# 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): April 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 April 27, 2016, Integra LifeSciences Holdings Corporation (the “Company”) issued a press release announcing financial results for the quarter ended March 31, 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 March 31, 2016 and 2015, GAAP net income to adjusted earnings before interest, taxes, depreciation and amortization (“EBITDA”) for the quarters ended March 31, 2016 and 2015, GAAP net income to adjusted net income for the quarters ended March 31, 2016 and 2015, GAAP diluted weighted average shares outstanding to adjusted diluted weighted average shares outstanding for the quarters ended March 31, 2016 and 2015, GAAP earnings per diluted share to adjusted earnings per diluted share for the quarters ended March 31, 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 March 31, 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) certain employee severance charges; (iv) acquisition-related charges; (v) convertible debt non-cash interest; (vi) intangible asset amortization expense; and (vii) 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 and warrant 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 March 31, 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.

- 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) Adjustments to income tax expense in the current quarter for the cumulative impact in that quarter of changes in income tax rates (statutory and estimated effective tax rates) and certain other infrequently occurring items that relate to prior periods. Management excludes these items when evaluating the Company's current quarter operating performance because the cumulative impact in the current quarter of these items applies to prior periods and thus distorts the Company's adjusted income tax rate in the current quarter. The year-to-date adjusted net income and adjusted diluted earnings per share measures are not adjusted by these items, as the cumulative impact is properly reflected in the year-to-date adjusted results.

The measure of adjusted diluted weighted average shares outstanding gives effect to the convertible notes hedge and warrant transactions, which reduce the potential dilutive effect of the 2016 Convertible Notes. The convertible notes hedge and warrant transactions are excluded from weighted average shares used to calculate GAAP diluted EPS because they are anti-dilutive. Integra believes the non-GAAP measure is useful for understanding the economic benefit of the convertible notes hedge and warrant 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 quarter ended March 31, 2016 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 March 31, 2016 and 2015. Also included are reconciliations for future periods.

**ITEM 7.01 REGULATION FD DISCLOSURE**

Attached as Exhibit 99.1, and incorporated into this Item 7.01 by reference, is the Press Release issued on April 27, 2016 by the Company.

**Item 9.01 FINANCIAL STATEMENTS AND EXHIBITS**

**(d) Exhibits**

| | |
|---|---|
| 99.1 | Press release with attachments, dated April 27, 2016, issued by Integra LifeSciences Holdings Corporation |

## 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: April 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 April 27, 2016, issued by Integra LifeSciences Holdings Corporation |

## *News Release*


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# *Integra LifeSciences Reports First Quarter 2016 Financial Results*

## *Revenue of $236.8 million; Organic Revenue Increased 8.9%;*

## *Adjusted Net Income Increased 15.3%; Adjusted EPS of* $0.74

Plainsboro, New Jersey / April 27, 2016 / -- Integra LifeSciences Holdings Corporation (NASDAQ: IART) today reported its financial results for the first quarter ending March 31, 2016.

**Highlights:**

- First quarter revenue increased 16.9% over the prior-year quarter to $236.8 million and organic revenue increased 8.9%;
- Adjusted gross margins reached a record high;
- Adjusted net income increased 15.3% over the prior year quarter to $27.6 million;
- Expanded product portfolio with two new licensed tissue technologies, HuMend(TM) and VolTAC(TM);
- Increasing ankle revenue expectations, inclusive of Salto Talaris (R) and Cadence(TM) Total Ankle System, to over $12 million for 2016;
- Raising 2016 full year organic sales guidance to approximately 8%; Raising low end of total revenue guidance to the range of $985 million to $1.0 billion.

Total revenues for the first quarter were $236.8 million, reflecting an increase of $34.2 million, or 16.9%, over the first quarter of 2015. This reflects strong performance in both business segments, with Orthopedics and Tissue Technologies revenue increasing 37.0% and Specialty Surgical Solutions revenue increasing 7.9%.

Excluding the contribution of revenues from acquisitions, discontinued products and the effect of currency exchange rates, revenues increased 8.9% over the first quarter of 2015.

"Our Dural Repair, Precision Tools and Instruments, and Regenerative Technologies franchises posted strong performance in the first quarter and drove the organic growth results ahead of our previous guidance," said Peter Arduini, Integra's President and Chief Executive Officer. "We are continuing to make investments in product development and commercialization, and plan to introduce new products such as Omnigraft(TM) for diabetic foot ulcers and Cadence(TM) for total ankle arthroplasty, later this year."

The Company reported GAAP net income of $11.6 million, or $0.31 per diluted share, for the first quarter of 2016 compared to GAAP net income of $11.7 million, or $0.35 per diluted share, for the first quarter of 2015.

Results for the first quarter of 2016 include the addition of 3.8 million shares issued in an equity offering in August 2015.

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

Adjusted net income for the first quarter of 2016 was $27.6 million, or $0.74 per share, compared to adjusted net income of $24.0 million, or $0.72 per share, in the first quarter of 2015.

Adjusted EBITDA for the first quarter of 2016 was $52.1 million, or 22.0% of revenue, compared to $43.6 million, or 21.5% of revenue, in the prior year's first quarter.

Adjusted free cash flow conversion for the trailing twelve months ended March 31, 2016 was 55.2% versus 48.5% in the prior year trailing twelve-month period.

**Outlook for 2016**

Based upon the first quarter's result, the Company is raising the low end of its full-year 2016 revenue guidance to a new range of $985 million to $1.0 billion, up from prior guidance of $975 million to $1.0 billion. The Company also is raising its full-year 2016 organic revenue growth to approximately 8% from its previous guidance of approximately 7%. The Company is adjusting the low end of its full-year adjusted earnings per share guidance range to $3.38 - $3.50 from $3.35 - $3.50. The Company's GAAP EPS guidance is now $1.73 to $1.85.

"Our strong financial performance in the first quarter gives us the confidence to increase our organic revenue growth target for the full-year," said Glenn Coleman, Integra's Chief Financial Officer. "We are also making significant selling, marketing, clinical and product development investments, concentrated in the first half of the year, which we expect will lead to greater margin expansion in the back half of 2016."

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 8:30 AM ET today, Wednesday, April 27, 2016, to discuss financial results for the first 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, which can be found on the Investor section of the website at investor.integralife.com.

Access to the live call is available by dialing (800) 344-6698 and using the passcode 9747569. 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 May 2, 2016 by dialing (719) 457-0820 and using the passcode 9747569. 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, 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, non-cash amortization of imputed interest for convertible debt, intangible asset amortization, and income tax expense (benefit) related to non-GAAP adjustments. Such forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from predicted or expected results. Such risks and uncertainties include, but are not limited to 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 payors' 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, (v) and 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) certain employee severance charges; (iv) acquisition-related charges; (v) convertible debt non-cash interest; (vi) intangible asset amortization expense; and (vii) 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 and warrant 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 months ended March 31, 2016 and 2015, and the free cash flow and free cash flow conversion for the three months ended March 31, 2016 and 2015 and the twelve months ended March 31, 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 March 31, | |
|---|---|---|
| | 2016 | 2015 |
| Total revenues, net | $ 236,770 | $ 202,534 |
| Costs and expenses: | | |
| Cost of goods sold | 84,773 | 75,221 |
| Research and development | 14,451 | 11,079 |
| Selling, general and administrative | 111,956 | 93,265 |
| Intangible asset amortization | 3,471 | 1,729 |
| Total costs and expenses | 214,651 | 181,294 |
| Operating income | 22,119 | 21,240 |
| Interest income | 6 | 5 |
| Interest expense | (6,373) | (5,472) |
| Other income (expense), net | (738) | 2,017 |
| Income from continuing operations before taxes | 15,014 | 17,790 |
| Income tax expense | 3,366 | 6,058 |
| Income from continuing operations | 11,648 | 11,732 |
| Loss from discontinued operations, (net of tax expense benefit) | $ — | $ (3,348) |
| Net income | $ 11,648 | $ 8,384 |
| Net income per share: | | |
| Income from continuing operations | 0.31 | 0.35 |
| Loss from discontinued operations | — | (0.10) |
| Net income per share | $ 0.31 | $ 0.25 |
| Weighted average common shares outstanding for diluted net income per share | 38,141 | 33,342 |

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 March 31, | | |
|---|---|---|---|
| | 2016 | 2015 | Change |
| Specialty Surgical Solutions | $151,175 | $140,058 | 8% |
| Orthopedics and Tissue Technologies | $85,595 | $62,476 | 37% |
| Total revenue | $236,770 | $202,534 | 17% |
| | | | |
| Impact of changes in currency exchange rates | $1,113 | $— | |
| Less contribution of revenues from acquisitions* | (18,635) | — | |
| Less contribution of revenues from discontinued products | (2,541) | (3,489) | (27)% |
| Total organic revenues | $216,707 | $199,045 | 8.9% |

* Acquisitions include TEI, Salto and Tekmed.

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

(In thousands)

Three Months Ended March 31, 2016

| Item | Total Amount | COGS(a) | SG&A(b) | Amort.(c) | OI&E(d) | Tax(e) |
|---|---|---|---|---|---|---|
| Global ERP implementation charges | $3,324 | $— | $3,324 | $— | $— | $— |
| Structural optimization charges | 1,709 | 985 | 724 | — | — | — |
| Acquisition-related charges | 6,041 | 3,652 | 2,389 | — | — | — |
| Certain employee severance charges | 650 | 211 | 439 | — | — | — |
| Intangible asset amortization expense | 10,536 | 7,065 | — | 3,471 | — | — |
| Convertible debt non-cash interest | 2,064 | — | — | — | 2,064 | — |
| Estimated income tax impact from above adjustments and other items | (8,347) | — | — | — | — | (8,347) |
| Total Adjustments | 15,977 | 11,913 | 6,876 | 3,471 | 2,064 | (8,347) |
| | | | | | | |
| Depreciation expense | 7,717 | — | — | — | — | — |

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

Three months ended March 31, 2015

(In thousands)

| Item | Total Amount | COGS (a) | SG&A (b) | Amort. (c) | OI&E (d) | Tax (e) |
|---|---|---|---|---|---|---|
| Global ERP implementation charges | 3,813 | — | 3,813 | — | — | — |
| Structural optimization charges | 1,777 | 1,880 | 275 | — | (378) | — |
| Acquisition-related charges | 3,094 | 1,857 | 1,237 | — | — | — |
| Certain employee severance charges | 1,046 | — | 1,046 | — | — | — |
| Intangible asset amortization expense | 5,964 | 4,235 | — | 1,729 | — | — |
| Convertible debt non-cash interest | 1,801 | — | — | — | 1,801 | — |
| Estimated income tax impact from above adjustments and other items | (5,264) | — | — | — | — | (5,264) |
| Total Adjustments | 12,231 | 7,972 | 6,371 | 1,729 | 1,423 | (5,264) |
| | | | | | | |
| Depreciation expense | 6,247 | — | — | — | — | — |

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 AND ADJUSTED EBITDA EXCLUDING STOCK-BASED COMPENSATION
(UNAUDITED)

(In thousands, except per share amounts)

| | Three Months Ended March 31, | |
|---|---|---|
| | 2016 | 2015 |
| GAAP net income from continuing operations | $ 11,648 | $ 11,732 |
| Non-GAAP adjustments: | | |
| Depreciation and intangible asset amortization expense | 18,253 | 12,212 |
| Other (income) expense, net | 738 | (2,017) |
| Interest expense, net | 6,367 | 5,467 |
| Income tax expense | 3,366 | 6,058 |
| Global ERP implementation charges | 3,324 | 3,813 |
| Structural optimization charges * | 1,709 | 2,155 |
| Acquisition-related charges | 6,041 | 3,094 |
| Certain employee severance charges | 650 | 1,046 |
| Total of non-GAAP adjustments | 40,448 | 31,828 |
| Adjusted EBITDA | $ 52,096 | $ 43,560 |

* For the Three Months Ended March 31, 2015, "Structural optimization charges" excludes $(378) already included in "Other (income) expense, net" above.

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 March 31, | |
|---|---|---|
| | 2016 | 2015 |
| GAAP net income from continuing operations | $ 11,648 | $ 11,732 |
| Non-GAAP adjustments: | | |
| Global ERP implementation charges | 3,324 | 3,813 |
| Structural optimization charges | 1,709 | 1,777 |
| Acquisition-related charges | 6,041 | 3,094 |
| Certain employee severance charges | 650 | 1,046 |
| Intangible asset amortization expense | 10,536 | 5,964 |
| Convertible debt non-cash interest | 2,064 | 1,801 |
| Estimated income tax impact from adjustments and other items | (8,347) | (5,264) |
| Total of non-GAAP adjustments | 15,977 | 12,231 |
| Adjusted net income | $ 27,625 | $ 23,963 |
| Adjusted diluted net income per share | $0.74 | $0.72 |
| Weighted average common shares outstanding for diluted net income per share | 38,141 | 33,342 |
| Weighted average common shares outstanding adjustment for convertible dilution | (653) | (30) |
| Weighted average common shares outstanding for adjusted diluted net income per share | 37,488 | 33,312 |

CONDENSED BALANCE SHEET DATA
(UNAUDITED)

(In thousands)

| | March 31, 2016 | December 31, 2015 |
|---|---|---|
| Cash and cash equivalents | $ 77,086 | $ 48,132 |
| Accounts receivable, net | 151,607 | 132,241 |
| Inventories, net | 221,978 | 211,429 |
| | | |
| Bank line of credit | 509,376 | 496,250 |
| Convertible securities | 220,626 | 218,240 |
| | | |
| Stockholders' equity | 776,387 | 751,443 |

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 March 31, 2016 | 2015 |
|---|---|---|
| GAAP Net cash provided by continuing operating activities | $ 19,171 | $ 24,891 |
| Purchases of property and equipment from continuing operations | (10,895) | (5,330) |
| Free Cash Flow | 8,276 | 19,561 |
| Adjusted net income * | $ 27,625 | $ 23,963 |
| Adjusted Free Cash Flow Conversion | 30.0% | 81.6% |

| | Twelve Months Ending March 31, 2016 | 2015 |
|---|---|---|
| GAAP Net cash provided by continuing operating activities | $ 100,973 | $ 80,978 |
| Purchases of property and equipment from continuing operations | (38,978) | (33,438) |
| Free Cash Flow | 61,995 | 47,540 |
| Adjusted net income * | $ 112,282 | $ 98,064 |
| Adjusted Free Cash Flow Conversion | 55.2% | 48.5% |

* Adjusted net income for quarters ended March 31, 2015 and 2016 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 Historical Financial Results: Continuing Operations presentation on our website integralife.com in the Investors section 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 a useful metric 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 March 31, 2016 | Projected Year Ended December 31, 2016 Low | High |
|---|---|---|---|
| GAAP net income | $ 11,648 | $ 67,650 | $ 72,150 |
| Non-GAAP adjustments: | | | |
| Global ERP implementation charges | 3,324 | 10,000 | 10,000 |
| Structural optimization charges | 1,709 | 18,000 | 18,000 |
| Acquisition-related charges | 6,041 | 17,000 | 17,000 |
| Certain employee severance charges | 650 | 650 | 650 |
| Intangible asset amortization expense | 10,536 | 42,000 | 42,000 |
| Convertible debt non-cash interest | 2,064 | 8,200 | 8,200 |
| Estimated income tax impact from adjustments and other items | (8,347) | (35,000) | (35,000) |
| Total of non-GAAP adjustments | 15,977 | 60,850 | 60,850 |
| Adjusted net income | $ 27,625 | $ 128,500 | $ 133,000 |
| GAAP diluted net income per share | $0.31 | $1.73 | $1.85 |
| Non-GAAP adjustments detailed above (per share) | $0.43 | $1.65 | $1.65 |
| Adjusted diluted net income per share | $0.74 | $3.38 | $3.50 |
| Weighted average common shares outstanding for diluted net income per share | 38,141 | 39,000 | 39,000 |
| Weighted average common shares outstanding adjustment for convertible dilution | (653) | (1,000) | (1,000) |
| Weighted average common shares outstanding for adjusted diluted net income per share | 37,488 | 38,000 | 38,000 |

| **Item** | **YTD Amount** | **FY Guidance** | **COGS** | **SG&A** | **Amort.** | **Interest (Inc)Exp** | **Tax** |
|---|---|---|---|---|---|---|---|
| Global ERP implementation charges | $ 3,324 | $ 10,000 | $ — | $ 10,000 | $ — | $ — | $ — |
| Structural optimization charges | 1,709 | 18,000 | 9,000 | 9,000 | — | — | |
| Acquisition-related charges | 6,041 | 17,000 | 13,000 | 4,000 | — | — | — |
| Certain employee severance charges | 650 | 650 | 211 | 439 | — | — | — |
| Intangible asset amortization expense | 10,536 | 42,000 | 28,000 | — | 14,000 | — | — |
| Convertible debt non-cash interest | 2,064 | 8,200 | — | — | — | 8,200 | — |
| Estimated income tax impact from adjustments and other items | (8,347) | (35,000) | — | — | — | — | (35,000) |
| **Total** | 15,977 | 60,850 | 50,211 | 23,439 | 14,000 | 8,200 | (35,000) |

*Source: Integra LifeSciences Holdings Corporation*