



Strategic Business Update

November 3, 2014
Conference Call



Spin-off of the Spine Business
and Portfolio Alignment into Two
Global Divisions



Forward-Looking Statements Safe Harbor and Non-GAAP Financial Measures

Certain statements in this presentation that are not historical in nature are “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, but are not limited to, statements related to expectations regarding each company’s future financial performance, plans for executing the spin-off (including the costs related thereto), the benefits of the spin-off to our shareholders and to each company, the taxable nature of the spin-off, future prospects of the companies as independent companies, statements concerning the Company’s future financial performance, including projections for revenues, GAAP and adjusted net income (loss), GAAP and adjusted earnings per diluted share, non-GAAP adjustments such as global enterprise resource planning system implementation charges, certain expenses associated with product recalls, acquisition-related charges, goodwill and other intangible asset 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: each company’s ability to respond to the changes in its end markets that could affect demand for the Company’s products; the ability to achieve anticipated growth rates, margins and scale and to execute on the Company’s strategy generally; unanticipated changes in business relationships with customers or their purchases from each company; weakness in global or regional economic conditions and financial markets; uncertainties that may delay or negatively impact the spin-off or cause the spin-off to not occur; uncertainties related to each company’s ability to realize the anticipated benefits of the spin-off, including new focus and anticipated growth; the inability to realize the benefits of a simplified structure; the inability to establish or maintain certain business relationships between both companies; disruptions to operations as a result of effecting the spin-off; demand for and market acceptance of risks for new and existing products; future actions of regulatory bodies and other governmental authorities, including the FDA and foreign counterparts; the Company’s ability to secure regulatory approval for products in development; 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; product quality or patient safety concerns leading to product recalls, withdrawals, launch delays, litigation, or declining sales; U.S. healthcare reform and other global austerity measures; reimbursement and rebate policies of government agencies and private payers; product development risks; additional indications and therapeutic applications for medical products, biologics, and medical devices; inventory reductions or fluctuations in buying patterns; the availability of acceptable raw materials and component supply; the ability to enforce Company patents; the Company’s ability to manufacture and ship sufficient quantities of its products to meet its customers’ demand; continued weakness in sales outside of the U.S.; the Company’s ability to manage its direct sales channels effectively; the ability to achieve satisfactory operating results in the integration of acquired companies; the Company’s ability to maintain relationships with customers of acquired entities; the impact of goodwill and other intangible asset impairment charges if future operating results of acquired businesses are significantly less than the results anticipated at the time of the acquisitions; 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 from customers; the Company’s ability to remediate quality systems violations; fluctuations in hospital spending for capital equipment; difficulties in controlling expenses, including costs to procure and manufacture our products; the impact of changes in management or staff levels; 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; and the amount of our convertible notes and bank borrowings outstanding and other factors influencing liquidity. 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. Additional factors are discussed in the company’s filings with the Securities and Exchange Commission, including the company’s Annual Report on Form 10-K for the year ended Dec. 31, 2013, quarterly reports on Form 10-Q and current reports on Form 8-K. Except as required by the federal securities laws, the company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. Certain non-GAAP financial measures are disclosed in this presentation. A reconciliation of these non-GAAP financial measures is available on the investor section of our website

at integralife.com.

Agenda

Review of Third Quarter Financial Results

- Glenn Coleman, CVP, Chief Financial Officer
- Peter Arduini, President and Chief Executive Officer

Strategic Rationale for the Spin-off of SeaSpine and Portfolio Alignment

- Peter Arduini

Business Overview

- Peter Arduini

Overview of Planned Separation

- Glenn Coleman

Q&A

- Call Participants

Review of Third Quarter Financial Results (Audio-Only)

Glenn Coleman, Chief Financial Officer

Peter Arduini, President and Chief Executive Officer

Strategic Rationale for the Spin-off of SeaSpine and Portfolio Alignment

Peter Arduini, President and Chief Executive Officer

Implementing the Strategy

Our Strategy

Execute

Transform the Business

- Establish systems and processes to support a \$1B+ company
- Leverage improved infrastructure to enable growth
- Execute restructuring plans to deliver 300-400 bps of margin expansion by 2018

Optimize

Optimize Product Portfolio And Scale The Business

- Operate in fewer and better defined target markets with more focused offerings
- Enable greater clinical focus and capabilities in select markets
- Achieve relevant scale in all clinical areas where we compete

Accelerate Growth

Accelerate Growth Through Three Vehicles

- Increase investment in and expansion of targeted channels
- Enhance R&D focus and capabilities to improve execution and pipeline
- Explore inorganic opportunities to fill portfolio and optimize scale

Accomplishments Since 2012: We Have Executed

INITIATIVES	2012	TODAY	
✓	Address quality issues; improve quality systems	3 Warning Letters	Plainsboro: W/L was lifted Añasco: No Form 483s Andover: Shutting down site
✓	Improve regenerative product supply	Regularly on rolling backorder on critical SKUs	Controllable supply on hand; New 109 Facility - Completed
✓	Reduce manufacturing and distribution facilities	30 Sites	6 facilities closed by YE '14
✓	Implement common ERP system	Operating 27 ERP systems	75% of revenue on Oracle R12; systems down to 13
✓	New product development	2 to 3 substantial launches	5 to 6 substantial launches DFU – trial successful
✓	Complete strategic acquisitions	No activity: 2012-2013	DuraSeal: Jan 2014 MicroFrance: Oct 2014 Active Pipeline
○	Rationalize Portfolio	Analysis and review	Decision made to focus resources

Groundwork Laid To Enable Scalable Growth

Integra's Transformation Continues

- Thorough strategic review process
- Decision made to plan to spin off spine and orthobiologics business as a new publicly traded company
- New company to be named SeaSpine
- Transaction allows both companies to invest in priorities that will enable and accelerate growth
- Integra well-positioned to successfully execute separation and achieve core goals

Simplified

Focused

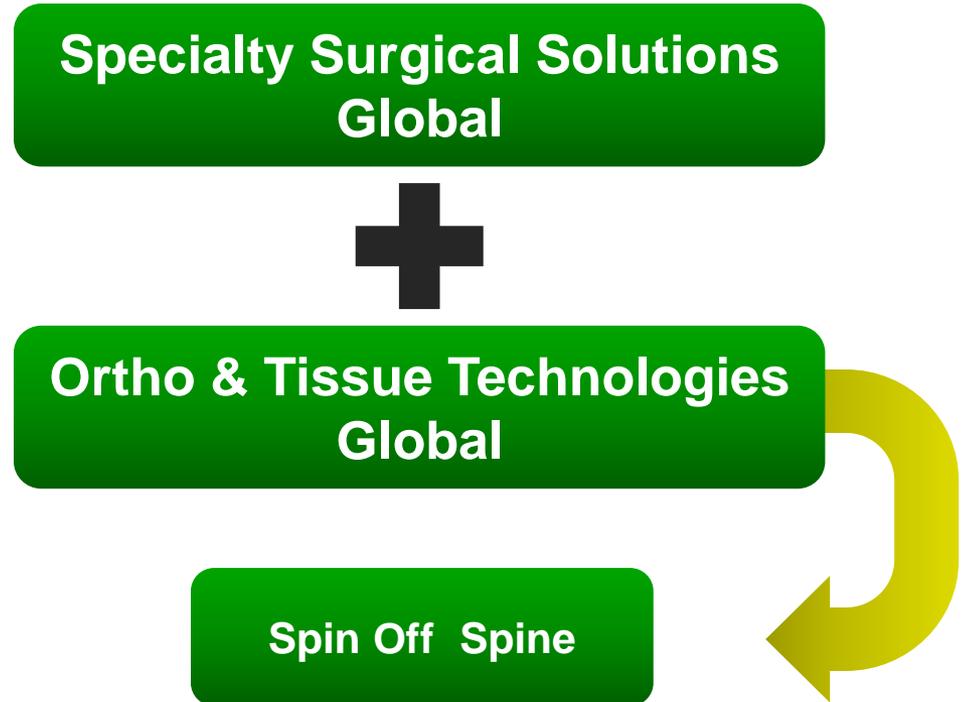
**Positioned to
Accelerate
Growth**

Integra: Positioned to Win

CURRENT STRUCTURE



2015 PLANNED STRUCTURE



*Currently Operating As Five Segments;
Moving to Two Global Business Areas in 2015*

Two Companies: Increased Focus, Differentiated Offerings

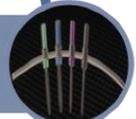
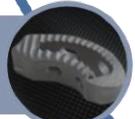


**Proforma LTM Revenue*:
~\$800 million**

-  Dural Repair
-  Skin Substitutes for Burn & Wound
-  Nerve Repair
-  Tissue Ablation
-  Extremities Implants - PyroCarbon
-  Specialty Instruments

SeaSpine

**LTM Revenue*:
~\$140 million**

-  Demineralized Bone Matrix
-  Collagen Ceramic Matrix
-  MIS Spine Implants
-  Expandable IBD
-  Deformity Correction
-  Nanometalene IBD

*Approximate Last Twelve Month Revenue Through September 30, 2014; proforma for the acquisitions of DuraSeal and MicroFrance.

Strategic Rationale for the Spine Spin-off

Focused Operations

- Enables Integra to focus on scale investments in three clinical areas:
 - Specialty surgical
 - Wound care
 - Extremities
 - Better positions SeaSpine competitively as a pure play
 - Dedicated resources and management focus in both entities should shift energy toward driving growth
-

Accelerated Growth

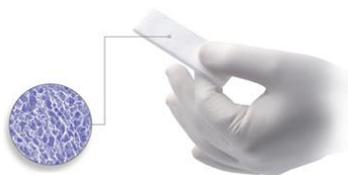
- Separation is expected to be accretive to IART top-line growth and to accelerate its operating margin expansion plan
- Enables investment in other organic and inorganic growth drivers within core of each business
 - IART to invest in scaling Extremities and Advanced Wound Care
 - SeaSpine will be able to invest additional earnings to enhance its R&D pipeline, sales structure and surgeon training

Both Companies Will Grow Faster Separately Than Together

Regenerative Technologies at the Core

NEUROSURGERY

Dural Repair



EXTREMITIES

Skin & Wound



SEASPINE

Orthobiologics



Appx. LTM* Revenue

\$140M**

\$75M

\$65M

Market Procedures

~700,000

~750,000 (U.S.)

~200,000

Future
Advancements

Next-gen onlay and sealant products; explore surgical applications outside dura

Investment in clinical studies and development of next-gen collagen matrix

Human cell integration; increasing osteoinductive activity

*Approximate Last Twelve Month revenue through September 30, 2014.

** Pro Forma for the acquisition of DuraSeal.

Leveraging Core Competency; Differentiator to Capture Share

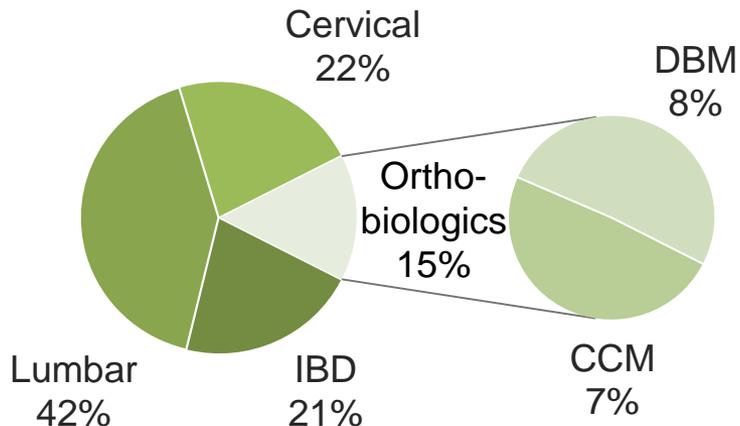
Business Overview

Peter Arduini, President and Chief Executive Officer

Spine Overview – The New SeaSpine

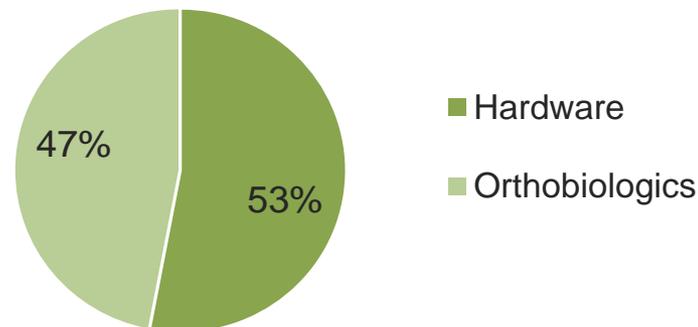
Markets & Composition

Total Addressable Market: \$5.3 B



Current Revenue Composition

89% of Sales in U.S.



U.S. sales through a distribution model
<10% of sales through Private Label partners
International Sales primarily through distributors

Key Products

Daytona Deformity System



Nanometalene Interbody Device



Expandable Interbody Device



EVO3 - DBM



Spine Overview – The New SeaSpine

Business Strengths

- Experienced management team with Spine / Ortho tenure
 - Comprehensive portfolio of spine hardware and orthobiologics
 - Nimble spine-focused company where new strategies can be implemented faster
 - Strong balance sheet to fund innovation, expansion and growth
-

Differentiated Business Model

- Advanced orthobiologics portfolio led by patent protected third-generation DBM
 - Focused R&D, prototyping, training dedicated to spine solutions
 - Strong products for complex procedures focused on restoring sagittal balance, such as MIS and Deformity
-

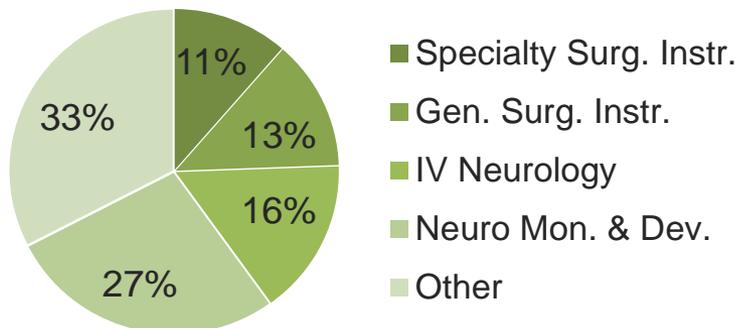
Strategy Highlights

- Focus primarily on revenue growth
- Increased investment in R&D and marketing to optimize the impact of new product introductions and speed to market
- Commercial footprint outside of the U.S. and further investment in resources to expand global penetration

Specialty Surgical Solutions Overview

Markets & Composition

Total Addressable Market: \$3.0B



Strategy

- Enhance core neurosurgery footprint with specialized instrumentation
- Extend reach into surgical adjacencies: ENT, MIS, sealing & hemostasis, tissue removal
- Leverage strong global distribution channels
- Offer value-added services to customers through new Global S&R organization

Differentiated Business Model

- Broad category leadership across key franchises
- Diverse channel: direct sales teams, product clinical specialist support teams, select distributors
- Significant OR call point synergy and surgical continuum of care opportunity
- Platform technologies with untapped utility in broader surgical context (hydrogels and ultrasonic ablation platforms)

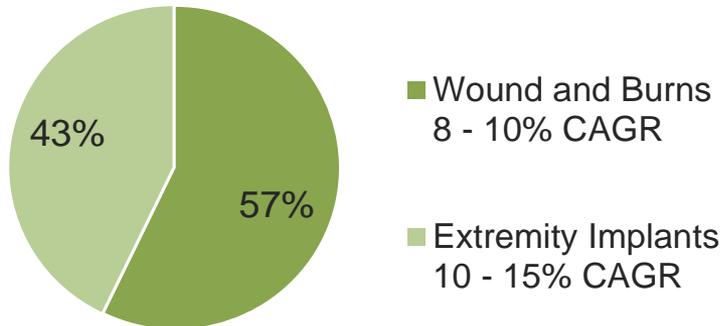
Key Products

Specialty Instruments & Solutions	Lighting Solutions	General Surgery, Retractors & Containers	Collagen Oral Surgery Solutions
			
Dural Repair	Neuro Critical Care	Tissue Ablation	Cranial Positioning & Access
			

Ortho & Tissue Technologies Overview

Markets & Composition

Total Addressable Market: \$3.5B



■ Wound and Burns
8 - 10% CAGR

■ Extremity Implants
10 - 15% CAGR

Strategy

- Enter Chronic Wound market
 - DFU indication
 - Sales force investment
- Extremity new product introductions and sales force investments
- Focus on medical education, training and clinical studies

Differentiated Business Model

- Direct U.S. sales model for specialty extremity and collagen products
- Specialists focused on implants for upper and lower extremities
- Hybrid sales network outside the U.S.
- Private Label business for select collagen-based products

Key Products

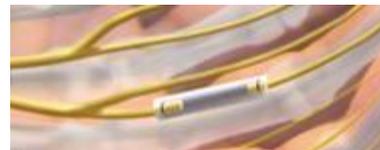
Regenerative
Skin & Burn
Products



Specialty
Extremity
Products



Regenerative
Nerve and Tendon



Overview of Planned Separation

Glenn Coleman, CVP, Chief Financial Officer

Overview of Planned Separation

Structure

- Spin-off expected to be tax-free to Integra shareholders
- Upon completion of the separation, SeaSpine will trade as an independent public company
- Kirt Stephenson (previous SeaSpine CEO) to be named Chairman
- Spencer Stuart engaged to recruit CEO

Financial Implications

- Both companies expected to grow faster separately than together
- Expected to accelerate Integra operating margin improvement
- Expect one-time charges preceding the separation; transaction does not otherwise impact 2014 adjusted financials

Expected Capital Structure

- Both companies are expected to be well-capitalized and have strong balance sheets
- Both companies will have liquidity for growth and investment and a disciplined approach to capital allocations

Timing & Approvals

- Subject to final Integra Board approval, the effectiveness of Form 10 registration statement to be filed with the SEC and confirmation of the tax-free nature of transaction
- Expected completion within 12 months*

*With effects in France subject to prior consultation of the local works council

- Spin-off of SeaSpine and the creation of the Specialty Surgical Solutions division mark the continuation of our strategy to transform Integra
- Positions Integra to become a multi-billion dollar global medical technology company
- Enables Integra to deliver on 5-year plan to improve margins and overall growth
- Changes are expected to enhance value for our customers, our colleagues and our shareholders
- Creating two unique companies that are leaders in providing innovative regenerative technology and clinical solutions

Simplified

Focused

**Positioned to
Accelerate
Growth**

Q&A

Call Participants



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Spin-off of the Spine Business
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Global Divisions



Announced Changes – Leadership Bios



Mark Augusti

Corporate Vice President, President | Orthopedics and Tissue Technologies

Mr. Augusti is responsible for the management of the Orthopedics and Tissue Technologies global division, which includes spine and extremity implants, tissue products, and the private label business. His responsibilities include U.S. commercial leadership, portfolio management, evaluation of corporate development opportunities and strategic direction. He joined Integra in April 2014 as CVP and President of Orthopedics and Tissue Technologies, and brings over 25 years of executive management experience in medical technology. Prior to joining Integra, Mr. Augusti served as CEO at Bioventus and was a member of the company's Board of Directors. Prior to that, he spent nine years with Smith & Nephew in a series of leadership roles and before that, 13 years at GE Medical Systems, where he held various sales, marketing and strategic management roles, both in the US and internationally. Mr. Augusti received an M.B.A. from the UCLA Anderson School of Management and a B.S. in Computer Science and Economics from Duke University.



Robert T. Davis Jr.

Corporate Vice President, President | Specialty Surgical Solutions

Mr. Davis' responsibilities include leadership of sales, marketing, product development, quality assurance and manufacturing for the Specialty Surgical Solutions global division. He joined Integra in July 2012 as President of the U.S. Neurosurgery business and was appointed Integra's CVP in December 2012. He brings more than 25 years of executive management experience in the global healthcare industry. Prior to joining Integra, Mr. Davis was the General Manager for the Global Anesthesia & Critical Care business at Baxter Healthcare and held various general management positions at GE Healthcare in the areas of interventional therapeutics, cardiovascular imaging and diagnostic ultrasound. Mr. Davis earned his B.S. in Sports Medicine from the University of Delaware, a Master's degree in Exercise & Cardiovascular Physiology from Temple University and an M.B.A. from Drexel University.

Announced Changes – Leadership Bios



Dan Reuvers

Corporate Vice President, President | International

Mr. Reuvers' responsibilities include executive oversight and leadership of all of Integra's international businesses, including Europe, Middle East, Africa, Latin America, Asia Pacific and Canada. He joined Integra in 2008 as VP of Marketing and Product Development for Integra's surgical business and was promoted to President of the acute surgical business in June 2010. He was appointed President, Instruments in 2011, CVP in December 2012, and President - International in November 2013. Mr. Reuvers was President of Omni-Tract Surgical from September 2005 until December 2008, when the company was acquired by Integra. Mr. Reuvers has over 25 years of experience in the medical technology field, including holding various executive level positions in sales, marketing and general management. He serves on the board of directors of Respiretech, Inc.



Kirt Stephenson

Planned to-be-named Chairman | SeaSpine

Mr. Stephenson was President of Integra's U.S. Spine business through December 2013, responsible for sales, marketing, research and development and other related functions. Mr. Stephenson joined Integra in May 2011, when the company acquired SeaSpine, Inc., where he served as President and CEO. Mr. Stephenson has over 28 years of experience in the medical device industry with 17 years experience in the spine market. Prior to co-founding SeaSpine, Inc. in 2002, Mr. Stephenson was VP of Sales & Marketing at Alphatec. Mr. Stephenson received a B.B.A. in Marketing from the University of Cincinnati and an M.B.A. from Xavier University.