UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 27, 2016

INTEGRA LIFESCIENCES HOLDINGS CORPORATION

(Exact name of Registrant as specified in its charter)

Delaware	0-26224	51-0317849
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

311 Enterprise Drive
Plainsboro, NJ 08536
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (609) 275-0500

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On October 27, 2016, Integra LifeSciences Holdings Corporation (the “Company”) issued a press release announcing financial results for the quarter ended September 30, 2016 (the “Press Release”). A copy of the Press Release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference into this Item. In the financial statements portion of the Press Release, the Company has included a reconciliation of GAAP revenues to organic revenues for the quarters ended September 30, 2016 and 2015, GAAP net income to adjusted earnings before interest, taxes, depreciation and amortization (“EBITDA”) for the quarters ended September 30, 2016 and 2015, GAAP net income to adjusted net income for the quarters ended September 30, 2016 and 2015, GAAP diluted weighted average shares outstanding to adjusted diluted weighted average shares outstanding for the quarters ended September 30, 2016 and 2015, GAAP earnings per diluted share to adjusted earnings per diluted share for the quarters ended September 30, 2016 and 2015, and GAAP operating cash flow to free cash flow and adjusted free cash flow conversion used by management for the quarters ended September 30, 2016 and 2015 as well as GAAP net income to adjusted net income and GAAP earnings per diluted share to adjusted earnings per diluted share used by management for guidance for the year ending December 31, 2016. In addition, the Company included a supplemental disclosure of revenue by reporting segments in the financial statements portion of the Press Release.

The information contained in Item 2.02 of this Current Report on Form 8-K (including the Press Release and selected historical financial information) is being furnished and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section. The information contained in Item 2.02 of this Current Report on Form 8-K (including the Press Release and selected historical financial information) shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in any such filing.

Discussion of Adjusted Financial Measures

In addition to our GAAP results, we provide organic revenues, adjusted EBITDA, adjusted net income, adjusted earnings per diluted share, adjusted diluted weighted average shares outstanding, free cash flow, and adjusted free cash flow conversion. Organic revenues consist of total revenues excluding the effects of currency exchange rates, acquired revenues, and product discontinuances. The various measures of adjusted EBITDA consist of GAAP net income, excluding: (i) depreciation and amortization, (ii) other income (expense), (iii) interest income and expense, (iv) income taxes, (v) and those operating expenses also excluded from adjusted net income. The measure of adjusted net income consists of GAAP net income, excluding: (i) global enterprise resource planning (“ERP”) implementation charges; (ii) structural optimization charges; (iii) post-spin SeaSpine separation related charges (iv) certain employee severance charges; (v) acquisition-related charges; (vi) convertible debt non-cash interest; (vii) intangible asset amortization expense; and (viii) income tax impact from adjustments and other items. The measure of adjusted diluted weighted average shares outstanding is calculated by adding the economic benefit of the convertible note hedge transactions relating to Integra’s 2016 convertible notes. The adjusted earnings per diluted share measure is calculated by dividing adjusted net income attributable to diluted shares by adjusted diluted weighted average shares outstanding. The measure of free cash flow consists of GAAP net cash provided by operating activities less purchases of property and equipment. The measure of adjusted free cash flow consists of free cash flow adjusted for certain one-time unusual items. The adjusted free cash flow conversion measure is calculated by dividing free cash flow by adjusted net income.

The Company believes that the presentation of organic revenues and the various adjusted EBITDA, adjusted net income, adjusted earnings per diluted share, adjusted diluted weighted average shares outstanding, free cash flow and adjusted free cash flow conversion measures provides important supplemental information to management and investors regarding financial and business trends relating to the Company's financial condition and results of operations. Management uses non-GAAP financial measures in the form of organic revenues, adjusted EBITDA, adjusted net income, adjusted earnings per diluted share, adjusted diluted weighted average shares outstanding, free cash flow and adjusted free cash flow conversion when evaluating operating performance because we believe that the inclusion or exclusion of the items described below, for which the amounts and/or timing may vary significantly depending upon the Company's acquisition, integration, and restructuring activities, for which the amounts are non-cash in nature, or for which the amounts are not expected to recur at the same magnitude, provides a supplemental measure of our operating results that facilitates comparability of our financial condition and operating performance from period to period, against our business model objectives, and against other companies in our industry. We have chosen to provide this information to investors so they can analyze our operating results in the same way that management does and use this information in their assessment of our core business and the valuation of our Company.

Organic revenues, adjusted EBITDA, adjusted net income, adjusted earnings per diluted share, adjusted diluted weighted average shares outstanding, free cash flow and adjusted free cash flow conversion are significant measures used by management for purposes of:

- supplementing the financial results and forecasts reported to the Company's board of directors;
- evaluating, managing and benchmarking the operating performance of the Company;
- establishing internal operating budgets;
- determining compensation under bonus or other incentive programs;
- enhancing comparability from period to period;
- comparing performance with internal forecasts and targeted business models; and
- evaluating and valuing potential acquisition candidates.

The measure of organic revenues that we report reflects the increase in total revenues for the quarter ended September 30, 2016 adjusted for the effects of currency exchange rates, acquired revenues, and product discontinuations on current period revenues. We provide this measure because changes in foreign currency exchange rates can distort our revenue reduction favorably or unfavorably, depending upon the strength of the U.S. dollar in relation to the various foreign currencies in which we generate revenues. We generate significant revenues outside the United States in multiple foreign currencies including euros, British pounds, Swiss francs and Australian and Canadian dollars. We believe this measure provides useful information to determine the success of our international selling organizations in increasing sales of products in their local currencies without regard to fluctuations in currency exchanges rates, for which we do not control. Additionally, significant acquisitions and discontinued product lines can distort our current period revenues when compared to prior periods.

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

- Global ERP implementation charges. Global ERP implementation charges consist of the non-capitalizable portion of internal labor and outside consulting costs related to the implementation of a global ERP system. We have inherited many diverse business processes and different information systems through our numerous acquisitions. Accordingly, we are undertaking this initiative in order to standardize business processes globally and to better integrate all of our existing and acquired operations using one information system. Although recurring in nature given the expected timeframe to complete the implementation for our existing operations and our expectation to continue to acquire new businesses and operations, management excludes these charges when evaluating the operating performance of the Company because the frequency and amount of such charges vary significantly based on the timing and magnitude of the Company's implementation activities.

- Structural optimization charges. These charges, which include employee severance and other costs associated with exit or disposal of facilities, costs related to acquisition integration, costs related to transferring manufacturing and/or distribution activities to different locations, and rationalization or enhancement of our organization, existing manufacturing, distribution, administrative, functional and commercial infrastructure. Some of these cost-saving and efficiency-driven activities are identified as opportunities in connection with acquisitions that provide the Company with additional capacity or economies of scale. Although recurring in nature given management's ongoing review of the efficiency of our organization and structure, including manufacturing, distribution and administrative facilities and operations, management excludes these items when evaluating the operating performance of the Company because the frequency and amount of such charges vary significantly based on the timing and magnitude of the Company's rationalization activities and are, in some cases, dependent upon opportunities identified in acquisitions, which also vary in frequency and magnitude.

- Certain employee severance charges. Certain employee severance and related charges consist of charges related to senior management level terminations and certain significant reductions in force that are not initiated in connection with restructuring. Management excludes these items when evaluating the Company's operating performance because these amounts do not affect our core operations and because of the infrequent and/or large scale nature of these activities.

- Acquisition-related charges. Acquisition-related charges include (i) up-front fees and milestone payments that are expensed as incurred in connection with acquiring licenses or rights to technology for which no product has been approved for sale by regulatory authorities and such approval is not reasonably assured at the time such up-front fees or milestone payments are made, (ii) inventory fair value purchase accounting adjustments, (iii) changes in the fair value of contingent consideration after the acquisition date, and (iv) legal, accounting and other outside consultants expenses directly related to acquisitions or divestitures. Inventory fair value purchase accounting adjustments consist of the increase to cost of goods sold that occur as a result of expensing the "step up" in the fair value of inventory that we purchased in connection with acquisitions as that inventory is sold during the financial period. Although recurring given the ongoing character of our development and acquisition programs, these acquisition, divestiture and in-licensing related charges are not factored into the evaluation of our performance by management after completion of development programs or acquisitions because they are of a temporary nature, they are not related to our core operating performance and the frequency and amount of such charges vary significantly based on the timing and magnitude of our development, acquisition and divestiture transactions as well as the level of inventory on hand at the time of acquisition.

- Post-spin SeaSpine separation related charges. These charges include legal expenses and adjustments to stock based compensation incurred as part of the spin-off.

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

- Convertible debt non-cash interest. The convertible debt accounting requires separate accounting for the liability and equity components of the Company's convertible debt instruments, which may be settled in cash upon conversion, in a manner that reflects an applicable non-convertible debt borrowing rate at the time that we issued such convertible debt instruments. Management excludes this item when evaluating the Company's operating performance because of the non-cash nature of the expense.

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

(i) Adjustments to income tax expense for the amount of additional tax expense that the Company estimates that it would record if it used non-GAAP results instead of GAAP results in the calculation of its tax provision, based on the statutory rate applicable to jurisdictions in which the above non-GAAP adjustments relate.

(ii) When we calculate the adjusted tax rate, we include a full year estimate for all discrete items. We then apply that full year rate to the year-to-date results and calculate the current quarter's rate to arrive at the year-to-date adjusted tax rate. We believe this removes significant variability in our results and creates a more operationally consistent result for our investors to use for comparability purposes. Specifically, the adoption of the FASB Update No. 2016-09 accounting standard has the effect of generating a significant tax expense benefit in each of the first three quarters of 2016. For the adjusted tax rate, we are treating this as a rate item, which is consistent with how other discrete tax expense items are handled in our current adjusted tax expense measure.

Weighted average shares used to calculate GAAP diluted EPS includes the convertible notes and warrant transactions because they are dilutive. The measure of adjusted diluted weighted average shares outstanding used to calculate adjusted diluted EPS includes the effect of the convertible notes hedge transactions, which is anti-dilutive. Integra believes the non-GAAP measure is useful for understanding the economic benefit of the convertible notes hedge transactions.

Organic revenues, adjusted EBITDA, adjusted net income, adjusted earnings per diluted share, adjusted diluted weighted average shares outstanding, free cash flow and adjusted free cash flow conversion are not calculated in accordance with GAAP, and should be considered supplemental to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. Non-GAAP financial measures have limitations in that they do not reflect all of the revenues, costs or benefits associated with the operations of the Company's business as determined in accordance with GAAP. As a result, you should not consider these measures in isolation or as a substitute for analysis of the Company's results as reported under GAAP. The Company expects to continue to acquire businesses and product lines and to incur expenses of a nature similar to many of the non-GAAP adjustments described above, and exclusion of these items from its adjusted financial measures should not be construed as an inference that all of these revenue adjustments or costs are unusual, infrequent or non-recurring. Some of the limitations in relying on the adjusted financial measures are:

- The Company periodically acquires other companies or businesses, and we expect to continue to incur acquisition-related expenses and charges in the future. These costs can directly impact the amount of the Company's available funds or could include costs for aborted deals which may be significant and reduce GAAP net income.
- The Company has initiated a long term effort to implement a global ERP system, and we expect to continue to incur significant systems implementation charges until that effort is completed. These costs can directly impact the amount of the Company's available funds and reduce GAAP net income.
- All of the adjustments to GAAP net income have been tax affected at the Company's actual tax rates. Depending on the nature of the adjustments and the tax treatment of the underlying items, the effective tax rate related to adjusted net income could differ significantly from the effective tax rate related to GAAP net income.

In the financial tables portion of the Press Release, the Company has included a reconciliation of GAAP reported revenues to organic revenues for the quarters ended September 30, 2016 and 2015 and GAAP net income to adjusted EBITDA, GAAP net income to adjusted net income, GAAP diluted weighted average shares outstanding to adjusted diluted weighted average shares outstanding, GAAP earnings per diluted share to adjusted earnings per diluted share, and GAAP operating cash flow to free cash flow and adjusted free cash flow conversion used by management for the quarters ended September 30, 2016 and 2015. Also included are reconciliations for future periods.

ITEM 7.01 REGULATION FD DISCLOSURE

On October 27, 2016, the Company issued a press release announcing that its Board of Directors (the “Board”) voted to recommend an amendment to the Company’s Amended and Restated Certificate of Incorporation to increase the total number of authorized shares of Common Stock from sixty million (60,000,000) to two-hundred and forty million (240,000,000), and effect a two-for-one stock split. The amendment is subject to approval by the Company’s stockholders. The information contained herein, including the attached press release, is furnished pursuant to Item 7.01 of Form 8-K and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934 except as may be expressly set forth by specific reference in such filing.

Item 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

99.1	Press release with attachments, dated October 27, 2016-Earnings Release
99.2	Press release dated October 27, 2016 – Increase Authorized Shares and Stock Split

SIGNATURES

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

	INTEGRA LIFESCIENCES HOLDINGS CORPORATION
Date: October 27, 2016	By: /s/ Glenn G. Coleman
	Glenn G. Coleman
	Title: Corporate Vice President and Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release with attachments, dated October 27, 2016, issued by Integra LifeSciences Holdings Corporation
99.2	Press release dated October 27, 2016 – Increase Authorized Shares and Stock Split

News Release

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Integra LifeSciences Reports Third Quarter 2016 Financial Results

Revenue Increased 10.6% *to* $250.3 million*; Organic Revenue Increased 9.5%*

Reported EPS of $0.50*; Adjusted EPS of* $0.93

Plainsboro, New Jersey / October 27, 2016 / -- Integra LifeSciences Holdings Corporation (NASDAQ: IART) today reported its financial results for the third quarter ending September 30, 2016.

Highlights:

- Third quarter revenue increased 10.6% over the prior-year quarter to $250.3 million, and year-to-date revenue grew 14.8% over the prior year period;
- Organic revenue increased 9.5% over the prior-year quarter, and year-to-date organic revenue grew 9.7% over the prior-year period;
- Both GAAP and adjusted gross margin increased 230 basis points over the prior-year quarter to 64.3% and 69.3%, respectively;
- GAAP net income increased to $20.1 million, or $0.50 per share, versus a loss of $31.9 million in the third quarter of 2015;

- Adjusted net income increased 33.7% to $36.1 million and adjusted earnings per share of $0.93 increased 24%, compared to the third quarter of 2015;

- Operating cash flow was $46.8 million in the third quarter, more than double the prior-year quarter; free cash flow conversion exceeded 75% on a trailing twelve-month basis; and,

- The Company is maintaining its previously issued 2016 full-year sales guidance range of $992 million to $1.002 billion, raising organic growth guidance to a range of 9.0% to 9.5% and increasing the low end of its diluted adjusted EPS guidance by $0.04 to a new range of $3.47 to $3.53.

Total revenues for the third quarter were $250.3 million, reflecting an increase of $24.0 million, or 10.6%, over the third quarter of 2015. Both global segments contributed to the growth, with revenue in Orthopedics and Tissue Technologies and Specialty Surgical Solutions increasing by 14.7% and 8.4%, respectively, compared to the prior year.

Excluding the revenue contribution from acquisitions, discontinued products, and the effect of currency exchange rates, revenues increased 9.5% over the third quarter of 2015.

"We are seeing consistent and solid organic growth across both our global segments driven by our differentiated products, leading brand positions, new product introductions and end market growth," said Peter Arduini, Integra's President and Chief Executive Officer. "Double-digit growth outside the United States in both segments reflects improved execution of our international strategy."

The Company reported GAAP net income of $20.1 million, or $0.50 per diluted share, for the third quarter of 2016, compared to a GAAP net loss of $31.9 million, or $0.90 per diluted share, for the third quarter of 2015. Results for the third quarter of 2015 included a $35.6 million non-cash tax charge to establish a valuation allowance for certain deferred tax assets associated with the SeaSpine separation.

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

Adjusted net income for the third quarter of 2016 was $36.1 million, or $0.93 per share, compared to adjusted net income of $27.0 million, or $0.75 per share, in the third quarter of 2015.

Adjusted EBITDA for the third quarter of 2016 was $58.6 million, or 23.4% of revenue, compared to $47.7 million, or 21.1% of revenue, in the third quarter of 2015.

Operating cash flow for the third quarter was $46.8 million, more than double the prior-year period. Trailing twelve month adjusted free cash flow conversion ended September 30, 2016, was 75.6%, versus 73.4% in the prior year.

Outlook for 2016

Based on third quarter results, the Company is maintaining its full-year 2016 revenue guidance in the range of $992 million to $1.002 billion. Guidance for full-year 2016 organic revenue growth is being increased to a new range of 9.0% to 9.5%, up from 9% previously. The Company is raising the low end of its full-year GAAP and adjusted earnings per share guidance range by $0.04, to a new range of $1.82 - $1.88 and $3.47 - $3.53, respectively, mainly due to a lower effective tax rate.

"We executed on our operational and financial plans in the third quarter, which drove double-digit revenue growth, a record adjusted gross margin, EBITDA margin expansion of 230 basis points and over 20% improvement in adjusted earnings per share," said Glenn Coleman, Integra's Chief Financial Officer. "We are on track to meet our full-year 2016 financial objectives and are well positioned to achieve the 2018 financial targets provided at our analyst meeting last November."

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

Conference Call and Presentation Available Online

Integra has scheduled a conference call for 4:30 PM ET today, Thursday, October 27, 2016, to discuss financial results for the third quarter and forward-looking financial guidance. The conference call will be hosted by Integra's senior management team and will be open to all listeners. Additional forward-looking information may be discussed in a question and answer session following the call.

Integra's management team will reference a presentation during the conference call. That presentation can be found on the Investor section of the website at investor.integralife.com.

Access to the live call is available by dialing (719) 325-2186 and using the passcode 8072850. The call can also be accessed through a webcast via a link provided on the Investor Relations homepage of Integra's website at investor.integralife.com. Access to the replay is available through November 1, 2016, by dialing (719) 457-0820 and using the passcode 8072850. The webcast will also be archived on the website.

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Integra LifeSciences, a world leader in medical technology, is dedicated to limiting uncertainty for clinicians, so they can concentrate on providing the best patient care. Integra offers innovative solutions, including leading plastic and regenerative technologies, in specialty surgical solutions and orthopedics and tissue technologies. For more information, please visit www.integralife.com.

This news release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties, and reflects the Company's judgment as of the date of this release. Forward-looking statements include, but are not limited to, statements concerning future financial performance, including projections for revenues, GAAP, and Adjusted Net Income from continuing operations, GAAP and adjusted earnings from continuing operations per diluted share, non-GAAP adjustments such as global enterprise resource planning (“ERP”) system implementation charges, acquisition-related charges, impairment charges, noncash amortization of imputed interest for convertible debt, intangible asset amortization, and income tax expense (benefit) related to non-GAAP adjustments. Such forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from predicted or expected results. Such risks and uncertainties include, but are not limited, to the Company's ability to execute its operating plan effectively, the Company's ability to obtain or manufacture and ship sufficient quantities of its products to meet its customers' demand; the ability of third-party suppliers to supply us with raw materials and finished products; global macroeconomic and political conditions; the Company's ability to manage its direct sales channels effectively; the Company's ability to maintain relationships with customers of acquired entities; physicians' willingness to adopt and third-party payers' willingness to provide reimbursement for the Company's existing, recently launched and planned products; initiatives launched by the Company's competitors; downward pricing pressures from customers; the Company's ability to secure regulatory approval for products in development; the Company's ability to remediate quality systems issues and violations; fluctuations in hospital spending for capital equipment; the Company's ability to comply with and obtain approvals for products of human origin and comply with regulations regarding products containing materials derived from animal sources; difficulties in controlling expenses, including costs to procure and manufacture raw materials and products; the impact of changes in management or staff levels; the Company's ability to integrate acquired businesses; the impact of goodwill and intangible asset impairment charges if future operating results of acquired businesses are significantly less than the results anticipated at the time of the acquisitions; the Company's ability to leverage its existing selling organizations and administrative infrastructure; the Company's ability to increase product sales and gross margins, effectively manage inventory levels and control non-product costs; the Company’s ability to achieve anticipated growth rates, margins and scale and execute its strategy generally; the amount and timing of acquisition and integration-related costs; the geographic distribution of where the Company generates its taxable income; the effect of legislation effecting healthcare reform in the United States and internationally; fluctuations in foreign currency exchange rates; the amount of our convertible notes and bank borrowings outstanding and other factors influencing liquidity; and the economic, competitive, governmental, technological, and other risk factors and uncertainties identified under the heading “Risk Factors” included in Item 1A of Integra's Annual Report on Form 10-K for the year ended December 31, 2015 and information contained in subsequent filings with the Securities and Exchange Commission. These forward-looking statements are made only as of the date hereof, and the Company undertakes no obligation to update or revise the forward-looking statements, whether as a result of new information, future events, or otherwise.

Discussion of Adjusted Financial Measures

In addition to our GAAP results, we provide organic revenues, adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA"), adjusted net income, adjusted earnings per diluted share, adjusted diluted weighted average shares outstanding, free cash flow and adjusted free cash flow conversion. Organic revenues consist of total revenues excluding the effects of currency exchange rates, acquired revenues and product discontinuances. Adjusted EBITDA consists of GAAP net income from continuing operations, excluding: (i) depreciation and amortization; (ii) other income (expense); (iii) interest income and expense; (iv) income taxes; and (v) those operating expenses also excluded from adjusted net income. The measure of adjusted net income consists of GAAP net income from continuing operations, excluding: (i) global enterprise resource planning ("ERP") implementation charges; (ii) structural optimization charges; (iii) post-spin SeaSpine separation related charges; (iv) certain employee severance charges; (v) acquisition-related charges; (vi) convertible debt non-cash interest; (vii) intangible asset amortization expense; and (viii) income tax impact from adjustments and other items. The measure of adjusted diluted weighted average shares outstanding is calculated by adding the economic benefit of the convertible note hedge transactions relating to Integra's 2016 convertible notes. The adjusted earnings per diluted share measure is calculated by dividing adjusted net income attributable to diluted shares by adjusted diluted weighted average shares outstanding. The measure of free cash flow consists of GAAP net cash provided by continuing operating activities from continuing operations less purchases of property and equipment. The adjusted free cash flow conversion measure is calculated by dividing free cash flow by adjusted net income.

Reconciliations of GAAP revenues to adjusted revenues and GAAP Adjusted Net Income from continuing operations to adjusted EBITDA, and adjusted net income, and GAAP earnings per diluted share to adjusted earnings per diluted share all for the three and nine months ended September 30, 2016 and 2015, and the free cash flow and free cash flow conversion for the nine months ended September 30, 2016 and 2015 and the twelve months ended September 30, 2016 and 2015, appear in the financial tables in this release.

The Company believes that the presentation of organic revenues and the various adjusted EBITDA, adjusted net income, adjusted earnings per diluted share, adjusted diluted weighted average shares outstanding, free cash flow and free cash flow conversion measures provide important supplemental information to management and investors regarding financial and business trends relating to the Company's financial condition and results of operations. For further information regarding why Integra believes that these non-GAAP financial measures provide useful information to investors, the specific manner in which management uses these measures, and some of the limitations associated with the use of these measures, please refer to the Company's Current Report on Form 8-K regarding this earnings press release filed today with the Securities and Exchange Commission. This Current Report on Form 8-K is available on the SEC's website at www.sec.gov or on our website at www.integralife.com.

INTEGRA LIFESCIENCES HOLDINGS CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(UNAUDITED)

(In thousands, except per share amounts)

	Three Months Ended September 30,	
	2016	2015
Total revenues, net	$ 250,332	$ 226,367
Costs and expenses:		
Cost of goods sold	89,329	86,069
Research and development	15,124	13,938
Selling, general and administrative	112,317	113,424
Intangible asset amortization	3,467	2,942
Total costs and expenses	220,237	216,373
Operating income	30,095	9,994
Interest income	2	5
Interest expense	(6,295)	(6,464)
Other income (expense), net	1,192	1,827
Income from continuing operations before taxes	24,994	5,362
Income tax expense	4,850	37,243
Net income (loss)	$ 20,144	$ (31,881)
Net income (loss) per share:		
Diluted net income (loss) per share	$ 0.50	$ (0.90)
Weighted average common shares outstanding for diluted net income per share	40,516	35,279

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

(In thousands)

	Three Months Ended September 30,		
	2016	2015	Change
Specialty Surgical Solutions	$159,409	$147,085	8.4%
Orthopedics and Tissue Technologies	90,923	79,282	14.7%
Total revenue	$250,332	$226,367	10.6%
Impact of changes in currency exchange rates	$359	$—	
Less contribution of revenues from acquisitions*	(5,154)	—	
Less contribution of revenues from discontinued products	(1,165)	(3,189)	(63.5)%
Total organic revenues	$244,372	$223,178	9.5%

* Acquisitions include Salto, Tekmed, and a partial quarter of TEI.

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

(In thousands)

Three Months Ended September 30, 2016

Item	Total Amount	COGS(a)	SG&A(b)	R&D(c)	Amort.(d)	OI&E(e)	Tax(f)
Global ERP implementation charges	$3,366	$—	$3,366	$—	$—	$—	$—
Structural optimization charges	1,993	1,133	860	—	—	—	—
Acquisition-related charges	4,935	4,570	165	200	—	—	—
Certain employee severance charges	153	(41)	194	—	—	—	—
Intangible asset amortization expense	10,316	6,849	—	—	3,467	—	—
Convertible debt noncash interest	2,132	—	—	—	—	2,132	—
Estimated income tax impact from above adjustments and other items	(6,938)	—	—	—	—	—	(6,938)
Total adjustments	$15,957	$12,511	$4,585	$200	$3,467	$2,132	$(6,938)
Depreciation expense	7,770	—	—		—	—	—

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

Three months ended September 30, 2015

(In thousands)

Item	Total Amount	COGS (a)	SG&A (b)	Amort. (c)	OI&E (d)	Tax (e)
Global ERP implementation charges	$4,468	$—	$4,468	$—	$—	$—
Structural optimization charges	8,539	1,942	6,597	—		—
Acquisition-related charges	5,061	2,763	2,298	—	—	—
Post-Spin SeaSpine separation-related charges	3,356	—	3,356	—	—	—
Intangible asset amortization expense	9,574	6,632	—	2,942	—	—
Convertible debt noncash interest	2,142	—	—	—	2,142	—
Estimated income tax impact from above adjustments and other items	25,701	—	—	—	—	25,701
Total adjustments	$58,841	$11,337	$16,719	$2,942	$2,142	$25,701

Depreciation expense	6,659	—	—	—	—	—
Stock-based compensation expense	—	—	—	—	—	—

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

RECONCILIATION OF NON-GAAP ADJUSTMENTS - GAAP NET INCOME FROM CONTINUNG OPERATIONS TO ADJUSTED EBITDA
(UNAUDITED)

(In thousands, except per share amounts)

	Three Months Ended September 30,	
	2016	2015
GAAP net income from continuing operations	$ 20,144	$ (31,881)
Non-GAAP adjustments:		
Depreciation and intangible asset amortization expense	18,086	16,233
Other (income) expense, net	(1,192)	(1,827)
Interest expense, net	6,293	6,459
Income tax expense	4,850	37,243
Global ERP implementation charges	3,366	4,468
Structural optimization charges	1,993	8,539
Acquisition-related charges	4,935	5,061
Certain employee severance charges	153	—
Post-spin SeaSpine separation-related charges	—	3,356
Total of non-GAAP adjustments	38,484	79,532
Adjusted EBITDA	$ 58,628	$ 47,651

RECONCILIATION OF NON-GAAP ADJUSTMENTS - GAAP NET INCOME FROM CONTINUING OPERATIONS TO MEASURES OF ADJUSTED NET INCOME AND ADJUSTED EARNINGS PER SHARE
(UNAUDITED)

(In thousands, except per share amounts)

	Three Months Ended September 30,	
	2016	2015
GAAP net income from continuing operations	$ 20,144	$ (31,881)
Non-GAAP adjustments:		
Global ERP implementation charges	3,366	4,468
Structural optimization charges	1,993	8,539
Acquisition-related charges	4,935	5,061
Certain employee severance charges	153	—
Post-spin SeaSpine separation-related charges	—	3,356
Intangible asset amortization expense	10,316	9,574
Convertible debt noncash interest	2,132	2,142
Estimated income tax impact from adjustments and other items	(6,938)	25,701
Total of non-GAAP adjustments	15,957	58,841
Adjusted net income	$ 36,101	$ 26,960
Adjusted diluted net income per share	$0.93	$0.75
Weighted average common shares outstanding for diluted net income per share	40,516	35,279
Non-GAAP adjustments for dilutive effects of equity awards	—	1,157
Weighted average common shares outstanding adjustment for economic benefit of convertible bond hedge transactions	(1,588)	(674)
Weighted average common shares outstanding for adjusted diluted net income per share	38,928	35,762

CONDENSED BALANCE SHEET DATA
(UNAUDITED)

(In thousands)

	September 30, 2016	December 31, 2015
Cash and cash equivalents	$ 107,598	$ 48,132
Accounts receivable, net	140,750	132,241
Inventories, net	219,671	211,429
Bank line of credit	462,500	496,250
Convertible securities	225,248	218,240
Stockholders' equity	823,427	751,443

CONDENSED STATEMENT OF CASH FLOWS
(UNAUDITED)

(In thousands)

	Nine Months Ended September 30,	
	September 30, 2016	September 30, 2015
Net cash provided by operating activities	$ 109,876	$ 79,214
Net cash used in investing activities	(21,480)	(334,192)
Net cash (used in) provided by financing activities	(28,879)	265,902
Effect of exchange rate changes on cash and cash equivalents	(51)	(3,347)
Net increase in cash and cash equivalents	**59,466**	**7,577**

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

(In thousands)

	Three Months Ended September 30,	
	2016	2015
GAAP net cash provided by continuing operating activities	$ 46,766	$ 19,613
Purchases of property and equipment from continuing operations	(6,974)	(5,361)
Free cash flow	39,792	14,252
Adjusted net income *	$ 36,101	$ 26,960
Adjusted free cash flow conversion	110.2%	52.9%

	Twelve Months Ending September 30,	
	2016	2015
GAAP net cash provided by continuing operating activities	$ 135,515	$ 109,643
Purchases of property and equipment from continuing operations	(39,235)	(31,547)
Free cash flow	96,280	78,096
Adjusted net income *	$ 127,362	$ 106,427
Adjusted free cash flow conversion	75.6%	73.4%

* Adjusted net income for quarters ended September 30, 2016 and 2015 are reconciled above. Adjusted net income for remaining quarters in the trailing twelve months calculation have been previously reconciled and are publicly available in the Quarterly Earnings Call Presentations and the Historical Financial Results: Continuing Operations presentation on our website at investor.integralife.com under Events & Presentations.

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

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

(In thousands, except per share amounts)	Recorded Year to Date September 30, 2016	Projected Year Ended December 31, 2016 Low	Projected Year Ended December 31, 2016 High
GAAP net income	$ 46,316	$ 72,080	$ 74,380
Non-GAAP adjustments:			
Global ERP implementation charges	12,386	15,000	15,000
Structural optimization charges	5,540	10,500	10,500
Acquisition-related charges	16,996	19,000	19,000
Certain employee severance charges	1,420	1,420	1,420
Intangible asset amortization expense	31,204	42,000	42,000
Convertible debt non-cash interest	6,300	8,100	8,100
Estimated income tax impact from adjustments and other items	(25,559)	(34,000)	(34,000)
Total of non-GAAP adjustments	48,287	62,020	62,020
Adjusted net income	$ 94,603	$ 134,100	$ 136,400
GAAP diluted net income per share	$1.18	$1.82	$1.88
Non-GAAP adjustments detailed above (per share)	$1.29	$1.65	$1.65
Adjusted diluted net income per share	$2.47	$3.47	$3.53
Weighted average common shares outstanding for diluted net income per share	39,402	39,600	39,600
Weighted average common shares outstanding adjustment for convertible dilution	(1,128)	(1,000)	(1,000)
Weighted average common shares outstanding for adjusted diluted net income per share	38,274	38,600	38,600

GUIDANCE - SPECIAL CHARGES

Item	**YTD Amount**	**FY Guidance**	**COGS**	**SG&A**	**R&D**	**Amort.**	**Interest (Inc)Exp**	**Tax**
Global ERP implementation charges	$ 12,386	$ 15,000	$ —	$ 15,000	$ —	$ —	$ —	$ —
Structural optimization charges	5,540	10,500	5,000	5,500	—	—		
Acquisition-related charges	16,996	19,000	14,000	4,800	200	—	—	—
Certain employee severance charges	1,420	1,420		1,420	—	—	—	—
Intangible asset amortization expense	31,204	42,000	28,000	—	—	14,000	—	—
Convertible debt non-cash interest	6,300	8,100	—	—	—	—	8,100	—
Estimated income tax impact from adjustments and other items	(25,559)	(34,000)	—	—	—	—	—	(34,000)
Total	48,287	62,020	47,000	26,720	200	14,000	8,100	(34,000)

Source: Integra LifeSciences Holdings Corporation

News Release

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Integra LifeSciences Announces Plans for a Two-For-One Stock Split and Increase in Authorized Shares

Plainsboro, New Jersey / October 27, 2016 – Integra LifeSciences Holdings Corporation (NASDAQ: **IART** - **news**) today announced that its Board of Directors has recommended an increase in the number of authorized shares and a two-for-one stock split.

"The recommendation from the board of directors acknowledges the inflection point the Company has gone through and demonstrates their confidence in our long-term outlook," said Peter Arduini, President and Chief Executive Officer, Integra Lifesciences. "This is the first increase in authorized shares in our 20-year history as a public company," continued Mr. Arduini. "This authorization enhances our capital flexibility and better positions the Company for long-term growth."

Stockholder approval is required for the proposal to amend the Company's Amended and Restated Certificate of Incorporation to increase the number of authorized shares of common stock from 60,000,000 to 240,000,000 shares for the purpose of, among other things, effecting a two-for-one stock split (the "Amendment"). A special meeting of stockholders is expected to be held on Wednesday, December 21, 2016 at the Company's Corporate Headquarters, 315 Enterprise Drive, Plainsboro, New Jersey.

If approved, the Company currently anticipates filing the Amendment with the Delaware Secretary of State on December 21, 2016 Holders of shares of the Company's common stock at the time of the filing of the Amendment with the Delaware Secretary of State will be entitled to receive new shares, which are expected to be distributed on or about January 3, 2017.

Integra LifeSciences does not expect the stock split or increase in authorized shares to have any impact on 2016 financial performance.

About Integra

Integra LifeSciences, a world leader in medical technology, is dedicated to limiting uncertainty for caregivers, so they can concentrate on providing the best patient care. Integra offers innovative solutions, including leading regenerative technologies, in specialty surgical solutions, orthopedics and tissue technologies. For more information, please visit **www.integralife.com**.

Forward-Looking Statements

This news release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties and reflect Integra LifeSciences' judgment as of the date of this release. Such forward-looking statements involve risks and uncertainties that could cause actual results to differ from predicted results. These risks and uncertainties include market conditions and other factors beyond Integra LifeSciences' control and the economic, competitive, governmental, technological and other factors identified under the heading "Risk Factors" included in item 1A of Integra LifeSciences' Annual Report on Form 10-K for the year ended December 31, 2015, and information contained in subsequent filings with the Securities and Exchange Commission could affect actual results. These forward-looking statements are made only as the date thereof, and Integra LifeSciences undertakes no obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.