



Integra LifeSciences Announces Acquisition of Padgett Instruments, Inc.

Plainsboro, NJ / October 22, 2002 / -- Integra LifeSciences Holdings Corporation (NASDAQ: IART - news) announced today that it has acquired Padgett Instruments, Inc., a marketer of instruments used in reconstructive and plastic surgery, for \$9.7 million in cash. Padgett, which is based in Kansas City, Missouri, markets a wide variety of high quality, reusable surgical instruments to plastic and reconstructive surgeons, burn surgeons, ENT surgeons, hospitals, surgery centers, and other physicians. These products are sold in the United States through a five-person direct sales force and through certain distributors and OEM accounts. Internationally, the products are sold through distributors.

Joel Waldman, President and owner of Padgett, will remain with the Company for one year to assist with the integration of Padgett into Integra. Padgett will continue to distribute its products from its Kansas City facility while Integra reviews the potential for cost reductions by combining certain of Padgett's operations with Integra's Redmond™-Ruggles™ instrument business.

Revenues of the acquired business were approximately \$4.9 million in 2001 and \$3.4 million for the eight months ended August 31, 2002. Earnings before interest, taxes, depreciation and amortization (EBITDA), as adjusted for certain expenses that will not be incurred under Integra's ownership, were approximately \$1.1 million in 2001. Following the acquisition, the financial results of the Padgett business will be included in the Integra NeuroSciences division.

"Padgett is an established and recognized name in the reconstructive and plastic surgery instrument market place," said Stuart M. Essig, Integra's President and Chief Executive Officer. "This acquisition will broaden our existing customer base of surgeons and allow us to expand into new market segments involving procedures that could benefit from innovative new products such as our NeuraGen™ Nerve Guide. In addition, the Padgett business provides a future distribution outlet for the surgical plating and screw products under development at our recently acquired Integra Signature Technologies business. Finally, we hope to gain operational efficiencies from the combination of the Padgett instrument line with our existing neurosurgical instrument line."

"We are excited to become part of the Integra family," said Mr. Waldman. "The key to success in our business has been to stay focused on the surgeon and provide solutions to their instrument needs. Integra offers us additional knowledge and resources to develop new and innovative products and to continue to provide our customers with excellent service."

This acquisition is expected to be accretive to Integra's earnings in 2003. Gross margins for the business are in line with existing Integra Neurosciences product lines. Additional forward-looking information about this acquisition will be discussed on Integra's conference call following the release of third quarter 2002 earnings on November 4, 2002.

Integra LifeSciences Holdings Corporation develops, manufactures and markets medical devices, implants and biomaterials primarily used in the treatment of cranial and spinal disorders, soft tissue repair and orthopedics. Integra is a leader in applying the principles of biotechnology to medical devices that improve patients' quality of life. Integra has its corporate headquarters in Plainsboro, New Jersey, with manufacturing and research facilities located throughout the world. Integra has approximately 750 permanent employees. Please visit the Company's Website at (<http://www.Integra-LS.com>).

Clery & Oxford Associates of Alexandria, Virginia advised Padgett Instruments, Inc. in connection with this transaction.

This news release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, but are not limited to, statements concerning Integra's expectations for its ability to expand its existing product lines into new market segments, to distribute its surgical plating and screw products through the acquired Padgett sales and distribution channels, and to achieve operational efficiencies from the combination of the Padgett instrument line with its existing neurosurgical instrument line. Such forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from predicted or expected results. Among other things, the willingness of physicians to adopt new products may affect Integra's ability to expand its existing product lines into new market segments, Integra's ability to complete the development of its surgical plating and screw product lines may affect its ability to sell such products through the acquired sales and distribution channels, and the marketing and distribution strategies specific to products sold by Padgett may affect Integra's ability to achieve operational efficiencies from the combination of the Padgett instrument line with its existing neurosurgical instrument line. In addition, the economic, competitive, governmental, technological and other factors identified under the heading "Risk Factors" included in the Business section of Integra's Annual Report on Form 10-K for the year ended December 31, 2001 and information contained in subsequent filings with the Securities and Exchange Commission could affect actual results.

Source: Integra LifeSciences Holdings Corporation

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