SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D
(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT TO RULE 13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO RULE 13d-2(a)

(Amendment No.)*

INTEGRA LIFESCIENCES CORPORATION

(Name of Issuer)

Common Stock, Par Value $0.01 Per Share

(Title of Class of Securities)

457985208

(CUSIP Number)

Stephen M. Vine, Esq.
Akin, Gump, Strauss, Hauer & Feld, L.L.P.
590 Madison Avenue
New York, New York 10022
(212) 872-1000

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

March 29, 1999

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box |_|.

Note. Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7(b) for other parties to whom copies are to be sent.

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

Continued on following page(s)

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SCHEDULE 13D

CUSIP No. 457985208

1 Name of Reporting Person
S.S. or I.R.S. Identification No. of Above Person

QUANTUM INDUSTRIAL PARTNERS LDC

2 Check the Appropriate Box If a Member of a Group*
a. [ ]
b. [X]

3 SEC Use Only

4 Source of Funds*

WC

5 Check Box If Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) [ ]

6 Citizenship or Place of Organization

Cayman Islands

Number of Shares Beneficially Owned By Each Reporting Person With	7	Sole Voting Power	2,143,350
	8	Shared Voting Power	0
	9	Sole Dispositive Power	2,143,350
	10	Shared Dispositive Power	0

11 Aggregate Amount Beneficially Owned by Each Reporting Person

2,143,350

12 Check Box If the Aggregate Amount in Row (11) Excludes Certain Shares* [x]

13 Percent of Class Represented By Amount in Row (11)

11.99%

14 Type of Reporting Person*

OO; IV

*SEE INSTRUCTIONS BEFORE FILLING OUT!

SCHEDULE 13D

CUSIP No. 457985208

1 Name of Reporting Person
S.S. or I.R.S. Identification No. of Above Person

QIH MANAGEMENT INVESTOR, L.P.

2 Check the Appropriate Box If a Member of a Group*
a. [ ]
b. [X]

3 SEC Use Only

4 Source of Funds*

AF

5 Check Box If Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) [ ]

6 Citizenship or Place of Organization

Delaware

Number of Shares Beneficially Owned By Each Reporting Person With	7	Sole Voting Power	2,143,350
	8	Shared Voting Power	0
	9	Sole Dispositive Power	2,143,350
	10	Shared Dispositive Power	0

11 Aggregate Amount Beneficially Owned by Each Reporting Person

2,143,350

12 Check Box If the Aggregate Amount in Row (11) Excludes Certain Shares* [x]

13 Percent of Class Represented By Amount in Row (11)

11.99%

14 Type of Reporting Person*

PN; IA

*SEE INSTRUCTIONS BEFORE FILLING OUT!

SCHEDULE 13D

CUSIP No. 457985208

1 Name of Reporting Person
S.S. or I.R.S. Identification No. of Above Person

QIH MANAGEMENT, INC.

2 Check the Appropriate Box If a Member of a Group*
a. [ ]
b. [X]

3 SEC Use Only

4 Source of Funds*

AF

5 Check Box If Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) [ ]

6 Citizenship or Place of Organization

Delaware

Number of Shares Beneficially Owned By Each Reporting Person With	7	Sole Voting Power	2,143,350
	8	Shared Voting Power	0
	9	Sole Dispositive Power	2,143,350
	10	Shared Dispositive Power	0

11 Aggregate Amount Beneficially Owned by Each Reporting Person

2,143,350

12 Check Box If the Aggregate Amount in Row (11) Excludes Certain Shares* [x]

13 Percent of Class Represented By Amount in Row (11)

11.99%

14 Type of Reporting Person*

CO

*SEE INSTRUCTIONS BEFORE FILLING OUT!

SCHEDULE 13D

CUSIP No. 457985208

1 Name of Reporting Person
S.S. or I.R.S. Identification No. of Above Person

SOROS FUND MANAGEMENT LLC

2 Check the Appropriate Box If a Member of a Group*
a. [ ]
b. [X]

3 SEC Use Only

4 Source of Funds*

AF

5 Check Box If Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) [ ]

6 Citizenship or Place of Organization

Delaware

Number of Shares Beneficially Owned By Each Reporting Person With	7	Sole Voting Power	2,143,350
	8	Shared Voting Power	0
	9	Sole Dispositive Power	2,143,350
	10	Shared Dispositive Power	0

11 Aggregate Amount Beneficially Owned by Each Reporting Person

2,143,350

12 Check Box If the Aggregate Amount in Row (11) Excludes Certain Shares* [x]

13 Percent of Class Represented By Amount in Row (11)

11.99%

14 Type of Reporting Person*

OO; IA

*SEE INSTRUCTIONS BEFORE FILLING OUT!

SCHEDULE 13D

CUSIP No. 457985208

1 Name of Reporting Person
S.S. or I.R.S. Identification No. of Above Person

GEORGE SOROS (in the capacity described herein)

2 Check the Appropriate Box If a Member of a Group*
a. [ ]
b. [X]

3 SEC Use Only

4 Source of Funds*

AF

5 Check Box If Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) [ ]

6 Citizenship or Place of Organization

United States

Number of Shares Beneficially Owned By Each Reporting Person With	7	Sole Voting Power	714,450
	8	Shared Voting Power	2,143,350
	9	Sole Dispositive Power	714,450
	10	Shared Dispositive Power	2,143,350

11 Aggregate Amount Beneficially Owned by Each Reporting Person

2,857,800

12 Check Box If the Aggregate Amount in Row (11) Excludes Certain Shares* [ ]

13 Percent of Class Represented By Amount in Row (11)

15.37%

14 Type of Reporting Person*

IA

*SEE INSTRUCTIONS BEFORE FILLING OUT!

SCHEDULE 13D

CUSIP No. 457985208

1 Name of Reporting Person
S.S. or I.R.S. Identification No. of Above Person

STANLEY F. DRUCKENMILLER (in the capacity described herein)

2 Check the Appropriate Box If a Member of a Group*
a. [ ]
b. [X]

3 SEC Use Only

4 Source of Funds*

AF

5 Check Box If Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) [ ]

6 Citizenship or Place of Organization

United States

Number of Shares Beneficially Owned By Each Reporting Person With	7	Sole Voting Power	0
	8	Shared Voting Power	2,143,350
	9	Sole Dispositive Power	0
	10	Shared Dispositive Power	2,143,350

11 Aggregate Amount Beneficially Owned by Each Reporting Person

2,143,350

12 Check Box If the Aggregate Amount in Row (11) Excludes Certain Shares* [x]

13 Percent of Class Represented By Amount in Row (11)

11.99%

14 Type of Reporting Person*

IA

*SEE INSTRUCTIONS BEFORE FILLING OUT!

This Statement on Schedule 13D relates to shares of Common Stock, $0.01 par value per share (the "Shares"), of Integra LifeSciences Corporation (the "Issuer"). This Statement is being filed by the Reporting Persons (as defined herein) to report the recent acquisition of securities of the Issuer, convertible into Shares, as a result of which the Reporting Persons may be deemed to be the beneficial owners of more than 5% of the outstanding Shares of the Issuer.

Item 1. Security and Issuer.

This Statement relates to the Shares. The address of the principal executive office of the Issuer is 105 Morgan Lane, Plainsboro, New Jersey 08536.

Item 2. Identity and Background.

This Statement is being filed on behalf of each of the following persons (collectively, the "Reporting Persons"):

i) Quantum Industrial Partners LDC ("QIP");

ii) QIH Management Investor, L.P. ("QIHMI");

iii) QIH Management, Inc. ("QIH Management");

iv) Soros Fund Management LLC ("SFM LLC");

v) Mr. George Soros ("Mr. Soros"); and

vi) Mr. Stanley F. Druckenmiller ("Mr. Druckenmiller").

This Statement relates to the Shares held for the accounts of QIP and SFM Domestic Investments LLC ("SFM Domestic Investments").

The Reporting Persons

QIP, QIHMI and QIH Management

QIP is a Cayman Islands exempted limited duration company with its principal address at Kaya Flamboyan 9, Willemstad, Curacao, Netherlands Antilles. The principal business of QIP is investment in securities. Current information concerning the identity and background of the directors and officers of QIP is set forth in Annex A hereto, which is incorporated by reference in response to this Item 2.

QIHMI, an investment advisory firm organized as a Delaware limited partnership, is a minority shareholder of, and (pursuant to constituent documents of QIP) is vested with investment discretion with respect to the portfolio assets held for the account of, QIP. The principal business of QIHMI is to provide management and advisory services to, and to invest in, QIP. QIH Management, a Delaware corporation of which Mr. Soros is the sole shareholder, is the sole general partner of QIHMI. The principal business of QIH Management is to serve as the sole general partner of QIHMI. QIHMI and QIH Management have their principal offices at 888 Seventh Avenue, 33rd Floor, New York, New York 10106. QIHMI, by reason of its investment discretion over the securities owned by QIP, and QIH Management, as the sole general partner of QIHMI, may each be deemed the beneficial owner of the Shares held for the account of QIP for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended (the "Act").

Mr. Soros has entered into an agreement dated as of January 1, 1997 with SFM LLC pursuant to which Mr. Soros has, among other things, agreed to use his best efforts to cause QIH Management, as the general partner of QIHMI, to act at the direction of SFM LLC, which agreement to so act shall terminate upon the earlier of (a) the assignment to SFM LLC of the legal and beneficial ownership interest in QIH Management and (b) the assignment to SFM LLC of the general partnership interest in QIHMI (the "QIP Contract").

SFM LLC, Mr. Soros and Mr. Druckenmiller
- ----------

The business of SFM LLC is managed through a Management Committee (the "Management Committee") comprised of Mr. Soros, Mr. Druckenmiller and Mr. Gary Gladstein. SFM LLC, a Delaware limited liability company, has its principal office at 888 Seventh Avenue, 33rd Floor, New York, New York 10106. Its principal business is to serve, pursuant to contract, as the principal investment manager to several foreign investment companies (the "SFM Clients"). Mr. Soros, as Chairman of SFM LLC, has the ability to direct the investment decisions of SFM LLC and as such may be deemed to have investment discretion over the securities held for the accounts of the SFM Clients. Mr. Druckenmiller, as Lead Portfolio Manager of SFM LLC, has the ability to direct the investment decisions of SFM LLC and as such may be deemed to have investment discretion over the securities held for the accounts of the SFM Clients. Set forth in Annex B hereto and incorporated by reference in response to this Item 2 and elsewhere in this Schedule 13D as applicable is a list of the Managing Directors of SFM LLC.

The principal occupation of Mr. Soros, a United States citizen, is his direction of the activities of SFM LLC, which is carried out in his capacity as Chairman of SFM LLC at SFM LLC's principal office.

The principal occupation of Mr. Druckenmiller, a United States citizen, is his position as Lead Portfolio Manager and a Member of the Management Committee of SFM LLC, which is carried out at SFM LLC's principal office.

Pursuant to regulations promulgated under Section 13(d) of the Act, SFM LLC, pursuant to the provisions of the QIP Contract, Mr. Soros, in his capacity as Chairman of SFM LLC, and Mr. Druckenmiller, in his capacity as Lead Portfolio Manager of SFM LLC, each may be deemed a beneficial owner of the Shares held for the account of QIP.

Mr. Soros may also be deemed a beneficial owner of the Shares held for the account of SFM Domestic Investments. SFM Domestic Investments is a Delaware limited liability company with its principal address at 888 Seventh Avenue, 33rd Floor, New York, New York 10106. The principal business of SFM Domestic Investments is investment in securities.

During the past five years, none of the Reporting Persons and, to the best of the Reporting Persons' knowledge, any other person identified in response to this Item 2 has been (a) convicted in a criminal proceeding or (b) a party to any civil proceeding as a result of which it or he has been subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws, or finding any violation with respect to such laws.

Item 3. Source and Amount of Funds or Other Consideration.

QIP expended approximately $7,500,000 of its working capital to purchase the securities reported herein as being acquired in the last 60 days. SFM Domestic Investments expended approximately $2,500,000 of its working capital to purchase the securities reported herein as being acquired in the last 60 days.

The securities held for the accounts of QIP and SFM Domestic Investments may be held through margin accounts maintained with brokers, which extend margin credit as and when required to open or carry positions in their margin accounts, subject to applicable federal margin regulations, stock exchange rules and such firms' credit policies. The positions which may be held in the margin accounts, including the Shares, are pledged as collateral security for the repayment of debit balances in the respective accounts.

Item 4. Purpose of Transaction.

All of the Shares reported herein as having been acquired for or disposed of from the accounts of QIP and/or SFM Domestic Investments were acquired or disposed of for investment purposes. Neither the Reporting Persons nor, to the best of their knowledge, any of the other persons identified in response to Item 2, has any plans or proposals that relate to or would result in any of the transactions described in subparagraphs (a) through (j) of Item 4 of Schedule 13D.

The Reporting Persons reserve the right to acquire, or cause to be acquired, additional securities of the Issuer, to dispose of, or cause to be disposed, such securities at any time or to formulate other purposes, plans or proposals regarding the Issuer or any of its securities, to the extent deemed advisable in light of general investment and trading policies of the Reporting Persons, market conditions or other factors.

Item 5. Interest in Securities of the Issuer.

(a) (i) Each of QIP, QIHMI, QIH Management, SFM LLC and Mr. Druckenmiller may be deemed the beneficial owner of the 2,143,350 Shares (approximately 11.99% of the total number of Shares which would be outstanding assuming the exercise and conversion of all of the securities held for the account of QIP). This number includes (A) 1,963,350 Shares issuable upon conversion of 75,000 Series B Preferred Shares (as defined herein) held for the account of QIP and (B) 180,000 Shares issuable upon exercise of 180,000 warrants held for the account of QIP.

(ii) Mr. Soros may be deemed the beneficial owner of 2,857,800 Shares (approximately 15.37% of the total number of Shares which would be outstanding assuming the exercise and conversion of all of the securities held for the account of QIP). This number includes (A) 1,963,350 Shares issuable upon conversion of 75,000 Series B Preferred Shares held for the account of QIP; (B) 180,000 Shares issuable upon exercise of 180,000 warrants held for the account of QIP; (C) 654,450 Shares issuable upon conversion of 25,000 Series B Preferred Shares held for the account of SFM Domestic Investments; and, (D) 60,000 Shares issuable upon exercise of 60,000 warrants held for the account of SFM Domestic Investments.

(b) (i) Each of QIP, QIHMI, QIH Management and SFM LLC (by virtue of the QIP contract) may be deemed to have the sole power to direct the voting and disposition of the 2,143,350 Shares held for the account of QIP (assuming the conversion of all Series B Preferred Shares and the exercise of all warrants held for the account of QIP).

(ii) Mr. Soros and Mr. Druckemiller as a result of their positions with SFM LLC may be deemed to have the shared power to direct the voting and disposition of the 2,143,350 Shares held for the account of QIP (assuming the conversion of all Series B Preferred Shares and the exercise of all warrants held for the account of QIP).

(iii) Mr. Soros in his capacity as a managing member of SFM Domestic Investments may be deemed to have the sole power to direct the voting and disposition of the 714,450 Shares held for the account of SFM Domestic Investments (assuming the conversion of all Series B Preferred Shares and the exercise of all warrants held for the account of SFM Domestic Investments).

(c) Except for the transactions listed on Annex C hereto, there have been no transactions effected with respect to the Shares since February 7, 1999 (60 days prior to the date hereof) by any of the Reporting Persons.

(d) (i) The shareholders of QIP, including Quantum Industrial Holdings, Ltd., a British Virgin Islands international business company, have the right to participate in the receipt of dividends from, or proceeds from the sale of, the Shares held for the account of QIP in accordance with their ownership interests in QIP.

(ii) Certain members of SFM Domestic Investments have the right to participate in the receipt of dividends from, or proceeds from the sale of, the Shares held for the account of SFM Domestic Investments.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

On March 29, 1999, each of QIP and SFM Domestic Investments entered into a Series B Convertible Preferred Stock and Warrant Purchase Agreement (the "Series B Agreement") with the Issuer (a copy of which is attached hereto as Exhibit E and incorporated herein by reference in response to this Item 6) pursuant to which they purchased an aggregate of 100,000 shares of Series B Convertible Preferred Stock ("Series B Preferred Shares") and warrants to purchase, subject to the terms and conditions thereof, an aggregate of 240,000 Shares.

Pursuant to Section 1.3 of the Series B Agreement, the Issuer is given a put right, which, within a specific time frame, permits the Issuer to require each of QIP and SFM Domestic Investments to purchase additional shares of convertible preferred stock.

Pursuant to Section 7.6 of the Series B Agreement, QIP and SFM Domestic Investments collectively are entitled to name one representative to the Issuer's Board of Directors and are entitled to be represented on significant committees of the Issuer's Board of Directors, provided that they own at least one half of their initial investment. Neal Moszkowski has been named by QIP and SFM Domestic Investments to the Issuer's Board of Directors.

The foregoing description of the Series B Agreement does not purport to be complete and is qualified in its entirety by reference to the Series B Agreement (attached as Exhibit E to this Initial Statement), which is incorporated herein by reference.

On March 29, 1999, each of QIP and SFM Domestic Investments entered into a Registration Rights Agreement (the "Registration Rights Agreement") with the Issuer (a copy of which is attached hereto as Exhibit F and incorporated herein by reference in response to this Item 6) pursuant to which the Issuer has agreed to grant registration rights with respect to certain securities.

Pursuant to Section 3 of the Registration Rights Agreement, QIP and SFM Domestic Investments were granted certain rights relating to their ability to demand that the Issuer register under the Securities Act of 1933 unregistered securities of the Issuer held by QIP or SFM Domestic Investments.

Pursuant to Section 4 of the Registration Rights Agreement, QIP and SFM Domestic Investments were granted certain piggy-back registration rights, which, if exercised, entitle QIP and SFM Domestic Investments to participate in registered offerings by the Issuer.

Pursuant to Section 5 of the Registration Rights Agreement, each of QIP and SFM Domestic Investments may be required to enter into a lock-up agreement under certain circumstances, provided that entering into such an agreement will not violate applicable law or contravene QIP's and SFM Domestic Investments' fiduciary duties.

Pursuant to Section 6 of the Registration Rights Agreement, each of QIP and SFM Domestic Investments will be required to discontinue disposition of the Issuer's securities upon receiving notice from the Issuer that the Issuer's prospectus contains an untrue statement of a material fact or omits to state a material fact required to be stated therein.

The foregoing description of the Registration Rights Agreement does not purport to be complete and is qualified in its entirety by reference to the Registration Rights Agreement (attached as Exhibit F to this Initial Statement), which is incorporated herein by reference.

From time to time, each of the Reporting Persons may lend portfolio securities to brokers, banks or other financial institutions. These loans typically obligate the borrower to return the securities, or an equal amount of securities of the same class, to the lender and typically provide that the borrower is entitled to exercise voting rights and to retain dividends during the term of the loan. From time to time, to the extent permitted by applicable laws, each of the Reporting Persons may borrow securities, including the Shares, for the purpose of effecting, and may effect, short sale transactions, and may purchase securities for the purpose of closing out short positions in such securities.

Except as described above, the Reporting Persons do not have any contracts, arrangements, understandings or relationships with respect to any securities of the Issuer.

Item 7. Material to be Filed as Exhibits.

A. Power of Attorney dated as of January 1, 1997 granted by Mr. Soros in favor of Mr. Sean C. Warren and Mr. Michael C. Neus.

B. Power of Attorney dated as of January 1, 1997 granted by Mr. Druckenmiller in favor of Mr. Sean C. Warren and Mr. Michael C. Neus.

C. Joint Filing Agreement dated April 8, 1999 by and among QIP, QIHMI, QIH Management, SFM LLC, Mr. Soros and Mr. Druckenmiller.

D. Power of Attorney dated May 23, 1996 granted by QIP in favor of Mr. Gary Gladstein, Mr. Sean Warren and Mr. Michael Neus.

E. Series B Convertible Preferred Stock and Warrant Purchase Agreement dated March 29, 1999 among the Issuer, QIP and SFM Domestic Investments.

F. Registration Rights Agreement dated March 29, 1999, and all amendments thereto, executed by the Issuer for the benefit of QIP and SFM Domestic Investments.

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, the undersigned certifies that the information set forth in this Statement is true, complete and correct.

Date: April 8, 1999

QUANTUM INDUSTRIAL PARTNERS LDC

By: /S/ SEAN C. WARREN

Sean C. Warren
Attorney-in-Fact

QIH MANAGEMENT INVESTOR, L.P.

By: QIH Management, Inc.,
its General Partner

By: /S/ SEAN C. WARREN

Sean C. Warren
Vice President

QIH MANAGEMENT, INC.

By: /S/ SEAN C. WARREN

Sean C. Warren
Vice President

SOROS FUND MANAGEMENT LLC

By: /S/ SEAN C. WARREN

Sean C. Warren
Managing Director

GEORGE SOROS

By: /S/ SEAN C. WARREN

Sean C. Warren
Attorney-in-Fact

STANLEY F. DRUCKENMILLER

By: /S/ SEAN C. WARREN

Sean C. Warren
Attorney-in-Fact

ANNEX A

Directors and Officers of Quantum Industrial Partners LDC

Name/Title/Citizenship	Principal Occupation	Business Address
Curacao Corporation Company N.V. Managing Director (Netherlands Antilles)	Managing Director of Netherlands Antilles corporations	Kaya Flamboyan 9 Willemstad Curacao, Netherlands Antilles
Inter Caribbean Services Limited Secretary (British Virgin Islands)	Administrative services	Citco Building Wickhams Cay Road Town Tortola British Virgin Islands

Directors and Officers of QIH Management, Inc.

Name/Title/Citizenship	Principal Occupation	Business Address
Gary Gladstein Director and President (United States)	Managing Director of SFM LLC	888 Seventh Avenue 33rd Floor New York, NY 10106
Sean C. Warren Director, Vice President and Secretary (United States)	Managing Director of SFM LLC	888 Seventh Avenue 33rd Floor New York, NY 10106
Peter Streinger Treasurer (United States)	Chief Financial Officer of SFM LLC	888 Seventh Avenue 33rd Floor New York, NY 10106
Michael C. Neus Vice President and Assistant Secretary (United States)	Assistant General Counsel of SFM LLC	888 Seventh Avenue 33rd Floor New York, NY 10106

To the best of the Reporting Persons' knowledge /1/:

(a) None of the above persons hold any Shares. /1/

(b) None of the above persons has any contracts, arrangements, understandings or relationships with respect to the Shares. /1/

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/1/ Certain persons may have an interest in SFM Domestic Investments.

ANNEX B

The following is a list of all of the persons (other than Stanley Druckenmiller) who serve as Managing Directors of SFM LLC. /1/

Scott K. H. Bessent
Walter Burlock
Brian J. Corvese
L. Kevin Dann
Gary Gladstein
Ron Hiram
Robert K. Jermain
David N. Kowitz
Alexander C. McAree
Paul McNulty
Steven Okin
Frank Sica
Sean C. Warren

Each of the above-listed persons is a United States citizen whose principal occupation is serving as Managing Director of SFM LLC, and each has a business address c/o Soros Fund Management LLC, 888 Seventh Avenue, 33rd Floor, New York, New York 10106.

To the best of the Reporting Persons' knowledge:

(a) None of the above persons hold any Shares. /1/

(b) None of the above persons has any contracts, arrangements, understandings or relationships with respect to the Shares. /1/

- ----------
/1/ Certain persons may have an interest in SFM Domestic Investments.

ANNEX C

RECENT TRANSACTIONS IN THE SECURITIES OF
INTEGRA LIFESCIENCES CORPORATION

For the Account of	Date of Transaction	Nature of Transaction	Number of Securities	Price
QIP	3/29/99	PURCHASE	75,000/1/	/3/
			180,000/2/	
SFM Domestic Investments	3/29/99	PURCHASE	25,000/1/	/4/
			60,000/2/	

/1/ Shares of Series B Preferred Stock.
/2/ Warrants.
/3/ Total consideration of $7,500,000 was paid for the securities purchased by QIP.
/4/ Total consideration of $2,500,000 was paid for the securities purchased by SFM Domestic Investments.

EXHIBIT INDEX

EXHIBIT A

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that I, GEORGE SOROS, hereby make, constitute and appoint each of SEAN C. WARREN and MICHAEL C. NEUS, acting individually, as my agent and attorney-in-fact for the purpose of executing in my name, (a) in my personal capacity or (b) in my capacity as Chairman of, member of or in other capacities with Soros Fund Management LLC, all documents, certificates, instruments, statements, filings and agreements ("documents") to be filed with or delivered to any foreign or domestic governmental or regulatory body or required or requested by any other person or entity pursuant to any legal or regulatory requirement relating to the acquisition, ownership, management or disposition of securities or other investments, and any other documents relating or ancillary thereto, including but not limited to, all documents relating to filings with the United States Securities and Exchange Commission (the "SEC") pursuant to the Securities Act of 1933 or the Securities Exchange Act of 1934 (the "Act") and the rules and regulations promulgated thereunder, including: (1) all documents relating to the beneficial ownership of securities required to be filed with the SEC pursuant to Section 13(d) or Section 16(a) of the Act including, without limitation: (a) any acquisition statements on Schedule 13D or Schedule 13G and any amendments thereto, (b) any joint filing agreements pursuant to Rule 13d-1(f) and (c) any initial statements of, or statements of changes in, beneficial ownership of securities on Form 3, Form 4 or Form 5 and (2) any information statements on Form 13F required to be filed with the SEC pursuant to Section 13(f) of the Act.

All past acts of the attorney-in-fact in furtherance of the foregoing are hereby ratified and confirmed.

This power of attorney shall be valid from the date hereof until revoked by me.

IN WITNESS WHEREOF, I have executed this instrument as of the 1st day of January, 1997.

/s/ George Soros

GEORGE SOROS

EXHIBIT B

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that I, STANLEY F. DRUCKENMILLER, hereby make, constitute and appoint each of SEAN C. WARREN and MICHAEL C. NEUS, acting individually, as my agent and attorney-in-fact for the purpose of executing in my name, (a) in my personal capacity or (b) in my capacity as Lead Portfolio Manager of, member of or in other capacities with Soros Fund Management LLC, all documents, certificates, instruments, statements, filings and agreements ("documents") to be filed with or delivered to any foreign or domestic governmental or regulatory body or required or requested by any other person or entity pursuant to any legal or regulatory requirement relating to the acquisition, ownership, management or disposition of securities or other investments, and any other documents relating or ancillary thereto, including but not limited to, all documents relating to filings with the United States Securities and Exchange Commission (the "SEC") pursuant to the Securities Act of 1933 or the Securities Exchange Act of 1934 (the "Act") and the rules and regulations promulgated thereunder, including: (1) all documents relating to the beneficial ownership of securities required to be filed with the SEC pursuant to Section 13(d) or Section 16(a) of the Act including, without limitation: (a) any acquisition statements on Schedule 13D or Schedule 13G and any amendments thereto, (b) any joint filing agreements pursuant to Rule 13d-1(f) and (c) any initial statements of, or statements of changes in, beneficial ownership of securities on Form 3, Form 4 or Form 5 and (2) any information statements on Form 13F required to be filed with the SEC pursuant to Section 13(f) of the Act.

All past acts of the attorney-in-fact in furtherance of the foregoing are hereby ratified and confirmed.

This power of attorney shall be valid from the date hereof until revoked by me.

IN WITNESS WHEREOF, I have executed this instrument as of the 1st day of January, 1997.

/s/ Stanley F. Druckenmiller

STANLEY F. DRUCKENMILLER

EXHIBIT C

JOINT FILING AGREEMENT

The undersigned hereby agree that the statement on Schedule 13D with respect to the Common Stock of Integra LifeSciences Corporation dated April 8, 1999 is, and any amendments thereto signed by each of the undersigned shall be, filed on behalf of each of us pursuant to and in accordance with the provisions of Rule 13d-1(f) under the Securities Exchange Act of 1934.

Date: April 8, 1999

QUANTUM INDUSTRIAL PARTNERS LDC

By: /S/ SEAN C. WARREN

Sean C. Warren
Attorney-in-Fact

QIH MANAGEMENT INVESTOR, L.P.

By: QIH Management, Inc.,
its General Partner

By: /S/ SEAN C. WARREN

Sean C. Warren
Vice President

QIH MANAGEMENT, INC.

By: /S/ SEAN C. WARREN

Sean C. Warren
Vice President

SOROS FUND MANAGEMENT LLC

By: /S/ SEAN C. WARREN

Sean C. Warren
Managing Director

GEORGE SOROS

By: /S/ SEAN C. WARREN

Sean C. Warren
Attorney-in-Fact

STANLEY F. DRUCKENMILLER

By: /S/ SEAN C. WARREN

Sean C. Warren
Attorney-in-Fact

EXHIBIT D

QUANTUM INDUSTRIAL PARTNERS LDC
POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENT, that the undersigned QUANTUM INDUSTRIAL PARTNERS LDC (the "Company"), an exempted limited duration company existing and operating under the laws of the Cayman Islands does, pursuant to a duly adopted resolution of its Managing Director, hereby designate, constitute and appoint:

GARY GLADSTEIN, SEAN WARREN and MICHAEL NEUS

acting, singly and not jointly, as its true and lawful agent and attorney in fact for the purpose of executing in its name, all documents, certificates, instruments, statements, filings and agreements ("documents") to be filed with or delivered to any foreign or domestic governmental or regulatory body or required or requested by any other person or entity pursuant to any legal or regulatory requirement relating to the acquisition, ownership, management or disposition of securities or other investments, and any other documents relating or ancillary thereto, including but not limited to, all documents relating to filings with the United States Securities and Exchange Commission (the "SEC") pursuant to the Securities Act of 1933 or the Securities Exchange Act of 1934 (the "Act") and the rules and regulations promulgated thereunder, including: (1) all documents relating to the beneficial ownership of securities required to be filed with the SEC pursuant to Section 13(d) or Section 16(a) of the Act including, without limitation: (a) any acquisition statements on Schedule 13D or Schedule 13G and any amendments thereto, (b) any joint filing agreements pursuant to Rule 13d-1(f) and (c) any initial statements of, or statements of changes in, beneficial ownership of securities on Form 3, Form 4 or Form 5 and (2) any information statements on Form 13F required to be filed with the SEC pursuant to Section 13(f) of the Act.

Each attorney-in-fact is hereby authorized and empowered to perform all other acts and deeds, which he or she in his or her sole discretion deems necessary or appropriate to carry out to the fullest extent the terms and the intent of the foregoing. All prior acts of each attorney-in-fact in furtherance of the foregoing are hereby ratified and confirmed.

IN WITNESS WHEREOF, the Company has caused this document to be execute this 23rd day of May, 1996.

QUANTUM INDUSTRIAL PARTNERS LDC

/s/ Curacao Corporation Company N.V.

Curacao Corporation Company N.V.
Managing Director

EXHIBIT E

SERIES B CONVERTIBLE PREFERRED STOCK
AND WARRANT PURCHASE AGREEMENT

among

INTEGRA LIFESCIENCES CORPORATION,

QUANTUM INDUSTRIAL PARTNERS LDC,

and

SFM DOMESTIC INVESTMENTS LLC

Dated: March 29, 1999

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SERIES B CONVERTIBLE PREFERRED STOCK
AND WARRANT PURCHASE AGREEMENT

THIS SERIES B CONVERTIBLE PREFERRED STOCK AND WARRANT PURCHASE AGREEMENT (this "Agreement") is made as of March 29, 1999 by and among Integra LifeSciences Corporation, a Delaware corporation ("Integra"), and the several purchasers listed on Schedule 1 hereto (the "Purchasers").

WHEREAS, Integra has agreed to issue and sell to each of the Purchasers, and each of the Purchasers has agreed to purchase from Integra, for the aggregate purchase price set forth opposite such Purchaser's name on Schedule 1 hereto, (i) the aggregate number of shares of Series B Convertible Preferred Stock, par value $.01 per share, of Integra (the "Series B Preferred Stock") set forth opposite such Purchaser's name on Schedule 1 hereto, and (ii) the warrant (the "Warrant") to purchase, subject to the terms and conditions thereof, the aggregate number of shares of Common Stock, par value $.01 per share, of Integra (the "Common Stock") set forth opposite such Purchaser's name on Schedule 1 hereto, at an exercise price of $3.82 per share, containing terms and conditions set forth in the form of warrant attached hereto as Exhibit A.

NOW, THEREFORE, in consideration of the mutual terms and conditions herein contained, and for good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

DEFINITIONS

For all purposes of this Agreement, unless otherwise expressly provided, (a) the terms defined in this Definitions section have the meanings assigned to them herein and include the plural as well as the singular, (b) all accounting terms not otherwise defined herein have the meanings assigned under generally accepted accounting principles in the United States, (c) all references in this Agreement to designated "Sections" and other subdivisions are to the designated Sections and other subdivisions of the body of this Agreement, (d) pronouns of either gender or neuter shall include, as appropriate, the other pronoun forms, and (e) the words "herein", "hereof" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision.

As used in this Agreement, the following definitions shall apply:

"Additional Preferred Stock" shall mean the convertible preferred stock issued pursuant to Section 1.3 having substantially identical terms as the Series B Preferred Stock.

"Action" means any action, complaint, petition, investigation, suit or other proceeding, whether civil or criminal, in law or in equity, or before any arbitrator or Governmental Entity.

"Affiliate" shall mean any Person who is an "affiliate" (as defined in Rule 12b-2 of the General Rules and Regulations under the Exchange Act) of, and any Person controlling, controlled by, or under common control with, any Purchaser. For the purposes of this Agreement, "control" includes the ability to have investment discretion through contractual means or by operation of law.

"Agreement" means this Agreement as the same may be amended, supplemented or modified in accordance with the terms hereof.

"Audited Financial Statements" has the meaning set forth in Section 7.2 of this Agreement.

"Board of Directors" means the Board of Directors of Integra.

"Business" means the business of Integra and shall be deemed to include any of the following incidents of such business: income, operations, condition (financial or other), assets, properties and liabilities.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks in the State of New York are authorized or required by law or executive order to close.

"By-laws" means the amended and restated by-laws of Integra, as the same may have been amended and as in effect on the Closing Date.

"CEO Certificate" has the meaning set forth in Section 1.3 of this Agreement.

"Certificate of Designation" means the Certificate of Designation with respect to the Series B Preferred Stock adopted by the Board of Directors and filed with the Secretary of State of the State of Delaware on or before the Closing Date substantially in the form attached hereto as Exhibit B.

"Certificate of Incorporation" means the Amended and Restated Certificate of Incorporation of Integra, as the same has been amended and as in effect on the Closing Date.

"Closing" has the meaning set forth in Section 1.4 of this Agreement.

"Closing Date" means the date specified in Section 1.4 of this Agreement.

"Code" means the Internal Revenue Code of 1986, as amended, or any successor statute thereto.

"Commission" means the Securities and Exchange Commission or any similar agency then having jurisdiction to enforce the Securities Act.

"Common Stock" means the Common Stock, par value $.01 per share, of Integra and any other capital stock of Integra into which such stock is reclassified or reconstituted.

"Condition of Integra" means the assets, business, properties, operations or financial condition of Integra and the Subsidiaries, taken as a whole.

"Contract" means any agreement, arrangement, bond, commitment, franchise, indemnity, indenture, instrument, lease, license or understanding, whether or not in writing.

"Contractual Obligations" means as to any Person, any provision of any security issued by such Person or of any agreement, undertaking, contract, indenture, mortgage, deed of trust or other instrument to which such Person is a party or by which it or any of its property is bound.

"Conversion Price" has the meaning set forth in Section 1.3 of this Agreement.

"Encumbrance" means any claim, charge, easement, encumbrance, lease, covenant, security interest, lien, option, pledge, rights of others, restriction (whether on voting, sale, transfer, disposition or otherwise), whether imposed by agreement, understanding, law, equity or otherwise, except for any restrictions on transfer generally arising under any applicable United States federal or state securities law.

"Environmental Laws" means federal, state and local laws, principles of common law, regulations and codes, as well as orders, decrees, judgments or injunctions issued, promulgated, approved or entered thereunder relating to pollution, protection of the environment or public health and safety.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended (or any successor statute thereto).

"Exchange Act" means the Securities Exchange Act of 1934, as amended (or any successor statute thereto), and the rules and regulations of the Commission promulgated thereunder.

"Financial Statements" has the meaning set forth in Section 2.10 of this Agreement.

"GAAP" means generally accepted United States accounting principles in effect from time to time.

"Governmental Authority" means the government of any state, city, locality or other political subdivision thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

"Governmental Entity" means any government or any agency, bureau, board, commission, court, department, official, political subdivision, tribunal or other instrumentality of any government of or within the United States, whether federal, state or local.

"Initial Term" has the meaning set forth in Section 1.3 of this Agreement.

"Law" means any constitutional provision, statute or other law, rule, regulation, or interpretation of any Governmental Entity and any Order.

"Liabilities" has the meaning set forth in Section 2.20 of this Agreement.

"Lien" means any mortgage, deed of trust, pledge, hypothecation, assignment, encumbrance, lien (statutory or other) or preference, priority, right or other security interest or preferential arrangement of any kind or nature whatsoever (excluding preferred stock and equity related preferences) including, without limitation, those created by, arising under or evidenced by any conditional sale or other title retention agreement, the interest of a lessor under a Capital Lease Obligation, or any financing lease having substantially the same economic effect as any of the foregoing.

"Loss" means any action, cost, damage, disbursement, expense, liability, loss, deficiency, diminution in value, obligation, penalty or settlement of any kind or nature, whether foreseeable or unforeseeable, including but not limited to, interest or other carrying costs, penalties, legal, accounting and other professional fees and expenses incurred in the investigation, collection, prosecution and defense of claims and amounts paid in settlement, that may be imposed on or otherwise incurred or suffered by the specified Person.

"NASDAQ" means the Nasdaq National Market of the National Association of Securities Dealers, Inc. Automated Quotation System.

"NeuroCare Acquisition Agreement" means the Asset Purchase Agreement dated the date hereof between the Company, Integra NeuroCare LLC, a Delaware limited liability company and an indirect wholly-owned subsidiary of the Company ("IN LLC"), Redmond NeuroCare LLC, a Delaware limited liability company and a wholly-owned subsidiary of IN LLC, Heyer-Schulte NeuroCare, L.P., a Delaware limited partnership ("HSN, LP"), and Neuro Navigational, L.L.C., a Delaware limited liability company and a wholly-owned subsidiary of HSN, LP.

"Order" mans any decree, injunction, judgement, order, ruling, assessment or writ of any Governmental Entity.

"Person" means any individual, firm, corporation, partnership, limited liability company, trust, incorporated or unincorporated association, joint venture, joint stock company, Governmental Authority or other entity of any kind, and shall include any successor (by merger or otherwise) of such entity.

"Purchased Shares" has the meaning set forth in Section 1.1 of this Agreement.

"Purchasers" has the meaning ascribed to such term in the recital to this Agreement.

"Put Right" has the meaning set forth in Section 1.3 of this Agreement.

"Registration Rights Agreement" means the Registration Rights Agreement substantially in the form attached hereto as Exhibit C.

"Requirements of Law" means as to any Person, any law, treaty, rule, regulation, right, privilege, qualification, license or franchise or determination of an arbitrator or a court or other Governmental Authority or a stock exchange, in each case applicable or binding upon such Person or any of its property or to which such Person or any of its property is subject or pertaining to any or all of the transactions contemplated or referred to herein.

"SEC" means the Securities and Exchange Commission or any successor entity.

"SEC Documents" means all registration statements, proxy statements, reports and other documents required to be filed by Integra under the Securities Act or the Exchange Act, and all amendments and supplements thereto, filed by Integra with the Commission since December 31, 1997.

"Second Term" has the meaning set forth in Section 1.3 to this Agreement.

"Securities" means the Purchased Shares, the shares of Common Stock issuable upon conversion of the Purchased Shares, the Warrants, the Warrant Shares and the Additional Preferred Shares.

"Securities Act" means the Securities Act of 1933, as amended (or any successor statute thereto), and the rules and regulations of the Commission promulgated thereunder.

"Series B Preferred Stock" has the meaning assigned to such term in the recital to this Agreement.

"Subsidiary" means, as of the relevant date of determination, with respect to any Person, a corporation or other entity of which 50% or more of the voting power of the outstanding voting equity securities or 50% or more of the outstanding economic equity interest is held, directly or indirectly, by such Person. Unless otherwise qualified, or the context otherwise requires, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of Integra.

"Transaction Documents" means collectively, this Agreement, the Warrants, the Certificate of Designation and the Registration Rights Agreement.

"Warrant Shares" has the meaning set forth in Section 1.1 of this Agreement.

"Warrants" has the meaning ascribed to such term in the recital to this Agreement.

SECTION I. PURCHASE AND SALE OF SERIES B PREFERRED STOCK AND WARRANTS

I.1 Purchase and Sale of Series B Preferred Stock and Warrants. Subject to the terms and conditions herein set forth, Integra agrees to issue and sell to each of the Purchasers, and each of the Purchasers agrees that it will purchase from Integra, for the aggregate purchase price set forth opposite such Purchaser's name on Schedule 1 hereto, on the Closing Date, (i) the aggregate number of shares of Series B Preferred Stock set forth opposite such Purchaser's name on Schedule 1 hereto (all of the shares of Series B Preferred Stock being purchased pursuant hereto being referred to herein as "Purchased Shares"), and (ii) the Warrant to purchase the aggregate number of shares of Common Stock set forth opposite such Purchaser's name on Schedule 1 hereto (all of the shares of Common Stock issuable upon exercise of the Warrants being purchased pursuant hereto being referred to herein as the "Warrant Shares").

I.2 Certificate of Designation. The Purchased Shares will have the rights, preferences, privileges and restrictions set forth in the Certificate of Designation of Series B Preferred Stock to Integra's Certificate of Incorporation attached hereto as Exhibit A (the "Certificate of Designation"), which shall be filed by Integra with the Secretary of State of the State of Delaware prior to the Closing (as hereinafter defined).

I.3 Additional Preferred Stock

(a) At any time within 180 days after the Closing Date (the "Initial Term") on 14 days written notice, Integra will have the right (the "Put Right") to require the Purchasers (or certain Affiliates thereof) to purchase up to an additional $2,000,000 of convertible preferred stock having substantially identical terms as the Series B Preferred Stock ("Additional Preferred Stock"), with each Purchaser purchasing that proportion of the Additional Preferred Stock equal to such Purchaser's proportionate initial investment in the Series B Preferred Stock, provided that the conversion price for such Additional Preferred Stock shall be equal to the lesser of (i) the Conversion Price, which initially shall be $3.82 per share of Common Stock, as adjusted and then in effect (the "Conversion Price") or (ii) the average closing price of Integra's Common Stock for the ten (10) trading days ending two days prior to the date of issuance of the Additional Preferred Stock.

(b) If the Initial Term expires without the exercise of the Put Right by Integra, such Put Right will continue for an additional 180 days (the "Second Term"), subject to the receipt by the Purchasers of a certificate from the Chief Executive Officer of Integra (the "CEO Certificate") certifying that the representations and warranties contained in Section III of this Agreement are true and correct in all material respects as of the exercise date of the Put Right as if made on and as of such date and as if all references to Purchased Shares include the Additional Preferred Stock, and that no material adverse change in the Condition of Integra (other than operating losses consistent with the historic results of Integra) has occurred since the Closing Date.

I.4 Closing. Unless this Agreement shall have terminated pursuant to Section VIII and subject to the satisfaction or waiver of the conditions set forth in Sections IV and V (except for Sections 4.10, 4.11 and 5.5, which shall occur simultaneously with the Closing (as hereinafter defined)), the closing of the purchase and issuance of the Purchased Shares and the Warrants (the "Closing") shall take place at the offices of Paul, Weiss, Rifkind, Wharton & Garrison, at 10:00 a.m., local time, on March 29, 1999, or at such time and on such date that Integra and the Purchasers may agree in writing (the "Closing Date"). On the Closing Date, Integra shall deliver to the Purchasers (a) stock certificates representing the Purchased Shares and (b) the Warrants, against delivery by the Purchasers to Integra of the aggregate purchase price therefor by wire transfer of immediately available funds.

SECTION II. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Integra represents and warrants to the Purchasers as follows:

II.1 Corporate Existence and Power. Each of Integra and its Subsidiaries (a) is a corporation or limited liability company duly incorporated and organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation; (b) has all requisite corporate (or limited liability company) power and authority to own and operate its property, to lease the property it operates as lessee and to conduct the business in which it is currently engaged as described in the SEC Documents; (c) is duly qualified as a foreign corporation or other entity, licensed and in good standing under the laws of each jurisdiction in which its ownership, lease or operation of property or the conduct of its business requires such qualification, except to the extent that the failure to do so or be so would not have a material adverse effect on the Condition of Integra; and (d) has the requisite corporate (or limited liability company) power and authority to execute, deliver and perform its obligations under this Agreement and each of the other Transaction Documents.

II.2 Corporate Authorization; No Contravention. The execution, delivery and performance by Integra of this Agreement and each of the other Transaction Documents and the transactions contemplated hereby and thereby, including, without limitation, the sale, issuance and delivery of the Securities (a) are within Integra's corporate power and have been duly authorized by all necessary corporate action of Integra; (b) do not contravene the terms of the Certificate of Incorporation or By-laws, or any organizational or governing documents, or any amendment thereof, of the Subsidiaries; (c) do not violate, conflict with or result in any breach or contravention of or the creation of any Lien under, any material Contractual Obligation of Integra or any of its Subsidiaries, or any Requirement of Law applicable to Integra or any of its Subsidiaries; and (d) do not violate any judgment, injunction, writ, award, decree or order of any nature (collectively, "Orders") of any Governmental Authority against, or binding upon, Integra or any of the Subsidiaries except for those Orders the violation of which would not have a material adverse effect on the Condition of Integra. Neither Integra nor any of its Subsidiaries previously entered into any agreement which is currently in effect or by which Integra is currently bound, granting any rights to any Person which are inconsistent with the rights to be granted by Integra in this Agreement and each of the other Transaction Documents.

II.3 Governmental Authorization; Third Party Consents. Other than (a) the filing and approval of an application for the listing on NASDAQ of the shares of Common Stock issuable upon conversion of the Purchased Shares and the exercise of the Warrants, (b) the filing of the Certificate of

Designation, (c) those required pursuant to the applicable state securities or "blue sky" laws, with respect to the offer and sale of the Securities and (d) with respect to the performance by Integra of the Registration Rights Agreement, the registration of the Registrable Securities (as defined in the Registration Rights Agreement) covered thereby with the Commission and the registration or qualification of such Registrable Securities and other filings pursuant to applicable state securities or "blue sky" laws, no approval, consent, compliance, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person, including, without limitation, any approval or authorization of Integra's stockholders, any further approval of the Board of Directors or any approval of NASDAQ, and no lapse of a waiting period under a Requirement of Law, is necessary or required in connection with the execution, delivery or performance (including, without limitation, the sale, issuance and delivery of the Securities) by Integra of this Agreement, each of the other Transaction Documents and the transactions contemplated hereby or thereby.

II.4 Binding Effect. This Agreement and each of the other Transaction Documents have been duly executed and delivered by Integra and constitute the legal, valid and binding obligations of Integra, enforceable against Integra in accordance with their terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity relating to enforceability (regardless of whether considered in a proceeding at law or in equity).

II.5 Litigation. Except as set forth in the SEC Documents, the Financial Statements (including the draft notes thereto) or Schedule 2.5, there are no actions, suits, proceedings, claims, complaints, disputes or investigations pending or threatened, at law, in equity, in arbitration or before any Governmental Authority against Integra or any of its Subsidiaries and with respect to which Integra or any of its Subsidiaries is responsible by way of indemnity or otherwise, which would, if adversely determined, (a) have a material adverse effect on the Condition of Integra or (b) have an adverse effect on the ability of Integra to perform its obligations under this Agreement and each of the other Transaction Documents. No Order has been issued by any court or other Governmental Authority against Integra or any of its Subsidiaries purporting to enjoin or restrain the execution, delivery or performance of this Agreement or any of the other Transaction Documents.

II.6 Compliance with Laws.

(a) Each of Integra and its Subsidiaries is in compliance with all Requirements of Law in all respects, except to the extent that the failure to comply with such Requirements of Law would not have a material adverse effect on the Condition of Integra.

(b) (i) Each of Integra and its Subsidiaries has all licenses, permits, orders or approvals of any Governmental Authority (collectively, "Permits") that are material to or necessary for the conduct of the business of Integra in the manner described in the SEC Documents, except to the extent that the failure to have such Permits would not have a material adverse effect on the Condition of Integra; (ii) such Permits are in full force and effect; and (iii) no violations are or have been recorded in respect of any Permit.

(c) The property, assets and operations at any time owned or leased by Integra have been in compliance in all material respects with all applicable Environmental Laws, while so owned or leased, except to the extent that the failure to comply with such Environmental Laws would not have a material adverse effect on the Condition of Integra.

II.7 Capitalization.

(a) The authorized capital stock of Integra at the close of business on March 22, 1999 consisted of (x) 60,000,000 shares of Common Stock, of which 15,730,933 shares are issued and outstanding and (y) 15,000,000 shares of preferred stock, par value $.01 per share, of which (i) 2,000,000 shares have been designated as Series A Preferred Stock and of which 500,000 shares are issued and outstanding and (ii) 120,000 shares have been designated as Series B Preferred Stock and of which no shares are issued and outstanding. Integra has reserved an aggregate of 2,617,801 shares of Common Stock for issuance upon conversion of the Purchased Shares and 240,000 shares of Common Stock for issuance upon exercise of the Warrants. Except as set forth in Schedule 2.7, there are no options, warrants, conversion privileges or other rights presently outstanding to purchase or otherwise acquire any authorized but unissued or unauthorized shares or treasury shares of Integra's capital stock.

(b) There has been no change in the authorized, issued and outstanding capital stock of Integra in the interval between March 22, 1999 and the Closing Date, except for shares of Common Stock issued upon the exercise of warrants or options, or purchased by Integra pursuant to its current share repurchase program.

(c) The Purchased Shares are duly authorized and, when issued and sold to the Purchasers after payment therefor, will be validly issued, fully paid and nonassessable by Integra. The shares of Common Stock issuable upon conversion of the Purchased Shares and the exercise of the Warrants are duly authorized and, when issued in compliance with the provisions of this Agreement, the Certificate of Incorporation, the Certificate of Designation (in the case of the shares of Common Stock issuable upon conversion

of the Purchased Shares) and the Warrants (in the case of the Warrant Shares) will be validly issued, fully paid and nonassessable by Integra. The issued and outstanding shares of Common Stock are all duly authorized, validly issued, fully paid and nonassessable by Integra, and were issued in compliance with the registration and qualification requirements of all applicable federal securities laws.

II.8 No Default or Breach. Except as set forth in Schedule 2.8, neither Integra nor any of its Subsidiaries has received notice of, and is not in, default under or with respect to any, Contractual Obligation in any respect, which, individually or together with all such defaults, could have a material adverse effect on the Condition of Integra, or which could materially adversely affect the ability of Integra to perform its obligations under this Agreement or any of the other Transaction Documents.

II.9 Taxes. Each of Integra and its Subsidiaries has filed or caused to be filed, or has properly filed extensions for, all tax returns which are required to be filed for federal, state, local and foreign tax purposes and has paid or caused to be paid all taxes required to be paid by it and all assessments received by it to the extent that such taxes have become due, except taxes the validity or amount of which is being contested in good faith by appropriate proceedings and with respect to which adequate reserves have been set aside. Each of Integra and its Subsidiaries has paid or caused to be paid, or has established reserves that are adequate in all material respects, for all tax liabilities applicable to Integra and its Subsidiaries for all fiscal years which have not been examined and reported on by the taxing authorities (or closed by applicable statutes).

II.10 Financial Statements. Integra has heretofore delivered to the Purchasers true and correct copies of its unaudited consolidated financial statements (balance sheet and statements of operations, cash flows and shareholders' equity, together with draft notes thereto) for the fiscal year ended and as at December 31, 1998 (the "Financial Statements"). The Financial Statements comply in all material respects with the requirements of the Exchange Act and have been prepared in accordance with GAAP applied on a consistent basis throughout the periods indicated and with each other, except as may be indicated therein or in the draft notes thereto. The Financial Statements fairly present the consolidated financial condition, operating results and cash flows of Integra as of the respective dates and for the respective periods indicated in accordance with GAAP.

II.11 No Material Adverse Change; Ordinary Course of Business. Except as set forth in Schedule 2.11 hereto or the SEC Documents or as previously disclosed to the Purchasers in writing, (i) since December 31, 1998, there has not been any material adverse change in the Condition of Integra (other than the incurrence of operating losses consistent with historic results of Integra) and (ii) since December 31, 1998, neither Integra nor any of its Subsidiaries has participated in any transaction or acted outside the ordinary course of business.

II.12 SEC Documents.

(a) Integra has filed all SEC Documents required to be filed by it since December 31, 1997 under the Securities Act or the Exchange Act, and all amendments thereto.

(b) As of its filing date, each SEC Document (including all exhibits and schedules thereto and documents incorporated by reference therein), in each case as amended, referred to in subsection (a) above (i) complied in all material respects with the applicable requirements of the Exchange Act and (ii) did not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. Integra is not aware of any issues raised by, or correspondence (other than routine filing packages and cover letters) with, the Commission with respect to any of the SEC Documents.

II.13 Investment Company. Integra is not an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

II.14 Private Offering. No form of general solicitation or general advertising was used by Integra or its representatives in connection with the offer or sale of the Purchased Shares or the Warrants. No registration of the Purchased Shares or the Warrants, pursuant to the provisions of the Securities Act or any state securities or "blue sky" laws, is required on the date hereof or on the Closing Date by the offer, sale or issuance of the Securities. Integra hereby agrees that neither it nor anyone acting on its behalf, will offer to sell the Purchased Shares or the Warrants or any other security so as to require the registration of the Purchased Shares or the Warrants, pursuant to the provisions of the Securities Act or any state securities or "blue sky" laws, unless such securities are so registered.

II.15 Employee Benefit Plans. All employee benefit plans (as defined in Section 3(3) of ERISA) or arrangements of Integra or any of the Subsidiaries are in substantial compliance with all applicable Requirements of Law. The execution and delivery of this Agreement and each of the other Transaction Documents, the purchase and sale of the Purchased Shares hereunder and the consummation of the transactions contemplated hereby and thereby will not result in any prohibited transaction within the meaning of Section 406 of ERISA or Section 4975 of the Code, assuming that none of the consideration received by Integra pursuant to this Agreement is derived from the assets of any employee benefit plan.

II.16 Title to Assets. Except as set forth in Schedule 2.16, each of Integra and its Subsidiaries has good title to all of its properties and assets used in the business described in the SEC Documents and reflected as owned on the Financial Statements or so described in any Schedule hereto, in each case free and clear of any Lien, except for (a) Liens specifically described on the notes to the Financial Statements and (b) Liens not material to the Condition of Integra.

II.17 Intellectual Property.

(a) Schedule 2.17(a) sets forth all United States and foreign patents and patent applications, trademark and service mark registrations and applications, and copyright registrations and applications owned or licensed by Integra and all material licenses, sublicenses, and other agreements or permissions ("IP Licenses") under which Integra is a licensor or licensee or otherwise is authorized to use or practice any Intellectual Property (as defined below).

(b) Except as set forth in Schedule 2.17(b), Integra owns or otherwise has the right to use, and will continue to own or otherwise have the right to use immediately following the Closing, free and clear of any and all Encumbrances, all United States and foreign patents and patent applications, trademark and service mark registrations and applications, copyright registrations and applications, trade secrets, know-how, software, and other technology and proprietary rights (collectively, "Intellectual Property") used in the operation of its business as described in the SEC Documents.

(c) Except as set forth on Schedule 2.17(c), to the best of Integra's knowledge, Integra's use or licensing of the Intellectual Property used in the operation of its business as described in the SEC Documents does not infringe or otherwise violate any Intellectual Property rights of any third party. Except as set forth on Schedule 2.17(c), no litigation is pending and no claim has been made in writing against Integra or, to the best of Integra's knowledge, is threatened contesting the right of Integra to sell or license to third parties or use the Intellectual Property presently sold or licensed to third parties or used by Integra.

(d) Integra has taken all reasonable precautions to protect the secrecy, confidentiality, and value of its trade secrets and the proprietary nature and value of its know-how, patents, and other technology. Each employee and third party who has contributed to the development of Intellectual Property on behalf of Integra has signed an agreement with Integra stating that such employee or third party (i) shall maintain the confidentiality of Integra's trade secrets and other confidential information, and (ii) assigns to Integra all rights that such employee or third party might have in such Intellectual Property, except where the terms of particular agreements provide otherwise. To the knowledge of Integra, no such employee or third party has materially breached any such agreement.

II.18 Trade Relations. Except as set forth in Schedule 2.18, there exists no actual or threatened termination, cancellation or limitation of, or any adverse modification or change in, the business relationship of Integra or any of its Subsidiaries with, any customer or any group of customers whose purchases are individually or in the aggregate material to the business of Integra or any of its Subsidiaries, or with any material supplier, and there exists no present condition or state of fact or circumstances that would materially adversely affect the Condition of Integra or prevent Integra from conducting its business after the consummation of the transactions contemplated by this Agreement and each of the other Transaction Documents, in substantially the same manner in which such business has heretofore been conducted and described in the SEC Documents.

II.19 Contracts and Other Agreements. All of the Contractual Obligations of Integra and any of its Subsidiaries that are currently in effect and are required to be described in the SEC Documents or to be filed as exhibits thereto are (a) described in the SEC Documents or filed as exhibits thereto and (b) valid, subsisting, in full force and effect and binding upon Integra or its Subsidiaries, as the case may be, and, to the knowledge of Integra, the other parties thereto, in accordance with their terms. Except as set forth on Schedule 2.19, Integra has paid in full or accrued all material amounts currently due thereunder and has satisfied in full or provided for all of its currently matured liabilities and obligations thereunder, and is not in default under any of them. Except as set forth on Schedule 2.19, to the knowledge of Integra, no other party to any such Contractual Obligation is in breach thereof or in default thereunder nor does any condition exist that with notice or lapse of time or both will constitute a breach thereof or default thereunder by such other party, except for such breaches or defaults that would not have a material adverse effect on the Condition of Integra.

II.20 Liabilities. As at December 31, 1998, neither Integra nor any of its Subsidiaries had any direct or indirect obligation or liability required by GAAP to be set forth on its financial statements or the footnotes thereto (the "Liabilities") that were not fully and adequately reflected or reserved against in the Financial Statements.

II.21 Broker's, Finder's or Similar Fees. There are no brokerage commissions, finder's fees or similar fees or commissions payable by Integra in connection with the transactions contemplated hereby based on any agreement, arrangement or understanding with Integra or any of its Subsidiaries or any action taken by any such entity.

II.22 Disclosure; Agreement and Other Documents. This Agreement, each of the other Transaction Documents and each of the certificates furnished to the Purchasers by Integra in connection with the purchase and sale of the Purchased Shares and the Warrants at or prior to the Closing, taken as a whole, do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained herein or therein, in the light of the circumstances under which they were made, not misleading.

II.23 NeuroCare Acquisition Agreement. Integra has delivered to the Purchasers a true and complete copy of the NeuroCare Acquisition Agreement, and all of the representations and warranties of Integra as set forth therein shall be true and complete in all material respects as of the date hereof and as at the Closing Date.

SECTION III. REPRESENTATIONS AND WARRANTIES OF THE PURCHASERS

Each of the Purchasers hereby represents and warrants (severally as to itself and not jointly) to Integra as follows:

III.1 Existence and Power. Such Purchaser that is an entity (a) is duly organized and validly existing under the laws of the jurisdiction of its formation and (b) has the requisite power and authority to execute, deliver and perform its obligations under this Agreement and each of the other Transaction Documents to which it is a party.

III.2 Authorization; No Contravention. The execution, delivery and performance by such Purchaser of this Agreement and each of the other Transaction Documents to which it is a party and the transactions contemplated hereby and thereby, including, without limitation, the purchase of the Purchased Shares and the Warrants, (a) have been duly authorized by all necessary action, (b) do not contravene the terms of such Purchaser's organizational documents, or any amendment thereof, and (c) do not violate, conflict with or result in any breach or contravention of or the creation of any Lien under, any Contractual Obligation of such Purchaser, or any Requirement of Law applicable to such Purchaser.

III.3 Governmental Authorization; Third Party Consents. No approval, consent, compliance, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person, and no lapse of a waiting period under a Requirement of Law, is necessary or required in connection with the execution, delivery or performance (including, without limitation, the purchase of the Purchased Shares and the Warrants) by, or enforcement against, such Purchaser of this Agreement, each of the other Transaction Documents to which it is a party and the transactions contemplated hereby or thereby.

III.4 Binding Effect. This Agreement and each of the other Transaction Documents to which it is a party have been duly executed and delivered by such Purchaser and constitute the legal, valid and binding obligations of such Purchaser, enforceable against it in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or similar laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability (regardless of whether considered in a proceeding at law or in equity).

III.5 Purchase for Own Account. The Purchased Shares and the Warrants to be acquired by such Purchaser pursuant to this Agreement are being or will be acquired for its own account and with no intention of distributing or reselling such Purchased Shares or any part thereof in any transaction that would be in violation of the securities laws of the United States of America, or any state, without prejudice, however, to the rights of such Purchaser at all times to sell or otherwise dispose of all or any part of such Purchased Shares or Warrants under an effective registration statement under the Securities Act, or under an exemption from such registration available under the Securities Act, and subject, nevertheless, to the disposition of such Purchaser's property being at all times within its control. If such Purchaser should in the future decide to dispose of any of the Securities, such Purchaser understands and agrees that it may do so only in compliance with the Securities Act and applicable state securities laws, as then in effect. Such Purchaser agrees to the imprinting, so long as required by law, of a legend on certificates representing the Securities substantially to the following effect:

> "THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS OR PURSUANT TO AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE ACT."

> "THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY BE ENTITLED TO THE BENEFITS OF A REGISTRATION RIGHTS AGREEMENT AMONG INTEGRA LIFESCIENCES CORPORATION AND THE ORIGINAL PURCHASERS OF THE PREFERRED STOCK REPRESENTED HEREBY. TRANSFEREES OF SUCH SECURITIES SHOULD REVIEW SUCH AGREEMENT TO DETERMINE THEIR RIGHTS."

III.6 Accreditation; Sophistication; Other Securities Laws Matters. Each Purchaser (a) is an "accredited investor" within the meaning of Rule 501 under the Securities Act; (b) has sufficient knowledge and experience in investing in companies similar to Integra so as to be able to evaluate the risks and merits of its investment in Integra and is able financially to bear the risks thereof; (c) has had an opportunity to discuss Integra's business, management and financial affairs with Integra's management; and (d) is a resident of the jurisdiction listed next to its name on Schedule 1 hereto for purposes of state "blue sky" securities law purposes.

III.7 Broker's, Finder's or Similar Fees. There are no brokerage commissions, finder's fees or similar fees or commissions payable by the Purchasers or any of them, in connection with the transactions contemplated hereby based on any agreement, arrangement or understanding with such Purchaser or any action taken by such Purchaser.

SECTION IV. CONDITIONS TO THE OBLIGATION OF THE PURCHASERS TO CLOSE

The obligation of the Purchasers to purchase the Purchased Shares and the Warrants, to pay the purchase price therefor at the Closing and to perform any obligations hereunder shall be subject to the satisfaction as determined by, or waiver by, the Purchasers of the following conditions on or before the Closing Date.

IV.1 Representations and Warranties. The representations and warranties of Integra contained in Section II hereof shall be true and correct in all material respects at and on the Closing Date as if made at and on such date, except to the extent that any representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty is true and correct as of such date and except for any activities or transactions which may have taken place after the date hereof which are contemplated by this Agreement.

IV.2 Compliance with this Agreement. Integra shall have performed and complied in all material respects with all of its agreements and conditions set forth herein that are required to be performed or complied with by Integra on or before the Closing Date.

IV.3 Secretary's Certificate. The Purchasers shall have received a certificate from Integra, in form and substance satisfactory to the Purchasers, dated the Closing Date and signed by a secretary or an assistant secretary of Integra, certifying (a) that the attached copies of the Certificate of Incorporation, the By-laws and resolutions of the Board of Directors of Integra approving this Agreement, each of the other Transaction Documents and the transactions contemplated hereby and thereby, are all true, complete and correct and remain unamended and in full force and effect, and (b) as to the incumbency and specimen signature of each officer of Integra executing this Agreement, each of the other Transaction Documents and any other document delivered in connection herewith on behalf of Integra.

IV.4 Officers' Certificate. The Purchasers shall have received a certificate from Integra, in form and substance satisfactory to the Purchasers, dated the Closing Date and signed by Integra's chief executive officer and its treasurer, certifying that (a) the representations and warranties of Integra contained in Section II hereof are true and correct in all material respects on the Closing Date and (b) Integra has performed and complied with in all material respects all of the agreements and conditions set forth or contemplated herein that are required to be performed or complied with by Integra on or before the Closing Date.

IV.5 Documents. The Purchasers shall have received true, complete and correct copies of such documents as they may reasonably request in connection with or relating to the issue and sale of the Purchased Shares and the transactions contemplated hereby, all in form and substance reasonably satisfactory to the Purchasers.

IV.6 Filing of Certificate of Designation. The Certificate of Designation shall have been duly filed by Integra with the Secretary of State of the State of Delaware in accordance with the General Corporation Law of the State of Delaware.

IV.7 Registration Rights Agreement. Integra shall have duly executed and delivered the Registration Rights Agreement, substantially in the form attached hereto as Exhibit C.

IV.8 Opinion of Counsel. The Purchasers shall have received an opinion of counsel to Integra, dated the Closing Date, relating to the transactions contemplated hereby or referred to herein, substantially in the form attached hereto as Exhibit D.

IV.9 Approval of Counsel to the Purchasers. All actions and proceedings hereunder and all documents required to be delivered by Integra hereunder or in connection with the consummation of the transactions contemplated hereby, and all other related matters, shall have been acceptable to Paul, Weiss, Rifkind, Wharton & Garrison, counsel to the Purchasers, in their reasonable judgment as to their form and substance.

IV.10 Purchased Shares. Integra shall have delivered to each of the Purchasers stock certificates in definitive form representing the number of Purchased Shares set forth opposite such Purchaser's name on Schedule 1 hereto and registered in the name of such Purchaser.

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IV.11 Warrants. Integra shall have duly executed and delivered to the Purchasers the Warrants, each substantially in the form attached hereto as Exhibit A.

IV.12 Consents and Approvals. All consents, exemptions, authorizations, or other actions by, or notices to, or filings with (other than the filings referenced in Section 2.3(a) and (d) hereof), Governmental Authorities and other Persons in respect of all Requirements of Law and with respect to those Contractual Obligations of Integra which are necessary or required in connection with the execution, delivery or performance (including, without limitation, the issuance of the Purchased Shares, the Warrants, shares of Common Stock issuable upon conversion of the Purchased Shares and the exercise of the Warrants) by, or enforcement against, Integra of this Agreement and each of the other Transaction Documents shall have been obtained and be in full force and effect, and each of the Purchasers shall have been furnished with appropriate evidence thereof.

IV.13 No Litigation. No action, suit, proceeding, claim or dispute shall have been brought or otherwise arisen at law, in equity, in arbitration or before any Governmental Authority against Integra or any of its Subsidiaries which would, if adversely determined, (a) have a material adverse effect on the Condition of Integra or (b) have a material adverse effect on the ability of Integra to perform its obligations under this Agreement or any of the other Transaction Documents.

IV.14 No Material Judgment or Order. There shall not be on the Closing Date any Order of a court of competent jurisdiction or any ruling of any Governmental Authority or any condition imposed under any Requirement of Law which would, in the judgment of the Purchasers, (a) prohibit or restrict (i) the purchase of the Purchased Shares or (ii) the consummation of the transactions contemplated by this Agreement, (b) subject the Purchasers to any penalty or other onerous condition under or pursuant to any Requirement of Law if the Purchased Shares were to be purchased hereunder or (c) restrict the operation of the business of Integra or any of the Subsidiaries as conducted on the date hereof in a manner that would have a material adverse effect on the Condition of Integra.

IV.15 No Material Adverse Change. Since the date hereof, there shall have been no material adverse change in the Condition of Integra (other than operating losses consistent with the historic results of Integra).

IV.16 Neurocare Acquisition. All conditions precedent to the consummation of the Neurocare Acquisition Agreement shall have been satisfied in all material respects (and not waived, except for any waiver which would not be adverse to the Purchasers in any material respect).

SECTION V. CONDITIONS TO THE OBLIGATION OF THE COMPANY TO CLOSE

The obligations of Integra to issue and sell the Purchased Shares and to perform its other obligations hereunder, shall be subject to the satisfaction as determined by, or waiver by, Integra of the following conditions on or before the Closing Date:

V.1 Representations and Warranties. The representations and warranties of the Purchasers contained in Section III hereof shall be true and correct on at and on the Closing Date as if made at and on such date, except to the extent that any representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty is true and correct as of such date and except for any activities or transactions which may have taken place after the date hereof which are contemplated by this Agreement.

V.2 Compliance with this Agreement. The Purchasers shall have performed and complied in all material respects with all of their agreements and conditions set forth herein that are required to be performed or complied with by the Purchasers on or before the Closing Date.

V.3 Registration Rights Agreement. The Purchasers shall have duly executed and delivered the Registration Rights Agreement, substantially in the form attached hereto as Exhibit C.

V.4 Consents and Approvals. All consents, exemptions, authorizations, or other actions by, or notices to, or filings with, Governmental Authorities and other Persons in respect of all Requirements of Law and with respect to those Contractual Obligations of the Purchasers which are necessary or required in connection with the execution, delivery or performance (including, without limitation, the purchase of the Purchased Shares, the Warrants, and the shares of Common Stock issuable upon conversion of the Purchased Shares and the exercise of the Warrants) by, or enforcement against, the Purchasers of this Agreement shall have been obtained and be in full force and effect, and Integra shall have been furnished with appropriate evidence thereof.

V.5 Payment of Purchase Price. Integra shall have received the aggregate purchase price for the Purchased Shares and the Warrants.

V.6 No Material Judgment or Order. There shall not be on the Closing Date any Order of a court of competent jurisdiction or any ruling of any Governmental Authority or any condition imposed under any Requirement of Law which would, in the judgment of Integra, (a) prohibit or restrict (i) the sale of the Purchased Shares or the Warrants or (ii) the consummation of the transactions contemplated by this Agreement or (b) subject Integra to any penalty or other onerous condition under or pursuant to any Requirement of Law if the Purchased Shares were to be sold hereunder.

V.6 Opinion of Counsel. Integra will have received the opinion of Paul, Weiss, Wharton & Garrison, dated the Closing Date, relating to the transactions contemplated hereby or referred to herein, substantially in the form attached hereto as Exhibit E.

SECTION VI. INDEMNIFICATION

VI.1 Indemnification. Except as otherwise provided in this Section VI, Integra agrees to indemnify, defend and hold harmless each of the Purchasers and their Affiliates and their respective officers, directors, agents, employees, subsidiaries, members, partners and controlling persons (each, an "Indemnified Party") to the fullest extent permitted by law from and against any and all Losses (as hereinafter defined) resulting from, arising out of or relating to any breach of any representation, warranty, covenant or agreement by Integra in this Agreement or the other Transaction Documents, including, without limitation, Losses arising out of or relating to any legal, administrative or other actions (including actions brought by the Purchasers or Integra or any equity holders of Integra or derivative actions brought by any Person claiming through or in Integra's name), proceedings or investigations (whether formal or informal), or written threats thereof, based upon, relating to or arising out of this Agreement, each of the other Transaction Documents, the transactions contemplated hereby and thereby, or any Indemnified Party's role therein or in transactions contemplated hereby or thereby; provided, however, that the Integra shall not be liable under this Section 6.1 to an Indemnified Party to the extent that it is finally judicially determined that such Losses resulted primarily from the material breach by such Indemnified Party of any representation, warranty, covenant or other agreement of such Indemnified Party contained in this Agreement; and provided, further, that if and to the extent that such indemnification is unenforceable for any reason, then Integra shall make the maximum contribution to the payment and satisfaction of such Losses which shall be permissible under applicable laws. Losses means all losses, claims (including any claim by a third party), damages, expenses (including reasonable fees, disbursements and other charges of counsel incurred by the Indemnified Party in any action between Integra and the Indemnified Party or between the Indemnified Party and any third party or otherwise) or other liabilities; provided, however, that Losses shall include only (a) direct out-of-pocket payments of judgments and settlements, costs and expenses of the Indemnified Parties and (b) diminution in value of the Purchased Shares directly attributable to a breach of any representation, warranty, covenant or agreement by Integra in this Agreement or the other Transaction Documents.

VI.2 Notification. Each Indemnified Party under this Section VI will, promptly after the receipt of notice of the commencement of any action, investigation, claim or other proceeding against such Indemnified Party in respect of which indemnity may be sought from Integra under this Section VI, notify Integra in writing of the commencement thereof. The omission of any Indemnified Party to so notify Integra of any such action shall not relieve Integra from any liability which Integra may have to such Indemnified Party (a) other than pursuant to this Section VI or (b) under this Section VI unless, and only to the extent that, such omission results in Integra's forfeiture of substantive rights or defenses. In case any such action, claim or other proceeding shall be brought against any Indemnified Party and it shall notify Integra of the commencement thereof, Integra shall be entitled to assume the defense thereof at its own expense, with counsel satisfactory to such Indemnified Party in its reasonable judgment; provided, however, that any
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Indemnified Party may, at its own expense, retain separate counsel to participate in such defense at its own expense. Notwithstanding the foregoing, in any action, claim or proceeding in which both Integra, on the one hand, and an Indemnified Party, on the other hand, are, or are reasonably likely to become, a party, such Indemnified Party shall have the right to employ separate counsel at the expense of Integra and to control its own defense of such action, claim or proceeding if, in the reasonable opinion of counsel to such Indemnified Party, a conflict or potential conflict exists between Integra, on the one hand, and such Indemnified Party, on the other hand, that would make such separate representation advisable; provided, however, that Integra shall not be liable
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for the fees and expenses of more than one counsel to all Indemnified Parties. Integra agrees that it will not, without the prior written consent of the Purchasers, settle, compromise or consent to the entry of any judgment in any pending or threatened claim, action or proceeding relating to the matters contemplated hereby (if any Indemnified Party is a party thereto or has been actually threatened to be made a party thereto) unless such settlement, compromise or consent includes an unconditional release of the Purchasers and each other Indemnified Party from all liability arising or that may arise out of such claim, action or proceeding and imposes no obligations upon such Indemnified Party. Integra shall not be liable for any settlement of any claim, action or proceeding effected against an Indemnified Party without its written consent, which consent shall not be unreasonably withheld. The rights accorded to each Indemnified Party hereunder shall be the sole rights that such Indemnified Party may have at common law, by separate agreement or otherwise; provided, however, that notwithstanding the foregoing or anything to the
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contrary contained in this Agreement, nothing in this Section VI shall restrict or limit any rights that any Indemnified Party may have to seek equitable relief.

VI.3 Registration Rights Agreement. Notwithstanding anything to the contrary contained in this Section VI, the indemnification and contribution provisions of the Registration Rights Agreement shall govern any claim made with respect to registration statements filed pursuant thereto or sales made thereunder.

SECTION VII. AFFIRMATIVE COVENANTS

Integra hereby covenants and agrees with the Purchasers with respect to this Section VII so long as any shares of Preferred Stock, shares of Common Stock issuable upon the conversion thereof, the Warrants or the Warrant Shares are outstanding, except to the extent that a particular section of this Section VII provides for an earlier termination as follows:

VII.1 Preservation of Existence. From the date hereof until the Closing Date, Integra shall, and shall use its best efforts to cause its Subsidiaries to:

(a) preserve and maintain in full force and effect its existence and good standing under the laws of its jurisdiction of formation or organization;

(b) take all reasonable action to preserve and maintain in full force and effect all material rights, privileges, qualifications, applications, estimates, licenses and franchises necessary in the normal conduct of its business;

(c) use its reasonable efforts to preserve its business organization;

(d) conduct its business in accordance with sound business practices and keep its useful and necessary properties in good working order and condition (normal wear and tear excepted);

(e) comply with all Requirements of Law and with the directions of any Governmental Authority having jurisdiction over Integra or any of the Subsidiaries or their respective business or property except to the extent that the failure to comply with any Requirements of Law would not have a material adverse effect on the Condition of Integra; and

(f) file or cause to be filed in a timely manner all reports, applications, estimates and licenses that shall be required by a Governmental Authority and that, if not timely filed, would have a material adverse effect on the Condition of Integra.

VII.2 Delivery of 1998 Audited Financial Statements.

(a) Integra shall deliver to the Purchasers as soon as available a true and correct copy of its audited consolidated financial statements (balance sheet and statement of operations, cash flows and shareholders equity, together with the notes thereto) for the fiscal year ended and as at December 31, 1998 (the "Audited Financial Statements") which will be the same in all material respect as the Financial Statements.

(b) In the event the Audited Financial Statements differ in any material respect from the Financial Statements, Integra shall indemnify the Purchasers for the reduction in the value of the Series B Preferred Stock, if any, caused by such differences by paying to the Purchasers an amount in cash or shares of Common Stock equal to such reduction in value.

VII.3 Financial Statements and Other Information. Integra shall deliver to the Purchasers, in form and substance satisfactory to the Purchasers:

(a) as soon as available, but not later than ninety (90) days after the end of each fiscal year of Integra, a copy of the audited consolidated balance sheet of Integra and its Subsidiaries as of the end of such year and the related statements of operations and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous year, all in reasonable detail and accompanied by a management summary and analysis of the operations of Integra and its Subsidiaries for such fiscal year and by the opinion of a nationally recognized independent certified public accounting firm which report shall state without qualification that such consolidated financial statements present fairly the financial condition as of such date and results of operations and cash flows for the periods indicated in conformity with GAAP applied on a consistent basis; provided, however, that the delivery to each of the Purchasers of a copy of Integra's Annual Report on Form 10-K for each fiscal year shall satisfy the requirements of this Section 7.3(a);

(b) commencing with the fiscal period ending on March 31, 1999, as soon as available, but in any event not later than forty-five (45) days after the end of each of the first three fiscal quarters of each fiscal year, the unaudited consolidated balance sheet of Integra and its Subsidiaries, and the related statements of operations and cash flows for such quarter and for the period commencing on the first day of the fiscal year and ending on the last day of such quarter, all certified by an appropriate officer of Integra as presenting fairly the financial condition as of such date and results of operations and cash flows for the periods indicated in conformity with GAAP applied on a consistent basis, subject to normal year-end audit adjustments and the absence of footnotes required by GAAP; provided, however, that the delivery to each of the Purchasers of a copy of Integra's Quarterly Report on Form 10-Q for each fiscal quarter shall satisfy the requirements of this Section 7.3(b);

(c) at any time when it is not subject to Section 13 or 15(d) of the Exchange Act, upon request, to the Purchasers, information of the type that would satisfy the requirement of subsection (d)(4)(i) of Rule 144A (or any similar successor provision) under the Securities Act; and

(d) except as otherwise provided in Sections 7.3(a) and (b), promptly after the same are filed, copies of all registration statements, proxy statements, reports and other documents required to be filed by Integra under the Securities Act or the Exchange Act, and all amendments thereto.

VII.4 Reservation of Shares. Integra shall at all times reserve and keep available out of its authorized shares of Common Stock, solely for the purpose of issue or delivery upon conversion of the Purchased Shares, as provided in the Certificate of Designation and the Certificate of Incorporation, and the exercise of the Warrants, the number of shares of Common Stock that may be issuable or deliverable upon such conversion or exercise. Integra shall issue such shares of Common Stock in accordance with the terms of this Agreement, the Certificate of Incorporation, the Certificate of Designation (in the case of the shares of Common Stock issuable upon conversion of the Purchased Shares) and the Warrants (in the case of the Warrant Shares), as the case may be, and otherwise comply with the terms hereof and thereof.

VII.5 Registration and Listing. If any shares of Common Stock required to be reserved for purposes of conversion of the Purchased Shares, as provided in the Certificate of Designation or the exercise of the Warrants, as provided in the Warrants, require registration with or approval of any Governmental Authority under any Federal or state or other applicable law before such shares of Common Stock may be issued or delivered upon conversion or exercise, Integra will in good faith and as expeditiously as possible cause such shares of Common Stock to be duly registered or approved, as the case may be, unless such registration or approval is required solely because of a breach of the Purchasers' representation contained in Section 3.5. So long as the shares of Common Stock are quoted on the NASDAQ or listed on any national securities exchange, Integra will, if permitted by the rules of such system or exchange, quote or list and keep quoted or listed on such system or exchange, upon official notice of issuance, all shares of Common Stock issuable or deliverable upon conversion of the Preferred Shares and exercise of the Warrants.

VII.6 Board Representation. For so long as the Purchasers or Affiliates thereof collectively own at least one half of their initial investment in the Series B Preferred Stock or the Common Stock into which it is converted, the Purchasers as a group shall be entitled to name one representative to Integra's Board of Directors (the "Purchasers' Representative"), which Purchasers' Representative shall be reasonably satisfactory to the Chief Executive Officer of Integra and who initially shall be Neal Moszkowski. Integra will use its best efforts to cause the Purchasers' Representative to be nominated and to solicit proxies for his election. The Purchasers as a group will also be entitled to representation on significant committees of Integra Board of Directors.

VII.7 Director and Officer Liability Insurance. Integra will maintain director and officer liability insurance reasonably satisfactory to the Purchasers.

SECTION VIII. TERMINATION OF AGREEMENT

VIII.1 Termination. This Agreement may be terminated prior to the Closing as follows:

(a) at any time on or prior to the Closing Date, by mutual written consent of Integra and the Purchasers; or

(b) at the election of Integra or the Purchasers by written notice to the other parties hereto after 5:00 p.m., New York City time on April 30, 1999, if the transactions contemplated by this Agreement shall not have been consummated pursuant hereto, unless such date is extended by the mutual written consent of Integra and the Purchasers; or

(c) at the election of Integra, if any one or more of the conditions to its obligation to close set forth in Section V has not been satisfied or waived and the Closing shall not have occurred on the scheduled Closing Date; or

(d) at the election of the Purchasers, if any one or more of the conditions to its obligation to close set forth in Section IV has not been satisfied or waived and the Closing shall not have occurred on the scheduled Closing Date; or

(e) at the election of Integra, if there has been a material breach of any representation, warranty, covenant or agreement on the part of the Purchasers contained in this Agreement, which breach has not been cured within ten (10) Business Days of notice to the Purchasers of such breach; or

(f) at the election of the Purchasers, if there has been a material breach of any representation, warranty, covenant or agreement on the part of Integra contained in this Agreement, which breach has not been cured within ten (10) Business Days notice to Integra of such breach.

If this Agreement so terminates, it shall become null and void and have no further force or effect, except as provided in Section 8.2.

VIII.2 Survival. If this Agreement is terminated and the transactions contemplated hereby are not consummated as described above, this Agreement shall become void and of no further force and effect; provided, however, that (i) none of the parties hereto shall have any liability in respect of a termination of this Agreement pursuant to Section 8.1(a) or Section 8.1(b) and (ii) nothing shall relieve any party from any liability for actual damages resulting from a termination of this Agreement pursuant to Section 8.1(e) or 8.1(f); and provided further, that none of the parties hereto shall have any liability for speculative, indirect, unforeseeable or consequential damages resulting from a termination of this Agreement pursuant to Section VIII.

SECTION IX. MISCELLANEOUS

IX.1 Survival of Representations and Warranties. Except for the representations and warranties in Section 2.7(c) (which shall survive without limitation), all of the representations and warranties made herein shall survive the execution and delivery of this Agreement for a period ending 60 days after the delivery by Integra to the Purchasers of its audited consolidated financial statements (balance sheet and statement of operations, cash flows and shareholders' equity, together with the notes hereto) for the fiscal year ended and as at December 31, 1999; provided, however, that if Integra exercises its Put Right during the Second Term the representations and warranties set forth in the CEO Certificate shall survive for a period of one year following the receipt by the Purchasers of the Additional Preferred Stock.

IX.2 Notices. All notices, demands and other communications provided for or permitted hereunder shall be made in writing and shall be by registered or certified first-class mail, return receipt requested, telecopier, courier service, overnight mail or personal delivery:

(i) if to Quantum Industrial Partners LDC.:

Kaya Flamboyan 9,
Villemstad
Curacao
Netherlands-Antilles

with a copy to:

Soros Fund Management LLC
888 Seventh Avenue
New York, NY 10016
Telecopy: (212) 664-0544
Attn: Michael Neus, Esq.

and a copy to:

Paul, Weiss, Rifkind, Wharton & Garrison
1285 Avenue of the Americas
New York, New York 10019-6064
Telecopy: (212) 757-3990
Attention: Matthew Nimetz, Esq.

(ii) If to SFM Domestic Investments LLC:

Soros Fund Management LLC
888 Seventh Avenue
New York, NY 10016
Telecopy: (212) 664-0544
Attn: Michael Neus, Esq.

with a copy to:

Paul, Weiss, Rifkind, Wharton & Garrison
1285 Avenue of the Americas
New York, New York 10019-6064
Telecopy: (212) 757-3990
Attention: Matthew Nimetz, Esq.

(iii) if to Integra:

Integra LifeSciences Corporation
105 Morgan Lane
Plainsboro, NJ 08536
Telecopy: (609) 799-3297
Attention: Stuart M. Essig,
President and CEO

with a copy to:

Drinker Biddle & Reath LLP
105 College Road East
Princeton, NJ 08542-0627
Telecopy: (609) 799-7000
Attention: John E. Stoddard III, Esq.

All such notices and communications shall be deemed to have been duly given when delivered by hand, if personally delivered; when delivered by courier or overnight mail, if delivered by commercial courier service or overnight mail; five (5) Business Days after being deposited in the mail, postage prepaid, if mailed; and when receipt is mechanically acknowledged, if telecopied.

IX.3 Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of the parties hereto. Subject to applicable securities laws, each of the Purchasers may assign any of its rights under this Agreement to any of its Affiliates. Integra may not assign any of its rights under this Agreement and each of the other Transaction Documents, except to a successor-in-interest to Integra, without the written consent of all of the Purchasers. Except as provided in Section VI no Person other than the parties hereto and their successors and permitted assigns is intended to be a beneficiary of this Agreement and each of the other Transaction Documents.

IX.4 Amendment and Waiver.

(a) No failure or delay on the part of Integra or the Purchasers in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

(b) Any amendment, supplement or modification of or to any provision of this Agreement, any waiver of any provision of this Agreement, and any consent to any departure by Integra or the Purchasers from the terms of any provision of this Agreement, shall be effective (i) only if it is made or given in writing and signed by Integra and the Purchasers, and (ii) only in the specific instance and for the specific purpose for which made or given. Except where notice is specifically required by this Agreement, no notice to or demand on Integra in any case shall entitle Integra to any other or further notice or demand in similar or other circumstances.

IX.5 Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

IX.6 Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

IX.7 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW JERSEY, WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAW THEREOF.

IX.8 Severability. If any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired, unless the provisions held invalid, illegal or unenforceable shall substantially impair the benefits of the remaining provisions hereof.

IX.9 Rules of Construction. Unless the context otherwise requires, "or" is not exclusive, and references to sections or subsections refer to sections or subsections of this Agreement.

IX.10 Entire Agreement. This Agreement, together with the exhibits and schedules hereto, and the other Transaction Documents are intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein and therein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein or therein.

IX.11 Fees. Upon the Closing, Integra shall reimburse the Purchasers for their reasonable out-of-pocket expenses (including attorney's fees, disbursements and other charges) incurred in connection with the transactions contemplated by this Agreement; provided, however, that Integra shall not be obligated to reimburse the Purchasers for any reasonable out-of-pocket expenses in excess of $40,000 in the aggregate.

IX.12 Publicity; Confidentiality.

(a) Except as may be required by applicable law or the rules of any securities exchange or market on which shares of Common Stock are traded, none of the parties hereto shall issue a publicity release or public announcement or otherwise make any disclosure concerning this Agreement, the transactions contemplated hereby or the business and financial affairs of Integra, without prior approval by the other parties hereto; provided, however, that nothing in this Agreement shall restrict any Purchaser from disclosing information (i) that is already publicly available, (ii) that was known to such Purchaser on a non-confidential basis prior to its disclosure by Integra, (iii) that may be required or appropriate in response to any summons or subpoena or in connection with any litigation, provided that such Purchaser will use reasonable

efforts to notify Integra in advance of such disclosure so as to permit Integra to seek a protective order or otherwise contest such disclosure, and such Purchaser will use reasonable efforts to cooperate, at the expense of Integra, with Integra in pursuing any such protective order, (iv) to the extent that such Purchaser reasonably believes it appropriate in order to protect its investment in the Purchased Shares in order to comply with any Requirement of Law, (v) to such Purchaser's officers, directors, agents, employees, members, partners, controlling persons, auditors or counsel, (vi) to Persons who are parties to similar confidentiality agreements or (vii) to the prospective transferee in connection with any contemplated transfer of any of the Securities. If any announcement is required by law or the rules of any securities exchange or market on which shares of Common Stock are traded to be made by any party hereto, prior to making such announcement such party will deliver a draft of such announcement to the other parties and shall give the other parties reasonable opportunity to comment thereon.

(b) The Purchasers shall have the opportunity to review and modify any provision of any publicly release or public announcement or document which is to be released to the public or filed with the SEC, which provision mentions Soros Fund Management LLC or any of its Affiliates, prior to the release of such document to the public or the filing of such document with the SEC.

IX.13 Further Assurances. Each of the parties shall execute such documents and perform such further acts (including, without limitation, obtaining any consents, exemptions, authorizations or other actions by, or giving any notices to, or making any filings with, any Governmental Authority or any other Person) as may be reasonably required or desirable to carry out or to perform the provisions of this Agreement.

IX.14 Schedules. Anything disclosed on any schedule attached hereto shall be deemed disclosed on all schedules attached hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their respective officers hereunto duly authorized on the date first above written.

INTEGRA LIFESCIENCES CORPORATION

By: /S/ STUART M. ESSIG
_____
Name: Stuart M. Essig
Title: President and Chief Executive Officer

QUANTUM INDUSTRIAL PARTNERS LDC

By: /S/ MICHAEL C. NEUS
_____
Name: Michael C. Neus
Title: Attorney-in-Fact

SFM DOMESTIC INVESTMENTS LLC

By: /S/ MICHAEL C. NEUS
_____
Name: Michael C. Neus
Title:

Schedule 1

PURCHASED SHARES AND WARRANTS AND PURCHASE PRICE

Purchaser	Shares of Series B Preferred Stock Purchased From the Company	Warrants Purchased From the Company	Purchase Price
Quantum Industrial Partners LDC (principal place of business: Curacao)	75,000	180,000	$7,500,000
SFM Domestic Investments LLC (principal place of business: New York)	25,000	60,000	$2,500,000

REGISTRATION RIGHTS AGREEMENT

among

INTEGRA LIFESCIENCES CORPORATION,

QUANTUM INDUSTRIAL PARTNERS LDC,

and

SFM DOMESTIC INVESTMENTS LLC

Dated: March 29, 1999

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REGISTRATION RIGHTS AGREEMENT

REGISTRATION RIGHTS AGREEMENT, dated March 29, 1999 (this "Agreement"), among INTEGRA LIFESCIENCES CORPORATION, a Delaware corporation (the "Company"), QUANTUM INDUSTRIAL PARTNERS LDC, a Cayman Islands limited duration company ("QIP"), and SFM DOMESTIC INVESTMENTS LLC, a Delaware limited liability company ("SFM DI" and together with QIP, the "Stockholders").

WHEREAS, this Agreement is made in connection with the Series B Convertible Preferred Stock and Warrant Purchase Agreement, dated March 29, 1999 (the "Series B Agreement"), among the Company and the Stockholders pursuant to which the Company has agreed to issue and sell to the Stockholders, and the Stockholders have agreed to purchase from the Company, (i) an aggregate of 100,000 shares of Series B Preferred Stock and (ii) warrants (the "Warrants") to purchase, subject to the terms and conditions thereof, an aggregate of 240,000 shares of Common Stock;

WHEREAS, in order to induce the Stockholders to purchase their shares of Series B Preferred Stock and the Warrants, the parties hereto have agreed to enter into this Agreement pursuant to which the Company has agreed to grant registration rights with respect to the Registrable Securities (as hereinafter defined).

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

1. Definitions. As used in this Agreement the following terms have the meanings indicated:

"Act" means the Securities Act of 1933, as amended.

"Affiliate" shall mean any Person who is an "affiliate" as defined in Rule 12b-2 of the General Rules and Regulations under the Exchange Act, and any Person controlling, controlled by, or under common control with Soros Fund Management LLC. For the purposes of this Agreement, "control" includes the ability to have investment discretion through contractual means or by operation of law.

"Approved Underwriter" has the meaning assigned such term in Section 3(e).

"Common Stock" means the Common Stock, par value $.01 per share, of the Company or any other equity securities of the Company into which such securities are converted, reclassified, reconstituted or exchanged.

"Company Underwriter" has the meaning assigned such term in Section 4(a).

"Demand Registration" has the meaning assigned such term in Section 3(a).

"Designated Holder" means each of the Stockholders, and any transferee of any of them to whom Registrable Securities have been transferred in accordance with the provisions of this Agreement, other than a transferee to whom such securities have been transferred pursuant to a registration statement under the Securities Act or Rule 144 or Regulation S under the Securities Act.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Existing Rightholders" means the stockholders of the Company, if any, who have obtained registration rights pursuant to agreements existing on the date hereof.

"Initiating Holders" has the meaning assigned such term in Section 3(a).

"Inspector" has the meaning assigned such term in Section 6(a)(viii).

"NASD" has the meaning assigned such term in Section 6(a)(xiv).

"Person" means any individual, firm, corporation, partnership, trust, incorporated or unincorporated association, joint venture, joint stock company, limited liability company, government (or an agency or political subdivision thereof) or other entity of any kind, and shall include any successor (by merger or otherwise) of such entity.

"QIP" means Quantum Industrial Partners LDC.

"Registrable Securities" means each of the following: (a) any shares of Common Stock owned by the Designated Holders issued or issuable upon conversion of shares of Series B Preferred Stock or Additional Preferred Stock (as defined in the Series B Agreement), or upon exercise of the Warrants, (b) any shares of Common Stock issued or issuable by the Company to any or all of the Designated Holders during the time that any of such Designated Holders are holders of shares of Common Stock or shares of Series B Preferred Stock, (c) any other shares of Common Stock acquired or owned by any of the Designated Holders and (d) any shares of Common Stock issued or issuable with respect to shares of Common Stock and shares of Series B Preferred Stock and Additional Preferred Stock by way of stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization or otherwise and shares of Common Stock issuable upon conversion, exercise or exchange thereof.

"Registration Expenses" has the meaning set forth in Section 6(d).

"SEC" means the Securities and Exchange Commission or any similar agency then having jurisdiction to enforce the Securities Act.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Series B Agreement" has the meaning assigned such term in the recital to this Agreement.

"Series B Preferred Stock" has the meaning assigned such term in the recital to this Agreement.

"SFM DI" means SFM Domestic Investments LLC.

"Stockholders" means Quantum Industrial Partners LDC and SFM Domestic Investments LLC.

"Warrants" has the meaning assigned such term in the recital to this Agreement.

2. General; Securities Subject to this Agreement.

(a) Grant of Rights. The Company hereby grants registration rights to the Stockholders upon the terms and conditions set forth in this Agreement.

(b) Registrable Securities. For the purposes of this Agreement, (i) Registrable Securities will cease to be Registrable Securities when a registration statement covering such Registrable Securities has been declared effective under the Securities Act by the SEC and such Registrable Securities have been disposed of pursuant to such effective registration statement and (ii) the securities of a Designated Holder shall be deemed not to be Registrable Securities at any time when the Company is registered pursuant to Section 12 of the Exchange Act and the entire amount of such Designated Holder's Registrable Securities proposed to be sold in a single sale are or, in the opinion of counsel satisfactory to the Company and the Designated Holder, each in their reasonable judgment, may be distributed to the public pursuant to Rule 144 (or any successor provision then in effect) under the Securities Act.

(c) Holders of Registrable Securities. A Person is deemed to be a holder of Registrable Securities whenever such Person owns of record Registrable Securities, or holds an option to purchase, or a security convertible into or exercisable or exchangeable for, Registrable Securities whether or not such acquisition or conversion has actually been effected and

disregarding any legal restrictions upon the exercise of such rights. If the Company receives conflicting instructions, notices or elections from two or more Persons with respect to the same Registrable Securities, the Company may act upon the basis of the instructions, notice or election received from the registered owner of such Registrable Securities. Registrable Securities issuable upon exercise of an option or upon conversion of another security shall be deemed outstanding for the purposes of this Agreement.

3. Demand Registration.

(a) Request for Demand Registration. At any time on or after the date hereof, the holders of more than 50% of the Registrable Securities outstanding may make a written request for registration (such Designated Holders making such request being deemed to be "Initiating Holders") of Registrable Securities under the Securities Act, and under the securities or "blue sky" laws of a reasonable number of jurisdictions designated by such holder or holders (a "Demand Registration"); provided, however, that the Company shall not be required to effect more than two Demand Registrations pursuant to this Section 3. If at the time of any request to register Registrable Securities pursuant to this Section 3(a), the Company is engaged in, or has fixed plans to engage in within ninety (90) days of the time of such request, a registered public offering or is engaged in any other activity which, in the good faith determination of the Board of Directors of the Company, would be required to be disclosed under applicable law as a result of such request or would be adversely affected by the requested registration, then the Company may at its option direct that such request be delayed for a reasonable period not in excess of three (3) months from the effective date of such offering or the date of completion of such other activity, as the case may be, such right to delay a request to be exercised by the Company not more than once in any one-year period. In addition, the Company shall not be required to effect any registration within three (3) months after the effective date of any other Registration Statement of the Company. Each such request for a Demand Registration by the Initiating Holders shall state the amount of the Registrable Securities proposed to be sold, the intended method of disposition thereof and the jurisdictions in which registration is desired. Upon a request for a Demand Registration, the Company shall promptly take such steps as are necessary or appropriate to prepare for the registration of the Registrable Securities to be registered.

(b) Effective Demand Registration. The Company shall use commercially reasonable efforts to cause any such Demand Registration to become effective not later than forty-five (45) days after it receives a request under Section 3(a) hereof and to remain effective for the lesser of (i) the period during which all Registrable Securities registered in the Demand Registration are sold and (ii) ninety (90) days; provided, however, that if the Initiating Holders request the Company to withdraw such registration, it shall constitute a Demand Registration unless the Initiating Holders promptly pay all of the costs and expenses incurred by the Company in connection with such registration.

(c) Expenses. In any registration initiated as a Demand Registration, the Company shall pay all Registration Expenses (other than underwriting discounts and commissions and brokerage commissions), including the reasonable fees and expenses of one counsel selected by the Designated Holders holding a majority of the Registrable Securities being registered in such registration ("Holders' Counsel") in connection therewith (not to exceed $15,000), whether or not such Demand Registration becomes effective.

(d) Underwriting Procedures. If the Initiating Holders holding a majority of the Registrable Securities held by all of the Initiating Holders to which the requested Demand Registration relates so elect, the offering of such Registrable Securities pursuant to such Demand Registration shall be in the form of a firm commitment underwritten offering and the managing underwriter or underwriters selected for such offering shall be the Approved Underwriter (as hereinafter defined) selected in accordance with Section 3(e). In such event, if the Approved Underwriter advises the Company in writing that in its opinion the aggregate amount of such Registrable Securities requested to be included in such offering is sufficiently large to have a material adverse effect on the success of such offering, subject to the rights of the Existing Rightholders, the Company shall include in such registration only the aggregate amount of Registrable Securities that in the opinion of the Approved Underwriter may be sold without any such material adverse effect and shall reduce, first as to the Company and any stockholders who are not Designated Holders as a group, if any, and then as to the Designated Holders as a group, pro rata within each group based on the number of Registrable Securities included in the request for Demand Registration, the amount of Registrable Securities to be included by each Designated Holder in such registration.

(e) Selection of Underwriters. If any Demand Registration of Registrable Securities is in the form of an underwritten offering, the Initiating Holders holding a majority of the Registrable Securities held by all such Initiating Holders shall select and obtain an investment banking firm of national reputation to act as the managing underwriter of the offering (the "Approved Underwriter"); provided, however, that the Approved Underwriter shall, in any case, be acceptable to the Company in its reasonable judgment.

4. Piggy-Back Registration.

(a) Piggy-Back Rights. If the Company proposes to file a registration statement under the Securities Act with respect to an offering by the Company for its own account or for the account of an Initiating Holder pursuant to Section 3 of any class of security (other than a registration statement on Form S-4 or S-8 or any successor forms thereto), then the Company shall give written notice of such proposed filing to each of the Designated Holders of Registrable Securities (other than any Initiating Holders), and such

notice shall describe in detail the proposed registration and distribution and shall offer such Designated Holders (other than any Initiating Holders) the opportunity to register the number of Registrable Securities as each such holder may request. The Company shall, and shall use commercially reasonable efforts (within ten (10) days of the notice provided for in the preceding sentence) to cause the managing underwriter or underwriters of a proposed underwritten offering (the "Company Underwriter") to, permit the Designated Holders of
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Registrable Securities who have requested in writing (within ten (10) days of the giving of the notice of the proposed filing by the Company) to participate in the registration for such offering to include such Registrable Securities in such offering on the same terms and conditions as the securities of the Company included therein. In connection with any offering under this Section 4(a) involving an underwriting, the Company shall not be required to include any Registrable Securities in such underwriting unless (i) the holders thereof accept the terms of the underwriting as agreed upon between the Company and the underwriters selected by it, (ii) if such underwriting has been initiated by the Company or requested by another party that has contractual registration rights, all of the shares of Common Stock held by the parties making such request or entitled to include shares of Common Stock pursuant to the same rights as the requesting parties have been included in such registration and (iii) all of the shares of Common Stock held by Existing Rightholders for which such registration has been requested by such Existing Rightholders have been included in such registration, and then only in such quantity as will not, in the opinion of the underwriters, jeopardize the success of the offering by the Company. If in the opinion of the Company Underwriter the registration of all, or part, of the Registrable Securities which the Designated Holders have requested to be included would materially and adversely affect such public offering, then the Company shall be required to include in the underwriting only that number of Registrable Securities, if any, which the Company Underwriter believes may be sold without causing such adverse effect, and the amount of securities to be offered in the underwriting shall be allocated first, to the Company based on the number of shares it desires to sell in the underwritten offering for its own account; and thereafter pro rata among the Initiating Holders and all other selling stockholders, if any, based on the number of shares otherwise proposed to be included therein by the Initiating Holders and such other selling stockholders. If the number of Registrable Securities to be included in the underwriting in accordance with the foregoing is less than the total number of shares which the Designated Holders of Registrable Securities have requested to be included, then the Designated Holders of Registrable Securities who have requested registration shall participate in the underwriting pro rata based upon their total ownership of the Registrable Securities. If any Designated Holder would thus be entitled to include more shares than such holder requested to be registered, the excess shall be allocated among other requesting Designated Holders pro rata based upon their total ownership of Registrable Securities.

(b) Expenses. The Company shall bear all Registration Expenses (other than underwriting discounts and commissions and brokerage commissions), including the reasonable fees and expenses of the Holders' Counsel (not to exceed $15,000), in connection with any registration pursuant to this Section 4.

5. Holdback Agreements.

(a) Restrictions on Public Sale by Designated Holders. Each Designated Holder of Registrable Securities agrees not to effect any public sale or distribution of any Registrable Securities being registered or of any securities convertible into or exchangeable or exercisable for such Registrable Securities, including a sale pursuant to Rule 144 under the Securities Act, during the ninety (90) day period beginning on the effective date of such registration statement (except as part of such registration), if and to the extent requested by the Company in the case of a non-underwritten public offering or if and to the extent requested by the Company Underwriter or the Approved Underwriter in the case of an underwritten public offering, except to the extent that such Designated Holder is prohibited by applicable law or exercise of fiduciary duties from agreeing to withhold Registrable Securities from sale or is acting in its capacity as a fiduciary or investment adviser. If requested by the Company Underwriter, each Designated Holder will execute and deliver a lock-up agreement in a form acceptable to such Underwriter and the Company for purposes of its obligations under this Section 5. Without limiting the scope of the term "fiduciary," a Designated Holder shall be deemed to be acting as a fiduciary or an investment adviser if its actions or the Registrable Securities proposed to be sold are subject to the Employee Retirement Income Security Act of 1974, as amended, or the Investment Company Act of 1940, as amended, or if such Registrable Securities are held in a separate account under applicable insurance law or regulation.

(b) Restrictions on Public Sale by the Company. The Company agrees not to effect any public sale or distribution of any of its securities for its own account, or any securities convertible into or exchangeable or exercisable for such securities (except pursuant to registrations on Form S-4 or S-8 or any successor forms thereto), during the period beginning on the effective date of any Demand Registration in which the Designated Holders of Registrable Securities are participating and ending on the earlier of (i) the date on which all shares of Common Stock registered on such registration statement are sold and (ii) the date thirty (30) days after the effective date of such registration statement.

6. Registration Procedures.

(a) Obligations of the Company. Whenever registration of Registrable Securities has been requested pursuant to Section 3 or 4 of this Agreement, the Company shall use commercially reasonable efforts to effect the registration and sale of such Registrable Securities in accordance with the intended method of distribution thereof as promptly as reasonably practicable, and in connection with any such request, the Company shall, as promptly as reasonably possible:

(i) use commercially reasonable efforts to prepare and file with the SEC a registration statement on any form for which the Company then qualifies or which counsel for the Company shall deem appropriate and which form shall be available for the sale of such Registrable Securities in accordance with the intended method of distribution thereof, and use commercially reasonable efforts to cause such registration statement to become effective; provided, however, that (x) before filing a registration statement or
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prospectus or any amendments or supplements thereto, the Company shall provide Holders' Counsel and any other Inspector (as hereinafter defined) with an adequate and appropriate opportunity to participate in the preparation of such registration statement and each prospectus included therein (and each amendment or supplement thereto) to be filed with the SEC, which documents shall be subject to the review of Holders' Counsel, and (y) the Company shall notify the Holders' Counsel and each seller of Registrable Securities of any stop order issued or threatened by the SEC and take all reasonable action required to prevent the entry of such stop order or to remove it if entered;

(ii) prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective for the lesser of (x) ninety (90) days and (y) such shorter period which will terminate when all Registrable Securities covered by such registration statement have been sold, and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement during such period in accordance with the intended methods of disposition by the sellers thereof set forth in such registration statement;

(iii) as soon as reasonably possible, furnish to each seller of Registrable Securities, prior to filing a registration statement, copies of such registration statement as is proposed to be filed, and thereafter such number of copies of such registration statement, each amendment and supplement thereto (in each case including all exhibits thereto), the prospectus included in such registration statement (including each preliminary prospectus) and such other documents as each such seller may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such seller;

(iv) use its best efforts to register or qualify such Registrable Securities under such other securities or "blue sky" laws of such jurisdictions as any seller of Registrable Securities may reasonably request, and to continue such qualification in effect in such jurisdiction for as long as permissible pursuant to the laws of such jurisdiction, or for as long as any such seller requests or until all of such Registrable Securities are sold, whichever is shortest, and do any and all other acts and things which may be reasonably necessary or advisable to enable any

such seller to consummate the disposition in such jurisdictions of the Registrable Securities owned by such seller; provided, however, that the Company shall not be required to (x) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 6(a)(iv), (y) subject itself to taxation in any such jurisdiction or (z) consent to general service of process in any such jurisdiction;

(v) use its best efforts to cause the Registrable Securities covered by such registration statement to be registered with or approved by such other governmental agencies or authorities as may be necessary by virtue of the business and operations of the Company to enable the seller or sellers of Registrable Securities to consummate the disposition of such Registrable Securities;

(vi) notify each seller of Registrable Securities, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, upon discovery that, or upon the happening of any event as a result of which, the prospectus included in such registration statement contains an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances under which they were made, and the Company shall promptly prepare a supplement or amendment to such prospectus (except that the Company may avoid supplementing or amending such prospectus for up to 90 days when, in the good faith determination of the Board of Directors of the Company, supplementing or amending such prospectus would require disclosure under applicable law of any material activity in which the Company is then engaged, the disclosure of which would adversely affect the Company) and furnish to each seller a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, after delivery to the purchasers of such Registrable Securities, such prospectus shall not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances under which they were made;

(vii) enter into and perform customary agreements (including an underwriting agreement in customary form with the Approved Underwriter or Company Underwriter, if any, selected as provided in Sections 3 or 4) and take such other actions as are prudent and reasonably required in order to expedite or facilitate the disposition of such Registrable Securities;

(viii) make available for inspection by any seller of Registrable Securities, any managing underwriter participating in any disposition pursuant to such registration statement, Holders' Counsel and any attorney, accountant or other agent retained by any such seller or any managing underwriter (each, an "Inspector" and collectively, the "Inspectors"), all

financial and other records, pertinent corporate documents and properties of the Company and its subsidiaries (collectively, the "Records") as shall be reasonably necessary to enable them to exercise their due diligence responsibility, and cause the Company's and its subsidiaries' officers, directors and employees, and the independent public accountants of the Company, to supply all information reasonably requested by any such Inspector in connection with such registration statement. Records that the Company determines, in good faith, to be confidential and which it notifies the Inspectors are confidential shall not be disclosed by the Inspectors unless (x) the disclosure of such Records is necessary to avoid or correct a misstatement or omission in the registration statement, (y) the release of such Records is ordered pursuant to a subpoena or other order from a court of competent jurisdiction or is requested by any regulatory body (including the National Association of Insurance Commissioners) or (z) the information in such Records was known to the Inspectors on a non-confidential basis prior to its disclosure by the Company or has been made generally available to the public. Each seller of Registrable Securities agrees that it shall, upon learning that disclosure of such Records is sought in a court of competent jurisdiction, give notice to the Company and allow the Company, at the Company's expense, to undertake appropriate action to prevent disclosure of the Records deemed confidential;

(ix) if such sale is pursuant to an underwritten offering, use its best efforts to obtain a "cold comfort" letter from the Company's independent public accountants in customary form and covering such matters of the type customarily covered by "cold comfort" letters as Holders' Counsel or the managing underwriter reasonably request; provided, --------
however, that the Company shall not be required to obtain such a letter from its - -------
former independent public accountants;

(x) use its best efforts to furnish, at the request of any seller of Registrable Securities on the date such securities are delivered to the underwriters for sale pursuant to such registration or, if such securities are not being sold through underwriters, on the date the registration statement with respect to such securities becomes effective, an opinion, dated such date, of counsel representing the Company for the purposes of such registration, addressed to the underwriters, if any, and to the seller making such request, covering such legal matters with respect to the registration in respect of which such opinion is being given as such seller may reasonably request and are customarily included in such opinions;

(xi) otherwise use its best efforts to comply with all applicable rules and regulations of the SEC, and make available to its security holders, as soon as reasonably practicable but no later than fifteen (15) months after the effective date of the registration statement, an earnings statement covering a period of twelve (12) months beginning after the effective date of the registration statement, in a manner which satisfies the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder;

(xii) cause all such Registrable Securities to be listed on each securities exchange on which similar securities issued by the Company are then listed, provided, that the applicable listing requirements are satisfied;

(xiii) keep Holders' Counsel advised in writing as to the initiation of any registration under Section 3 or 4 hereunder and provide Holders' Counsel with copies of any SEC filings made in connection therewith;

(xiv) cooperate with each seller of Registrable Securities and each underwriter participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made with the National Association of Securities Dealers, Inc. (the "NASD"); and

(xv) use commercially reasonable efforts to take all other steps necessary to effect the registration of the Registrable Securities contemplated hereby.

(b) Obligations of Each Designated Holder of Registrable Securities. Following the filing of a registration statement registering the Eligible Securities of any Designated Holder and during any period that the registration statement is effective, each such Designated Holder shall:

(i) not effect any stabilization transactions or engage in any stabilization activity in connection with any securities of the Company in contravention of Regulation M under the Securities Exchange Act of 1934, as amended (the "Exchange Act");

(ii) furnish each broker or dealer through whom such Designated Holder offers Eligible Securities such number of copies of the prospectus as the broker may require and otherwise comply with the prospectus delivery requirements under the Securities Act;

(iii) report to the Company each month all sales and other dispositions of Eligible Securities made by such Designated Holder during said month;

(iv) not, and shall not permit any Affiliated Purchaser (as that term is defined in Regulation M under the Exchange Act) to, bid for or purchase for any account in which such Designated Holder has a beneficial interest, or attempt to induce any other person to purchase, any securities of the Company in contravention of Regulation M under the Exchange Act;

(v) not offer or agree to pay, directly or indirectly, to anyone any compensation for soliciting another to purchase, or for purchasing (other than for such Designated Holder's own account), any securities of the Company on a national securities exchange in contravention of Regulation M under the Exchange Act;

(vi) cooperate in all reasonable respects with the Company as it fulfills its obligations under this Agreement; (vii) furnish such information concerning such Designated Holder and the distribution of the Eligible Securities as the Company may from time to time request to the extent required by federal securities laws; and

(viii) sell Eligible Securities only in the manner described in the Registration Statement or as otherwise permitted by federal securities laws.

(c) Notice to Discontinue. Each Designated Holder of Registrable Securities agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 6(a)(vi), such Designated Holder shall forthwith discontinue disposition of Registrable Securities pursuant to the registration statement covering such Registrable Securities until such Designated Holder's receipt of the copies of the supplemented or amended prospectus contemplated by Section 6(a)(vi). If the Company shall give any such notice, the Company shall extend the period during which such registration statement shall be maintained effective pursuant to this Agreement (including, without limitation, the period referred to in Section 6(a)(ii)) by the number of days during the period from and including the date of the giving of such notice pursuant to Section 6(a)(vi) to and including the date when the Designated Holder shall have received the copies of the supplemented or amended prospectus contemplated by and meeting the requirements of Section 6(a)(vi).

(d) Registration Expenses. The Company shall pay all expenses (other than as set forth in Sections 3(c) and 4(b)) arising from or incident to the performance of, or compliance with, this Agreement, including, without limitation, (i) SEC, stock exchange and NASD registration and filing fees, (ii) all fees and expenses incurred in complying with securities or "blue sky" laws (including reasonable fees, charges and disbursements of Holders' Counsel in connection with "blue sky" qualifications of the Registrable Securities), (iii) all printing, messenger and delivery expenses, (iv) the fees, charges and disbursements of counsel to the Company and of its independent public accountants and any other accounting and legal fees, charges and expenses incurred by the Company (including, without limitation, any expenses arising from any special audits incident to or required by any registration or qualification) and (v) any liability insurance or other premiums for insurance obtained in connection with any Demand Registration or piggy-back registration pursuant to the terms of this Agreement, regardless of whether such registration statement is declared effective; provided, however, that, in connection with the registration or qualification of the Eligible Securities under state securities laws, nothing herein shall be deemed to require the Company to make any payments to third parties in order to obtain "lock-up," escrow or other extraordinary agreements. All of the expenses described in this Section 7 are referred to herein as "Registration Expenses."

7. Indemnification; Contribution.

(a) Indemnification by the Company. The Company agrees to indemnify and hold harmless, to the fullest extent permitted by law, each Designated Holder, its officers, directors, trustees, partners, employees, advisors and agents and each Person who controls (within the meaning of the Securities Act or the Exchange Act) such Designated Holder from and against any and all losses, claims, damages, liabilities and expenses (including reasonable costs of investigation) caused by any untrue statement of a material fact contained in any registration statement, prospectus or notification or offering circular (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto) or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of a prospectus, in light of the circumstances under which they were made) not misleading, except insofar as the same are caused by or contained in any information concerning such Designated Holder furnished in writing to the Company by such Designated Holder expressly for use therein or caused by such Designated Holder's failure to deliver a copy of the prospectus or any amendments or supplements thereto in accordance with the requirements of the Securities Act after the Company has furnished such Designated Holder with a copy of the same. The Company shall also provide customary indemnities to any underwriters of the Registrable Securities, their officers, directors and employees and each Person who controls such underwriters (within the meaning of the Securities Act and the Exchange Act) to the same extent as provided above with respect to the indemnification of the Designated Holders of Registrable Securities.

(b) Indemnification by Designated Holders. In connection with any registration statement in which a Designated Holder is participating pursuant to Section 3 or 4 hereof, each such Designated Holder shall furnish to the Company in writing such information with respect to such Designated Holder as the Company may reasonably request or as may be required by law for use in connection with any such registration statement or prospectus and each Designated Holder agrees to indemnify and hold harmless, to the fullest extent permitted by law, the Company, any underwriter retained by the Company and their respective directors, officers, employees and each Person who controls the Company or such underwriter (within the meaning of the Securities Act and the Exchange Act) to the same extent as the foregoing indemnity from the Company to the Designated Holders, but only with respect to any such information with

respect to such Designated Holder furnished in writing to the Company by such Designated Holder expressly for use therein, or with respect to such Designated Holder's failure to deliver a copy of the prospectus or any amendments or supplements thereto in accordance with the requirements of the Securities Act after the Company has furnished such Designated Holder with a copy of the same; provided, however, that the total amount to be indemnified by such Designated
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Holder pursuant to this Section 7(b) shall be limited to the net proceeds received by such Designated Holder in the offering to which the registration statement or prospectus relates.

(c) Conduct of Indemnification Proceedings. Any
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Person entitled to indemnification hereunder (the "Indemnified Party") agrees to
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give prompt written notice to the indemnifying party (the "Indemnifying Party")
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after the receipt by the Indemnified Party of any written notice of the commencement of any action, suit, proceeding or investigation or threat thereof made in writing for which the Indemnified Party intends to claim indemnification or contribution pursuant to this Agreement; provided, however, that the failure
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so to notify the Indemnifying Party shall not relieve the Indemnifying Party of any liability that it may have to the Indemnified Party hereunder except to the extent that the delay or failure to give such notice materially prejudices the ability of the Indemnifying Party to defend such action. If notice of commencement of any such action is given to the Indemnifying Party as above provided, the Indemnifying Party shall be entitled to participate in and, to the extent it may wish, jointly with any other Indemnifying Party similarly notified, to assume the defense of such action at its own expense, with counsel chosen by it and satisfactory to such Indemnified Party. The Indemnified Party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be paid by the Indemnified Party unless (i) the Indemnifying Party agrees to pay the same, (ii) the Indemnifying Party fails to assume the defense of such action with counsel satisfactory to the Indemnified Party in its reasonable judgment or (iii) the named parties to any such action (including any impleaded parties) have been advised by such counsel that representation of such Indemnified Party and the Indemnifying Party by the same counsel would be inappropriate under applicable standards of professional conduct, in which case the Indemnifying Party shall not have the right to assume the defense of such action on behalf of such Indemnified Party. No Indemnifying Party shall be liable for any settlement entered into without its written consent, which consent shall not be unreasonably withheld.

(d) Contribution. If the indemnification
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provided for in this Section 7 from the Indemnifying Party is unavailable to an Indemnified Party hereunder in respect of any losses, claims, damages, liabilities or expenses referred to therein, then the Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such losses, claims, damages, liabilities or expenses in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and Indemnified Party in connection with the actions which resulted in such losses, claims, damages, liabilities or expenses, as well as any other relevant equitable considerations. The relative faults of such Indemnifying Party and Indemnified Party shall be determined by

reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, has been made by, or relates to information supplied by, such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action. The amount paid or payable by a party as a result of the losses, claims, damages, liabilities and expenses referred to above shall be deemed to include, subject to the limitations set forth in Sections 7(a), 7(b) and 7(c), any reasonable legal or other fees, charges or expenses reasonably incurred by such party in connection with any investigation or proceeding; provided that the total amount to be indemnified by such Designated Holder shall
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be limited to the net proceeds received by such Designated Holder in the offering.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 7(d) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person.

8. Rule 144.

The Company covenants that it shall file any reports required to be filed by it under the Exchange Act; and that it shall take such further action as each Designated Holder of Registrable Securities may reasonably request (including providing any information necessary to comply with Rules 144 and 144A under the Securities Act), all to the extent required from time to time to enable such Designated Holder to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by (a) Rule 144 under the Securities Act, as such rules may be amended from time to time, or (b) any similar rules or regulations hereafter adopted by the SEC. The Company shall, upon the request of any Designated Holder of Registrable Securities, deliver to such Designated Holder a written statement as to whether it has complied with such requirements.

9. Miscellaneous.

(a) Recapitalizations, Exchanges, etc. The
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provisions of this Agreement shall apply, to the full extent set forth herein, with respect to (i) the shares of Common Stock and (ii) to any and all equity securities of the Company or any successor or assign of the Company (whether by merger, consolidation, sale of assets or otherwise) which may be issued in respect of, in conversion of, in exchange for or in substitution of, the shares of Common Stock and shall be appropriately adjusted for any stock dividends, splits, reverse splits, combinations, recapitalizations and the like occurring after the date hereof.

(b) No Inconsistent Agreements. The Company shall not enter into any agreement with respect to its securities that is inconsistent with the rights granted to the Designated Holders in this Agreement or grant any additional registration rights to any Person or with respect to any securities which are not Registrable Securities which are prior in right to or inconsistent with the rights granted in this Agreement.

(c) Remedies. The Designated Holders, in addition to being entitled to exercise all rights granted by law, including recovery of damages, shall be entitled to specific performance of their rights under this Agreement. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Agreement and hereby agrees to waive in any action for specific performance the defense that a remedy at law would be adequate.

(d) Amendments and Waivers. Except as otherwise provided herein, the provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given unless consented to in writing by all of the parties hereto.

(e) Notices. All notices, demands and other communications provided for or permitted hereunder shall be made in writing and shall be made by registered or certified first-class mail, return receipt requested, telecopier, overnight courier service or personal delivery:

(i) if to QIP:

Kaya Flamboyan 9,
Villemstad
Curacao
Netherlands-Antilles

with a copy to:

Soros Fund Management LLC
888 Seventh Avenue
New York, NY 10016
Telecopy: (212) 664-0544
Attn: Michael Neus, Esq.

and a copy to:

Paul, Weiss, Rifkind, Wharton & Garrison
1285 Avenue of the Americas
New York, New York 10019-6064
Telecopy: (212) 757-3990
Attention: Matthew Nimetz, Esq.

(ii) If to SFM DI:

Soros Fund Management LLC
888 Seventh Avenue
New York, NY 10016
Telecopy: (212) 664-0544
Attn: Michael Neus, Esq.
with a copy to:

Paul, Weiss, Rifkind, Wharton & Garrison
1285 Avenue of the Americas
New York, New York 10019-6064
Telecopy: (212) 757-3990
Attention: Matthew Nimetz, Esq.

(iii) if to the Company:

Integra LifeSciences Corporation
105 Morgan Lane
Plainsboro, NJ 08536
Telecopy: (609) 799-3297
Attention: Stuart M. Essig,
President and CEO

with a copy to:

Drinker Biddle & Reath LLP
105 College Road East
Princeton, NJ 08542-0627
Telecopy: (609) 799-7000
Attention: John E. Stoddard III, Esq.

(iv) if to any other Designated Holder, at its address as it appears on the transfer books of the Company

All such notices and communications shall be deemed to have been duly given when delivered by hand, if personally delivered; when delivered by courier, if delivered by commercial courier service; five (5) Business Days after being deposited in the mail, postage prepaid, if mailed; and when receipt is acknowledged, if telecopied.

(f) Successors and Assigns; Third Party Beneficiaries. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties hereto. The registration rights and the other rights of the Designated Holders contained in this Agreement shall be, with respect to any Registrable Security, (i) automatically transferred from QIP or SFM DI, as the case may be, to any Affiliate thereof, and (ii) in all other cases, transferred by the Designated Holders only with the consent of the Company. All of the obligations of the Company hereunder shall survive any such transfer. No Person other than the parties hereto and their successors and permitted assigns is intended to be a beneficiary of any of the rights granted hereunder.

(g) Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(h) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(i) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW JERSEY, WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAW THEREOF.

(j) Severability. If any one or more of the provisions contained herein, or the application thereof in any circumstances, is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired, it being intended that all of the rights and privileges of the Designated Holders shall be enforceable to the fullest extent permitted by law.

(k) Entire Agreement. This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein and in the Series B Agreement. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

(l) Further Assurances. Each of the parties shall execute such documents and perform such further acts as may be reasonably required or desirable to carry out or to perform the provisions of this Agreement.

IN WITNESS WHEREOF, the undersigned have executed, or have caused to be executed, this Agreement on the date first written above.

INTEGRA LIFESCIENCES CORPORATION

By: /S/ STUART M. ESSIG
_____
Name: Stuart M. Essig
Title: President and Chief Executive Officer

QUANTUM INDUSTRIAL PARTNERS LDC

By: /S/ MICHAEL C. NEUS
_____
Name: Michael C. Neus
Title: Attorney-in-Fact

SFM DOMESTIC INVESTMENTS LLC

By: /S/ MICHAEL C. NEUS
_____
Name: Michael C. Neus
Title: