeSciences Corporation and Century Medical, Inc.
10.2	Registration Rights Agreement dated as of April 30, 1998 by and between Integra LifeSciences Corporation and Century Medical, Inc.
27	Financial Data Schedule

(b) Reports on Form 8-K

The Company filed a report on Form 8-K on February 3, 1998 with respect to (1) an Employment Agreement dated December 27, 1997 between Integra LifeSciences Corporation and Stuart M. Essig, (2) a Stock Option Grant and Agreement made December 27, 1997 by and between Integra LifeSciences Corporation and Stuart M. Essig, (3) a Restricted Units Agreement dated December 27, 1997 by and between Integra LifeSciences Corporation and Stuart M. Essig, (4) amendments to the Company's By-Laws and (5) amendments to the Company's 1996 Incentive Stock Option and Non-Qualified Stock Option Plan.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

INTEGRA LIFESCIENCES CORPORATION

Date: May 14, 1998

/s/ Stuart M. Essig

Stuart M. Essig, Ph.D.
President and Chief Executive Officer

Date: May 14, 1998

/s/ David B. Holtz

David B. Holtz
Vice President, Treasurer

Exhibit 3

CERTIFICATE OF DESIGNATION, PREFERENCES
AND RIGHTS OF SERIES A
CONVERTIBLE PREFERRED STOCK
OF
INTEGRA LIFESCIENCES CORPORATION

Integra LifeSciences Corporation, a corporation organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), DOES HEREBY CERTIFY THAT:

A. Pursuant to authority conferred upon the Board of Directors by the Certificate of Incorporation of the Corporation (the "Certificate of Incorporation"), and pursuant to the provisions of Section 151 of Title 8 of the Delaware Code of 1953, as amended, said Board of Directors, pursuant to a unanimous consent dated February 23, 1998, adopted resolutions providing for the designation, preferences and relative, participating, optional and other special rights, and the qualifications, limitations and restrictions of the Corporation's Series A Convertible Preferred Stock, which resolutions are as follows:

WHEREAS, the Certificate of Incorporation of this Corporation provides for two classes of shares known as Common Stock, par value $.01 per share, and Preferred Stock, par value $.01 per share; and

WHEREAS, the Board of Directors of this Corporation is authorized by the Certificate of Incorporation to provide for the issuance of the shares of Preferred Stock in series, and by filing a certificate pursuant to the applicable law of the State of Delaware, to establish from time to time the number of shares to be included in each such series, and to fix the designation, preferences and rights of the shares of each such series and the qualifications, limitations and restrictions thereof.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors deems it advisable to, and hereby does, designate a Series A Convertible Preferred Stock and fixes and determines the preferences, rights, qualifications, limitations and restrictions relating to the Series A Convertible Preferred Stock as follows:

1. Designation/Ranking. The shares of such series of Preferred Stock shall be designated as "Series A Convertible Preferred Stock" (referred to herein as the "Series A Convertible

Preferred Stock"). The Series A Convertible Preferred Stock shall rank senior to the Corporation's Common Stock and any other equity security junior in preference or priority to the Series A Convertible Preferred Stock, with respect to the payment of distributions on liquidation, dissolution or winding up of the Corporation and with respect to the payment of dividends.

2. Authorized Number. The number of shares constituting the Series A Convertible Preferred Stock shall be 2,000,000 shares.

3. Dividends. The holders of Series A Convertible Preferred Stock shall be entitled to receive, out of funds legally available for such purpose, quarterly cumulative cash dividends at the rate of $.16 per share per annum (which amount shall be subject to equitable adjustment whenever there shall occur a stock split or reverse stock split of shares of the Series A Convertible Preferred Stock), and no more. Dividends shall be payable on March 31, June 30, September 30 and December 31 of each year for the three-month period preceding the payment date. If the date for payment of any dividends is not on a business day, then the dividend shall be payable on the next succeeding business day. No dividends or other distributions may be paid on the Common Stock or any other equity securities of the Corporation unless and until cumulative cash dividends have been paid on the Series A Convertible Preferred Stock for all fiscal quarters preceding the quarter in which the dividend on the Common Stock or other equity securities is proposed to be declared and paid.

Dividends on each share of Series A Convertible Preferred Stock shall be cumulative and shall accrue from the date of issuance of such share of Series A Convertible Preferred Stock, and any arrearages in payment shall not bear interest. The date on which the Corporation initially issues any share of Series A Convertible Preferred Stock shall be deemed to be its "date of issuance," regardless of the number of times of transfer of such shares is made on the stock records maintained by or for the Corporation and regardless of the number of certificates that may be issued to evidence such share.

4. Liquidation. (a) Upon any liquidation, dissolution or winding up of the Corporation, each holder of a share of Series A Convertible Preferred Stock shall be entitled, before any distribution or payment is made upon any Common Stock or any other class or series of stock ranking junior to the Series A Convertible Preferred Stock as to distribution of assets upon liquidation, to receive a distribution in an amount (the "Series A Preferential Amount") equal to $8.00 per share plus any cumulative and unpaid dividends, without interest, on such outstanding Series A Convertible Preferred Stock through the date of the liquidation payment, and the holders of Series A

Convertible Preferred Stock shall not be entitled to any further payment.

(b) If the assets of the Corporation shall be insufficient to permit the payment in full to the holders of the Series A Convertible Preferred Stock of the Series A Preferential Amount, then the entire assets of the Corporation available for such distribution shall be distributed ratably among the holders of the Series A Convertible Preferred Stock according to the amounts they are respectively otherwise entitled to receive, and the holders of the Common Stock shall in no event be entitled to participate in the distribution of said assets in respect of their shares.

(c) Upon any such liquidation, dissolution or winding up of the Corporation, after holders of the Series A Convertible Preferred Stock shall have been paid in full the amounts to which they shall be entitled, the remaining net assets of the Corporation shall be distributed to the holders of Common Stock and any other class or series of stock ranking junior to Series A Convertible Preferred Stock as to the distribution of assets upon liquidation.

(d) Written notice of such liquidation, dissolution or winding up, stating a payment date, the amount of the Series A Preferential Amount and the place where said Series A Preferential Amount shall be payable, shall be given by mail, postage prepaid, not less than thirty (30) days prior to the payment date stated therein, to the holders of record of Series A Convertible Preferred Stock, such notice to be addressed to each such holder at his or its post office address as shown by the records of the Corporation.

(e) Neither the consolidation or merger of the Corporation with or into any other entity or entities, nor the sale, transfer, exchange or other disposition of all or substantially all of the assets of the Corporation, shall be deemed, for the purposes of this Section 4, to be a liquidation, dissolution, or winding up of the Corporation.

5. Optional Conversion. Any or all of the shares of the Series A Convertible Preferred Stock shall be convertible at any time and from time to time, at the option of each holder of record thereof, into fully paid and nonassessable shares of Common Stock of the Corporation upon surrender to the Corporation of the certificate or certificates representing the Series A Convertible Preferred Stock to be converted; and, upon receipt by the Corporation of such surrendered certificate or certificates with any appropriate endorsement thereon as may be prescribed by the Board of Directors, such holder shall be entitled to receive a certificate or certificates representing the shares of Common Stock into which such shares of Series A Convertible Preferred

Stock are convertible. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Series A Convertible Preferred Stock to be converted, and the person or persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock as of such date. The basis for such conversion shall be the "conversion rate" in effect at the time of conversion, which for the purposes hereof shall mean the number of shares of Common Stock issuable for each share of Series A Convertible Preferred Stock surrendered for conversion. Initially, the conversion rate shall be one (1), i.e., one (1) share of Common Stock for each share of Series A Convertible Preferred Stock being converted; and such conversion rate shall be subject to adjustment as provided in Section 6 below. In connection with effecting any transfer to the Corporation for cancellation of any Series A Convertible Preferred Stock upon conversion of the same into Common Stock, if any fractional interest in a share of Common Stock would be deliverable upon such conversion of Series A Convertible Preferred Stock, the Corporation shall pay in lieu of such fractional share an amount equal to the "conversion price" (as defined in the following sentence) of such fractional share (computed to the nearest one thousandth of a share) in effect at the close of business on the date of conversion. As used herein, the term "conversion price" shall be an amount computed by dividing $8.00 by the conversion rate then in effect. Initially, the conversion price shall be $8.00.

The Board of Directors of the Corporation shall at all times reserve a sufficient number of authorized but unissued shares of Common Stock, which shall be issued only in satisfaction of the conversion rights and privileges described in this Section 5. Any shares of Series A Convertible Preferred Stock which have been converted shall be cancelled and not reissued. Upon any conversion by a holder of shares of Series A Convertible Preferred Stock pursuant to this Section 5, such holder shall be entitled to receive any declared and unpaid cumulative dividends through the date of conversion.

In case shares of Series A Convertible Preferred are called for redemption, pursuant to Section 9 hereof, the right to convert such shares shall cease and terminate at the close of business on the date fixed for redemption, unless exercised prior thereto or unless default shall have been made in payment of the Redemption Price.

6. Adjustment of Conversion Price and Conversion Rate. The number and kind of securities issuable upon the conversion of the Series A Convertible Preferred Stock, the conversion price and the conversion rate shall be subject to

adjustment from time to time upon the happening of certain events as follows:

(a) Reorganization, Reclassification. In the event of a reorganization, share exchange, or reclassification, other than a change in par value, or from par value to no par value, or from no par value to par value or a consolidation or merger or a transaction described in subsection (b) below, each share of Series A Convertible Preferred Stock shall, after such reorganization, share exchange, reclassification, consolidation or merger, be convertible into the kind and number of shares of stock or other securities or property of the Corporation to which the holder of Series A Convertible Preferred Stock would have been entitled if the holder had held the Common Stock issuable upon conversion of his Series A Convertible Preferred Stock immediately prior to such reorganization, share exchange, reclassification, consolidation or merger.

(b) Subdivision or Combination of Shares. In case outstanding shares of Common Stock shall be subdivided or combined, the conversion price shall be proportionately reduced, in case of subdivision of such shares, as of the effective date of such subdivision, or as of the date a record is taken of the holders of Common Stock for the purpose of so subdividing, whichever is earlier, or shall be proportionately increased, in case of combination of such shares, as of the effective date of such combination, or as of the date a record is taken of the holders of Common Stock for the purpose of so combining, whichever is earlier.

(c) Stock Dividends. In case shares of Common Stock are issued as a dividend or other distribution on the Common Stock, unless such dividend or distribution is simultaneously made to holders of Series A Convertible Preferred Stock on a pro rata basis with the holders of Common Stock, then the conversion price shall be adjusted, as of the date a record is taken of the holders of Common Stock for the purpose of receiving such dividend or other distribution (or if no such record is taken, as at the date of such payment or other distribution), to that price determined by multiplying the conversion price in effect immediately prior to such payment or other distribution by a fraction (A) the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such dividend or other distribution, and (B) the denominator of which shall be the total number of shares of Common Stock outstanding immediately after such dividend or other distribution.

(d) Adjustment of Conversion Rate. Upon each adjustment of the conversion price under the provisions of this Section 6, the conversion rate shall be adjusted to an amount determined by dividing $8.00 by such adjusted conversion price so

that the product of (w) the adjusted conversion price multiplied by (x) the number of shares of Common Stock then issuable upon conversion shall equal the product of (y) the conversion price immediately prior to the adjustment of the conversion price multiplied by (z) the number of shares of Common Stock issuable upon conversion immediately prior to the event giving rise to such adjustment.

(e) Definition of "Common Stock." As used in this paragraph 6, the term "Common Stock" shall be deemed to mean (i) the Common Stock, par value $.01, and (ii) the stock of the Corporation of any class, or series within a class, whether now or hereafter authorized, which has the right to participate in the distribution of either earnings or assets of the Corporation without limit as to the amount or percentage.

(f) Minimum Adjustment. No reduction of the conversion price shall be made if the amount of any such reduction would be an amount less than $.01, but any such amount shall be carried forward and reduction with respect thereof shall be made at the time of and together with any subsequent reduction which, together with such amount and any other amount or amounts so carried forward, shall aggregate $.01 or more.

(g) Notices of Adjustments. Whenever the conversion rate and conversion price are adjusted as herein provided, the Corporation shall compute the adjusted conversion rate and conversion price in accordance with the foregoing provisions and shall prepare a written instrument setting forth such adjusted conversion rate and conversion price and showing in detail the facts upon which such adjustment is based, and such written instrument shall promptly be delivered to the record holders of the Series A Convertible Preferred Stock.

7. Notices. Except as otherwise expressly provided hereunder, all notices referred to herein shall be in writing and shall be delivered by registered or certified mail, return receipt requested and postage prepaid, or by reputable overnight courier service, charges prepaid, and shall be deemed to have been given when so mailed or sent (i) to the Corporation, at its principal executive offices and (ii) to any stockholder, at such holder's address as it appears in the stock records of the Corporation (unless otherwise indicated by such holder).

8. Voting Rights. Holders of Series A Convertible Preferred Stock shall be entitled to notice of any stockholders' meeting. Except as otherwise required by law, at any annual or special meeting of the Corporation's stockholders, or in connection with any written consent in lieu of any such meeting, each outstanding share of Series A Convertible Preferred Stock shall be entitled to the number of votes equal to the number of full shares of Common Stock into which such share of Series A

Convertible Preferred Stock is then convertible (calculated by rounding any fractional share down to the nearest whole number) on the date for determination of stockholders entitled to vote at the meeting. Initially, each share of Series A Convertible Preferred Stock shall have one vote. Except as otherwise required by law, the Series A Convertible Preferred Stock and the Common Stock shall vote together as a single class on each matter submitted to the stockholders, and not by separate class or series.

9. Optional Redemption. At any time and from time to time after December 31, 2007, the Corporation may, at the option of the Board of Directors of the Corporation, redeem from any source of funds legally available therefor, in whole or in part, in the manner provided herein, any or all whole number of shares of Series A Convertible Preferred Stock at any time outstanding for an amount per share to be redeemed equal to the Series A Preferential Amount as defined in Section 4 (the "Redemption Price").

10. Redemption Procedure. At least thirty (30) days prior to the date fixed for redemption of the Series A Convertible Preferred Stock pursuant to Section 9, written notice ("Redemption Notice") shall be mailed, postage prepaid, to each holder of record of the Series A Convertible Preferred Stock at its address last shown on the records of the Corporation. The Redemption Notice shall state:

(a) whether all or less than all of the outstanding shares of Series A Convertible Preferred Stock are to be redeemed and the total number of shares of Series A Convertible Preferred Stock being redeemed;

(b) the number of Series A Convertible Preferred Stock held by the holder that the Corporation intends to redeem;

(c) the date of the redemption and the Redemption Price; and

(d) that the holder is to surrender to the Corporation, in the manner and at the place designated, his or her certificate or certificates representing shares of Series A Convertible Preferred Stock to be redeemed.

Any failure to mail the notice provided for herein or any defect therein or in the mailing thereof shall not affect the validity of the proceedings for the redemption of any shares so to be redeemed.

On or before the date fixed for any redemption of shares, each holder of shares of Series A Convertible Preferred Stock to be redeemed on such date, unless the holder has

exercised his right to convert the shares as provided in Section 5, shall surrender the certificate or certificates representing such shares of Series A Convertible Preferred Stock to the Corporation, in the manner and at the place designated in the Redemption Notice, and thereupon the Redemption Price for such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof, and each surrendered certificate shall be cancelled and retired. In the event less than all of the shares represented by such certificate are redeemed, a new certificate shall be issued representing the unredeemed shares.

If the Redemption Notice is duly given, and if on or prior to the Redemption Date the Redemption Price is either paid or made available for payment, then notwithstanding that the certificates evidencing any of the shares of Series A Convertible Preferred Stock so called for redemption have not been surrendered, all rights with respect to such shares shall forthwith after the Redemption Date cease and terminate, except only the right of the holders to receive the Redemption Price without interest upon surrender of their certificates therefor.

B. The recitals and resolutions contained herein have not been modified, altered or amended and are presently in full force and effect.

IN WITNESS WHEREOF, the undersigned has executed this Certificate this 14th day of April 1998.

INTEGRA LIFESCIENCES CORPORATION

By:/s/Andre P. Decarie

Name: Andre P. Decarie
Title: Senior Vice President - Business Development

ATTEST:

/s/William M. Goldstein
- ---
William M. Goldstein, Secretary

Exhibit 10.1

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (this "Agreement") is made as of February 26, 1998 by and between Integra LifeSciences Corporation, a Delaware corporation ("Integra"), and Century Medical, Inc., a Japanese corporation (the "Purchaser").

WHEREAS, Integra desires to sell, and the Purchaser desires to purchase, the Preferred Shares (as such term is hereinafter defined) on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual terms and conditions herein contained, the parties hereto, intending to be legally bound, hereby agree as follows:

DEFINITIONS

For all purposes of this Agreement, unless otherwise expressly provided, (a) the terms defined in this Definitions section have the meanings assigned to them herein and include the plural as well as the singular, (b) all accounting terms not otherwise defined herein have the meanings assigned under generally accepted accounting principles in the United States, (c) all references in this Agreement to designated "Sections" and other subdivisions are to the designated Sections and other subdivisions of the body of this Agreement, (d) pronouns of either gender or neuter shall include, as appropriate, the other pronoun forms, and (e) the words "herein", "hereof" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision.

As used in this Agreement, the following definitions shall apply:

"Action" means any action, complaint, petition, investigation, suit or other proceeding, whether civil or criminal, in law or in equity, or before any arbitrator or Governmental Entity.

"Business" means the business of Integra and shall be deemed to include any of the following incidents of such business: income, operations, condition (financial or other), assets, properties and liabilities.

"Code" means the Internal Revenue Code of 1986, as amended.

"Common Stock" means the Common Stock, $0.01 par value, of Integra.

"Contract" means any agreement, arrangement, bond, commitment, franchise, indemnity, indenture, instrument, lease, license or understanding, whether or not in writing.

"Encumbrance" means any claim, charge, easement, encumbrance, lease, covenant, security interest, lien, option, pledge, rights of others, restriction (whether on voting, sale, transfer, disposition or otherwise), whether imposed by agreement, understanding, law, equity or otherwise, except for any restrictions on transfer generally arising under any applicable United States federal or state securities law.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"GAAP" means generally accepted accounting principles in the United States, as in effect from time to time.

"Governmental Entity" means any government or any agency, bureau, board, commission, court, department, official, political subdivision, tribunal or other instrumentality of any government of or within the United States, whether federal, state or local.

"Law" means any constitutional provision, statute or other law, rule, regulation, or interpretation of any Governmental Entity and any Order.

"Loss" means any action, cost, damage, disbursement, expense, liability, loss, deficiency, diminution in value, obligation, penalty or settlement of any kind or nature, whether foreseeable or unforeseeable, including but not limited to, interest or other carrying costs, penalties, legal, accounting and other professional fees and expenses incurred in the investigation, collection, prosecution and defense of claims and amounts paid in settlement, that may be imposed on or otherwise incurred or suffered by the specified Person.

"Order" mans any decree, injunction, judgement, order, ruling, assessment or writ of any Governmental Entity.

"Person" means an association, a corporation, an individual, a partnership, a trust or any other entity or organization including a Governmental Entity.

"SEC" means the Securities and Exchange Commission or any successor entity.

"SEC Reports" has the meaning set forth in Section 2.6.

"Securities Act" means the Securities Act of 1933, as amended.

"Subsidiary" means any Person in which Integra has a direct or indirect equity ownership interest in excess of 50%.

SECTION I. PURCHASE AND SALE OF THE PREFERRED SHARES; CLOSING

1.1 Purchase and Sale of Preferred Shares. Subject to the terms and conditions of this Agreement, the Purchaser shall purchase 500,000 shares of Integra's Series A Convertible Preferred Stock, par value $.01 per share (the "Preferred Shares") for a total purchase price of $4,000,000, in a maximum of two (2) installments as follows:

(a) the Purchaser agrees to purchase at the First Closing (as defined in Section 1.2(a)), and Integra agrees to sell and issue to the Purchaser at the First Closing, at least 250,000 Preferred Shares at the purchase price of $8.00 per share (the "Share Price");

(b) the Purchaser agrees to purchase at the Second Closing (as defined in Section 1.2(b)), and Integra agrees to sell and issue to the Purchaser at the Second Closing, the balance of the Preferred Shares not purchased at the First Closing, at the Share Price; and

(c) the Preferred Shares shall have the rights, preferences, privileges and restrictions set forth in the Certificate of Designation, Preferences and Rights of Series A Convertible Preferred Stock to Integra's Certificate of Incorporation attached hereto as Exhibit A (the "Certificate of Designation"), which shall be filed by Integra with the Secretary of State of the State of Delaware prior to the First Closing. The term "Conversion Shares," as used herein, means the shares of Common Stock of Integra issuable upon conversion of the Preferred Shares.

1.2 Closing. As used herein, a "Closing" shall mean the closing of the issuance and sale of the Preferred Shares to the Purchaser hereunder, and the "Closing Date" shall mean the date on which such Closing takes place.

(a) First Closing. The closing of the issuance and sale of the Preferred Shares to the Purchaser pursuant to Section 1.1(a) (the "First Closing") hereunder shall be held anytime during the period beginning April 1, 1998 and ending on April 30, 1998 ("First Closing Period") at the offices of Integra, 105 Morgan Lane, Plainsboro, New Jersey 08536 at 10:00 a.m., on such date during the First Closing Period as may be mutually agreed upon by Integra and the Purchaser. At the First Closing, Integra shall deliver to the Purchaser a certificate representing the Preferred Shares being purchased against payment of the Purchase Price therefor by check or wire transfer pursuant to wiring instructions given to Purchaser in writing by Integra as soon as practicable following the date hereof.

(b) Second Closing. The closing of the issuance and sale of the Preferred Shares to the Purchaser pursuant to Section 1.1(b) (the "Second Closing") hereunder shall be held anytime during the period beginning on the day after the First Closing Date and ending on June 30, 1998 (the "Second Closing Period") at the offices of

Integra, 105 Morgan Lane, Plainsboro, New Jersey 08536 at 10:00 a.m., on such date during the Second Closing Period as may be mutually agreed upon by Integra and the Purchaser. At the Second Closing, Integra shall deliver to the Purchaser a certificate representing the Preferred Shares being purchased against payment of the Purchase Price therefor by check or wire transfer pursuant to wiring instructions given to Purchaser in writing by Integra as soon as practicable following the date hereof.

1.3 Share Adjustment.

(a) Subject to Section 1.3(b), if (i) Integra sells shares of its Series A Convertible Preferred Stock to any Person other than the Purchaser (a "Subsequent Sale") for aggregate consideration at or above $1,000,000 and at a price per share (the "Subsequent Sale Price") of less than $8.00, and (ii) the price per share of Series A Convertible Preferred Stock is less than 1.6 times the average closing price of Integra's Common Stock for the 10 trading days immediately prior to the Subsequent Sale (equitably adjusted for any subdivision or combination of Integra's Common Stock) (the "Average Closing Price"), then Integra shall issue and deliver to Purchaser, without additional consideration, a number of shares of Integra's Series A Convertible Preferred Stock ("Adjustment Shares") equal to the difference between (x) $4,000,000 divided by the Adjusted Purchase Price (as defined herein), and (y) 500,000. "Adjusted Purchase Price" means the product of $5.00 times the Subsequent Sale Price divided by the Average Closing Price. Any such Adjustment Shares shall be delivered by Integra to the Purchaser on the later of (i) the date of the Second Closing and (ii) five business days after the date of the Subsequent Sale.

(b) Purchaser's right to obtain the price adjustment set forth in Section 1.3(a) shall expire on the earlier of (i) June 30, 1998, (ii) the date on which Integra sells shares of its Series A Convertible Preferred Stock for aggregate consideration at or above $3,000,000 to any Person other than the Purchaser at a price per share at or above $8.00 and (iii) the date immediately following the date of issuance by Integra to Purchaser of any Adjustment Shares pursuant to Section 1.3(a).

SECTION II. REPRESENTATIONS AND WARRANTIES OF INTEGRA

Integra represents and warrants to the Purchaser as follows:

2.1 Corporate Organization. Integra is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Integra and each Subsidiary has all requisite corporate power and authority to own, operate and lease its properties and to carry on its business as it is now being conducted. Integra and each Subsidiary is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification or licensing necessary, except where its

failure so to qualify to be licensed would not have a material adverse effect on Integra or such Subsidiary.

2.2 Capitalization. On the date hereof, the authorized capital stock of Integra consists of 60,000,000 shares of Common Stock, and 15,000,000 shares of Preferred Stock, par value $.01 per share. Upon the filing of the Certificate of Designation with the Secretary of State of Delaware, 2,000,000 shares of Integra's Preferred Stock shall be designated as "Series A Convertible Preferred Stock" and 13,000,000 shares of Integra's Preferred Stock shall be undesignated. As of the date hereof, 29,903,082 shares of Common Stock are issued and outstanding, and no shares of Preferred Stock are issued and outstanding. All of the issued and outstanding shares of Common Stock have been duly authorized and validly issued and are fully paid and non-assessable. Except as stated in the SEC Reports and except for certain commitments to issue Preferred Stock previously disclosed to the Purchaser, there are no existing subscriptions, options, warrants, calls, commitments, agreements, conversion or other rights of any character (contingent or otherwise) to purchase or otherwise acquire from Integra at any time, or upon the happening of any stated event, any shares of the capital stock of Integra.

2.3 Authorization. Integra has all requisite corporate power and authority to enter into this Agreement and the Registration Rights Agreement in the form attached hereto as Exhibit B (the "Registration Rights Agreement") and to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement and the Registration Rights Agreement and the consummation of the transactions contemplated hereby and thereby have been duly authorized by the Board of Directors of Integra, which authorization remains in full force and effect and has not been modified or amended by any subsequent action of such Board of Directors, and no other corporate actions or proceedings on the part of Integra are necessary to authorize this Agreement and the Registration Rights Agreement or the transactions contemplated hereby and thereby. The transactions contemplated hereby will not violate any of the provisions of Integra's Amended and Restated Certificate of Incorporation or By-Laws, as amended. This Agreement and the Registration Rights Agreement will constitute the valid and binding obligations of Integra, each enforceable in accordance with its respective terms, except to the extent that enforceability may be limited by equity, bankruptcy, insolvency and other laws of general application affecting the rights and remedies of creditors and to the extent the indemnification provisions contained in the Registration Rights Agreement may be limited by applicable United States federal or state securities laws.

2.4 No Violation. Except for filings under United States federal and state securities laws, no permit, consent, approval, authorization of or declaration to or filing with any Governmental Entity or other Person, not made or obtained, is required in connection with the execution and delivery of this Agreement or the Registration Rights Agreement or the offering and issuance of the Preferred Shares and Conversion Shares. The execution, delivery and performance of this Agreement and the Registration Rights Agreement will not

violate, result in a breach of or the acceleration of any obligation under, or constitute a default under, any provision of any indenture, mortgage, lien, lease, agreement, contract, instrument, order, judgment, decree, law, ordinance or regulation to which any property of Integra is subject or by which Integra is bound or result in the creation or imposition of any lien, claim, charge, restriction, equity or encumbrance of and kind whatsoever upon, or give to any other Person any interest or right in or with respect to, any of the properties, assets, business, agreements or contracts of Integra.

2.5 Good Title: Valid Issuance of Securities. Upon consummation of the transactions contemplated by this Agreement in accordance with the terms hereof, the Purchaser will acquire good title to the Preferred Shares. The Preferred Shares, when issued, sold and delivered in accordance with the terms hereof for the consideration expressed herein, will be duly and validly issued, fully paid and nonassessable and free of restrictions on transfer other than restrictions on transfer under this Agreement and applicable United States federal and state securities laws. The Conversion Shares have been duly and validly authorized and reserved for issuance (and no further corporate or other action is required for the issuance of the Preferred Shares or Conversion Shares contemplated by this Agreement) and, upon issuance in accordance with the terms of the Certificate of Designation, shall be duly and validly issued, fully paid and nonassessable.

2.6 SEC Reports. The Common Stock is registered under Section 12 of the Exchange Act. Integra has provided to Purchaser a true and complete copy (without exhibits) of all reports filed by Integra with the Securities and Exchange Commission pursuant to Sections 13(a) and 14(a) of the Exchange Act since November 1, 1997 (collectively, the "SEC Reports"). None of the SEC Reports as of their respective dates contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. All of the audited consolidated financial statements and unaudited consolidated interim financial statements of Integra included in the SEC Reports have been prepared in accordance with GAAP applied on a consistent basis for the dates and during the periods involved (except as otherwise stated in such financial statements or, in the case of unaudited interim statements, to the extent they may not include footnotes or may be condensed or summary statements), and fairly present the consolidated financial position, results of operations and cash flows of Integra as of the dates thereof and for the periods indicated therein (subject, in the case of any unaudited interim financial statements, to normal year end audit adjustments). Integra does not have any liability or obligation, secured or unsecured (whether absolute, accrued, contingent or otherwise, and whether due or to become due), which is of a nature required under GAAP applied on a consistent basis to be included in a consolidated balance sheet or disclosed in the notes thereto, except such liabilities and obligations which (i) are recorded in the most recent balance sheet included in the SEC Reports or (ii) were incurred after the date of such balance sheet in the ordinary course of business. There has been no material adverse change in the

Business since December 31, 1997 other than Integra's plan to close its West Chester, Pennsylvania facility during 1998.

2.7 Private Placement. Subject to the truth and accuracy of the Purchaser's representations set forth in this Agreement, the offer, sale and issuance of the Preferred Shares and the Conversion Shares, as contemplated by this Agreement, are exempt from the registration requirements of the Securities Act and from the qualification requirements of applicable United States federal and state securities laws.

2.8 Legal Matters. Except as disclosed in the SEC Reports, (i) there is no Order or Action pending or, to the best knowledge of Integra, threatened against or affecting Integra or any of its properties or assets that individually or when aggregated with one or more other Orders or Actions has or if determined adversely to the interest of Integra might reasonably be expected to have a material adverse effect on Integra, the Business, on Integra's ability to perform this Agreement, or on any aspect of the transactions contemplated by this Agreement, and (ii) Integra is not in violation of any Laws, the effect of which violation would be materially adverse to the Business.

2.9 Insurance. There is in full force and effect insurance coverage on the assets, properties, premises, operations and personnel of Integra in such amounts and against such risks and losses as in the opinion of Integra is adequate in all material respects for the business engaged in by Integra. All such insurance policies are in full force and effect, and Integra has not received a notification with respect to any material policies of their cancellation or that they will not be renewed or that the insurance carrier insuring same has placed any condition on renewal or cancellation which would make the renewal or cancellation onerous.

SECTION III. REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser understands that the Preferred Shares will not be registered under the Securities Act on the grounds that the sale of such securities to the Purchaser is exempt pursuant to Section 4(2) of the Securities Act and/or Regulation D promulgated under the Securities Act, and that the reliance of Integra on such exemptions is predicated in part on the Purchaser's representations, warranties, covenants and acknowledgements set forth in this Section 3.

3.1 Corporate Organization. The Purchaser is a corporation duly organized and validly existing under the laws of Japan.

3.2 Authorization. The Purchaser has all requisite corporate power and authority to enter into the Agreement and the Registration Rights Agreement and to carry out its obligations hereunder and thereunder and to purchase the Preferred Shares and Conversion

Shares. The execution and delivery by the Purchaser of this Agreement and the Registration Rights Agreement and the consummation of the transactions contemplated hereby have been duly authorized by the Board of Directors of Purchaser, which authorization remains in full force and effect and has not been modified or amended by any subsequent action of such Board of Directors, and no other corporate actions or proceedings on the part of the Purchaser are necessary to authorize this Agreement and the Registration Rights Agreements or the transactions contemplated hereby or thereby. The transactions contemplated hereby will not violate the provisions of Purchaser's charter documents. This Agreement and the Registration Rights Agreement will constitute the valid and legally binding obligations of the Purchaser, each enforceable in accordance with its respective terms, except to the extent that enforceability may be limited by equity, bankruptcy, insolvency and other laws of general applications affecting the rights and remedies of creditors and to the extent the indemnification provisions contained in the Registration Rights Agreement may be limited by applicable federal or state securities laws.

3.3 No Violation. The execution, delivery and performance by the Purchaser of this Agreement and any related agreements or contemplated transactions will not violate or constitute a breach or default (whether upon lapse of time and/or occurrence of any act or event or otherwise) under the charter documents of the Purchaser, any Law to which the Purchaser is subject, or any Contract to which the Purchaser is a party that is material to the financial condition, results of operations or conduct of the business of the Purchaser.

3.4 Purchase for Own Account. This Agreement and the Registration Rights Agreement are made with Purchaser in reliance upon the Purchaser's representation to Integra that the Preferred Shares (or the Conversion Shares) to be acquired by the Purchaser will be acquired for investment for the Purchaser's own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and that the Purchaser has no present intention of selling, granting any participation in, or otherwise distributing the same, and the Purchaser will not distribute the Preferred Shares or Conversion Shares in violation of the Securities Act. The Purchaser further represents that it does not presently have any contract, undertaking, agreement or arrangement with any Person to sell, transfer or grant participations to such Person or to any third person with respect to any of the Preferred Shares (or the Conversion Shares). The Purchaser has not been formed for the specific purpose of acquiring the Preferred Shares (or the Conversion Shares).

3.5 Disclosure of Information. The Purchaser has had an opportunity to review all the information it considers material for deciding whether to acquire the Preferred Shares (and the Conversion Shares) and to discuss Integra's business, management, financial affairs and the terms and conditions of the offering of the Preferred Shares with Integra's management and has had an opportunity to review Integra's facilities.

3.6 Restricted Securities. The Purchaser understands that the Preferred Shares (and the Conversion Shares) have not been registered under the Securities Act, by reason of a specific exemption from the registration provisions of the Securities Act which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of the Purchaser's representations as expressed herein. The Purchaser understands that the Preferred Shares (and the Conversion Shares) are characterized as "restricted securities" under United States federal securities laws inasmuch as they are being acquired from Integra in a transaction not involving a public offering and that under such laws and applicable regulations such Preferred Shares (and the Conversion Shares) may be resold without registration under the Securities Act only in certain limited circumstances. The Purchaser acknowledges that the Preferred Shares (and the Conversion Shares) must be held indefinitely unless subsequently registered under the Securities Act or an exemption from such registration is available. The Purchaser is aware that, except as provided in the Registration Rights Agreement, Integra is not obligated to register under the Securities Act any sale, transfer or other disposition of the Preferred Shares or the Conversion Shares.

3.7 No Public Market. The Purchaser understands that no public market now exists for the Preferred Shares, and that Integra has made no assurances that a public market will ever exist for the Preferred Shares.

3.8 Legends. The Purchaser understands that the Preferred Shares (and the Conversion Shares), and any securities issued in respect thereof or exchanged therefor, may bear one or all of the following legends:

(a) "THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISPOSITION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER SUCH ACT."

(b) Any legend required by the laws (including, without limitation, the Blue Sky laws), of any state to the extent such laws are applicable to the shares represented by the certificate so legended.

3.9 Accredited Investor. The Purchaser represents that: (a) it is an accredited investor as defined in Rule 501(a) of Regulation D promulgated under the Securities Act; (b) its financial situation is such that it can afford to bear the economic risk of holding the Preferred Shares and Conversion Shares for an indefinite period of time and suffer complete loss of its investment in the Preferred Shares and Conversion Shares; and (c) its knowledge and experience in financial and business matters are such that it is capable of

evaluating the merits and risks of its purchase of the Preferred Shares and Conversion Shares, as contemplated by this Agreement. Purchaser represents that it has been advised by legal counsel in connection with the negotiation and execution of this Agreement.

3.10 No Brokers or Finders. The Purchaser has not incurred, and neither it nor Integra will incur, directly or indirectly, as a result of any action taken by the Purchaser, any liability for brokerage or finders' fees or agents' commissions or any similar charges in connection with this Agreement.

SECTION IV. COVENANTS OF INTEGRA

4.1 Advise of Changes. Until the Second Closing Date, Integra shall promptly advise the Purchaser in writing of (i) any event known to Integra occurring subsequent to the date hereof which would render any representation or warranty of Integra contained in this Agreement, if made on or as of the date of such event or any date prior to the Second Closing Date, untrue or inaccurate in any material respect (other than an event so affecting a representation or warranty which is expressly limited to a state of facts existing at a time prior to the occurrence of such event) or (ii) any material adverse change in Integra's Business.

SECTION V. CONDITIONS PRECEDENT TO THE PURCHASER'S OBLIGATIONS

The Purchaser's obligations to Integra under this Agreement are subject to the fulfillment on or before each of the Closing (except as otherwise specified) of each of the following conditions unless waived by the Purchaser:

5.1 Representations and Warranties. On the First and Second Closing Dates, the representations and warranties of Integra contained in Section 2 hereof shall be true and correct in all material respects with the same effect as though made on and as of the First and Second Closing Dates, respectively, and Integra shall have so certified to the Purchaser in writing; provided that the representations and warranties contained in Section 2.2 shall be true and correct in all material respects with the same effect as though made on and as of the Second Closing Date, subject to the issuance of Preferred Shares on the First Closing Date consistent with this terms of this Agreement and issuances of shares of Common Stock between the First and Second Closing Dates.

5.2 Performance of Covenants. Integra shall have performed all covenants required to be performed by it under this Agreement prior to the respective Closing Date, and Integra shall have so certified to the Purchaser in writing.

5.3 Registration Rights Agreement. On the First Closing Date, Integra shall have executed and delivered to the Purchaser the Registration Rights Agreement.

5.4 No Proceeding or Litigation. No suit, action, or other proceeding seeking to restrain, prevent or change the transactions contemplated hereby or otherwise questioning the validity or legality of such transactions shall have been instituted by a party other than the Purchaser and be pending.

5.5 Qualifications. All authorizations, approvals or permits, if any, of any Governmental Entity that are required in connection with the lawful issuance and sale of the Preferred Shares and the Conversion Shares pursuant to this Agreement shall be obtained and effective as of each of the Closing Dates, and no such authorizations, approvals or permits shall have imposed a condition which in the reasonable judgement of the Purchaser is unduly burdensome.

5.6 Certificate of Designation. The Certificate of Designation shall be in full force and effect as of each Closing Date and will not have been amended or modified.

5.7 Financial Statements. The Purchaser shall have received the most recent (as of such Closing Date) annual or quarterly consolidated financial statements of Integra filed with the SEC.

5.8 Amended and Restated Certificate of Incorporation and Bylaws. Integra shall have delivered to the Purchaser (i) a copy of its Amended and Restated Certificate of Incorporation and the Certificate of Designation, certified by the Secretary or an Assistant Secretary of Integra as of the Closing Date, and (ii) a copy of Integra's ByLaws, as amended (certified as of the First Closing Date by the Secretary or an Assistant Secretary of Integra).

SECTION VI. CONDITIONS PRECEDENT TO INTEGRA'S OBLIGATIONS

The obligations of Integra to the Purchaser under this Agreement are subject to the fulfillment on or before each of the Closing Dates (unless otherwise specified), of each of the following conditions unless otherwise waived by Integra.

6.1 Representations and Warranties. On the First and Second Closing Dates, the representations and warranties of the Purchaser contained in Section 3 hereof shall be true and correct in all material respects with the same effect as though made on and as of such Closing Date, and the Purchaser shall have so certified to Integra in writing.

6.2 Performance. All of the covenants, agreements and conditions contained in this Agreement to be performed or complied with by the Purchaser on or prior

to the First and Second Closing Dates shall have been performed or complied with, and the Purchaser shall have so certified to Integra in writing.

6.3 No Proceeding or Litigation. No suit, action, or other proceeding seeking to restrain, prevent or change the transactions contemplated hereby or otherwise questioning the validity or legality of such transactions shall have been instituted by a party other than Integra and be pending.

6.4 Qualifications. All authorizations, approvals or permits, if any, of any Governmental Entity that are required in connection with the lawful issuance and sale of the Preferred Shares and the Conversion Shares pursuant to this Agreement shall be obtained and effective as of each of the Closing Dates.

SECTION VII. COMPLIANCE WITH SECURITIES ACT; RESTRICTIONS ON TRANSFERABILITY OF THE PREFERRED SHARES AND CONVERSION SHARES

7.1 Compliance with Securities Act. The Preferred Shares and Conversion Shares shall not be transferable, except upon the conditions specified in this Section 6, which conditions are intended to insure compliance with the provisions of the Securities Act and applicable state securities laws in respect of any such transfer.

7.2 Restrictive Legends. The Preferred Shares, and each certificate representing the Preferred Shares and any Conversion Shares or other securities issued in respect of the Preferred Shares upon any stock split, stock dividend, recapitalization, merger, consolidation or similar event, shall (unless otherwise permitted by the provisions of Section 7.4 below) be stamped or otherwise imprinted with one or all of the legends set forth in Section 3.8 hereof.

7.3 Restrictions on Transferability. The Purchaser shall not sell, assign, give, donate, pledge or otherwise encumber or dispose of ("Transfer") any Preferred Shares or Conversion Shares or any interest therein now held or hereafter acquired by it, except by operation of law or as provided in this Agreement. Integra shall not be required to register the Transfer of any Preferred Shares or Conversion Shares on its books unless it shall have been provided with an opinion of counsel satisfactory to it prior to such Transfer to the effect that registration under the Securities Act or any applicable state securities laws is not required in connection with the transaction resulting in such Transfer.

7.4 Termination of Restrictions on Transferability. The conditions precedent imposed by this Section 7 upon the transferability of the Conversion Shares shall cease and terminate when such securities shall have been registered under the Securities Act and sold or otherwise disposed of in accordance with the intended method of disposition by the seller or sellers thereof set forth in the registration statement covering such securities, or

when such securities are transferable in accordance with the provisions of Rule 144 promulgated under the Securities Act. Whenever the conditions imposed by this Section 7 shall terminate as hereinabove provided with respect to any of the Conversion Shares, the holder of any such securities bearing the legends set forth in Section 3.8 as to which such conditions shall have terminated shall be entitled to receive from Integra, without expense (except for the payment of any applicable transfer tax) and as expeditiously as possible, new stock certificates not bearing such legends.

SECTION VIII. SURVIVAL OF REPRESENTATIONS AND WARRANTIES

The representations and warranties set forth in Sections 2.1, 2.2, 2.3, 2.4 and 2.5 shall survive the Closing and continue in full force and effect for a period of two (2) years thereafter. None of the covenants, agreements or the representations and warranties set forth in Sections 2.6, 2.7, 2.8 or 2.9 or Section III made herein and in the certificates delivered pursuant thereto by the parties hereto shall survive the Closing of the transactions contemplated hereunder except the payment of expenses pursuant to Section 9.3 hereof.

SECTION IX. MISCELLANEOUS

9.1 Arbitration.

(a) All disputes arising out of or relating to this Agreement which cannot be settled by the parties shall promptly be submitted to and determined in arbitration in Princeton, New Jersey if initiated and brought by the Purchaser, or Tokyo, Japan if initiated and brought by Integra, by a panel of three arbitrators (unless otherwise agreed by the parties), of whom the Purchaser shall select one, Integra shall select one and the third shall be selected by the two previously selected, pursuant to the rules and regulations then obtaining of the American Arbitration Association. The decision of the arbitrators shall be final and binding upon the parties and judgement upon such decision may be entered in any court of competent jurisdiction. The party against whom an award is rendered shall pay and discharge all reasonable costs and expenses (including reasonable attorneys' fees) which are incurred by the other party in obtaining such award.

(b) Discovery shall be allowed pursuant to the intendment of the United States Federal Rules of Civil Procedure and as the arbitrators determine appropriate under the circumstances.

(c) Such arbitrators shall be required to apply the contractual provisions hereof in deciding any matter submitted to it and shall not have any authority, by reason of this Agreement or otherwise, to render a decision that is contrary to the mutual intent of the parties as set forth in this Agreement.

9.2 Successors. Except as otherwise provided herein, this Agreement shall be binding upon, and shall inure to the benefit of, the respective successors and permitted assigns of each of the parties hereto.

9.3 Expenses. The parties hereto shall each bear their own fees and expenses and those of their respective agents and advisors, whether or not the transactions contemplated by this Agreement are consummated.

9.4 Notice. Any notice or other communications required or permitted hereunder shall be deemed validly given, made or served, when delivered personally or by telecopier (except for legal process) with a copy by recognized overnight delivery service, or upon receipt by the party entitled to receive the notice when sent by registered or certified mail, postage prepaid, or by a recognized overnight delivery service, addressed as follows or to such other address or addresses or telecopier number as may hereafter be furnished in writing by notice similarly given by one party to the other:

To Integra: Integra LifeSciences Corporation
105 Morgan Lane
Plainsboro, NJ 08536
Fax: (609) 799-3297
Attention: Stuart M. Essig
President and Chief Executive Officer

With a copy to: John E. Stoddard III, Esq.
Drinker Biddle & Reath LLP
105 College Road East
Princeton, NJ 08542-0627
Fax: (609) 799-7000

To the Purchaser: Century Medical, Inc.
1-6-4 Ohsaki
Shinagawa-ku, Tokyo 141
Japan
Fax: (03) 3491-0577
Attention: Mr. Shunzo Saegusa
Sr. Officer
Medical Products Division

With a copy to: Dale M. Araki, Esq.
O'Melveny & Myers LLP
Sanbancho KB-6 Bldg.
6 Sanbancho
Chiyoda-ku, Tokyo 102
Japan
Fax: (03) 3239-2432

Notice given by telecopier shall be deemed delivered on the day the sender receives telecopier confirmation that such notice was received at the telecopier number of the addressee. Notice given by mail as set forth above shall be deemed received three days after the date the same is postmarked, except that notice given by a recognized overnight delivery service as set forth above shall be deemed received on the business day following the date the same is sent.

9.5 Full Agreement. This Agreement, together with the Exhibits attached hereto or delivered herewith, including the Registration Rights Agreement, set forth the entire understanding of the parties with respect to the transactions contemplated hereby and thereby.

9.6 Headings. The headings of the Sections of this Agreement are inserted for convenience of reference only and shall not be considered a part hereof.

9.7 Amendment. This Agreement may be modified, amended or changed only with the written consent of Integra and the Purchaser.

9.8 Public Announcements. Any announcements or similar publicity with respect to this Agreement or the transactions contemplated herein shall be made at such time and in such manner as Integra and the Purchaser shall agree, provided that any party may make any public disclosure it believes in good faith is required by applicable law or any listing or trading agreement concerning its publicly-traded securities.

9.9 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement.

9.10 Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any party to this Agreement, upon any breach or default of the other party, shall impair any such right, power or remedy or such non-breaching party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of

any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring.

9.11 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware.

9.12 Severability. If any provision of this Agreement is determined to be invalid, illegal or unenforceable by any Governmental Entity, the remaining provisions of this Agreement to the extent permitted by Law shall remain in full force and effect provided that the essential terms and conditions of this Agreement for both parties remain valid, binding and enforceable, and that the economic and legal substance of the transactions contemplated is not affected in any manner materially adverse to any party. In the event of any such determination, the parties agree to negotiate in good faith to modify this Agreement to fulfill as closely as possible the original intent and purpose hereof. To the extent permitted by Law, the parties hereby to the same extent waive any provision of Law that renders any provision hereof prohibited or unenforceable in any respect.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, each of the parties hereto has fully executed this Agreement as of the date first set forth above.

INTEGRA LIFESCIENCES CORPORATION

By:/s/Andre P. Decarie

Andre P. de carie
Senior Vice President -- Business Development

CENTURY MEDICAL, INC.

By:/s/Mitsunari Suzuki

Mitsunari Suzuki
President and Chief Executive Officer

Exhibit 10.2

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT, dated as of April 30, 1998 (this "Agreement"), is by and between Integra LifeSciences Corporation, a Delaware corporation (the "Company"), and Century Medical, Inc. ("Holder").

BACKGROUND

The parties hereto are parties to an Agreement, dated as of February 25, 1998 (the "Purchase Agreement"), pursuant to which the Company has agreed to issue to the Holder an aggregate of 500,000 shares of the Company's Series A Convertible Preferred Stock, par value $.01 per share (the "Series A Preferred"). As a Holder of Series A Preferred, the Holder will have the right to convert shares of such Series A Preferred into shares of the Company's common stock, par value $.01 per share ("Common Stock"). In order to induce the Holder to enter into the Purchase Agreement, the Company has agreed to provide registration rights with respect to such shares of Common Stock (the "Eligible Securities") on the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein, and intending to be legally bound hereby, the parties hereto agree as follows:

SECTION 1. ACKNOWLEDGEMENTS OF HOLDER

1.1 Holder acknowledges and understands that, except as set forth in Sections 2 and 3 hereof, the Company has no obligation or intention to (i) register the sale of the Eligible Securities that may be issued or issuable to Holder upon the conversion of the Series A Preferred under the Securities Act of 1933, as amended (the "Securities Act," and all regulations promulgated thereunder are herein collectively referred to as the "Act"), or applicable state securities or blue sky laws (collectively, "State Securities Laws"), or (ii) otherwise comply with any requirements necessary for transfer or assignment of the Eligible Securities to be exempt from such registration. The Act and State Securities Laws are hereinafter sometimes collectively referred to as the "Securities Laws."

1.2 The Eligible Securities are subject to limitations on transferability under the Securities Laws.

1.3 Except as set forth in Sections 2 and 3 hereof, no transfer of the Eligible Securities shall be effected unless a written opinion of legal counsel that is acceptable to counsel for the Company shall be delivered to the Company to the effect that a contemplated transfer may be effected without registration under the Securities Laws.

SECTION 2. DEMAND REGISTRATION

2.1 If the Distribution Agreement dated February 25, 1998 between Integra LifeSciences Surgical Products Corporation, a wholly-owned subsidiary of the Company ("ILSP"), and Holder is terminated (i) by ILSP or (ii) by Holder due to a material breach of the Distribution Agreement by ILSP, the Holder may, on or prior to the second anniversary of the date of this Agreement, make a written request for registration under the Act of all or part of its Eligible Securities (a "Demand Registration"), which request shall state the intended method of disposition thereof, and the Company will use commercially reasonable efforts to cause the Eligible Securities as to which registration shall have been so requested to be covered by a registration statement. The Holder shall be entitled to request one Demand Registration, which shall be on Form S-3 if such Form is then available for use by the Company. The Company may exclude the Eligible Securities of Holder from registration pursuant to this Section 2 if the Holder fails to provide information reasonably requested by the Company with respect to the intended method of distribution of the Eligible Securities to the public. Notwithstanding the foregoing, the Company shall have no obligation to register less than 250,000 of Holder's Eligible Securities in any registration statement filed pursuant to this Section 2.1.

2.2 If the Demand Registration is in the form of an underwritten offering, the Company shall select the investment banker or investment bankers and manager or managers that will administer the offering. If any of the Eligible Securities to be registered pursuant to a registration statement filed pursuant to this Section 2 are to be sold in a firm commitment underwritten offering, and if the managing underwriter or underwriters advise the Company in writing that in its or their opinion the aggregate amount of securities proposed to be sold in such firm commitment underwritten offering by (i) the Company for its own account, (ii) the Holder and (iii) the stockholders of the Company with respect to securities of the Company other than the Eligible Securities, would adversely affect the success of such offering, there shall be included in such firm commitment underwritten offering only the amount of such securities which in the opinion of such underwriters can be sold in the proposed underwritten offering, and the amount of such securities shall be allocated first, to the Holder based on the number of shares it desires to sell in the underwritten offering; second, to the Company; and thereafter pro rata among all other selling stockholders, if any, based on the number of shares otherwise proposed to be included therein by such other selling stockholders.

2.3 The Company shall use commercially reasonable efforts to cause such registration statement to remain effective until the earlier to occur of (i) 90 days after the effective date of the registration statement or (ii) until all Eligible Securities registered for sale are sold pursuant to the registration statement.

2.4 The Company's obligations under this Section 2 shall terminate when the Holder may sell or otherwise transfer the Eligible Securities without registration under the Act by virtue of Rule 144 under the Act (or any similar provision in force).

SECTION 3. PIGGYBACK REGISTRATION

3.1 If the Company at any time proposes to register any of its Common Stock under the Act for sale to the public for cash in which proceeds to the Company from such offering (after deduction of underwriting discounts and commissions) are reasonably expected to be not less than $20,000,000 (except with respect to registration statements on Forms S-8, S-4 or other forms not available for registering the Eligible Securities for sale to the public), each such time it will give written notice to Holder of its intention so to do. Upon the written request of Holder, given within ten days after receipt of any such notice, to register any of its Eligible Securities (which request shall state the intended method of disposition thereof), the Company will use commercially reasonable efforts to cause the Eligible Securities as to which registration shall have been so requested to be included in the Common Stock to be covered by the registration statement proposed to be filed by the Company. The Company may exclude the Eligible Securities of Holder from registration pursuant to this Section 3, if the Holder fails to provide information reasonably requested by the Company with respect to the intended method of distribution of the Eligible Securities to the public. Notwithstanding the foregoing, the Company shall have no obligation to register less than 250,000 of Holder's Eligible Securities in any registration statement filed pursuant to this Section 3.1.

3.2 If any of the Eligible Securities to be registered pursuant to a registration statement filed pursuant to this Section 3 is to be sold in a firm commitment underwritten offering, and if the managing underwriter or underwriters advise the Company in writing that in its or their opinion the aggregate amount of securities proposed to be sold in such firm commitment underwritten offering by (i) the Company for its own account, (ii) the Holder and (iii) the stockholders of the Company with respect to securities of the Company other than the Eligible Securities, would adversely affect the success of the Company's sale of its securities in such offering, there shall be included in such firm commitment underwritten offering only the amount of such securities which in the opinion of such underwriters can be sold in the proposed underwritten offering, and the amount of such securities shall be allocated first, to the Company based on the number of shares it desires to sell in the underwritten offering for its own account; and thereafter pro rata among the Holder of the Eligible Securities and all other selling stockholders, if any, based on the number of shares otherwise proposed to be included therein by the Holder and such other selling stockholders.

3.3 The Company shall use commercially reasonable efforts to cause such registration statement to remain effective until the earlier to occur of (i) 90 days after the effective date of the registration statement or (ii) until all Eligible Securities registered for sale are sold pursuant to the registration statement.

3.4 The Company's obligations under this Section 3 shall terminate when the Holder may sell or otherwise transfer the Eligible Securities without registration under the Act by virtue of Rule 144 under the Act (or any similar provision in force).

3.5 Notwithstanding the foregoing provisions in this Section 3, the Company may delay the effectiveness or withdraw, prior to effectiveness, any registration statement referred to in this Section 3 without thereby incurring any liability to Holder. Upon receipt of any notice from the Company of a delay or withdrawal of a registration statement pursuant to

this Section 3, the Holder shall forthwith discontinue disposition of Eligible Securities covered by such registration statement.

SECTION 4. HOLDBACK AGREEMENTS

4.1 Except to the extent of any Eligible Securities included in a registration statement under Sections 2 or 3 hereof, Holder agrees not to effect any public sale or distribution of securities of the same class as those being registered or a similar security of the Company, or any securities convertible into or exchangeable or exercisable for such securities, including a sale pursuant to Rule 144 under the Act, during the 14 days prior to, and during the 180-day period beginning on, the effective date of any registration statement filed by the Company under the Act registering its securities for sale to the public. If requested by the Company's managing underwriter, Holder will execute and deliver a lock-up agreement in a form acceptable to such underwriter and the Company for purposes of its obligations under this Section 4.

SECTION 5. REGISTRATION PROCEDURES

5.1 If and whenever the Company is required by the provisions of this Agreement to effect or cause the registration of any Eligible Securities under the Act pursuant to Sections 2 or 3 hereof, the Company will use commercially reasonable efforts to effect the registration and the sale of such Eligible Securities in accordance with the intended method of disposition thereof as promptly as reasonably practicable, and in connection with any such request, the Company shall:

(a) furnish to Holder, and if requested, to Holder's investment adviser, prior to filing a registration statement, copies of such registration statement as proposed to be filed, and thereafter such number of copies of such registration statement, each amendment and supplement thereto (in each case including all exhibits thereto), the prospectus included in such registration statement (including each preliminary prospectus) and such other documents Holder may reasonably request in order to facilitate the disposition of such Eligible Securities owned by Holder, which are included in such registration statement;

(b) use commercially reasonable efforts to register or qualify (or obtain an exemption from such registration or qualification) such Eligible Securities under the state securities or blue sky laws of such jurisdictions, not to exceed five in number, as Holder reasonably requests, or, in the event of a firm commitment underwritten offering, such larger number of jurisdictions as the managing underwriter or underwriters shall reasonably request, and do any and all other acts and things which may be reasonably necessary or advisable to enable Holder to consummate the disposition in such jurisdictions of the Eligible Securities; provided that the Company will not be required to (i) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 5.1(b), (ii) subject itself to taxation in any such jurisdiction, or (iii) consent to general service of process in any such jurisdiction;

(c) use commercially reasonable efforts to cause the Eligible Securities covered by such registration statement to be registered with or approved by such other governmental agencies or authorities as may be necessary by virtue of the business and operations of the Company to enable Holder to consummate the disposition of such Eligible Securities;

(d) notify Holder, at any time when a prospectus relating thereto is required to be delivered under the Act, of the happening of any event as a result of which the prospectus included in such registration statement contains an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading, and the Company will prepare a supplement or amendment to such prospectus as soon as reasonably practicable thereafter (except that the Company may avoid supplementing or amending such prospectus for up to 90 days when such non-disclosure is in the interests of the Company) so that, as thereafter delivered to the purchasers of such Eligible Securities, such prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading;

(e) make available for inspection by Holder, any underwriter participating in any disposition pursuant to such registration statement, and any attorney, accountant or other agent retained by Holder or any such underwriter (collectively, the "Inspectors"), all pertinent financial and other records, pertinent corporate documents and properties and other pertinent information of the Company (collectively, the "Records") as shall be reasonably necessary to enable them to exercise their due diligence responsibility, and cause the Company's officers, directors and employees to supply all pertinent information reasonably requested by any such Inspector in connection with such registration statement. Records which the Company determines, in good faith, to be confidential and which it notifies the Inspectors are confidential shall not be disclosed by the Inspectors unless (i) the disclosure of such Records is necessary to avoid or correct a misstatement or omission in the registration statement, (ii) the release of such Records is ordered pursuant to a subpoena or other order from a court of competent jurisdiction, or (iii) the information in such Records has been made generally available to the public. Holder shall, upon learning that disclosure of such Records is sought in a court of competent jurisdiction, give notice to the Company and allow the Company, at the Company's expense, to undertake appropriate action to prevent disclosure of the Records deemed confidential;

(f) use commercially reasonable efforts to cause all such Eligible Securities to be listed on the principal securities exchange on which shares of the Company's Common Stock are then traded, or such if any, provided that the applicable listing requirements are satisfied; and

(g) otherwise use commercially reasonable best efforts to comply with all applicable rules and regulations of the Commission.

5.2 Holder shall, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 5.1(d) hereof, discontinue disposition of the Eligible Securities pursuant to the registration statement covering such Eligible Securities

until Holder receives copies of the supplemented or amended prospectus contemplated by Section 5.1(d) hereof, and, if so directed by the Company, Holder will deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in Holder's possession, of the prospectus covering such Eligible Securities current at the time of receipt of such notice. If the Company shall give any such notice, the Company shall extend the period during which such registration statement shall be maintained effective pursuant to this Agreement by the number of days during the period from and excluding the date of the giving of such notice pursuant to Section 5.1(d) hereof to and including the date when Holder shall have received the copies of the supplemented or amended prospectus contemplated by Section 5.1(d) hereof.

SECTION 6. REGISTRATION EXPENSES

6.1 Except as otherwise provided in this Agreement, the Company shall pay all expenses incurred in complying with Sections 2 or 3 hereof, including without limitation all registration and filing fees, fees and expenses of compliance with securities or blue sky laws (including reasonable fees and disbursements of counsel in connection with blue sky qualifications of the Eligible Securities), rating agency fees, printing expenses, messenger and delivery expenses, mailing expenses, internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the fees and expenses incurred in connection with the listing of the securities to be registered on each securities exchange on which such securities are required to be listed, fees and disbursements of counsel for the Company and its independent certified public accountants, the reasonable fees and expenses of any special experts retained by the Company in connection with such registration, and fees and expenses of other persons retained by the Company (all such expenses being herein called "Registration Expenses") will be borne by the Company; provided, however, that, in connection with the registration or qualification of the Eligible Securities under state securities laws, nothing herein shall be deemed to require the Company to make any payments to third parties in order to obtain "lock-up," escrow or other extraordinary agreements; and provided further, that all expenses of the Holder other than those expressly assumed by the Company in this Agreement shall be borne by Holder, including the fees and expenses of Holder's counsel, underwriting discounts and commissions, brokerage commissions, and non-accountable expense allowances attributable to the sale of Holder's Eligible Securities, and Holder's other out-of-pocket expenses.

SECTION 7. OBLIGATIONS OF THE HOLDER

7.1 Following the filing of a registration statement registering the Eligible Securities of Holder and during any period that the registration statement is effective, Holder shall:

(a) not effect any stabilization transactions or engage in any stabilization activity in connection with any securities of the Company in contravention of Regulation M under the Securities Exchange Act of 1934, as amended (the "Exchange Act");

(b) furnish each broker or dealer through whom Holder offers Eligible Securities such number of copies of the prospectus as the broker may require and otherwise comply with prospectus delivery requirements under the Act;

(c) report to the Company each month all sales, pledges and other dispositions of Eligible Securities made by Holder during said month;

(d) not, and shall not permit any Affiliated Purchaser (as that term is defined in Regulation M under the Exchange Act) to, bid for or purchase for any account in which Holder has a beneficial interest, or attempt to induce any other person to purchase, any securities of the Company in contravention of Regulation M under the Exchange Act;

(e) not offer or agree to pay, directly or indirectly, to anyone any compensation for soliciting another to purchase, or for purchasing (other than for Holder's own account), any securities of the Company on a national securities exchange in contravention of Regulation M under the Exchange Act;

(f) cooperate in all respects with the Company as it fulfills its obligations under Sections 2 and 3 of this Agreement;

(g) furnish such information concerning Holder and the distribution of the Eligible Securities as the Company may from time to time request;

(h) sell Eligible Securities only in the manner described in the Registration Statement; and

(i) not sell Eligible Securities during any period after the Company has provided notice to Holder pursuant to Section 5.1(d) above and until the Company provides to Holder notice that the registration statement no longer fails to state a material fact required to be stated therein, misstates a material fact or omits to state a material fact required to be stated therei or necessary to make the statements made not misleading.

SECTION 8. INDEMNIFICATION; CONTRIBUTION

8.1 Indemnification by the Company. The Company shall indemnify and hold harmless, to the fullest extent permitted by law, Holder against all losses, claims, damages, liabilities and expenses (including reasonable attorneys' fees) caused by any untrue statement of a material fact contained in any registration statement, prospectus or preliminary prospectus or any omission to state therein a material fact required to be stated therein or necessary to make the statements made therein (in the case of a prospectus, in the light of the circumstances under which they were made) not misleading, except insofar as the same are caused by or contained in any information with respect to Holder furnished to the Company by Holder for use therein or caused by Holder's failure to deliver a copy of the registration statement or prospectus or any amendments or supplements thereto in accordance with the requirements of the Act after the Company has furnished Holder with a copy of the same.

8.2 Indemnification by Holder. In connection with any registration statement in which Holder is participating, Holder will furnish to the Company in writing such information and affidavits as the Company reasonably requests for use in connection with any such registration statement or prospectus and shall indemnify and hold harmless, to the extent permitted by law, the Company, its directors, each of its officers and each person who controls the Company (within the meaning of the Act) against any losses, claims, damages, liabilities and expenses (including reasonable attorneys' fees) resulting from any untrue statement of a material fact or any omission of a material fact required to be stated in the registration statement or prospectus or any amendment thereof or supplement thereto, or necessary to make the statements therein (in the case of a prospectus, in the light of the circumstances under which they were made) not misleading, but only to the extent that such untrue statement or omission is caused by or contained in any information or affidavit so furnished in writing by Holder, or caused by Holder's failure to deliver a copy of the prospectus or any amendments or supplements thereto in accordance with the requirements of the Act after the Company has furnished Holder with a copy of the same.

8.3 Conduct of Indemnification Proceedings. Any person entitled to indemnification hereunder shall give prompt written notice to the indemnifying party after the receipt by such person of any written notice of the commencement of any action, suit, proceeding or investigation or threat thereof made in writing for which such person may claim indemnification or contribution pursuant to this Agreement and, unless in the reasonable judgment of such indemnified party a conflict of interest may exist between such indemnified party and the indemnifying party with respect to such claim, permit the indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to such indemnified party. If the indemnifying party is not entitled to, or elects not to, assume the defense of a claim, it will not be obligated to pay the fees and expenses of more than one counsel with respect to such claim. The indemnifying party will not be subject to any liability for any settlement made without its consent.

8.4 Contribution.

(a) If the indemnification provided for in this Section 8 from the indemnifying party is unavailable or insufficient to hold harmless an indemnified party hereunder in respect of any losses, claims, damages, liabilities or expenses referred to herein, then the indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages, liabilities or expenses in such proportion as is appropriate to reflect the relative fault of the indemnifying party and indemnified party in connection with the actions which resulted in such losses, claims, damages, liabilities or expenses, as well as any other relevant equitable considerations. The relative fault of such indemnifying party and indemnified party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, has been made by, or relates to information supplied by, such indemnifying party or indemnified party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action. The amount paid or payable by a party as a result of the losses, claims, damages, liabilities and expenses referred to above shall be deemed to

include, subject to the limitations set forth in Section 8.3 hereof, any legal or other fees or expenses reasonably incurred by such party in connection with any investigation or proceeding.

(b) The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 8.4 were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph.

(c) If indemnification is available under this Section 8, the indemnifying party shall indemnify the indemnified party to the full extent provided in Sections 8.1 and 8.2 hereof without regard to the relative fault of said indemnifying party or indemnified party or any other equitable consideration provided for in this Section 8.4.

SECTION 9. PARTICIPATION IN UNDERWRITTEN REGISTRATIONS

9.1 Holder may not participate in any underwritten registration hereunder unless Holder (a) agrees to sell its securities on the basis provided in any underwriting arrangements approved by the Company and (b) completes and executes all questionnaires, custody agreements, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements.

SECTION 10. MISCELLANEOUS

10.1 Information Blackout. Upon written notice from the Company to Holder that the Company has determined in good faith that sale of Eligible Securities pursuant to the registration statement would require disclosure of non-public material information not otherwise required to be disclosed under applicable law, the Company may postpone the filing or effectiveness of any registration statement hereunder and, if such registration statement has become effective, the Company shall not be required to maintain the effectiveness of such registration statement and a Holder shall suspend sales of Eligible Securities pursuant to such registration statement, in each case, until such time as the Company notifies the Holder that such information has been disclosed to the public or that sales pursuant to such registration statement may otherwise be resumed.

10.2 Notices. Any notice, request, consent, demand or other communication required or permitted under this Agreement shall be made in writing and shall be deemed to have been duly given if (a) mailed by first class registered or certified mail, return receipt requested, postage prepaid (and shall be deemed delivered two days after the date received for delivery by the U.S. Postal Service, whether or not accepted), (b) sent by nationally recognized next-day delivery courier that guarantees delivery within 24 hours, charges prepaid (and shall be deemed delivered one business day after delivery to said courier), or (c) sent by telefax, telecopier or similar transmission (and shall be deemed delivered on the date confirmation of the receipt of the transmission is given), if the appropriate telefax, telecopier or transmission number is included in the address, addressed to the parties hereto at their respective addresses as follows:

If to the Company:

Integra LifeSciences Corporation
105 Morgan Lane
Plainsboro, NJ 08536
Attention: Stuart M. Essig, Ph.D.
President and Chief Executive Officer
Fax: (609) 799-3297

with a copy to:

John E. Stoddard III, Esq.
Drinker Biddle & Reath LLP
105 College Road East
Princeton, NJ 08542-0627
Fax: (609) 799-7000

If to Holder:

Century Medical, Inc.
1-6-4 Ohsaki
Shinagawa-ku, Tokyo 141
Japan
Attention: Mr. Shunzo Saegusa
Sr. Officer
Medical Products Division

Fax: (03) 3491-0577

with a copy to:

Dale M. Araki, Esq.
O'Melveny & Myers LLP
Sanbancho KB-6 Bldg.
Chiyoda-ku, Tokyo 102
Japan
Fax: (03) 3239-2432

10.3 Arbitration.

(a) All disputes arising out of or relating to this Agreement which cannot be settled by the parties shall promptly be submitted to and determined in arbitration in Princeton, New Jersey if initiated and brought by Holder, or Tokyo, Japan if initiated and brought by the Company, by a panel of three arbitrators (unless otherwise agreed by the parties), of whom the Holder shall select one, the Company shall select one and the third shall be selected by the two previously selected, pursuant to the rules and regulations then obtaining of the American Arbitration Association; provided that nothing herein shall preclude the Company from seeking, in any court of competent jurisdiction, damages, specific performance or other equitable

remedies in the case of any breach or threatened breach by Holder of Section 4 hereof. The decision of the arbitrators shall be final and binding upon the parties and judgement upon such decision may be entered in any court of competent jurisdiction.

(b) Discovery shall be allowed pursuant to the intendment of the United States Federal Rules of Civil Procedure and as the arbitrators determine appropriate under the circumstances.

(c) Such arbitrator shall be required to apply the contractual provisions hereof in deciding any matter submitted to it and shall not have any authority, by reason of this Agreement or otherwise, to render a decision that is contrary to the mutual intent of the parties as set forth in this Agreement.

10.4 Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

10.5 Severability. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstances, is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be in any way impaired thereby.

10.6 Entire Agreement; Amendments. This Agreement sets forth all the promises, covenants, agreements, conditions and understandings among the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements, negotiations and understandings, inducements and conditions, express or implied, oral or written, except as contained herein. Neither this Agreement nor any provisions hereof may be modified, amended, waived, discharged or terminated, in whole or in part, except by a writing signed by all of the parties hereto.

10.7 Waiver. No waiver by any party hereto of any condition or release of any term or covenant contained in this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed or construed as a further or continuing waiver of any such condition or any such breach or waiver of any other condition.

10.8 Binding Nature; Benefit. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns. Except as otherwise expressly permitted herein, this Agreement shall not be construed as giving any person, other than the parties hereto and their respective permitted successors or assigns any legal or equitable right, remedy or claim under or in respect of this Agreement or any of the provisions herein contained, this Agreement and all provisions and conditions hereof being intended to be, and being, for the sole and exclusive benefit of such parties, and permitted successors or assigns and for the benefit of no other person or entity.

10.9 Assignment. The Holder may not transfer or assign, without the prior written consent of the Company, any rights which may accrue to Holder hereunder. Notwithstanding the foregoing, the Holder may assign, subject to the provisions of Section 1.3

hereof, the registration rights contained herein to any transferee who acquires more than 250,000 shares of Holder's Series A Preferred or more than 250,000 shares of Common Stock issued upon conversion of such Series A Preferred, provided that the Company shall have no obligation to register any shares of Series A Preferred to any transferee unless (i) the Holder gives the Company at least 15 days written notice prior to such transfer, (ii) any transfer of Series A Preferred or shares of Common Stock issued upon conversion of such Series A Preferred must be completed at least ten days prior to the filing of a registration statement pursuant to Sections 2 or 3 hereof and (iii) such transferee agrees in writing to be bound by the terms and conditions of this Agreement.

10.10 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement.

10.11 Term. This Agreement shall terminate and be of no further force or effect on the second anniversary of the Second Closing Date (as defined in the Purchase Agreement).

10.12 Governing Law. This Agreement and the rights and obligations of the parties hereunder shall be governed by and construed and interpreted in accordance with the internal laws of the State of Delaware applicable to contracts made and to be performed wholly therein without regard to principles of conflict of laws.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

INTEGRA LIFESCIENCES CORPORATION

By: /s/ Stuart M. Essig

Name: Stuart M. Essig
Title: President & CEO

CENTURY MEDICAL, INC.

By: /s/ Mitsunari Suzuki

Name: Mitsunari Suzuki
Title: President

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