

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): December 19, 2006

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

Delaware 0-26224 51-0317849
(State or other jurisdiction of (Commission File Number) (I.R.S. Employer
incorporation or organization) Identification No.)

311 Enterprise Drive
Plainsboro, NJ 08536
(Address of principal executive offices) (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))

ITEM 5.02. DEPARTURE OF DIRECTORS OR PRINCIPAL OFFICERS; ELECTION OF DIRECTORS;
APPOINTMENT OF PRINCIPAL OFFICERS; COMPENSATION ARRANGEMENT OF CERTAIN OFFICERS.

(e)

PRESIDENT AND CHIEF EXECUTIVE OFFICER BASE SALARY INCREASE AND CASH BONUS GRANT

On December 19, 2006, the Compensation Committee of the Board of Directors of
Integra LifeSciences Holdings Corporation (the "Company") (a) increased the
annual base salary of Stuart Essig, the Company's President and Chief Executive
Officer, from \$500,000 to \$550,000 and (b) granted a cash bonus of \$500,000 to
Stuart Essig for 2006. The base salary increase will be effective January 1,
2007.

AMENDMENT TO EMPLOYMENT AGREEMENT

On December 19, 2006, the Company and Stuart M. Essig entered into Amendment
2006-1 (the "Amendment") to the Second Amended and Restated Employment
Agreement, dated as of July 27, 2004, (the "Employment Agreement"). The
Amendment was approved by the Compensation Committee of the Board of Directors
of the Company on December 19, 2006. In general, the Amendment provides Mr.
Essig with certain severance benefits in the event his employment with the
Company is terminated in connection with a Change in Control (as defined in the
Employment Agreement) of the Company. Prior to the Amendment, the Employment
Agreement provided Mr. Essig with severance benefits that were not
conditioned on the occurrence of a Change in Control.

Specifically, the Amendment provides that, if within the 18 month period following a Change in Control of the Company, (i) the Company fails to extend the Employment Agreement, (ii) Mr. Essig terminates his employment for Good Reason (as defined in the Employment Agreement), or (iii) Mr. Essig's employment is terminated by the Company for a reason other than death, Disability Termination (as defined in the Employment Agreement) or Cause (as defined in the Employment Agreement), the Company will provide to Mr. Essig: (a) a lump sum cash severance payment equal to 2.99x the sum of his base salary and target bonus for the fiscal year of his termination; (b) a lump sum cash payment equal to the pro rata portion of his target bonus for the fiscal year of his termination; (c) payment for all reasonable legal fees and expenses incurred by him as a result of such termination of employment; and (d) payment of obligations accrued as of the date of his employment termination, excluding any bonus accruals. In addition, for the period ending on the later of (x) the end of the term of the Employment Agreement or (y) one year following the date of the termination of Mr. Essig's employment, the Company shall provide Mr. Essig continued participation in the medical, dental, hospitalization and other health care benefits ("Health Benefits") and life insurance programs in which he, his spouse and his eligible dependents were participating immediately prior to his date of termination at the level in effect and upon substantially the same terms and conditions as existed immediately prior to his date of termination. If Mr. Essig, his spouse or his eligible dependents cannot continue to participate in such programs, the Company will pay or reimburse the premiums for a health care program that is substantially equivalent to the then-current Health Benefits. Such Health Benefits will terminate on the date Mr. Essig receives equivalent coverage and benefits that do not include a waiting period or pre-existing condition limitations of a subsequent employer. In addition, upon termination of such coverage by the Company, Mr. Essig will be eligible to elect continuation coverage pursuant to COBRA at his cost for such Health Benefits. The foregoing severance benefits are conditioned on Mr. Essig and the Company executing a mutual release.

In addition, the Amendment provides that if any of the foregoing severance benefits are deemed as deferred compensation subject to the requirements of section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and, therefore, the payment of such must be delayed for six months to comply with such requirements, the Company will pay interest on such amounts at a rate, per

annum, equal to the applicable federal short-term rate (compounded monthly) in effect under section 1274(d) of the Code on his date of termination.

The Employment Agreement continues to provide that if a Change in Control occurs, each stock option granted to Mr. Essig under the Employment Agreement will fully vest and remain exercisable through their original expiration date and all of the restricted units granted to Mr. Essig under the Employment Agreement will be distributed to him, subject to certain exceptions set forth in the Employment Agreement. In addition, the Employment Agreement continues to provide that in the event any payment, award, benefit or distribution to Mr. Essig by the Company would be subject to the excise tax imposed by section 4999 of the Code or any corresponding provisions of state or local tax laws as a result of the Change in Control, Mr. Essig will receive an additional payment to put Mr. Essig in the same position as if no excise tax were assessed.

The Amendment also changes the definition of Good Reason under the Employment Agreement to also provide that Mr. Essig may terminate his employment on account of a Good Reason termination and receive the Change in Control severance benefits if following the Change in Control he is not the Chief Executive Officer of the ultimate parent entity which directly or indirectly controls the operation of the business that was conducted by the Company prior to the Change in Control, provided that Mr. Essig must terminate his employment within 18 months following the occurrence of the Change in Control.

Lastly, the Amendment provides that if Mr. Essig's employment is terminated at the end of the applicable term because the Company does not extend the term of the Employment Agreement, unrelated to a Change in Control, each stock option granted to Mr. Essig pursuant to the terms of the Employment Agreement outstanding as of such date will become fully vested and Mr. Essig will have the remainder of the relevant option term to exercise such option.

The foregoing description of the Amendment is qualified in its entirety by reference to the copy of the Amendment which is attached as Exhibit 10.1 to this Form 8-K and is incorporated by reference herein. In all other respects not amended, the Employment Agreement remains in full force and effect. The remaining terms of the Employment Agreement are as described in greater detail in the Company's Definitive Proxy Statement on Schedule 14A relating to the Company's 2006 Annual Meeting of Stockholders and filed as Exhibit 10.1 in the Company's Quarterly Report on Form 10-Q for the period ending September 30, 2004.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits.

Exhibit Number	Description of Exhibit
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10.1	Amendment 2006-1, dated as of December 19, 2006, to the Second Amended and Restated Employment Agreement, between Integra LifeSciences Holdings Corporation and Stuart M. Essig

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: December 22, 2006 By: /s/ Stuart M. Essig

Stuart M. Essig
President and Chief Executive Officer

Exhibit Index

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AMENDMENT 2006-1
TO THE
SECOND AMENDED AND RESTATED EMPLOYMENT AGREEMENT

AMENDMENT, dated as of December 19, 2006, between Integra LifeSciences Holdings Corporation, a Delaware corporation (the "Company") and Stuart M. Essig (the "Executive").

RECITALS

WHEREAS, the Company and Executive previously entered into the Second Amended and Restated Employment Agreement, dated as of July 27, 2004, (the "Employment Agreement"), that sets forth the terms and conditions of Executive's employment with the Company, including, but not limited to, severance benefits that will be payable to Executive if he experiences a covered termination;

WHEREAS, the Company and Executive desire to amend the Employment Agreement to provide certain severance benefits to Executive in the event Executive's employment is terminated by the Company for a covered termination in connection with a Change in Control (as defined in the Employment Agreement); and

WHEREAS, Section 8.6 of the Employment Agreement provides that the Employment Agreement may be amended pursuant to a written agreement between Executive and the Company.

NOW, THEREFORE, the Company and Executive hereby agree that, effective December 19, 2006, the Employment Agreement shall be amended as follows:

1. The heading of Section 4.4 of the Employment Agreement is hereby amended in its entirety to read as follows:

"4.4 Termination without Cause or by Executive for Good Reason Unrelated to a Change in Control."

2. The first sentence of Section 4.4(a) of the Employment Agreement shall be amended in its entirety to read as follows:

"Except as provided in Section 6.2 in the event of a Change in Control (as defined in Section 6.1), if (i) Executive's employment is terminated by the Company for any reason other than Cause or the death or Disability Termination of Executive, or (ii) Executive's employment is terminated by Executive for Good Reason (as defined herein), then (A) the Company shall pay to Executive a lump sum cash payment equal to the sum of (x) the Accrued Obligations and (y) his Base Salary (including the minimum increases provided therein) during the remainder of the then-current Term, (B) all Stock Options granted to Executive shall become immediately vested (to the extent not already vested) on the date of such termination and shall be exercisable through their original expiration dates, and (C) all Additional Unit Shares shall be delivered to Executive as provided in his Restricted Units Agreement, as amended."

3. Section 4.4(b) of the Employment Agreement is hereby amended by adding the following paragraph at the end thereof:

"Notwithstanding anything contained herein to the contrary, "Good Reason" shall also mean if, following a Change in Control, Executive is not the Chief Executive Officer of the ultimate parent entity which directly or indirectly, through one or more subsidiaries, controls, through equity ownership, board representation or otherwise, the operation of the business that was conducted by the Company prior to the Change in Control, it being understood that the ultimate parent entity following a Change in Control is the top tier entity in the chain of entities directly or indirectly controlling the operation of the Company's business following a Change in Control and such entity may be the Company, an acquiring or successor entity or an affiliate of an acquiring or successor entity. No notice requirement or remedial period is applicable if Executive elects to terminate his employment on account of

a Good Reason termination pursuant to the immediately preceding sentence following a Change in Control; provided, however, that this paragraph shall only be effective for the eighteen (18) month period following a Change in Control."

4. Section 4.5 of the Employment Agreement is hereby amended in its entirety to read as follows:

"4.5 Failure to Extend. Except as otherwise provided in Section 6.2 below, in the event that Executive's employment with the Company terminates due to a failure by either party to extend this Agreement pursuant to Section 2.1, the Company shall not thereafter be obligated to make any further payments hereunder other than Accrued Obligations and Executive shall be eligible to elect COBRA continuation coverage, at his expense, with respect to any Health Benefits COBRA continuation coverage is legally required to be offered to Executive. In the event that Executive's employment with the Company terminates upon expiration of the Term because the Company provides Executive with notice of termination pursuant to Section 2.1, then, in addition to the foregoing, each Additional Company Stock Option outstanding as of such date shall fully vest (to the extent not already vested) and shall remain exercisable until the expiration date of such Additional Company Stock Option (e.g., 10 years after the grant date or such lesser time as is specified in the Additional Company Stock Option grant)."

5. Current Section 6.2 of the Employment Agreement, and all references to current Section 6.2 of the Employment Agreement, are hereby renumbered as Section 6.3, and a new Section 6.2 is hereby added to the Employment Agreement to read as follows:

"6.2 Termination without Cause or by Executive for Good Reason Related to a Change in Control. Notwithstanding anything to the contrary set forth in Section 4.4(a) above, and subject to Executive and the Company executing a mutual release that is mutually agreeable (provided, however, that Executive shall not be required to execute such mutual release as a condition to the receipt of the payments and benefits described below unless the Company also executes such mutual release), in the event that within 18 months following a Change in Control: (i) the Company fails to extend this Agreement pursuant to Section 2.1, (ii) Executive terminates his employment for Good Reason or (iii) Executive's employment is terminated by the Company for a reason other than death, Disability Termination or Cause, then the Company shall:

(a) pay Executive an amount equal to the Accrued Obligations, excluding any bonus accruals;

(b) pay Executive a severance amount equal to the sum of (i) 2.99 times the amount that results from adding Executive's Base Salary (determined prior to any reduction that would provide Executive with the right to terminate his employment on account of Good Reason) as of his last day of active employment to the target bonus that Executive was eligible to receive in the fiscal year of his termination of employment, and (ii) a pro ration of the target bonus that Executive was eligible to receive in the fiscal year of his termination of employment, with such pro ration determined by multiplying such target bonus amount by a fraction, the numerator of which is the number of days during which Executive was employed by the Company in the fiscal year of his termination and the denominator of which is 365; except as provided below, the severance amount shall be paid in a single sum on the first business day of the month following the Date of Termination (or, if later, the first business day of the month following the date on which Executive may revoke the mutual release);

(c) maintain and provide to Executive, at no cost to Executive, for a period ending on the later of (i) the end of the Term of the Agreement or (ii) one year following Executive's Date of Termination, continued participation in the Health Benefits and life insurance programs in which Executive, his spouse and his eligible dependents were participating immediately prior to the date of such termination at the level in effect and upon substantially the same terms and conditions (including without limitation contributions required by Executive for such benefits) as existed immediately prior to the date of termination; provided, that if Executive, his spouse or his eligible dependents cannot continue to participate in the Company programs providing such benefits, the Company shall pay or reimburse the premiums for a health care program for Executive, his spouse and his eligible dependents that is substantially equivalent to the then-current Health Benefits; but further provided, that such Health Benefits shall terminate upon the date or dates Executive receives equivalent coverage and benefits that do not include waiting period or pre-existing condition limitations, under the plans and programs of a subsequent employer (such coverage and benefits to be determined on a coverage-by-coverage or benefit-by-benefit basis). If such coverage is provided under

the Company programs, then upon termination of such coverage, Executive and his dependents shall be afforded Health Benefits continuation rights in accordance with COBRA; and

(d) pay to Executive all reasonable legal fees and expenses incurred by Executive as a result of such termination of employment (including all legal fees and expenses, if any, incurred by Executive in contesting or disputing any such termination or in seeking to obtain or enforce any right or benefit provided to Executive by this Agreement whether by arbitration or otherwise).

Notwithstanding anything in the foregoing to the contrary, if any of the foregoing severance amounts are deemed as deferred compensation subject to the requirements of section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), the Company shall pay such severance amounts in accordance with the requirements of section 409A of the Code, which may include, among other requirements, deferring the payment of the severance benefits to a date that is no sooner than then after the six month period following Executive's Date of Termination; provided, however, that if such payment is delayed it shall be paid as soon as administratively practicable following the expiration of such six month period, but not later than the first Company payroll date that occurs after the end of such six month period. If any of the severance payments are deferred due to such requirements, there shall be added to such payments interest during the deferral period at a rate, per annum, equal to the applicable federal short-term rate (compounded monthly) in effect under Section 1274(d) of the Code on the Executive's Date of Termination."

6. In all respects not modified by this Amendment 2006-1, the Employment Agreement is hereby ratified and confirmed.

IN WITNESS WHEREOF, the Company and Executive agree to the terms of the foregoing Amendment 2006-1, effective as of the date set forth above.

INTEGRA LIFESCIENCES
HOLDINGS CORPORATION

By:/s/ Richard E. Caruso

Name: Richard E. Caruso
Title: Chairman

EXECUTIVE
/s/ Stuart M. Essig

Stuart M. Essig