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): February 24, 2015

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)

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

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On February 24, 2015, Integra LifeSciences Holdings Corporation (the “Company”) issued a press release announcing financial results for the quarter and year ended December 31, 2014 (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 organic revenues for the quarter and year ended December 31, 2014, 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 and years ended December 31, 2014 and 2013, as well as GAAP net (loss)/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, 2015. In addition, the Company included a supplemental disclosure of revenue by reporting segments in the financial statements portion of the Press Release.

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 organic revenues, adjusted EBITDA, adjusted EBITDA excluding stock-based compensation, adjusted net income, adjusted earnings per diluted share, adjusted free cash flow and adjusted free cash flow conversion. Organic revenues consist of total revenues excluding the effects of currency exchange rates, acquired revenues, and product discontinuances. The various measures of adjusted EBITDA consist of GAAP net (loss)/income, excluding: (i) depreciation and amortization, (ii) other income (expense), (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 (loss)/income, excluding: (i) manufacturing facility remediation costs; (ii) global enterprise resource planning (“ERP”) implementation charges; (iii) structural optimization charges; (iv) SeaSpine separation-related charges; (v) certain employee severance charges; (vi) discontinued product line charges; (vii) acquisition-related charges; (vii) impairment charges; (viii) certain expenses associated with product recalls; (ix) impairment charges; (x) intangible asset amortizations expenses; (xi) convertible debt non-cash interest; and (xii) income tax impact from adjustments and other items. The adjusted earnings per diluted share measure is calculated by dividing adjusted net income attributable to diluted shares by diluted weighted average shares outstanding. Because the Company reported a GAAP net loss for the full year ended December 31, 2013, the calculation of GAAP diluted weighted average shares outstanding for the full year 2013 period 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 full year 2013 period because their effects are dilutive in relation to adjusted net income. The measure of free cash flow consists of GAAP net cash provided by operating activities less purchases of property and equipment. The measure of adjusted free cash flow consists of free cash flow adjusted for certain one-time unusual items. The adjusted free cash flow conversion measure is calculated by dividing (i) free cash flow, or (ii) adjusted free cash flow (as applicable), by (iii) adjusted net income.

The Company believes that the presentation of organic revenues and the various adjusted EBITDA, adjusted net income, adjusted earnings per diluted share, adjusted free cash flow and adjusted free cash flow conversion 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 organic 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, or for which the amounts are not expected to recur at the same magnitude, provides a supplemental measure of our operating results that facilitates comparability of our financial condition and 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.

Organic revenues, adjusted EBITDA, adjusted EBITDA excluding stock-based compensation, adjusted net income, adjusted earnings per diluted share, adjusted free cash flow and adjusted free cash flow conversion 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 organic revenues that we report reflects total revenues for the quarter and year ended December 31, 2014 adjusted for the effects of currency exchange rates, acquired revenues, and product discontinuations on current period revenues. We provide this measure because changes in foreign currency exchange rates can distort our revenue 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 do not control. Additionally, significant acquisitions such as DuraSeal, and discontinued product lines can distort our current period revenues when compared to prior periods.

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

- Manufacturing facility remediation costs. These costs represent expenses associated with remediation and related unplanned idle time and underutilization at the Plainsboro, NJ and Añasco, Puerto Rico manufacturing facilities. Management excludes this item when evaluating the Company's operating performance because of the infrequent nature and the magnitude of this item.

- Global ERP implementation charges. Global ERP implementation charges consist of the non-capitalizable portion of internal labor and outside consulting costs related to the implementation of a global ERP 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.

- Structural optimization charges. These charges, which include employee severance and other costs associated with exit or disposal of facilities, costs related to acquisition integration, costs related to transferring manufacturing and/or distribution activities to different locations, and rationalization or enhancement of our organization, existing manufacturing, distribution, administrative, functional and commercial infrastructure. Some 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 organization and structure, including 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.

- Certain employee severance charges. Certain employee severance and related charges consist of charges related to senior management level terminations and certain significant reductions in force that are not initiated in connection with restructuring. 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.

- Discontinued product line charges. These charges represent charges taken in connection with product lines that the Company discontinues. Management excludes this item when evaluating the Company’s operating performance because discontinued products do not provide useful information regarding the Company’s prospects for future performance.

- Acquisition-related charges. Acquisition-related charges include (i) 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, (ii) inventory fair value purchase accounting adjustments, (iii) changes in the fair value of contingent consideration after the acquisition date, and (iv) legal, accounting and other outside consultants expenses directly related to acquisitions or divestitures. 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, divestiture 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, acquisition and divestiture transactions as well as the level of inventory on hand at the time of acquisition.

- SeaSpine separation-related charges. These charges include legal, accounting, program management and outside consulting expenses incurred as part of the planned separation of Integra’s spine business, and incremental personnel costs associated with becoming a separate public company.

- Impairment charges. The impairment charges category includes impairment charges recorded against various intangible assets such as completed or core technology, customer relationships, trade names, and in-process research and development previously capitalized in connection with business combinations. Such impairments result primarily from management decisions to discontinue or significantly reduce promoting certain product lines or trade names, the inability to incorporate existing product technologies into product development programs, and other circumstances. Impairment charges may also include goodwill impairments which exist when the carrying value of a reporting unit’s goodwill exceeds its implied value. Management excludes this item when evaluating the Company's operating performance because of the infrequent and non-cash nature of this activity.

- Intangible asset amortization expense. Management excludes this item when evaluating the Company's operating performance because it is a non-cash expense.

- Convertible debt non-cash interest. 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 non-convertible 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 the expense.

- Income tax impact from adjustments and other items. Estimated impact on income tax expense related to the following:

(i) Adjustments to income tax expense for 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) Adjustments to income tax expense in the current quarter for the cumulative impact in that quarter of changes in income tax rates (statutory and estimated effective tax rates) and certain other infrequently occurring items 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 impact is properly reflected in the year-to-date adjusted results.

Organic revenues, adjusted EBITDA, adjusted EBITDA excluding stock-based compensation, adjusted net income, adjusted earnings per diluted share, adjusted free cash flow and adjusted free cash flow conversion 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, or increase GAAP net (loss) as the case may be.
- The Company has initiated a long term effort to implement a global ERP 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, or increase GAAP net (loss) as the case may be.
- All of the adjustments to GAAP net (loss)/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 (loss)/income.

In the financial tables portion of the Press Release, the Company has included (i) a reconciliation of GAAP reported revenues to organic revenues for the quarter and year ended December 31, 2014 and GAAP net (loss)/income to adjusted EBITDA and adjusted EBITDA excluding stock-based compensation, 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 and years ended December 31, 2014 and 2013. 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 February 24, 2015 by the Company.

Item 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

99.1	Press release with attachments, dated February 24, 2015, 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	
Date: February 24, 2015	By:	/s/ Glenn G. Coleman
		Glenn G. Coleman
	Title:	Corporate Vice President and Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release with attachments, dated February 24, 2015, issued by Integra LifeSciences Holdings Corporation

EXHIBIT 99.1

News Release

Contact:

Investor Relations:
Angela Steinway
(609) 936-2268
angela.steinway@integralife.com

Integra LifeSciences Reports Fourth Quarter 2014 Financial Results

Revenues Increased 14.2% to $252.2 Million
Organic Revenues Increased 5.8%
Reported EPS Increased to $0.52; Adjusted EPS Increased to $0.94
Issues 2015 Full-Year Guidance

Plainsboro, New Jersey, February 24, 2015 - Integra LifeSciences Holdings Corporation (NASDAQ: IART) today reported its financial results for the fourth quarter ending December 31, 2014. Total revenues for the fourth quarter were $252.2 million, reflecting an increase of $31.4 million, or 14.2%, over the fourth quarter of 2013. Total revenues for the full year of 2014 were $928.3 million, an increase of $92.1 million, or 11.0%, over the full year 2013.

Organic revenues, computed by adjusting GAAP revenues as set forth in the attached reconciliation, increased 5.8% over the fourth quarter 2013, and increased 3.2% over the full year 2013.

"Strength in our worldwide neurosurgery and skin and wound businesses drove organic sales growth to 5.8% in the fourth quarter," said Peter Arduini, Integra's President and Chief Executive Officer. "We are proud of these results, which reflect the progress we have made as a Company against our plans."

The Company reported GAAP net income of $17.2 million, or $0.52 per diluted share, for the fourth quarter of 2014, compared to GAAP net income of $13.8 million, or $0.45 per diluted share, for the fourth quarter of 2013. The Company reported GAAP net income of $34.0 million, or $1.03 per diluted share, for the full year 2014, compared to GAAP net loss of $(21.1) million, or $(0.74) per diluted share in 2013.

Adjusted measures discussed below are computed with the adjustments to GAAP reporting set forth in the attached reconciliation.

Adjusted EBITDA for the fourth quarter of 2014 was $58.2 million, or 23.1% of revenue, an increase from $42.7 million, or 19.3% of revenue, in the fourth quarter of the prior year. Adjusted EBITDA for the full year 2014 was $188.0 million, or 20.3% of revenue, an increase from $132.4 million, or 15.8% of revenue, in the prior year.

Adjusted net income for the fourth quarter of 2014, was $31.3 million, or $0.94 per diluted share, compared to adjusted net income of $25.4 million, or $0.83 per diluted share, in the fourth quarter of 2013. Adjusted net income for the full year 2014, was $97.6 million, or $2.96 per diluted share, compared to $66.5 million, or $2.31 per diluted share in 2013.

Integra generated $20.8 million of cash flows from operations and invested $12.5 million in capital expenditures in the fourth quarter of 2014. For the full year ended December 31, 2014, cash flows from operations totaled $79.5 million and cash invested in capital expenditures was $41.9 million. Adjusted free cash flow conversion for the trailing twelve months ended December 31, 2014 was 38.5% versus 8.1% for the twelve months ended December 31, 2013.

"We look forward to the opportunities that lie ahead in 2015, including new product introductions, ramping up production in our new collagen manufacturing center, publication of the data from our diabetic foot ulcer study, and the sales channel investments we are making in our wound, extremities and international businesses," said Mr. Arduini. "The accomplishments of the last two years have laid the foundation for Integra to achieve our long-term growth and profitability objectives."

Outlook for 2015

The Company expects full year 2015 revenues to be between $960 million and $980 million. The Company expects its GAAP earnings per diluted share for the full year to be between $0.87 and $1.05 and adjusted earnings per diluted share to be between $3.05 and $3.23. This guidance includes the performance of the spine business for the full year.

At current foreign currency exchange rates, the Company expects a negative impact of approximately $25 million on 2015 revenues, and a $0.10 to $0.15 negative impact on adjusted earnings per share, compared to what they would have been at 2014 average rates.

"The spin-off of SeaSpine remains on track to be completed in the second half of 2015," said Glenn Coleman, Chief Financial Officer. "As we move forward with the realignment of our business into two global segments, we expect the simplified, more focused structure to result in faster growth and margin expansion. Overall, our 2015 guidance reflects continued progress toward our long-term growth and profitability targets."

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.

****Integra's management team will reference a presentation during the conference call this morning, which can be found on the Investor section of the website at investor.integralife.com. This presentation will include revenue guidance in both the historic and new global segment structure.**

Conference Call

Integra has scheduled a conference call for 8:30 AM ET today, Tuesday, February 24, 2015 to discuss financial results for the fourth 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 913-981-4904 and using the passcode 6805776. The call can also be accessed through a webcast via a link provided on the Investor Relations homepage of Integra's website at investor.integralife.com. Access to the replay is available through March 14, 2015 by dialing 719-457-0820 and using the passcode 6805776. The webcast will also be archived on the website.

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Integra LifeSciences, a world leader in medical technology, 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 (loss)/income, GAAP and adjusted (loss)/earnings per diluted share, non-GAAP adjustments such as global enterprise resource planning ("ERP") system implementation charges, certain expenses associated with product recalls, acquisition-related charges, goodwill impairment 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 execute its operating plan effectively, the Company's ability to manufacture and ship sufficient quantities of its products to meet its customers' demand; the ability of third-party suppliers to supply us with raw materials and finished products; global macroeconomic conditions; continued weakness in sales outside of the U.S.; the Company's ability to manage its direct sales channels effectively; 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; downward pricing pressures for customers; the Company's ability to secure regulatory approval for products in development; the Company's ability to remediate quality systems violations; 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 impact of goodwill and intangible asset impairment charges if future operating results of acquired businesses are significantly less than the results anticipated at the time of the acquisitions, 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 Company’s ability to achieve anticipated growth rates, margins and scale and execute its strategy generally, including the anticipated spinoff; 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 and internationally; fluctuations in foreign currency exchange rates; the amount of our convertible notes and bank borrowings outstanding and other factors influencing liquidity; 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, 2014 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 organic 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. Organic revenues consist of growth in total revenues excluding the effects of currency exchange rates on the current period's revenues and the contribution of revenues from discontinued products in both the current and prior periods' revenues. The various measures of adjusted EBITDA consist of GAAP net (loss)/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 (loss)/income, excluding: (i) manufacturing facility remediation costs; (ii) global ERP implementation charges; (iii) structural optimization charges; (iv) SeaSpine separation-related charges (v) certain employee severance charges; (vi) discontinued product lines charges; (vii) acquisition-related charges; (viii) certain expenses associated with product recalls; (ix) impairment charges; (x) intangible asset amortization expense; (xi) convertible debt non-cash interest; and (xii) income tax impact from adjustments and other items. The adjusted earnings per diluted share measure is calculated by dividing adjusted net income attributable to diluted shares by diluted weighted average shares outstanding. Because the Company reported a GAAP net loss during the full year ended December 31, 2013, the calculation of GAAP diluted weighted average shares outstanding for the full year 2013 period excludes the effects of stock options and unvested restricted stock, as the effect of these equity awards would be anti-dilutive. The measure of free cash flow consists of GAAP net cash provided by operating activities less purchases of property and equipment. The measure of adjusted free cash flow consists of free cash flow adjusted for certain one-time unusual items. The adjusted free cash flow conversion measure is calculated by dividing (i) free cash flow, or (ii) adjusted free cash flow (as applicable), by (iii) adjusted net income.

Reconciliations of GAAP revenues to organic revenues for the quarter and year ended December 31, 2014 and GAAP net (loss)/income to adjusted EBITDA, adjusted EBITDA excluding stock-based compensation and adjusted net income, and GAAP (losses)/earnings per diluted share to adjusted earnings per diluted share for the quarters and years ended December 31, 2014 and 2013 appear in the financial tables in this release.

The Company believes that the presentation of organic revenues and the various adjusted EBITDA, adjusted net income, adjusted earnings per diluted share, adjusted free cash flow and adjusted free cash flow conversion 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 December 31,		Twelve Months Ended December 31,	
	2014	2013	2014	2013
Total revenues	$ 252,176	$ 220,769	$ 928,305	$ 836,214
Costs and expenses:				
Cost of goods sold	97,468	83,837	352,801	327,045
Research and development	12,157	14,511	51,596	52,088
Selling, general and administrative	112,480	101,765	445,967	407,802
Intangible asset amortization	3,387	3,037	12,400	12,697
Goodwill impairment charge	—	—	—	46,738
Total costs and expenses	225,492	203,150	862,764	846,370
Operating income (loss)	26,684	17,619	65,541	(10,156)
Interest income	23	53	168	443
Interest expense	(5,527)	(4,707)	(21,967)	(19,788)
Other income (expense), net	(905)	(257)	(763)	(1,801)
Income (loss) before income taxes	20,275	12,708	42,979	(31,302)
Income tax expense (benefit)	3,109	(1,063)	8,975	(10,235)
Net income (loss)	17,166	13,771	$ 34,004	$ (21,067)
Diluted net income (loss) per share	$ 0.52	$ 0.45	$ 1.03	$ (0.74)
Weighted average common shares outstanding for diluted net income (loss) per share	33,157	30,636	32,960	28,416

Segment revenues and growth in total revenues excluding the effects of currency exchange rates are as follows:

(In thousands)

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2014	2013	Change	2014	2013	Change
U.S. Neurosurgery	$67,338	$46,373	45.2%	$244,603	$172,250	42.0%
U.S. Instruments	41,738	42,008	(0.6)%	157,816	163,908	(3.7)%
U.S. Extremities	40,301	34,534	16.7%	143,384	128,336	11.7%
U.S. Spine & Other	43,194	47,118	(8.3)%	171,363	182,007	(5.8)%
International *	59,604	50,736	17.5%	211,139	189,713	11.3%
Total Revenues	$252,175	$220,769	14.2%	$928,305	$836,214	11.0%
Impact of changes in currency exchange rates	$ 3,080	$—		$ 2,043	$—	
Less contribution of revenues from acquisitions	$(22,810)	$—		$(72,768)	$—	
Less contribution of revenues from discontinued products	$(2,891)	$(3,857)		$(11,621)	$(16,528)	
Total organic revenues	$229,554	$216,912	5.8%	$845,959	$819,686	3.2%

*The International segment revenues reflect sales that are actively managed by our International division. This does not constitute all recorded sales outside the U.S., as some Instrument sales and private label (included in U.S. Spine & Other) product sales in those regions are managed by their respective U.S. divisions.

Items included in GAAP net income and location where each item is recorded are as follows:

(In thousands)

Three Months Ended December 31, 2014

Item	Total Amount	COGS(a)	SG&A(b)	Amort.(c)	Interest Exp(Inc)(d)	Tax(e)
Manufacturing facility remediation costs	$511	$511	$—	$—	$—	$—
Global ERP implementation charges	5,201	—	5,201	—	—	—
Structural optimization charges	4,513	4,125	388	—	—	—
Certain employee severance charges	865	518	347	—	—	—
Discontinued product line charges	92	92	—	—	—	—
Acquisition-related charges	1,959	253	1,706	—	—	—
SeaSpine separation-related charges	2,162	—	2,162	—	—	—
Impairment charges	190	190	—	—	—	—
Intangible asset amortization expense *	7,982	4,595	—	3,387	—	—
Convertible debt non-cash interest	1,853	—	—	—	1,853	—
Estimated income tax impact from adjustments and other items	(11,214)	—	—	—	—	(11,214)
Depreciation expense	8,041					
Stock-based compensation expense	3,418					

*For the period ending December 31, 2014, "Intangible asset amortization expense" excludes $190 already included in "Impairment charges" above.

a) COGS - Cost of goods sold
b) SG&A - Selling, general and administrative
c) Amort. - Intangible asset amortization
d) Interest Inc (Exp) - Interest income (expense), net
e) Tax - Income tax expense

Three Months Ended December 31, 2013

(In thousands)

Item	Total Amount	COGS (a)	SG&A (b)	R&D (c)	Amort. (d)	Interest Exp/(Inc) (e)	Tax (f)
Manufacturing facility remediation costs	$381	$381	$—	$—	$—	$—	$—
Certain expenses associated with product recalls	1,987	1,987	—	—	—	—	—
Global ERP implementation charges	5,549	—	5,549	—	—	—	—
Structural optimization charges	1,763	781	982	—	—	—	—
Certain employee severance charges	1,175	635	540	—	—	—	—
Acquisition-related charges	2,120	1,447	45	628	—	—	—
Impairment charges	340	—	—	340	—	—	—
Intangible asset amortization expense	4,721	1,684	—	—	3,037	—	—
Convertible debt non-cash interest	1,598	—	—	—	—	1,598	—
Estimated income tax impact from adjustments and other items	(8,031)	—	—	—	—	—	(8,031)
Depreciation expense *	7,007						
Stock-based compensation expense	2,798						

* For the period ending December 31, 2013, "Depreciation expense" excludes $(413) already included in "Structural optimization charges" above.

a) COGS - Cost of goods sold
b) SG&A - Selling, general and administrative
c) R&D - Research and development
d) Amort. - Intangible asset amortization
e) Interest Inc(Exp) - Interest income (expense), net
f) Tax - Income tax expense

Items included in GAAP net income and location where each item is recorded are as follows:

(In thousands)

Twelve Months Ended December 31, 2014

Item	Total Amount	COGS(a)	SG&A(b)	R&D (c)	Amort.(d)	Interest Exp(Inc) (e)	Tax(f)
Manufacturing facility remediation costs	$1,416	$1,354	$62	$—	$—	$—	$—
Global ERP implementation charges	23,177	—	23,177	—	—	—	—
Structural optimization charges	13,716	11,595	2,121	—	—	—	—
Certain employee severance charges	9,094	1,561	7,533	—	—	—	—
Acquisition-related charges	9,439	1,359	7,580	500	—	—	—
Discontinued product line charges	1,552	1,552	—	—	—	—	—
SeaSpine separation-related charges	2,162	—	2,162	—	—	—	—
Impairment charges	790	790	—	—	—	—	—
Intangible asset amortization expense*	30,959	18,559	—	—	12,400	—	—
Convertible debt non-cash interest	7,140	—	—	—	—	7,140	—
Estimated income tax impact from adjustments and other items	(35,844)	—	—	—	—	—	(35,844)
Depreciation expense	30,169						
Stock-based compensation expense**	12,098						

* For the period ending December 31, 2014, "Intangible asset amortization expense" excludes $790 already included in the "Impairment charges" above.
** For the period ending December 31, 2014, "Stock-based compensation expense" excludes $3.0 million already included in "Certain employee severance charges" above.

a) COGS - Cost of goods sold
b) SG&A - Selling, general and administrative
c) R&D - Research and development
d) Amort. - Intangible asset amortization
e) Interest Inc (Exp) - Interest income (expense), net
f) Tax - Income tax expense

Twelve Months Ended December 31, 2013

(In thousands)

Item	Total Amount	COGS (a)	SG&A (b)	R&D (c)	Amort. (d)	Goodwill (e)	Interest Exp(Inc) (f)	Tax (g)
Manufacturing facility remediation costs	$8,230	$7,948	$282	$—	$—	$—	$—	$—
Certain expenses associated with product recalls	3,431	3,266	165	—	—	—	—	—
Global ERP implementation charges	24,264	—	24,264	—	—	—	—	—
Structural optimization charges	8,793	4,105	4,688	—	—	—	—	—
Certain employee severance charges	1,205	665	540	—	—	—	—	—
Acquisition-related charges	3,113	2,169	316	628	—	—	—	—
Impairment charges	47,078	—	—	340	—	46,738	—	—
Intangible asset amortization expense	19,390	6,693	—	—	12,697	—	—	—
Convertible debt non-cash interest	6,463	—	—	—	—	—	6,463	—
Estimated income tax impact from adjustments and other items	(34,428)	—	—	—	—	—	—	(34,428)
Depreciation expense*	27,088							
Stock-based compensation expense	10,393							

* For the period ending December 31, 2013, "Depreciation expense" excludes $532 already included in "Structural optimization charges" above.

a) COGS - Cost of goods sold
b) SG&A - Selling, general and administrative
c) R&D - Research and development
d) Amort. - Intangible asset amortization
e) Goodwill - Goodwill impairment charge
f) Interest Inc(Exp) - Interest income (expense), net
g) Tax - Income tax expense

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

(In thousands)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2014	2013	2014	2013
GAAP net (loss)/income	$ 17,166	$ 13,771	$ 34,004	$ (21,067)
Non-GAAP adjustments:				
Depreciation and intangible asset amortization expense	16,023	11,728	61,128	46,478
Other (income) expense, net	905	257	763	1,801
Interest (income) expense, net	5,504	4,654	21,799	19,345
Income tax expense (benefit)	3,109	(1,063)	8,975	(10,235)
Manufacturing facility remediation costs	511	381	1,416	8,230
Certain expenses associated with product recalls	—	1,987	—	3,431
Global ERP implementation charges	5,201	5,549	23,177	24,264
Structural optimization charges	4,513	1,763	13,716	8,793
Certain employee severance charges	865	1,175	9,094	1,205
Discontinued product lines charges	92	—	1,552	—
Acquisition-related charges	1,959	2,120	9,439	3,113
SeaSpine separation-related charges	2,162	—	2,162	—
Impairment charges	190	340	790	47,078
Total of non-GAAP adjustments	41,034	28,891	154,011	153,503
Adjusted EBITDA	$ 58,200	$ 42,662	$ 188,015	$ 132,436
Stock-based compensation	3,418	2,798	12,098	10,393
Adjusted EBITDA excluding stock-based compensation	$ 61,618	$ 45,460	$ 200,113	$ 142,829

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

(In thousands, except per share amounts)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2014	2013	2014	2013
GAAP net (loss) / income	$ 17,166	$ 13,771	$ 34,004	$ (21,067)
Non-GAAP adjustments:				
Manufacturing facility remediation costs	511	381	1,416	8,230
Certain expenses associated with product recalls	—	1,987	—	3,431
Global ERP implementation charges	5,201	5,549	23,177	24,264
Structural optimization charges	4,513	1,763	13,716	8,793
Certain employee severance charges	865	1,175	9,094	1,205
Discontinued product lines charges	92	—	1,552	—
Acquisition-related charges	1,959	2,120	9,439	3,113
SeaSpine separation-related charges	2,162	—	2,162	—
Intangible asset amortization expense	7,982	4,721	30,959	19,390
Impairment charges	190	340	790	47,078
Convertible debt non-cash interest	1,853	1,598	7,140	6,463
Estimated income tax impact from adjustments and other items	(11,214)	(8,031)	(35,844)	(34,428)
Total of non-GAAP adjustments	14,114	11,603	63,601	87,539
Adjusted net income	$ 31,280	$ 25,374	$ 97,605	$ 66,472
Adjusted diluted net income per share	$ 0.94	$ 0.83	$ 2.96	$ 2.31
Weighted average common shares outstanding for diluted net (loss)/income per share	33,157	30,636	32,960	28,416
Non-GAAP adjustment for dilutive effects of equity awards	—	—	—	386
Weighted average common shares outstanding for adjusted diluted net income per share	33,157	30,636	32,960	28,802

INTEGRA LIFESCIENCES HOLDINGS CORPORATION
CONDENSED BALANCE SHEET DATA
(UNAUDITED)

(In thousands)

	December 31, 2014	December 31, 2013
Cash and cash equivalents	$ 71,994	$ 120,614
Accounts receivable, net	131,918	118,145
Inventory, net	237,114	206,919
Bank line of credit	413,125	186,875
Convertible securities	213,121	205,182
Stockholders' equity	704,322	666,090

RECONCILIATION OF NON-GAAP ADJUSTMENTS - GAAP OPERATING CASH FLOW TO MEASURES OF ADJUSTED FREE CASH FLOW AND ADJUSTED FREE CASH FLOW CONVERSION (UNAUDITED)

(In thousands)

	Three Months Ended December 31,	
	2014	2013
GAAP Net cash provided by operating activities	$20,759	$11,696
Purchases of property and equipment	(12,455)	(10,128)
Free Cash Flow	8,304	1,568
Adjusted net income *	31,280	25,374
Adjusted Free Cash Flow Conversion	26.6%	6.2%

	Twelve Months Ending December 31,	
	2014	2013
GAAP Net cash provided by operating activities	$79,463	$53,268
Purchases of property and equipment	(41,921)	(47,851)
Free Cash Flow	37,542	5,417
Adjusted net income *	97,605	66,472
Adjusted Free Cash Flow Conversion	38.5%	8.1%

* Adjusted net income for quarters and twelve months ended December 31, 2013 and 2014 are reconciled above.

The Company calculates adjusted free cash flow conversion by dividing its adjusted free cash flow by adjusted net income. The Company believes this measure is a useful metric in evaluating the significance of the cash special charges in its adjusted earnings measures.

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

(In thousands, except per share amounts)

	Projected Year Ended December 31, 2015	
	Low	High
GAAP net income	$ 29,040	$ 35,040
Non-GAAP adjustments:		
Global ERP implementation charges	17,500	17,500
SeaSpine separation-related charges	20,000	20,000
Structural optimization charges	21,300	21,300
Acquisition-related charges	8,000	8,000
Intangible asset amortization expense	32,500	32,500
Convertible debt non-cash interest	8,200	8,200
Estimated income tax impact from adjustments and other items	(34,340)	(34,340)
Total of non-GAAP adjustments	73,160	73,160
Adjusted net income	$ 102,200	$ 108,200
GAAP diluted net income per share	$ 0.87	$ 1.05
Non-GAAP adjustments detailed above (per share)	$ 2.18	$ 2.18
Adjusted diluted net income per share	$ 3.05	$ 3.23
Weighted average common shares outstanding for diluted net income per share	33,500	33,500

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

(In thousands)

Projected Year Ended December 31, 2015

Item	Total Amount	COGS	SG&A	Amort.	Interest Exp(Inc)	Tax
Global ERP implementation charges	17,500	—	17,500	—	—	—
SeaSpine separation-related charges	20,000	2,000	18,000			
Structural optimization charges	21,300	16,000	5,300	—	—	—
Acquisition-related charges	8,000	1,200	6,800	—	—	—
Intangible asset amortization expense	32,500	18,000	—	14,500	—	—
Convertible debt non-cash interest	8,200	—	—	—	8,200	—
Estimated income tax impact from adjustments and other items	(34,340)	—	—	—	—	(34,340)

Source: Integra LifeSciences Holdings Corporation