

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): APRIL 25, 2003

INTEGRA LIFESCIENCES HOLDINGS CORPORATION

(Exact name of Registrant as specified in its charter)

DELAWARE

0-26224

51-0317849

(State or other jurisdiction of  
incorporation or organization)

(Commission File Number)

(I.R.S. Employer  
Identification No.)

311 ENTERPRISE DRIVE

PLAINSBORO, NJ 08536

(Address of principal executive offices) (Zip Code)

(609)-275-0500

(Registrant's telephone number, including area code)

NOT APPLICABLE

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

ITEM 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(a) Not applicable

(b) Not applicable

(c) Exhibits.

Exhibit Number	Description of Exhibit
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99.1	Press release issued April 25, 2003 regarding earnings for the quarter ended March 31, 2003
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ITEM 9. Information Provided Under Item 12 (Results of Operations and Financial Condition)

The information required by Item 12 is being provided under Item 9 pursuant to Securities and Exchange Commission interim filing guidance provided in SEC press release No. 2003-41.

The following information is furnished pursuant to Item 12, "Results of Operations and Financial Condition." The information in this Form 8-K and the Exhibit attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

On April 25, 2003, Integra Life Sciences Corporation issued a press release announcing financial results for the quarter ended March 31, 2003. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K.

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, thereunto duly authorized, as of the 25th day of April, 2003.

INTEGRA LIFESCIENCES HOLDINGS CORPORATION

BY: /s/ STUART M. ESSIG

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STUART M. ESSIG  
PRESIDENT AND CHIEF EXECUTIVE OFFICER

Exhibit Index

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99.1	Press release issued April 25, 2003 regarding earnings for the quarter ended March 31, 2003
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## News Release

## Contacts:

Integra LifeSciences Holdings Corporation

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 Chief Administrative Officer  
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Integra LifeSciences Reports Record Pre-Tax Earnings and  
 Revenues for the First Quarter 2003

Cash Flows from Operations Totaled \$8.8 Million

Plainsboro, NJ /April 25, 2003 / -- Integra LifeSciences Holdings Corporation (Nasdaq: IART) today reported net income of \$5.4 million, or \$0.18 per share, for the first quarter of 2003, as compared to net income of \$4.1 million, or \$0.13 per share, in the first quarter of 2002.

Total revenues in the first quarter of 2003 increased \$10.9 million to \$36.8 million, a 42% increase over total revenues in the first quarter of 2002. Revenues from product lines acquired since the beginning of the first quarter 2002 accounted for \$6.2 million of the increase in total revenues. Excluding revenues attributable to product lines acquired since the beginning of the first quarter of 2002, first quarter 2003 product revenues increased by \$4.4 million, or 18%, over the prior year period.

Pre-tax earnings for the period were \$8.6 million, an increase of 36% over the first quarter of 2002.

"I am very pleased with our record revenues and pre-tax earnings this quarter," said Stuart M. Essig, Integra's President and Chief Executive Officer. "We also completed two significant transactions that position us for further growth. Our acquisition of JARIT(R) Surgical Instruments provides us with an established and respected name in general surgery instruments and broadens our distribution channels and customer base. We also issued \$105 million of contingent convertible subordinated notes, which significantly increased our financial flexibility."

Following our integration of several diverse businesses we acquired, in 2003 we began to manage our business and review financial results on an aggregate basis, instead of through different operating segments. Now, integrated teams manage functions such as marketing, manufacturing, research, sales and administration for the entire Company. Accordingly, we now report our financial results under a single operating segment--the development, manufacturing, and distribution of medical devices. For comparative purposes, we have revised our prior period results to reflect this change.

Revenues are now segregated into the following categories:

	Quarter Ended March 31,		
	2003	2002	% Increase
	-----	-----	-----
Product revenue:			
Neuromonitoring products	\$10,532	\$ 8,582	23%
Operating room products	12,588	7,872	60%
Instruments	6,247	3,823	63%
Private label products	5,763	4,242	36%
	-----	-----	-----
Total product revenue	\$35,130	\$24,519	43%
Other revenues	1,650	1,397	18%
	-----	-----	-----
Total revenue	\$36,780	\$25,916	42%

Product revenues for the first quarter of 2003 increased \$10.6 million, or 43%, over the first quarter of 2002 to \$35.1 million. Increased sales of drainage and cranial access kits provided most of the growth in neuromonitoring products. Revenues from neurosurgical shunt products acquired in 2002 and the continued growth in sales of the DuraGen(R) Dural Graft Matrix and the NeuraGen(TM) Nerve Guide products drove the increase in operating room product revenues. Sales of the Padgett(R) and JARIT surgical instrument lines acquired in 2002 and 2003 accounted for most of the year over year increase in instrument revenues. Revenues from acquired product lines and increased revenue from the VitaCuff(R) device and the Absorbable Collagen Sponge used in Medtronic's bone graft product contributed significantly to the increase in private label product revenues. The growth in other revenue is attributable to an increase in product development

revenue offset in part by a decrease in distribution and license fees.

Acquisitions and recent product launches continue to contribute significantly to the Company's revenue growth. Product revenues in the first quarter of 2003 included the following amounts in sales of acquired product lines:

	Revenue from product lines acquired in		Total revenue from acquired product lines	Total revenue
	2003	2002		
	-----	-----	-----	-----
Neuromonitoring products	\$ --	\$ 922	\$ 922	\$10,532
Operating room products	--	2,346	2,346	12,588
Instruments	1,132	1,056	2,188	6,247
Private label products	--	719	719	5,763

Reported gross margin on product revenues in the first quarter of 2003 remained consistent with the first quarter of 2002 at 61% of product revenues and included the negative impact of \$346,000 of inventory fair value purchase accounting adjustments.

Sales and marketing expense increased by \$2.0 million to \$7.6 million in the first quarter of 2003, a slight decrease as a percentage of product revenues from the prior year period. General and administrative expense increased by \$1.9 million over the first quarter of 2002 to \$4.8 million, primarily as a result of costs incurred in operating the businesses acquired in 2002 and 2003.

The Company generated \$8.8 million in cash flows from operations in the first quarter of 2003, as compared to \$5.5 million in the prior year quarter. Operating cash flows improved in the first quarter of 2003 primarily as a result of higher net income.

The Company's net interest income decreased by \$0.2 million to \$0.8 million in the first quarter of 2003, primarily as a result of a continued decrease in interest rates.

The \$0.9 million increase in income tax expense in the first quarter of 2003 reflects a slight increase in the effective tax rate projected for 2003 to 36.5%, as compared to the 35% effective rate reported for the first quarter of 2002. The Company expects to report an effective tax rate of 36.5% for the full year 2003.

The Company used approximately \$42.4 million of cash to purchase JARIT Surgical Instruments on March 17, 2003. On March 31, 2003, the Company received net proceeds of \$101.9 million from the sale of \$105.0 million of its 2 1/2% Contingent Convertible Subordinated Notes due March 15, 2008. The Company used approximately \$35.3 million of the proceeds from the sale of the notes to repurchase 1.5 million shares of its common stock.

The Company's cash and investments totaled \$170 million at March 31, 2003. On April 11, 2003 the Company received \$14.5 million in net proceeds from the sale of an additional \$15.0 million of notes.

Integra is revising its expectations for revenues, gross margin and earnings for 2003 and 2004. We expect total revenues to increase to between \$168 and \$171 million in 2003 and \$196 and \$206 million in 2004. Gross margin is expected to be 60% and 62% of product revenues in 2003 and 2004. Excluding a potential in-process research and development charge related to a \$1.5 million milestone payment that may become due in connection with a product development agreement, we expect our earnings to be within a range of \$0.80 to \$0.82 per share in 2003 and \$1.05 to \$1.10 per share in 2004. The Company's guidance for the second quarter of 2003 is for total revenues in the range of \$42.5 to \$43.5 million and earnings per share of \$0.18. The Company's second quarter guidance includes the negative impact of approximately \$700,000 of inventory fair value purchase accounting adjustments from the JARIT and Padgett acquisitions. In accordance with the Company's usual practices, management's expectations for 2003 and 2004 financial performance do not include the impact of acquisitions or other strategic corporate transactions that have not yet closed.

The Company has scheduled a conference call for 9:00 am ET today, April 25, 2003, to discuss the financial results for the first quarter of 2003 and to further discuss its 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 (973) 935-2100 or through a listen-only webcast via a link provided on the home page of Integra's website at [www.Integra-LS.com](http://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 May 9, 2003 by dialing (973) 341-3080 (access code 3609049) or through the webcast accessible on our home page.

Additional information about the individual product lines that comprise the various product revenue categories is available in the Investor Relations section of our website ([www.Integra-LS.com](http://www.Integra-LS.com)) under "Presentations".

Integra LifeSciences Holdings Corporation is a diversified medical technology company that develops, manufactures, and markets medical devices for use in a variety of applications. The primary applications for our products are neuro-trauma and neurosurgery, plastic and reconstructive surgery, and soft tissue repair. Integra is a leader in applying the principles of biotechnology to medical devices that improve patients' quality of life. The Company has its corporate headquarters in Plainsboro, New Jersey, with manufacturing and research facilities located throughout the world. The Company has approximately 860 permanent employees.

This news release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, but are not limited to, statements concerning future financial performance, including projections for revenues, gross margins, income tax rates, and earnings per share. The accuracy of such forward-looking statements is necessarily subject to risks and uncertainties that could cause actual results to differ materially from predicted or expected results. Such forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from predicted or expected results. Among other things, the Company's ability to maintain relationships with customers of acquired entities, physicians' willingness to adopt the Company's recently launched and planned products and the Company's ability to secure regulatory approval for products in development may adversely affect the Company's future product revenues; the Company's ability to increase sales and product volumes may adversely affect its future gross margins; the geographic mix of the Company's taxable income may adversely affect the Company's income tax rates; and the Company's ability to integrate acquired businesses, increase product sales and gross margins, and control its nonproduct cost will affect its earnings per share. In addition, the economic, competitive, governmental, technological and other factors identified under the heading "Risk Factors" included in the Business section of Integra's Annual Report on Form 10-K for the year ended December 31, 2002 and information contained in subsequent filings with the Securities and Exchange Commission could affect actual results.

INTEGRA LIFESCIENCES HOLDINGS CORPORATION  
CONSOLIDATED FINANCIAL RESULTS  
(In thousands, except per share data)  
(UNAUDITED)

Statement of Operations Data:

	Three Month Period Ended March 31	
	2003	2002
Product revenue	\$ 35,130	\$ 24,519
Other revenue	1,650	1,397
	-----	-----
Total revenue	36,780	25,916
Cost of product sales	13,703	9,528
Research and development	2,650	2,078
Selling and marketing	7,576	5,672
General and administrative	4,834	2,963
Amortization	577	350
	-----	-----
Total costs and expenses	29,340	20,591
Operating income	7,440	5,325
Interest income, net	776	993
Other income (expense), net	349	(23)
	-----	-----
Income before income taxes	8,565	6,295
Provision for income taxes	3,127	2,204
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Net income	\$ 5,438	\$ 4,091
Diluted earnings per share	\$ 0.18	\$ 0.13
Diluted weighted average common shares outstanding	30,869	30,717

Condensed Balance Sheet Data:

	March 31	Dec 31
	2003	2002
Cash and marketable securities, including non-current portion	\$169,688	\$132,311
Accounts receivable, net	24,065	19,412
Inventory, net	37,394	28,502
Total assets	356,756	274,668
Current liabilities	25,452	21,921
Long-term debt	104,681	--
Total liabilities	135,344	27,071
Stockholders equity	221,412	247,597

SOURCE: INTEGRA LIFESCIENCES HOLDINGS CORPORATION