



Integra LifeSciences Acquires Neurosciences Division of NMT Medical; Acquisition Signals Continued Expansion of Integra's Neuroscience Business

PLAINSBORO, N.J., Aug. 1, 2002 (PRIMEZONE) -- Integra LifeSciences Holdings Corporation (Nasdaq:IART) today announced that it has acquired the neurosciences division of NMT Medical, Inc. (Nasdaq:NMTI) for \$5.4 million in cash. Through this acquisition, Integra NeuroSciences, the neurosurgery division of Integra LifeSciences Holdings Corporation, adds a range of leading differential pressure valves, including the Orbis-Sigma[®], Integra Hakim[®] and horizontal-vertical ("H-V") lumbar valves, and external ventricular drainage products to its neurosurgical product line. The acquired product lines generated sales of approximately \$12.7 million for the twelve months ended June 30, 2002.

The acquired operations include a facility located in Biot, France that manufactures, packages and distributes shunting, catheter and drainage products, and a distribution facility located in Atlanta. The Biot plant will become an important part of Integra's continental European distribution activities. The Atlanta operations will be consolidated into Integra's Cranbury, New Jersey National Distribution Center.

NMT NeuroSciences' five direct European sales representatives will join Integra's growing direct sales team. In international markets where both Integra and NMT sell through distributors, Integra will evaluate the competing distributors with an eye toward improving international results in these product segments.

"This acquisition strengthens Integra's position as an industry leader in neurosurgery and neurotrauma," said Stuart M. Essig, President and Chief Executive Officer of Integra. "It allows us to continue to broaden and strengthen the hydrocephalus management and drainage product lines offered by our well-trained and experienced sales group. Also, as we look to rationalize the combined businesses, we expect to discontinue certain NMT and Integra products."

Although the acquired product lines generated approximately \$3.0 million of sales in the quarter ended June 30, 2002, Integra estimates that the net effect of the NMT acquisition and the elimination of redundant or under performing product lines will be to increase Integra's product sales by approximately \$2.5 million per quarter. As Integra plans to continue building its European infrastructure through the acquisition of the NMT product lines, the impact of the transaction, excluding special charges, is expected to reduce earnings by \$.01 per share in 2002 and be accretive to earnings thereafter.

Integra may achieve future financial and operating synergies by increasing capacity utilization at the Biot, France facility, which is currently operating at less than 50% capacity, and by leveraging sales of existing Integra NeuroSciences products through the customer base of the acquired business, especially in France and Germany.

Integra is also announcing that it has rescheduled to 9:00 a.m. EST on Friday, August 2, its conference call to discuss financial results for the second quarter ended June 30, 2002 and to update forward-looking guidance for the remainder of 2002 and for 2003, including the effect of recent acquisitions. The call had previously been scheduled for Tuesday, August 6. Financial results for the second quarter 2002 will be announced via a news release issued later today.

The upcoming conference call, which will be hosted by Stuart Essig, President and Chief Executive Officer of Integra, is open to all listeners and will be followed by a question and answer session. Additional forward-looking information may be discussed in the question and answer session following the call.

Access to the live call is available by dialing (973) 582-2729 or through a listen-only webcast via a link provided on the home page of Integra's website at <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 August 16 by dialing 973-341-3080 or through the webcast accessible on our home page.

Integra NeuroSciences designs, manufactures and sells implants, instruments and monitors used in neurosurgery and intensive care units, primarily for the treatment of neurological trauma and surgery. In the United States, Integra NeuroSciences sells through 63 direct sales territories staffed by personnel called neurospecialists, seven regional managers, and ten clinical development specialists who educate and train both neurospecialists and customers in the use of Integra's products. Integra also sells through a direct sales force in the United Kingdom, France, Germany and Belgium. In the rest of the world, Integra NeuroSciences' products are sold through specialized neurosurgical distributors and dealers.

Integra LifeSciences Holdings Corporation develops, manufactures and markets medical devices, implants and biomaterials primarily used in the treatment of cranial and spinal disorders, soft tissue repair and orthopedics. 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. Integra has approximately 750 permanent employees. Please feel free to visit Integra's website at <http://www.integra-LS.com>.

NMT Medical designs, develops and markets proprietary implant technologies that allow interventional cardiologists to treat cardiac sources of stroke through minimally invasive catheter-based procedures. The Company also serves the pediatric interventional cardiologist with a broad range of cardiac septal repair implants delivered with nonsurgical catheter techniques. For more information about NMT Medical, please visit <http://www.nmtmedical.com>.

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 the Company's expectations for future sales of acquired and existing product lines, the planned integration of the acquired business into Integra's existing operations, and the anticipated operating and financial benefits from the acquisition of the business. Such forward-looking statements involve risks and uncertainties that could cause actual results to differ from predicted or pro-forma results. Among other things, the ability of the Integra NeuroSciences sales organization to maintain relationships with existing customers of the acquired business may affect future sales of the acquired product lines and Integra's existing products. The efforts of Integra's transition team and the efforts and cooperation of the acquired employees may affect Integra's ability to successfully execute its transition plans. Additionally, achieving the anticipated operating and financial benefits of the business acquisition will depend in part upon whether the integration of the companies' businesses is accomplished in an efficient manner, and there can be no assurance that this will occur. Further forward-looking factors include, but are not limited to, new product development, governmental approvals, market potential and resulting sales as well as potential therapeutic applications and additional acquisitions. In addition, the economic, competitive, governmental, technological and other factors identified under the heading ``Risk Factors'' in the Business section of Integra's Annual Report on Form 10-K for the year ended December 31, 2001 and information contained in subsequent filings with the Securities and Exchange Commission could affect actual results.

Contact:

Integra LifeSciences Holdings Corporation
John B. Henneman, III, Senior Vice President
Chief Administrative Officer
(609) 936-2481
jhenneman@integra-ls.com

John Bostjancic, Senior Director of Finance
(609) 936-2239
jbostjancic@integra-ls.com