
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 7, 2008

INTEGRA LIFESCIENCES HOLDINGS CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other Jurisdiction of
Incorporation)

0-26224

(Commission File Number)

51-0317849

(IRS Employer Identification No.)

**311 Enterprise Drive
Plainsboro, NJ**

(Address of Principal Executive Offices)

08536

(Zip Code)

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

Not Applicable

(Former name or former address if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On November 7, 2008, Integra LifeSciences Holdings Corporation (the “Company”) issued a press release announcing financial results for the quarter ended September 30, 2008 (the “Earnings Press Release”). A copy of the Earnings Press Release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference into this Item. In the financial statements portion of the Earnings Press Release, the Company has included a reconciliation of GAAP net (loss)/income to adjusted net income and GAAP (loss)/earnings per diluted share to adjusted earnings per diluted share used by management for the quarters ended September 30, 2008 and 2007.

Beginning with the quarter ended September 30, 2008, the Company will present its revenues in three categories: Integra NeuroSciences, Integra Orthopedics and Integra Medical Instruments. On November 7, 2008, the Company included a breakout of historical revenues in these three categories in the “Events and Presentations” page of the Investor Relations section of our website, a copy of which is attached as Exhibit 99.2 to this Current Report on Form 8-K. These categories have been chosen to better reflect the markets into which our products are sold and replace the previously reported revenue categories.

The information contained in Item 2.02 of this Current Report on Form 8-K (including the Earnings Press Release and selected historical financial information) is being furnished and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section. The information contained in Item 2.02 of this Current Report on Form 8-K (including the Earnings Press Release and selected historical financial information) shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in any such filing.

Discussion of Adjusted Financial Measures

In addition to our GAAP results, we provide adjusted revenues, adjusted net income and adjusted earnings per diluted share. Adjusted revenues consists of the following two measures: (i) growth in total revenues excluding product lines acquired after the second quarter 2007 and (ii) growth in total revenues excluding eliminated products lines distributed for third parties and recently acquired product lines. Adjusted net income consists of net income, excluding (i) acquisition-related charges, (ii) facility consolidation, manufacturing and distribution transfer and system integration charges, (iii) certain employee termination and related costs, (iv) charges associated with discontinued or withdrawn product lines, (v) charges related to restructuring European subsidiaries, (vi) intangible asset impairment charges, (vii) incremental professional and bank fees related to the delay in the filing of our 2007 Annual Report on Form 10-K, (viii) charges relating to the grant of restricted stock units in connection with the extension of the term of the CEO’s employment agreement and (ix) the income tax expense/benefit related to these adjustments and the cumulative impact of changes in tax rates. Adjusted earnings per diluted share are calculated by dividing adjusted net income for earnings per diluted share by adjusted diluted weighted average shares outstanding. Because the Company reported a GAAP net loss in the third quarter of 2008, the calculation of GAAP diluted weighted average shares outstanding excludes the effects of stock options and unvested restricted stock, as the effect of these equity awards would be anti-dilutive. The Company includes the dilutive effects of these equity awards in the calculation of adjusted diluted weighted average shares outstanding used to calculate adjusted earnings per diluted share because their effects are dilutive in relation to adjusted net income.

The Company believes that the presentation of adjusted revenues, adjusted net income and adjusted earnings per diluted share provides important supplemental information to management and investors regarding financial and business trends relating to the Company’s financial condition and results of operations. Management uses non-GAAP financial measures in the form of adjusted revenues, adjusted net income and adjusted earnings per diluted share when evaluating operating performance because we believe that the inclusion or exclusion of the items described below, for which the amounts and/or timing may vary significantly depending upon the Company’s acquisition, integration, and restructuring activities or for which the amounts are not expected to recur at the same magnitude as we further build out our finance department and implement certain tax planning strategies, provides a supplemental measure of our operating results that facilitates comparability of our operating performance from period to period, against our business model objectives, and against other companies in our industry. We have chosen to provide this information to investors so they can analyze our operating results in the same way that management does and use this information in their assessment of our core business and the valuation of our Company.

Adjusted revenues, adjusted net income and adjusted earnings per diluted share are significant measures used by management for purposes of:

- supplementing the financial results and forecasts reported to the Company's board of directors;
- evaluating, managing and benchmarking the operating performance of the Company;
- establishing internal operating budgets;
- determining compensation under bonus or other incentive programs;
- enhancing comparability from period to period;
- comparing performance with internal forecasts and targeted business models; and
- evaluating and valuing potential acquisition candidates.

The two measures of adjusted revenues that we report reflect total revenues adjusted for the following items:

- Product lines acquired after the second quarter of 2007. We provide a calculation of revenue growth excluding product lines acquired since the end of the quarterly reporting period ended one year prior to the beginning of the current quarterly period. Although our disciplined acquisition program is an important driver of growth and profitability, the revenue growth in our existing product lines (i.e., those not acquired within the last year) is an important factor in management's evaluation of our operating performance. This measure provides useful information to determine the success of our selling organizations in growing the existing business without the benefit of acquisitions and assists management in the allocation of resources.
- Eliminated product lines distributed for third parties. We provide a calculation of revenue growth excluding product lines distributed for third parties that have been eliminated since the end of the quarterly reporting period ended one year prior to the beginning of the current quarterly period. Our core business is focused on developing, manufacturing and marketing products developed internally or acquired. This approach aims to increase the gross margin on our revenues, which is one of our primary operating objectives. Because we do not own the rights to the products distributed for third parties, the gross margins on these products are generally lower than those earned on products that we develop internally or acquire. In addition, our ability to retain distribution rights to the distributed products over the long term is highly dependent upon the third party. For these reasons, we exclude the impact on revenue growth of distributed products that have been eliminated within the past year when evaluating our operating performance because this measure provides useful information to determine the success of our selling organizations in growing the core business.

Adjusted net income reflects net income adjusted for the following items:

- Acquisition-related charges. Acquisition-related charges include in-process research and development charges, charges related to discontinued research and development projects for product technologies that were made redundant by an acquisition and inventory fair value purchase accounting adjustments. Inventory fair value purchase accounting adjustments consist of the increase to cost of goods sold that occur as a result of expensing the "step up" in the fair value of inventory that we purchased in connection with acquisitions as that inventory is sold during the financial period. Although recurring given the ongoing character of our acquisition program, these acquisition-related charges are not factored into the evaluation of our performance by management after completion of acquisitions because they are of a temporary nature, they are not related to our core operating performance and the frequency and amount of such charges vary significantly based on the timing and magnitude of our acquisition transactions as well as the level of inventory on hand at the time of acquisition.
 - Facility consolidation, manufacturing and distribution transfer and system integration charges. These charges, which include employee termination and other costs associated with exit or disposal activities, costs related to transferring manufacturing and/or distribution activities to different locations, and costs associated with the worldwide implementation of a single enterprise resource planning system, result from rationalizing and enhancing our existing manufacturing, distribution and administrative infrastructure. Many of these cost-saving and efficiency-driven activities are identified as opportunities in connection with acquisitions that provide the Company with additional capacity or economies of scale. Although recurring in nature given management's ongoing review of the efficiency of our manufacturing, distribution and administrative facilities and operations, management excludes these items when evaluating the operating performance of the Company because the frequency and amount of such charges vary significantly based on the timing and magnitude of the Company's rationalization activities and are, in some cases, dependent upon opportunities identified in acquisitions, which also vary in frequency and magnitude.
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- Employee termination and related costs. Employee termination and related costs consist of charges related to significant reductions in force that are not initiated in connection with facility consolidations or manufacturing transfers and senior management level terminations. Management excludes these items when evaluating the Company's operating performance because these amounts do not affect our core operations and because of the infrequent and/or large-scale nature of these activities.
 - Charges associated with discontinued or withdrawn product lines. This represents charges taken and reductions in revenue recorded in connection with product lines that the Company discontinues or withdraws. Management excludes this item when evaluating the Company's operating performance because of the infrequent nature of this activity.
 - Charges related to restructuring our European subsidiaries. These charges include levies and fees paid to government authorities directly as a result of European subsidiary reorganizations and transfers of business assets between these legal entities. The benefit of the add-back of any incremental income tax provisions directly related to such restructuring activities is included in "Income tax expense (benefit) and the cumulative impact of changes in income tax rates" line below. Management excludes this item when evaluating the Company's operating performance because of the infrequent nature of this activity.
 - Intangible asset impairment charges. This represents impairment charges recorded against various intangible assets, including completed or core technology, customer relationships, and tradenames. Such impairments result primarily from management decisions to discontinue or significantly reduce promoting certain product lines or tradenames, the inability to incorporate existing product technologies into product development programs, and other circumstances. Management excludes this item when evaluating the Company's operating performance because of the infrequent nature of this activity.
 - Incremental professional and bank fees related to the delay in the filing of our 2007 Annual Report on Form 10-K. These charges include incremental fees directly related to the late completion of the audit and filing of our Annual Report on Form 10-K for the year ended 2007, including audit fee overruns from our independent registered accounting firm, fees for legal advice and consultations with our external counsel, and fees paid to various banks in connection with obtaining waivers to certain non-financial debt covenants. Management excludes these items when evaluating the Company's operating performance because such incremental amounts are not expected to be incurred to the same magnitude subsequent to the completion of our 2007 audit.
 - Charge relating to the grant of restricted stock units in connection with the extension of the term of the CEO's employment agreement. This charge was recognized in the third quarter of 2008 upon the grant of restricted stock units that were vested at the time of the grant on August 6, 2008. Management excludes this item when evaluating the Company's operating performance because of the infrequent nature of this item.
 - Income tax expense (benefit), cumulative impact of changes in income tax rates and certain other infrequently occurring items that affected the reported income tax rate for the quarter and year-to-date period. Income tax expense is adjusted by (i) the amount of additional tax expense or benefit that the Company estimates that it would record if it used non-GAAP results instead of GAAP results in the calculation of its tax provision, based on the statutory rate applicable to jurisdictions in which such non-GAAP adjustments relate, (ii) reductions related to incremental income tax provisions directly related to our European subsidiary restructuring activities, (iii) eliminating the cumulative impact in the current quarter of changes in actual statutory income tax rates and changes in the estimated effective income tax rates during the year, (iv) penalties, interest, and settlements with government tax authorities related to prior tax periods and (v) other infrequently occurring tax charges.
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Adjusted revenues, adjusted net income and adjusted earnings per diluted share are not calculated in accordance with GAAP, and should be considered supplemental to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. Non-GAAP financial measures have limitations in that they do not reflect all of the revenues, costs or benefits associated with the operations of the Company's business as determined in accordance with GAAP. As a result, you should not consider these measures in isolation or as a substitute for analysis of the Company's results as reported under GAAP. The Company expects to continue to acquire businesses and product lines and to incur expenses of a nature similar to some of the non-GAAP adjustments described above, and exclusion of these items from its adjusted revenues and adjusted net income should not be construed as an inference that all of these revenue adjustments or costs are unusual, infrequent or non-recurring. Some of the limitations in relying on adjusted revenues, adjusted net income and adjusted earnings per diluted share are:

- The Company periodically acquires other companies or businesses, and we expect to continue to incur acquisition-related expenses and charges in the future. These costs can directly impact the amount of the Company's available funds or could include costs for aborted deals which may be significant and reduce GAAP net income. Additionally, excluding recently acquired products from the calculation of adjusted revenues can understate the Company's actual revenue growth rate.
- All of the adjustments to net income have been tax affected at the Company's actual tax rates. Depending on the nature of the adjustments and the tax treatment of the underlying items, the effective tax rate related to adjusted net income could differ significantly from the effective tax rate related to GAAP net income.

In the financial statements portion of the Earnings Press Release, the Company has included a reconciliation of GAAP net (loss)/income to adjusted net income and GAAP (loss)/earnings per diluted share to adjusted earnings per diluted share used by management for the quarters ended September 30, 2008 and 2007. Also included are reconciliations for future periods.

ITEM 7.01 REGULATION FD DISCLOSURE

Attached as Exhibit 99.1, and incorporated into this Item 7.01 by reference, is the Earnings Press Release issued on November 7, 2008 by the Company.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits

- 99.1 Earnings Press Release with attachments, dated November 7, 2008, issued by Integra LifeSciences Holdings Corporation
- 99.2 Selected historical financial information

SIGNATURES

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

INTEGRA LIFESCIENCES HOLDINGS CORPORATION

Date: November 7, 2008

By: /s/ John B. Henneman, III
John B. Henneman, III
Title: Executive Vice President, Finance and
Administration, and Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Earnings Press Release with attachments, dated November 7, 2008, issued by Integra LifeSciences Holdings Corporation.
99.2	Selected Historical Financial Information

News Release**Contacts:****Integra LifeSciences Holdings Corporation**

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Integra LifeSciences Reports Third Quarter 2008 Financial Results***Revenues for the Third Quarter Increase 24% to \$167 million******Cash Flow from Operations Increases to \$27 million******Announces Acquisition of its Australian and New Zealand Distributor***

Plainsboro, New Jersey, November 7, 2008 — Integra LifeSciences Holdings Corporation (NASDAQ: IART) today reported its financial results for the quarter ended September 30, 2008. Total revenues in the third quarter of 2008 were \$167.0 million, reflecting an increase of \$32.0 million, or 24%, over the third quarter of 2007.

“Integra posted strong results this quarter and in the first three quarters of the year,” said Stuart Essig, Integra’s President and Chief Executive Officer. “We are pleased with the underlying strength of our business, including both revenue growth and operating cash flow.”

The Company reported a GAAP net loss of \$15.3 million, or \$0.54 per diluted share, for the third quarter of 2008, compared to GAAP net income of \$9.7 million, or \$0.33 per diluted share, for the third quarter of 2007. During the quarter, the Company recorded a compensation charge and an in-process research and development charge related to the acquisition of the Theken companies totaling \$43.5 million. GAAP operating loss for the third quarter of 2008 was \$22.9 million.

In addition to GAAP results, Integra reports adjusted net income and adjusted diluted earnings per share. A further discussion of these non-GAAP financial measures can be found below, and reconciliations of GAAP net income/(loss) to adjusted net income and GAAP diluted earnings/(loss) per share to adjusted diluted earnings per share for the quarters ended September 30, 2008 and 2007 appear in the financial statements attached to this release.

Adjusted net income for the third quarter of 2008, computed with the adjustments to GAAP reporting set forth in the attached reconciliation, was \$13.3 million, or \$0.46 per diluted share. In the third quarter of 2007, adjusted net income was \$11.3 million, or \$0.39 per diluted share.

Integra generated approximately \$27.1 million in operating cash flows in the quarter and has generated more than \$45 million in operating cash flows year-to-date in 2008, a 40% increase over the same period in 2007.

Integra also announced today that it is launching a direct sales force in Australia and New Zealand through the acquisition of its longstanding distributor in those markets. Integra paid \$4.1 million (\$6.0 million Australian Dollars) at closing and may pay up to \$2.1 million (\$3.1 million Australian Dollars) in future payments based on the performance of the business during the three years after closing.

Excluding revenues from product lines acquired after the second quarter of 2007, total revenues grew 11% over the prior year period. Excluding eliminated product lines distributed for third parties and recently acquired product lines, total revenues grew approximately 13% over the prior-year period.

Beginning this quarter Integra will present its revenues in three categories: Integra NeuroSciences, Integra Orthopedics, and Integra Medical Instruments. We have presented a break-out of historical revenues into these three categories in the "Events and Presentations" page of the Investor Relations section of our website. These categories have been chosen to better reflect the markets into which our products are sold and replace the previously reported revenue categories.

Integra NeuroSciences revenues grew by 20% to \$68.0 million from \$56.7 million in the prior-year period. NeuroSciences revenues were strong across all major product lines, with ultrasonic aspirators, neuromonitoring, cranial stabilization, and duraplasty all recording double-digit growth.

Integra Orthopedic revenues, which include the Extremity Reconstruction, Integra OrthoBiologics, Integra Spine, and private label product lines, grew by 63% to \$53.8 million from \$33.0 million in the prior-year period. Recently acquired IsoTis and Theken Spine revenues contributed \$16.2 million in the period. Extremity reconstruction products grew more than 20%. Private label revenues were essentially flat versus the prior year period.

"This new format for presenting our revenues highlights the strength of our growing orthopedics business," said Mr. Essig. "The extremities, orthobiologics, and spine franchises complement each other and benefit from our leading position in tissue engineering. Our acquisitions of IsoTis last year and Theken Spine this year and the expansion of Integra's extremities reconstruction sales organization reinforce our commitment to the high-growth areas of orthopedics."

Integra Medical Instruments revenues were essentially flat year-over-year at \$45.2 million versus \$45.3 million in the prior-year period. This category is comprised of the Jarit, Luxtec, Miltex, and several smaller product lines, including pain management. During 2008, we have integrated these businesses and eliminated underperforming and certain distributed product lines, which has tempered growth in this category for several quarters. Since May 2007, we have eliminated distributed product lines representing approximately 40% of the original revenues of the LXU business.

Gross margin on total revenues in the third quarter of 2008 was 61.5%. Cost of goods sold included \$1.3 million of inventory fair value purchase accounting charges from the Theken acquisition, \$1.2 million of charges from discontinued product lines, and \$0.2 million of charges related to facility consolidations, manufacturing transfers, and systems integration. Together, these charges reduced the gross margin by 1.6 percentage points.

Research and development expense increased \$28.2 million in the third quarter of 2008 to \$34.7 million. Research and development expense in the third quarter of 2008 included a \$25.2 million acquired in-process research and development charge related to the Theken acquisition.

Selling, general and administrative expense increased by \$31.5 million to \$87.7 million in the third quarter of 2008, or 52% of total revenue, compared to \$56.2 million, or 42% of total revenue, in the third quarter of 2007. Selling, general and administrative expense for the third quarter of 2008 includes a compensation charge of \$18.4 million related to the restricted stock units granted in connection with the extension of the term of our Chief Executive Officer's employment agreement in the third quarter of this year. We continue to leverage our selling, general and administrative expenses as a percentage of sales. We expect these expenses to decrease to between 39% and 41% of revenue in 2009, with the increased leverage of our larger selling organizations being partially offset by the inclusion of the recently acquired Theken companies.

We reported a \$1.5 million increase in net interest expense to \$3.9 million for the third quarter of 2008, primarily from increased borrowings under our credit facility to fund the purchase of the Theken companies in August and the repayment of our \$120 million convertible notes in April 2008.

At September 30, 2008, our cash totaled \$109.4 million, and we had \$200 million in outstanding borrowings under our credit facility. On October 30, 2008, the Company borrowed an additional \$60 million under our senior secured revolving credit facility for general corporate purposes.

Integra's Board of Directors recently approved a \$75 million share repurchase authorization, which will expire on December 31, 2010. Integra did not repurchase any shares of common stock during the quarter.

The company has updated its fourth quarter and full year 2008 guidance and is introducing its guidance for the full year 2009. In accordance with usual practice, expectations for financial performance do not include the impact of acquisitions or other strategic corporate transactions that have not yet closed. However, the company's guidance does reflect the acquisition of its distributor in Australia and New Zealand. The acquisition closed on October 31, 2008.

In the fourth quarter of 2008 and in 2009, Integra anticipates that it will incur various charges related to inventory purchase accounting and integration of Theken and the company's distributor in Australia and New Zealand. We also anticipate consolidation, manufacturing and distribution transfer, and system integration charges related to various projects including the continued transfer of manufacturing amongst various sites and Oracle implementation activities in our facilities. These anticipated charges are outlined in the "Reconciliation of non-GAAP adjustments — guidance" table at the end of this release.

In the future we may record, or expect to record, certain additional revenues, gains, expenses or charges (such as acquisition-related charges, facility consolidation, manufacturing and distribution transfer and system integration charges, and certain employee termination and related costs) that we will exclude in the calculation of adjusted earnings per share for historical periods and in providing adjusted earnings per share guidance.

We have increased our revenue guidance for the full year 2008 to a range of \$657 million to \$665 million from \$650 million to \$663 million. This revised guidance reflects actual results for the first three quarters of 2008. Fourth quarter revenue guidance is unchanged at \$177 million to \$185 million. The company is also introducing revenue guidance of \$735 million to \$755 million for the full year 2009. As has been the case in the past, we expect revenues in the first quarter of 2009 to be 3-5% lower than the fourth quarter of 2008, and earnings to be disproportionately lower, and that the fourth quarter of 2009 will be the strongest quarter of the year.

We are also revising our GAAP and adjusted diluted earnings per share guidance. The new full year 2008 guidance reflects actual results for the first three quarters. 2009 GAAP guidance does not include the impact of the adoption of the Financial Accounting Standards Board ("FASB") issued Staff Position No. APB 14-1, Accounting for Convertible Debt Instruments that May be Settled in Cash Upon Conversion ("FSP APB 14-1"). FSP APB 14-1 requires that the liability and equity components of convertible debt instruments that may be settled in cash upon conversion (including partial cash settlement) be separately accounted for in a manner that reflects an issuer's nonconvertible debt borrowing rate. The company expects to provide guidance on the impact of the new standard in 2009.

We expect GAAP diluted earnings per share in the range of \$0.96 — \$1.01 for full year of 2008 and \$0.60 — \$0.65 for the fourth quarter of 2008. For full year 2009, we anticipate GAAP diluted earnings per share within the range of \$2.24- \$2.44.

We are updating full year 2008 adjusted diluted earnings per share guidance to within a range of \$2.14 — \$2.19 based on for third quarter results and the beneficial impact of a 31% expected full year adjusted income tax rate. Fourth quarter 2008 adjusted diluted earnings per share guidance remains unchanged at \$0.60-\$0.65. For full year 2009 adjusted diluted earnings per share is expected to be in the range of \$2.35 — \$2.55.

The Company expects to incur approximately \$4.1 million, or \$0.08 per share, of share-based compensation expense associated with FAS 123R in the fourth quarter of 2008 and approximately \$4.0 million, or \$0.08 per share, on a quarterly basis for 2009. This non-cash compensation expense is included in both the GAAP and adjusted diluted earnings per share guidance for fourth quarter 2008 and 2009 provided above.

We have scheduled a conference call for 9:00 am ET Monday, November 10, 2008, to discuss the financial results for the fourth quarter of 2008 and forward-looking financial guidance. The call is open to all listeners and will be followed by a question and answer session. Access to the live call is available by dialing (913) 312-1270 or through a listen-only webcast via a link provided on the Investor Relations homepage of Integra's website at www.Integra-LS.com. A replay of the conference call will be accessible starting one hour following the live event. Access to the replay is available through November 24, 2008 by dialing (719) 457-0820 (access code 8405173) or through the webcast accessible on our website.

Integra LifeSciences Holdings Corporation, a world leader in regenerative medicine, is dedicated to improving the quality of life for patients through the development, manufacturing and marketing of cost-effective surgical implants and medical instruments. Our products, used primarily in neurosurgery, extremity reconstruction, orthopedics and general surgery, are used to treat millions of patients every year. Integra's headquarters are in Plainsboro, New Jersey, and we have research and manufacturing facilities throughout the world. Please visit our website at (<http://www.Integra-LS.com>).

This news release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks, uncertainties and reflect the Company's judgment as of the date of this release. Forward-looking statements include, but are not limited to, statements concerning future financial performance, including projections for revenues, gross margin on product revenues, selling, general and administrative expenses, effective income tax rates, GAAP and adjusted net income, GAAP and adjusted earnings per diluted share, acquisition and integration related costs and non-cash compensation expense associated with FAS 123R. Such forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from predicted or expected results. Such risks and uncertainties include, but are not limited to, the Company's inability to design or improve internal controls to address the disclosed material weaknesses; the impact upon operations of legal compliance matters or internal controls review, improvement and remediation; difficulties in controlling expenses, including costs of legal compliance matters or internal controls review, improvement and remediation; the impact of changes in management or staff levels; the Company's ability to maintain relationships with customers of acquired entities; physicians' willingness to adopt, and third-party payors' willingness to provide reimbursement for, the Company's recently launched and planned products; initiatives launched by the Company's competitors; the Company's ability to secure regulatory approval for products in development; the Company's ability to comply with and obtain approvals for products of human origin and comply with recently enacted regulations regarding products containing materials derived from animal sources; the Company's ability to integrate acquired businesses; the Company's ability to leverage its existing selling organizations and administrative infrastructure; the Company's ability to increase product sales and gross margins, and control non-product costs; the amount and timing of acquisition and integration related costs; the geographic distribution of where the Company generates its net income, the timing and amount of share-based awards granted to employees; and the economic, competitive, governmental, technological and other risk factors and uncertainties identified under the heading "Risk Factors" included in Item 1A of Integra's Annual Report on Form 10-K for the year ended December 31, 2007 and information contained in subsequent filings with the Securities and Exchange Commission.

Discussion of Adjusted Financial Measures

In addition to our GAAP results, we provide adjusted revenues, adjusted net income and adjusted earnings per diluted share. Adjusted revenues consists of the following two measures: (i) growth in total revenues excluding product lines acquired after the second quarter 2007 and (ii) growth in total revenues excluding eliminated products lines distributed for third parties and recently acquired product lines. Adjusted net income consists of net income, excluding (i) acquisition-related charges, (ii) facility consolidation, manufacturing and distribution transfer and system integration charges, (iii) certain employee termination and related costs, (iv) charges associated with discontinued or withdrawn product lines, (v) charges related to restructuring European subsidiaries, (vi) intangible asset impairment charges, (vii) incremental professional and bank fees related to the delay in the filing of our 2007 Annual Report on Form 10-K, (viii) charges relating to the grant of restricted stock units in connection with the extension of the term of the CEO's employment agreement and (ix) the income tax expense/benefit related to these adjustments and the cumulative impact of changes in tax rates. Adjusted earnings per diluted share are calculated by dividing adjusted net income for earnings per diluted share by adjusted diluted weighted average shares outstanding. Because the Company reported a GAAP net loss in the third quarter of 2008, the calculation of GAAP diluted weighted average shares outstanding for the third quarter of 2008 excludes the effects of stock options and unvested restricted stock, as the effect of these equity awards would be anti-dilutive. The Company included the dilutive effects of these equity awards in the calculation of adjusted diluted weighted average shares outstanding used to calculate adjusted earnings per diluted share for the third quarter of 2008 because their effects are dilutive in relation to adjusted net income.

Integra believes that the presentation of adjusted revenues, adjusted net income and adjusted earnings per diluted share provides important supplemental information to management and investors regarding financial and business trends relating to the Company's financial condition and results of operations. For further information regarding why Integra believes that these non-GAAP financial measures provide useful information to investors, the specific manner in which management uses these measures, and some of the limitations associated with the use of these measures, please refer to the Company's Current Report on Form 8-K regarding this earnings press release filed today with the Securities and Exchange Commission. This Current Report on Form 8-K is available on the SEC's website at www.sec.gov or on our website at www.Integra-LS.com.

INTEGRA LIFESCIENCES HOLDINGS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

(In thousands, except per share amounts)

	Three Months Ended September 30,	
	2008	2007
TOTAL REVENUE	\$ 167,028	\$ 135,015
COSTS AND EXPENSES		
Cost of product revenues	64,317	50,863
Research and development	34,718	6,546
Selling, general and administrative	87,660	56,241
Intangible asset amortization	3,224	3,029
Total costs and expenses	189,919	116,679
Operating (loss)/income	(22,891)	18,336
Interest income	399	1,518
Interest expense	(4,249)	(3,863)
Other income (expense), net	(409)	(325)
(Loss)/income before income taxes	(27,150)	15,666
Income tax (benefit)/expense	(11,859)	5,993
Net (loss)/income	(\$15,291)	\$ 9,673
Add back of after tax interest expense	—	3
Net (loss) income for diluted earnings per share	(\$15,291)	\$ 9,676
Diluted net (loss)/income per share	(\$0.54)	\$ 0.33
Weighted average common shares outstanding for diluted net (loss)/income per share	28,121	29,314

Listed below are the items included in revenues and net income/(loss) that management excludes in computing the adjusted financial measures referred to in the text of this press release and further described under Discussion of Adjusted Financial Measures.

A. Growth in total revenues excluding product lines acquired after the second quarter of 2007

	Three Months Ended September 30,		Increase (Decrease)	
	2008	2007	\$	%
	(\$ in thousands)			
Total revenues, as reported	\$ 167,028	\$ 135,015	\$ 32,013	24%
Less: Revenues of product lines acquired after the second quarter of 2007	17,637	—	17,637	N/M
Revenues excluding recently acquired product lines	\$ 149,391	\$ 135,015	\$ 14,376	11%

B. Growth in total revenues excluding eliminated product lines distributed for third parties and recently-acquired product lines

	Three Months Ended September 30,		Increase (Decrease)	
	2008	2007	\$	%
	(\$ in thousands)			
Total revenues, as reported	\$ 167,028	\$ 135,015	\$ 32,013	24%
Less: Revenue from eliminated product lines distributed for third parties	2,222	5,027	(2,805)	(56%)
Revenues of product lines acquired after the second quarter of 2007	17,637	—	17,637	N/M
Revenues excluding eliminated product lines distributed for third parties and recently acquired product lines	\$ 147,169	\$ 129,988	\$ 17,181	13%

C. Items included in GAAP net (loss)/income

(\$ in thousands)	Three Months Ended September 30,	
	2008	2007
Acquisition-related charges	26,584	1,239
Facility consolidation, manufacturing and distribution transfer and system integration charges	238	93
Employee termination and related costs	—	130
Charges related to litigation matters or disputes	—	138
Charge relating to grant of restricted stock units in connection with extension of the term of the CEO's employment agreement	18,356	—
Charges associated with discontinued or withdrawn product lines	1,207	—
Income tax expense (benefit) related to above adjustments, the cumulative impact of changes in tax rates, and other adjustments	(17,822)	59

INTEGRA LIFESCIENCES HOLDINGS CORPORATION
RECONCILIATION OF NON-GAAP ADJUSTMENTS — HISTORICAL
(UNAUDITED)

(In thousands, except per share amounts)

	Three Months Ended September 30,	
	2008	2007
GAAP net (loss)/income	(\$15,291)	\$ 9,673
Non-GAAP adjustments:		
Acquisition-related charges (a)	26,584	1,239
Facility consolidation, manufacturing and distribution transfer and system integration charges (b)	238	93
Employee termination and related costs (c)	—	130
Charges related to litigation matters or disputes (d)	—	138
Charge relating to grant of restricted stock units in connection with extension of the term of the CEO's employment agreement (e)	18,356	—
Charges associated with discontinued or withdrawn product lines (f)	1,207	—
Income tax expense (benefit) related to above adjustments, cumulative impact of changes in tax rates and other adjustments(g)	(17,822)	59
Total of non-GAAP adjustments	<u>28,563</u>	<u>1,659</u>
Adjusted net income	13,272	11,332
Add back of after tax interest expense	<u>—</u>	<u>3</u>
Adjusted net income for diluted earnings per share	<u>\$ 13,272</u>	<u>\$ 11,335</u>
Weighted average common shares outstanding for GAAP diluted earnings per share	28,121	29,314
Non-GAAP adjustment for dilutive effects of equity awards	927	—
Weighted averages common shares outstanding for adjusted diluted earnings per share	<u>29,048</u>	<u>29,314</u>
Adjusted diluted net income per share	<u>\$ 0.46</u>	<u>\$ 0.39</u>

(a) 2007 — \$1,239 recorded in cost of product revenues; 2008 — \$25,240 recorded in research and development, \$1,283 in cost of product revenues, \$61 in selling general and administrative.

(b) 2007 — all recorded in selling general and administrative; 2008- all in cost of product revenues

(c) 2007 — all recorded in selling general and administrative

(d) 2007 — all recorded in selling general and administrative

(e) 2008 — all recorded in selling general and administrative

(f) 2008 — all recorded in cost of product revenues

(g) 2007 — A \$667 reduction to income tax expense during the third quarter of 2007 was made to reflect what the income tax expense would have been based upon a 34% effective income tax rate. The adjusted 34% effective income tax rate for the third quarter of 2007 approximates the effective income tax rate that would have been reported for the quarter after excluding the cumulative impact of changes in actual statutory rates and estimated effective income tax rates on prior quarters and certain infrequently occurring items on the 2007 reported tax rate.

2008 — The amount is also reduced by \$802 to reflect what the income tax expense would have been based upon a 31% effective income tax rate. The adjusted 31% effective income tax rate for the third quarter of 2008 approximates the effective income tax rate that would have been reported for the quarter after excluding the cumulative impact of changes in actual statutory rates and estimated effective income tax rates on prior quarters and certain infrequently occurring items on the 2008 reported tax rate.

2008 and 2007 — the remaining amount reflects the estimated additional tax (expense)/benefit that the Company would record if it used non-GAAP results instead of GAAP results in the calculation of its tax provision, based on the statutory rate applicable to jurisdictions in which the above non-GAAP adjustments relate.

Condensed Balance Sheet Data (in thousands):

	September 30, 2008	December 31, 2007
Cash and marketable securities, including non-current portion	109,339	57,339
Accounts receivable, net	111,081	103,539
Inventory, net	155,615	144,535
Bank line of credit	200,000	—
Convertible securities, current	—	119,962
Convertible securities, non-current	330,000	330,000
Stockholders' equity	321,594	260,429

Revenue categories

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
Medical Surgical Equipment	\$ 95,571	\$ 85,873	\$ 272,534	\$ 247,177
Neurosurgical and Orthopedic Implants	71,457	49,142	207,700	145,637
Total revenue	\$ 167,028	\$ 135,015	\$ 480,234	\$ 392,814
Integra NeuroSciences	\$ 68,014	\$ 56,678	\$ 192,146	\$ 176,610
Integra Orthopedics	53,848	33,035	155,996	99,483
Integra Medical Instruments	45,166	45,302	132,092	116,721
Total revenues	\$ 167,028	\$ 135,015	\$ 480,234	\$ 392,814

Beginning with the third quarter 2008 earnings results, Integra LifeSciences has recast its revenue results into three categories based on the markets the company serves. The above table presents third quarter revenues in both the current and historical categories. In subsequent quarters the company will no longer present revenue in the prior format.

INTEGRA LIFESCIENCES HOLDINGS CORPORATION
RECONCILIATION OF NON-GAAP ADJUSTMENTS — GUIDANCE

(In thousands, except per share amounts)

	Projected Three Months Ended 31-Dec-08	
	Low	High
GAAP net income	\$ 17,710	\$ 19,150
Non-GAAP adjustments:		
Acquisition-related charges	1,900	1,900
Facility consolidation, manufacturing and distribution transfer and system integration charges	680	680
Tax adjustment for full year 31% rate	(1,740)	(1,830)
Income tax (benefit) related to above adjustments , cumulative impact of changes in tax rates, and other adjustments	(850)	(850)
Total of non-GAAP adjustments	(10)	(100)
Adjusted net income	\$ 17,700	\$ 19,050
Weighted average common shares outstanding for diluted net income per share	29,400	29,400
GAAP diluted net income per share	\$ 0.60	\$ 0.65
Non-GAAP adjustments detailed above (per share)	\$ 0.00	\$ 0.00
Adjusted diluted net income per share	\$ 0.60	\$ 0.65

INTEGRA LIFESCIENCES HOLDINGS CORPORATION
RECONCILIATION OF NON-GAAP ADJUSTMENTS — GUIDANCE

(In thousands, except per share amounts)

	Projected Year Ended 31-Dec-08		Projected Year Ended 31-Dec-09	
	Low	High	Low	High
GAAP net income	\$ 27,790	\$ 29,230	\$ 65,500	\$ 71,500
Non-GAAP adjustments:				
Acquisition-related charges	32,140	32,140	4,500	4,500
Facility consolidation, manufacturing and distribution transfer and system integration charges	1,480	1,480	900	900
Incremental professional and bank fees related to the delayed 10-K filing	1,040	1,040	—	—
Charges associated with discontinued or withdrawn product lines	1,210	1,210	—	—
Charge relating to grant of restricted stock units in connection with extension of the term of the CEO's employment agreement	18,360	18,360	—	—
Tax adjustment for full year 31% rate	460	370	—	—
Income tax expense (benefit) related to above adjustments	<u>(20,890)</u>	<u>(20,890)</u>	<u>(2,100)</u>	<u>(2,100)</u>
Total of non-GAAP adjustments	33,800	33,710	3,300	3,300
Adjusted net income	\$ 61,590	\$ 62,940	\$ 68,800	\$ 74,800
Weighted average common shares outstanding for diluted net income per share	28,800	28,800	29,300	29,300
GAAP diluted net income per share	\$ 0.96	\$ 1.01	\$ 2.24	\$ 2.44
Non-GAAP adjustments detailed above (per share)	<u>\$ 1.18</u>	<u>\$ 1.18</u>	<u>\$ 0.11</u>	<u>\$ 0.11</u>
Adjusted diluted net income per share	\$ 2.14	\$ 2.19	\$ 2.35	\$ 2.55

IART-F

Source: *Integra LifeSciences Holdings Corporation*



Integra LifeSciences Revised Revenue Categories

November 2008

Beginning with the third quarter 2008 earnings results, Integra LifeSciences will present its revenue results in three categories based on the markets that those revenues serve.

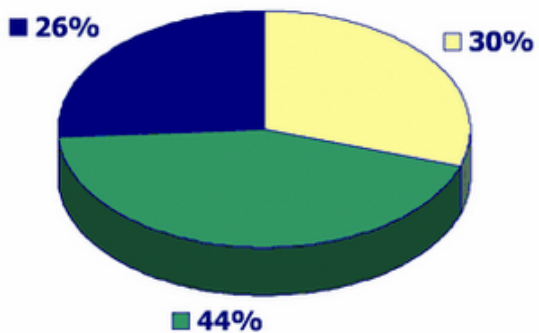
This presentation provides a reconciliation of historical revenue to the new reporting format and provides a mapping of products in each category.

New Categories

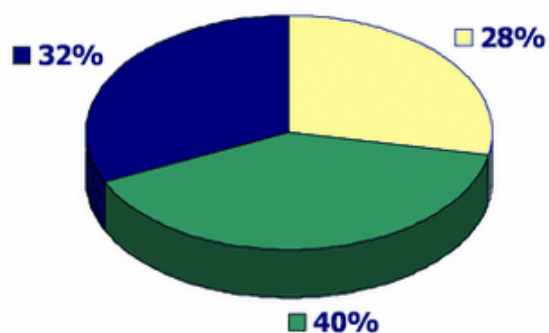
<u>New Category</u>	<u>Example Products</u>	<u>Formerly</u>
Integra NeuroSciences		
Neurosurgery Implants	- DuraGen, hydrocephalus shunt products	Implants
Neurosurgery Critical Care	- Intracranial monitoring, cranial access, external ventricular drainage products	Med/Surg
Neurosurgery Devices	- CUSA, Mayfield cranial stabilization, Radionics stereotaxy and radiation therapy products	Med/Surg
Integra Orthopedics		
Extremity Reconstruction	- INTEGRA dermal repair products, NeuraGen, upper and lower extremity fixation products	Implants
Integra Orthobiologics	- Accell DBM and Mozaik collagen ceramic matrix	Implants
Integra Spine	- Theken spinal fixation and synthetic bone substitute products	Implants
Private label products	- various private label products for J&J, Medtronic, Zimmer	Implants
Medical Instruments		
Integra Surgical	- Jarit and R&B hand held surgical instruments, Luxtec surgical lighting	Med/Surg
Miltex	- Miltex hand held surgical instruments	Med/Surg
Integra Pain Management	- Customized pain management kits	Med/Surg




Revenue Summary

Full Year 2007
\$550 million



YTD 2008
\$480 million



-  NeuroSciences
-  Orthopedics
-  Medical Instruments

New Revenue Format

	Q1	Q2	Q3	Q4	FY 2006
Integra NeuroSciences	\$ 37,287	\$ 51,319	\$ 55,156	\$ 57,049	\$ 200,811
Integra Orthopedics	23,568	24,710	29,335	32,591	110,204
Integra Medical Instruments	<u>16,280</u>	<u>24,092</u>	<u>32,156</u>	<u>35,754</u>	<u>108,282</u>
Total Revenue	\$ 77,135	\$ 100,121	\$ 116,647	\$ 125,394	\$ 419,297

	Q1	Q2	Q3	Q4	FY 2007
Integra NeuroSciences	\$ 59,108	\$ 60,822	\$ 56,678	\$ 65,244	\$ 241,852
Integra Orthopedics	31,936	34,513	33,035	45,191	144,675
Integra Medical Instruments	<u>31,988</u>	<u>39,432</u>	<u>45,302</u>	<u>47,210</u>	<u>163,932</u>
Total Revenue	\$ 123,032	\$ 134,767	\$ 135,015	\$ 157,645	\$ 550,459

	Q1	Q2	Q3	YTD 2008
Integra NeuroSciences	\$ 61,459	\$ 62,673	\$ 68,014	\$ 192,146
Integra Orthopedics	50,979	51,169	53,848	155,996
Integra Medical Instruments	<u>43,570</u>	<u>43,356</u>	<u>45,166</u>	<u>132,092</u>
Total Revenue	\$ 156,008	\$ 157,198	\$ 167,028	\$ 480,234