



Integra LifeSciences Announces Acquisition of JARIT Surgical Instruments; Raises Revenue and Earnings Guidance

Plainsboro, NJ / March 18, 2003 / -- Integra LifeSciences Holdings Corporation (NASDAQ: IART - news) announced today that it has acquired JARIT® Surgical Instruments for approximately \$44.5 million in cash, subject to certain adjustments. JARIT, based in Hawthorne, New York, markets a wide variety of high quality surgical instruments for use in both traditional and minimally invasive surgery. Its unique distribution network and service management team is recognized for providing the industry's highest levels of customer service and fill-rates.

JARIT's instruments are used in virtually all surgical disciplines (i.e., general, plastic, neuro, ENT, cardiovascular, ob-gyn, ophthalmic) at more than 5,200 hospitals and surgery centers worldwide. JARIT sells products in the United States through a twenty-person sales management force that works with over 100 distributor sales representatives as well as certain OEM accounts. JARIT maintains the industry's most comprehensive inventory to insure complete and timely delivery. With more than 5,000 instrument patterns in a growing catalog, JARIT can provide virtually any instrument quickly and economically, with contract orders typically shipped in 24 hours. In its facility in Tuttlingen, Germany, JARIT's staff manages supplier control, testing and quality system standards, which are ISO 9001 certified, and works directly with outstanding instrument craftsmen to coordinate design, production and delivery.

"JARIT is an established and well-recognized name in the general surgery instrument market place," said Stuart M. Essig, Integra's President and Chief Executive Officer. "This acquisition broadens our existing customer base and allows us to expand into new market segments involving procedures that could benefit from innovative new products. JARIT has long been a leader in establishing partnerships with Group Purchasing Organizations (GPO's). Integra will benefit from the national contract relationships that JARIT has established with GPO's such as Novation, Broadlane, MedAssets, and Consorta." Integra was recently awarded a multisource contract for its neurosurgical products with Premier, Inc.

As part of the Integra LifeSciences family of companies, Howard Jamner, current President of JARIT, will serve as Chairman of JARIT Surgical Instruments and Robert Rogowski will be promoted to President. Mr. Jamner and Mr. Rogowski will be responsible for maintaining growth in the JARIT business and introducing new products to the marketplace through JARIT's distributor network. The company name will remain unchanged, and JARIT will continue to drop-ship its products from Hawthorne, New York, using its current specialty distributor channel, staff and systems.

Integra now directly markets its products through three separate sales forces: Integra NeuroSciencesT (calling on neurosurgery and neurotrauma), Integra Padgett® (calling on burn, plastic and reconstructive surgery) and JARIT Surgical Instruments (calling on traditional and minimally invasive surgery).

"We are excited to become part of the Integra family," said Mr. Jamner. "The key to success in our business has been to stay focused on the customer and provide solutions to their instrument needs. Integra offers us additional knowledge and resources to develop new and innovative products and to continue to provide our customers with unparalleled service. Integra may also gain savings by sourcing their existing RedmondT-RugglesT and Padgett® product lines through our operations in Tuttlingen, Germany."

The acquired business generated approximately \$30.9 million in revenues and \$7.6 million in pre-tax income for the year ended December 31, 2002. JARIT Surgical Instruments has approximately 75 employees.

This acquisition is expected to be accretive to Integra's earnings in 2003 and 2004. Accordingly, Integra is revising its expectations for revenues, gross margin and earnings for 2003 and 2004. The Company expects total revenues to increase to between \$166 and \$171 million in 2003 and \$196 and \$206 million in 2004. Consolidated gross margin is expected to be 60% and 62% of product revenues in 2003 and 2004. Excluding a potential in-process research and development charge related to a \$1.5 million milestone payment that may become due in connection with a previous acquisition and potential operating cost savings from the combined Integra and JARIT operations, we expect our earnings to be within a range of \$0.78 to \$0.82 per share in 2003 and \$1.05 to \$1.10 per share in 2004. The Company's guidance for earnings per share of \$0.16 for the first quarter of 2003 remains unchanged. Management's guidance for the remainder of 2003 and 2004 takes into account anticipated transition expenses and additional investments in systems and sales and marketing. In accordance with the Company's usual practices, management's expectations for 2003 and 2004 financial performance do not include the impact of acquisitions or other strategic corporate transactions that have not yet closed. Additional forward-looking information about this acquisition will be discussed on Integra's conference call following the release of our first quarter 2003 earnings on April 30, 2003.

The Walden Group, Inc. (Tarrytown, NY), representing JARIT Surgical Instruments, originated the transaction. Richard S.

Cohen, Walden's president, remarked, "we identified Integra for bilateral discussions with JARIT due to the many potential synergies between the companies and their shared dedication to product quality, customer service and clinical care."

Integra LifeSciences Holdings Corporation develops, manufactures and markets medical devices, instruments, implants and biomaterials primarily used in the treatment of cranial and spinal disorders, soft tissue repair and orthopedics. Integra is a leader in applying the principles of biotechnology to medical devices that improve patients' quality of life. The Company has its corporate headquarters in Plainsboro, New Jersey, with manufacturing and research facilities located throughout the world. The Company has approximately 860 permanent employees. Please visit the Company's Website at (<http://www.Integra-LS.com>) and JARIT's Website at (<http://www.JARIT.com>).

This news release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, but are not limited to, statements concerning expectations for future financial results, including revenues, gross margins and earnings. Such forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from predicted or expected results. Among other things, Integra's ability to maintain relationships with customers of acquired entities may adversely affect Integra's future revenues; Integra's ability to increase sales and product volumes may adversely affect its future gross margins; and Integra's ability to integrate acquired businesses, increase product sales and gross margins, and control its nonproduct costs will affect its earnings per share. In addition, the economic, competitive, governmental, technological and other factors identified under the heading "Risk Factors" included in the Business section of Integra's Annual Report on Form 10-K for the year ended December 31, 2001 and information contained in subsequent filings with the Securities and Exchange Commission could affect actual results.

Source: Integra LifeSciences Holdings Corporation

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