
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 28, 2011

Integra LifeSciences Holdings Corporation

(Exact name of registrant as specified in its charter)

Delaware

000-26244

510317849

(State or other jurisdiction
of incorporation)

(Commission
File Number)

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

311 Enterprise Drive, Plainsboro, New Jersey

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))
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Item 2.02 Results of Operations and Financial Condition.

On April 28, 2011, Integra LifeSciences Holdings Corporation (the "Company") issued a press release announcing financial results for the quarter ended March 31, 2011 (the "Press Release"). A copy of the 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 Press Release, the Company has included a reconciliation of GAAP revenues to adjusted revenues for the quarter ended March 31, 2011, and GAAP net income to adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA") and adjusted EBITDA excluding stock-based compensation, GAAP net income to adjusted net income, and GAAP earnings per diluted share to adjusted earnings per diluted share used by management for the quarters ended March 31, 2011 and 2010, as well as GAAP net income to adjusted net income and GAAP earnings per diluted share to adjusted earnings per diluted share used by management for guidance for the year ending December 31, 2011.

The information contained in Item 2.02 of this Current Report on Form 8-K (including the 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 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 EBITDA, adjusted EBITDA excluding stock-based compensation, adjusted net income and adjusted earnings per diluted share. Adjusted revenues consist of growth in total revenues excluding the effects of currency exchange rates on the current period's revenues. The various measures of adjusted EBITDA consist of GAAP net income, excluding: (i) depreciation and amortization, (ii) other income (expense), net, (iii) interest income and expense, (iv) income taxes, (v) those operating expenses also excluded from adjusted net income and, as appropriate (vi) stock-based compensation expense. The measure of adjusted net income consists of GAAP net income, excluding: (i) acquisition-related charges; (ii) certain employee termination and related charges; (iii) intangible asset impairment charges; (iv) charges associated with discontinued or withdrawn product lines; (v) systems implementation charges; (vi) facility consolidation, manufacturing and distribution transfer charges; (vii) charges relating to restructuring our European entities; (viii) expenses relating to our Chief Operating Officer joining the Company; (ix) non-cash amortization of imputed interest for convertible debt; (x) intangible asset amortization expense; and (xi) income tax expense related to the above adjustments, quarterly adjustments to income tax expense related to the cumulative impact of changes in estimated tax rates and certain infrequently occurring items that affected the reported tax rate. The adjusted earnings per diluted share measure is calculated by dividing adjusted net income attributable to diluted shares by diluted weighted average shares outstanding. Reconciliations of GAAP revenues to adjusted revenues for the quarter ended March 31, 2011 and GAAP net income to adjusted EBITDA, adjusted EBITDA excluding stock-based compensation and adjusted net income, and GAAP earnings per diluted share to adjusted earnings per diluted share for the quarters ended March 31, 2011 and 2010 appear in the financial tables in the Press Release.

The Company believes that the presentation of adjusted revenues and the various adjusted EBITDA, adjusted net income and adjusted earnings per diluted share measures 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 EBITDA, adjusted EBITDA excluding stock-based compensation, 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, for which the amounts are non-cash in nature, 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 EBITDA, adjusted EBITDA excluding stock-based compensation, 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 measure of adjusted revenues that we report reflects the growth in total revenues for the quarter ended March 31, 2011 adjusted for the effects of currency exchange rates on current period revenues. We provide this measure because changes in foreign currency exchange rates can distort our revenue growth favorably or unfavorably, depending upon the strength of the U.S. dollar in relation to the various foreign currencies in which we generate revenues. We generate significant revenues outside the United States in multiple foreign currencies including euros, British pounds, Swiss francs and Australian and Canadian dollars. We believe this measure provides useful information to determine the success of our international selling organizations in increasing sales of products in their local currencies without regard to fluctuations in currency exchanges rates, for which we have no control over.

The measure of adjusted net income reflects GAAP net income adjusted for one or more of the following items, as applicable:

- Acquisition-related charges. Acquisition-related charges include up-front fees and milestone payments that are expensed as incurred in connection with acquiring licenses or rights to technology for which no product has been approved for sale by regulatory authorities and such approval is not reasonably assured at the time such up-front fees or milestone payments are made, and in-process research and development charges when accounting rules require them to be expensed, inventory fair value purchase accounting adjustments, impairments to existing intangible assets in connection with a subsequent acquisition, and legal, accounting and other outside consultants expenses directly related to acquisitions. 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 development and acquisition programs, these acquisition and in-licensing related charges are not factored into the evaluation of our performance by management after completion of development programs or 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 development and acquisition transactions as well as the level of inventory on hand at the time of acquisition.

- Certain employee termination and related charges. Certain employee termination and related charges consist of charges related to certain 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.
- 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 and non-cash nature of this activity.
- Charges associated with discontinued or withdrawn product lines. These charges represent 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 or because many such product discontinuations are related to recent acquisitions.
- Systems implementation charges. Systems implementation charges consist of the non-capitalizable portion of internal labor and outside consulting costs related to the implementation of a global enterprise resource planning system. We have inherited many diverse business processes and different information systems through our numerous acquisitions. Accordingly, we are undertaking this initiative in order to standardize business processes globally and to better integrate all of our existing and acquired operations using one information system. Although recurring in nature given the expected timeframe to complete the implementation for our existing operations and our expectation to continue to acquire new businesses and operations, management excludes these charges 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 implementation activities.
- Facility consolidation, manufacturing and distribution transfer 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.
- Charges related to restructuring our European entities. These amounts represent charges recorded in operating or non-operating expenses such as levies and fees paid to government authorities, legal, tax, accounting and consulting fees, and foreign currency gains and losses related to intercompany loan agreements incurred directly as a result of reorganizing our European entities and transfers of business assets between these legal entities. Management excludes this item when evaluating the Company's operating performance because of the infrequent nature of this activity.
- Charges related to our Chief Operating Officer joining the Company. These amounts represent expenses incurred in connection with the hiring of our Chief Operating Officer. Management excludes this item when evaluating the Company's operating performance because of the infrequent nature of this activity.
- Non-cash amortization of imputed interest for convertible debt. The convertible debt accounting requires separate accounting for the liability and equity components of the Company's convertible debt instruments, which may be settled in cash upon conversion, in a manner that reflects an applicable nonconvertible debt borrowing rate at the time that we issued such convertible debt instruments. Management excludes this item when evaluating the Company's operating performance because of the non-cash nature of this activity and because it resulted from a change in accounting principles that were not applicable at the time such convertible notes were issued.
- Intangible asset amortization expense. Management excludes this item when evaluating the Company's operating performance because it is a non-cash expense.
- Income tax expense related to (i) the above adjustments and (ii) quarterly adjustments to income tax expense related to the cumulative impact of changes in estimated tax rates and certain infrequently occurring items that affected the reported tax rate.

(i) Income tax expense is adjusted by the amount of additional tax expense 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 the above non-GAAP adjustments relate.

(ii) Income tax expense in the current quarter is adjusted by the cumulative impacts in that quarter of changes in income tax rates (statutory and estimated effective tax rates) and certain other infrequently occurring items (such as penalties, interest, and settlements with government tax authorities) that relate to prior periods. Management excludes these items when evaluating the Company's current quarter operating performance because the cumulative impact in the current quarter of these items applies to prior periods and thus distorts the Company's adjusted income tax rate in the current quarter. The year-to-date adjusted net income and adjusted diluted earnings per share measures are not adjusted by these items, as the cumulative impacts are properly reflected in the year-to-date adjusted results.

Adjusted revenues, adjusted EBITDA, adjusted EBITDA excluding stock-based compensation, 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 many of the non-GAAP adjustments described above, and exclusion of these items from its adjusted financial measures 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 the adjusted financial measures 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.
- The Company has initiated a long term effort to implement a global enterprise resource planning system, and we expect to continue to incur significant systems implementation charges until that effort is completed. These costs can directly impact the amount of the Company's available funds and reduce GAAP net income.

- All of the adjustments to GAAP 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 tables portion of the Press Release, the Company has included a reconciliation of GAAP reported revenues to adjusted revenues for the quarter ended March 31, 2011 and GAAP net income to adjusted EBITDA and adjusted EBITDA excluding stock-based compensation, GAAP net income to adjusted net income, and GAAP earnings per diluted share to adjusted earnings per diluted share used by management for the quarters ended March 31, 2011 and 2010. 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 Press Release issued on April 28, 2011 by the Company.

Item 9.01 Financial Statements and Exhibits.

Press release with attachments, dated April 28, 2011, issued by Integra LifeSciences Holdings Corporation

SIGNATURES

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

Integra LifeSciences Holdings Corporation

April 28, 2011

By: *John B. Henneman III*

Name: John B. Henneman III

Title: Executive Vice President, Finance & Administration, and Chief Financial Officer

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release with attachments, dated April 28, 2011, issued by Integra LifeSciences Holdings Corporation

News Release

Contacts:

Integra LifeSciences Holdings Corporation

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Integra LifeSciences Reports First Quarter 2011 Financial Results

Revenues for the first quarter increased to \$181 million

Plainsboro, New Jersey, April 28, 2011 – Integra LifeSciences Holdings Corporation (NASDAQ: IART) today reported its financial results for the first quarter ending March 31, 2011. Total revenues for the first quarter were \$181.0 million, reflecting an increase of \$8.3 million, or 5%, over the first quarter of 2010. Excluding the impact of currency exchange rates, revenues increased 4.4% over the first quarter of 2010. We present revenues by product category in a table at the end of this press release.

“In the first quarter, we achieved another period of solid results in a challenging environment. We expect that our growth-driving investments will propel our business forward, including faster revenue growth in the second half of 2011,” said Stuart Essig, Integra’s Chief Executive Officer.

The Company reported GAAP net income of \$11.5 million, or \$0.38 per diluted share, for the first quarter of 2011, compared to GAAP net income of \$15.2 million, or \$0.50 per diluted share, for the first quarter of 2010.

Adjusted net income for the first quarter of 2011, computed with the adjustments to GAAP reporting set forth in the attached reconciliation, was \$20.0 million, or \$0.66 per diluted share, compared to \$19.0 million, or \$0.63 per diluted share, in the first quarter of 2010.

Integra generated \$21.3 million in cash flows from operations and used \$5.9 million of cash on capital expenditures in the first quarter of 2011. During the quarter, Integra used \$40 million of cash to pay down its revolving line of credit.

Adjusted EBITDA for the first quarter of 2011, computed with the adjustments to GAAP reporting set forth in the attached reconciliation, was \$36.6 million, an increase of 8% compared to the first quarter last year.

Adjusted EBITDA excluding stock-based compensation for the first quarter of 2011, computed with the adjustments to GAAP reporting set forth in the attached reconciliation, was \$40.7 million, also an increase of 8% compared to the first quarter last year.

Outlook for 2011

The Company is reiterating its revenue and earnings per share guidance for the full year 2011. The Company anticipates revenues between \$765 million and \$780 million. The Company is guiding to GAAP earnings per diluted share of between \$1.97 and \$2.12 and to adjusted earnings per diluted share of between \$2.87 and \$3.02. In accordance with our usual practice, expectations for financial performance do not include the impact of acquisitions or other strategic corporate transactions that have not yet closed.

In the future, the Company may record, or expects to record, certain additional revenues, gains, expenses or charges as described in the Discussion of Adjusted Financial measures below that it will exclude in the calculation of adjusted EBITDA and adjusted earnings per share for historical periods and in providing adjusted earnings per share guidance.

Conference Call

Integra has scheduled a conference call for 8:30 AM ET on Thursday, April 28, 2011 to discuss financial results for the first quarter and forward-looking financial guidance. The conference call will be hosted by Integra’s senior management team and will be open to all listeners. Additional forward-looking information may be discussed in a question and answer session following the call.

Access to the live call is available by dialing 719-325-2138 and using the passcode 8305582. The call can also be accessed through a webcast via a link provided on the Investor Relations homepage of Integra’s website at www.integralife.com. Access to the replay is available through May 12, 2011 by dialing 719-457-0820 and using the passcode 8305582. The webcast will also be archived on the website.

Integra LifeSciences, a world leader in medical devices, is dedicated to limiting uncertainty for surgeons, so they can concentrate on providing the best patient care. Integra offers innovative solutions in orthopedics, neurosurgery, spine, reconstructive and general surgery. For more information, please visit www.integralife.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, GAAP and adjusted net income, GAAP and

adjusted earnings per diluted share, non-GAAP adjustments such as system implementations charges, acquisition-related charges, non-cash amortization of imputed interest for convertible debt, intangible asset amortization, and income tax expense (benefit) related to non-GAAP adjustments. 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 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; the Company's ability to manufacture sufficient quantities of its products to meet its customers' demand; initiatives launched by the Company's competitors; the Company's ability to secure regulatory approval for products in development; fluctuations in hospital spending for capital equipment; 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; difficulties in controlling expenses, including costs to procure and manufacture our products; the impact of changes in management or staff levels; 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 taxable income; the effect of legislation effecting healthcare reform in the United States; fluctuations in foreign currency exchange rates; the amount of our convertible notes and bank borrowings outstanding, 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, 2010 and information contained in subsequent filings with the Securities and Exchange Commission. These forward-looking statements are made only as of the date hereof, and the Company undertakes no obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

Discussion of Adjusted Financial Measures

In addition to our GAAP results, we provide adjusted revenues, adjusted earnings before interest, taxes, depreciation and amortization (EBITDA), adjusted EBITDA excluding stock-based compensation, adjusted net income and adjusted earnings per diluted share. Adjusted revenues consist of growth in total revenues excluding the effects of currency exchange rates on the current period's revenues. The various measures of adjusted EBITDA consist of GAAP net income, excluding: (i) depreciation and amortization, (ii) other income (expense), net, (iii) interest income and expense, (iv) income taxes, (v) those operating expenses also excluded from adjusted net income and, as appropriate (vi) stock-based compensation expense. The measure of adjusted net income consists of GAAP net income, excluding: (i) acquisition-related charges; (ii) certain employee termination and related charges; (iii) intangible asset impairment charges; (iv) charges associated with discontinued or withdrawn product lines; (v) systems implementation charges; (vi) facility consolidation, manufacturing and distribution transfer charges; (vii) charges related to restructuring European entities; (viii) expenses related to our Chief Operating Officer joining the Company; (ix) non-cash amortization of imputed interest for convertible debt; (x) intangible asset amortization expense; and (xi) income tax expense related to above adjustments, quarterly adjustments to income tax expense related to the cumulative impact of changes in estimated tax rates and certain infrequently occurring items that affected the reported tax rate. The adjusted earnings per diluted share measure is calculated by dividing adjusted net income attributable to diluted shares by diluted weighted average shares outstanding. Reconciliations of GAAP revenues to adjusted revenues for the quarter ended March 31, 2011 and GAAP net income to adjusted EBITDA, adjusted EBITDA excluding stock-based compensation and adjusted net income, and GAAP earnings per diluted share to adjusted earnings per diluted share for the quarters ended March 31, 2011 and 2010 appear in the financial tables in this release.

Integra believes that the presentation of adjusted revenues and the various adjusted EBITDA, adjusted net income, and adjusted earnings per diluted share measures 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.integralife.com.

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

(In thousands, except per share amounts)

	Three Months Ended March 31,	
	2011	2010
Total revenues	\$181,041	\$172,698
Costs and expenses:		
Cost of product revenues	64,921	63,224
Research and development	12,153	11,301
Selling, general and administrative	80,084	72,511
Intangible asset amortization	3,011	3,019
Total costs and expenses	160,169	150,055
Operating income	20,872	22,643
Interest income	73	61
Interest expense	(5,469)	(4,541)
Other income (expense), net	(643)	1,146
Income before income taxes	14,833	19,309
Income tax expense	3,346	4,087
Net income	11,487	15,222
Diluted net income per share *	\$ 0.38	\$ 0.50
Weighted average common shares		

outstanding for diluted net
income per share

30,185

29,982

* In accordance with the authoritative guidance related to determining whether instruments issued in share-based payment transactions are participating securities, certain of the Company's unvested restricted share units contain rights to receive non-forfeitable dividends, and thus, are participating securities requiring the two-class method of computing earnings per share. The calculation of earnings per share for common stock shown above excludes the income attributable to the unvested restricted share units with dividend rights from the numerator and excludes the dilutive impact of those units from the denominator. This had an insignificant impact (less than \$0.01 per share) on diluted net income per share for all periods shown above.

Listed below are the items included in GAAP revenues and GAAP net income 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.

Growth in total revenues excluding the effects of currency exchange rates

(In thousands)

	Three Months Ended March 31,		
	2011	2010	Change
Orthopedics	\$ 72,234	\$ 70,187	3%
Neurosurgery	\$ 68,358	\$ 64,774	6%
Instruments	\$ 40,449	\$ 37,737	7%
Total revenues	\$181,041	\$172,698	5%
Impact of changes in currency exchange rates	\$ (772)	—	
Total revenues excluding the effects of currency exchange rates	\$180,269	\$172,698	4%

Items included in GAAP net income and location where each item is recorded

(In thousands)

Three Months Ended March 31, 2011

Item	Total Amount	COPR(a)	R&D(b)	SG&A(c)	Amort.(d)	Interest Exp(Inc)(e)	Other Exp(Inc)(f)	Tax(g)
Acquisition-related charges	\$ 942	\$ 285	\$300	\$ 357	—	—	—	—
Certain employee termination and related charges	34	34	—	—	—	—	—	—
Intangible asset impairment charges	248	97	—	—	151	—	—	—
Charges associated with discontinued or withdrawn product lines	100	100	—	—	—	—	—	—
Systems implementation charges	2,655	—	—	2,655	—	—	—	—
Facility consolidation, manufacturing and distribution transfer charges	1,822	919	—	903	—	—	—	—
Charges related to restructuring European entities	262	—	—	262	—	—	—	—
Non-cash amortization of imputed interest for convertible debt	1,634	—	—	—	—	1,634	—	—
Intangible asset amortization expense*	4,242	1,382	—	—	2,860	—	—	—
Income tax expense related to above adjustments, quarterly adjustments to income tax expense related to the cumulative impact of changes in estimated tax rates and certain infrequently occurring items that affected the reported tax rate	(3,414)	—	—	—	—	—	—	(3,414)
Depreciation expense	5,468	—	—	—	—	—	—	—
Stock-based compensation expense	4,034	—	—	—	—	—	—	—

*For the period ending March 31, 2011, "Intangible asset amortization expense" excludes \$248 already included in "Intangible asset impairment charges" above.

a)

COPR – Cost of product revenues

- b) R&D – Research and development
- c) SG&A – Selling, general and administrative
- d) Amort. – Intangible asset amortization
- e) Interest Inc(Exp) – Interest income (expense), net
- f) Other Inc(Exp) – Other income (expense), net
- g) Tax – Income tax expense

Three Months Ended March 31, 2010

Item	Total Amount	COPR	R&D	SG&A	Amort.	Interest Exp(Inc)	Other Exp(Inc)	Tax
Acquisition-related charges	\$ 555	\$ 406	\$28	\$121	—	—	—	—
Certain employee termination and related charges	628	—	—	628	—	—	—	—
Charges associated with discontinued or withdrawn product lines	74	74	—	—	—	—	—	—
Systems implementation charges	136	—	—	136	—	—	—	—
Facility consolidation, manufacturing and distribution transfer charges	326	256	26	44	—	—	—	—
Non-cash amortization of imputed interest for convertible debt	2,053	—	—	—	—	2,053	—	—
Intangible asset amortization expense	4,482	1,463	—	—	3,019	—	—	—
Income tax expense related to above adjustments, quarterly adjustments to income tax expense related to the cumulative impact of changes in estimated tax rates and certain infrequently occurring items that affected the reported tax rate	(4,458)	—	—	—	—	—	—	(4,458)
Depreciation expense	4,949	—	—	—	—	—	—	—
Stock-based compensation expense	3,843	—	—	—	—	—	—	—

INTEGRA LIFESCIENCES HOLDINGS CORPORATION
 RECONCILIATION OF NON-GAAP ADJUSTMENTS – GAAP NET INCOME TO ADJUSTED EBITDA AND ADJUSTED EBITDA
 EXCLUDING STOCK BASED COMPENSATION
 (UNAUDITED)

(In thousands)

	Three Months Ended March 31,	
	2011	2010
GAAP net income	\$11,487	\$15,222
Non-GAAP adjustments:		
Depreciation and intangible asset amortization expense	9,710	9,431
Other (income) expense, net	643	(1,146)
Interest (income) expense, net	5,396	4,480
Income tax expense	3,346	4,087
Acquisition-related charges	942	555
Certain employee termination and related charges	34	628
Intangible asset impairment charges	248	—
Charges associated with discontinued or withdrawn product lines	100	74
Systems implementation charges	2,655	136
Facility consolidation, manufacturing and distribution transfer charges	1,822	326
Charges related to restructuring European entities	262	—
Total of non-GAAP adjustments	25,158	18,571
Adjusted EBITDA	\$36,645	\$33,793
Stock-based compensation	4,034	3,843
Adjusted EBITDA excluding stock-based compensation	\$40,679	\$37,636

INTEGRA LIFESCIENCES HOLDINGS CORPORATION
 RECONCILIATION OF NON-GAAP ADJUSTMENTS – GAAP NET INCOME TO MEASURES OF ADJUSTED NET INCOME AND
 ADJUSTED EARNINGS PER SHARE
 (UNAUDITED)

(In thousands, except per share amounts)

	Three Months Ended March 31,	
	2011	2010
GAAP net income	\$11,487	\$15,222
Non-GAAP adjustments:		
Acquisition-related charges	942	555
Certain employee termination and related charges	34	628
Intangible asset impairment charges	248	—
Charges associated with discontinued or withdrawn product lines	100	74
Systems implementation charges	2,655	136
Facility consolidation, manufacturing and distribution transfer charges	1,822	326
Charges related to restructuring European entities	262	—
Non-cash amortization of imputed interest for convertible debt	1,634	2,053
Intangible asset amortization expense	4,242	4,482
Income tax expense related to above adjustments, quarterly adjustments to income tax expense related to the cumulative impact of changes in estimated tax rates and certain infrequently occurring items that affected the reported tax rate	(3,414)	(4,458)
Total of non-GAAP adjustments	8,525	3,796
Adjusted net income	\$20,012	\$19,018
Adjusted diluted net income per share *	\$ 0.66	\$ 0.63
Weighted average common shares outstanding for diluted net income per share	30,185	29,982

* In accordance with the authoritative guidance related to determining whether instruments issued in share-based payment transactions are participating securities, certain of the Company's unvested restricted share units contain rights to receive non-forfeitable dividends, and thus, are participating securities requiring the two-class method of computing earnings per share. The calculation of earnings per share for common stock shown above excludes the income attributable to the unvested restricted share units with dividend rights from the numerator and excludes the dilutive impact of those units from the denominator. This had an insignificant impact (less than \$0.01 per share) on adjusted diluted net income per share for all periods shown above.

INTEGRA LIFESCIENCES HOLDINGS CORPORATION
CONDENSED BALANCE SHEET DATA
(UNAUDITED)

(In thousands)

	March 31, 2011	December 31, 2010
Cash and cash equivalents	\$104,354	\$128,763
Accounts receivable, net	106,117	106,005
Inventory, net	154,601	146,928
Term loan	146,250	148,126
Bank line of credit	60,000	100,000
Convertible securities	156,824	155,154
Stockholders' equity	527,586	499,963

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

(In thousands, except per share amounts)

	Recorded Year to Date	Projected Year Ended	
	March 31, 2011	December 31, 2011	
		Low	High
GAAP net income	\$11,487	\$ 59,708	\$64,208
Non-GAAP adjustments:			
Acquisition-related charges	942	3,240	3,240
Certain employee termination and related charges	34	34	34
Intangible asset impairment charges	248	248	248
Charges associated with discontinued or withdrawn product lines	100	100	100
Systems implementation charges	2,655	13,000	13,000

Facility consolidation, manufacturing and distribution transfer charges	1,822	2,190	2,190
Charges related to restructuring European entities	262	720	720
Expenses related to our Chief Operating Officer joining the Company	-	200	200
Non-cash amortization of imputed interest for convertible debt	1,634	6,710	6,710
Intangible asset amortization expense	4,242	16,950	16,950
Income tax expense related to above adjustments and certain infrequently occurring items	(3,414)	(16,100)	(16,100)
Total of non-GAAP adjustments	8,525	27,292	27,292
Adjusted net income	\$20,012	\$ 87,000	\$91,500
GAAP diluted net income per share	\$ 0.38	\$ 1.97	\$ 2.12
Non-GAAP adjustments detailed above (per share)	\$ 0.28	\$ 0.90	\$ 0.90
Adjusted diluted net income per share	\$ 0.66	\$ 2.87	\$ 3.02
Weighted average common shares outstanding for diluted net income per share	30,185	30,300	30,300

Items included in GAAP net income guidance and location where each item is expected to be recorded

(In thousands)

Projected Year Ended December 31, 2011

Item	Total Amount	COPR	R&D	SG&A	Amort.	Interest Exp(Inc)	Other Exp(Inc)	Tax
Acquisition-related charges	\$ 3,240	\$ 780	\$300	\$ 2,160	—	—	—	—
Certain employee termination and related charges	34	34	—	—	—	—	—	—
Intangible asset impairment charges	248	97	—	—	151	—	—	—
Charges associated with discontinued or withdrawn product lines	100	100	—	—	—	—	—	—
Systems implementation charges	13,000	—	—	13,000	—	—	—	—
Facility consolidation, manufacturing and distribution transfer charges	2,190	1,120	—	1,070	—	—	—	—
Charges related to restructuring European entities	720	—	—	720	—	—	—	—
Expenses related to our Chief Operating Officer joining the Company	200	—	—	200	—	—	—	—
Non-cash amortization of imputed interest for convertible debt	6,710	—	—	—	—	6,710	—	—
Intangible asset amortization expense	16,950	5,980	—	—	10,970	—	—	—
Income tax expense related to above adjustments, quarterly adjustments to income tax expense related to the cumulative impact of changes in estimated tax rates and certain infrequently occurring items that affected the reported tax rate	(16,100)	—	—	—	—	—	—	(16,100)

Source: Integra LifeSciences Holdings Corporation