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): July 26, 2012

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 July 26, 2012, Integra LifeSciences Holdings Corporation (the “Company”) issued a press release announcing financial results for the quarter ended June 30, 2012 (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 adjusted revenues for the quarter ended June 30, 2012, and GAAP net income to adjusted earnings before interest, taxes, depreciation and amortization (“EBITDA”) and adjusted EBITDA excluding stock-based compensation, GAAP net income to adjusted net income, and GAAP earnings per diluted share to adjusted earnings per diluted share used by management for the quarters ended June 30, 2012 and 2011, 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, 2012. 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 adjusted revenues, adjusted EBITDA, adjusted EBITDA excluding stock-based compensation, adjusted net income and adjusted earnings per diluted share. Adjusted revenues consist of growth in total revenues excluding the effects of currency exchange rates on the current period’s revenues. The various measures of adjusted EBITDA consist of GAAP net income, excluding: (i) depreciation and amortization, (ii) other income (expense), net, (iii) interest income and expense, (iv) income taxes, (v) those operating expenses also excluded from adjusted net income and, as appropriate (vi) stock-based compensation expense. The measure of adjusted net income consists of GAAP net income, excluding: (i) Plainsboro, New Jersey manufacturing facility remediation costs; (ii) global enterprise resource planning (“ERP”) implementation charges; (iii) facility optimization charges; (iv) certain employee termination charges; (v) discontinued product lines charges; (vi) acquisition-related charges; (vii) impairment charges; (viii) European entity restructuring charges; (ix) certain executive compensation charges; (x) financing charges; (xi) convertible debt non-cash interest; (xii) intangible asset amortization expense; and (xiii) income tax impact from adjustments and other items. The adjusted earnings per diluted share measure is calculated by dividing adjusted net income attributable to diluted shares by diluted weighted average shares outstanding. Reconciliations of GAAP revenues to adjusted revenues for the quarter ended June 30, 2012 and GAAP net income to adjusted EBITDA, adjusted EBITDA excluding stock-based compensation and adjusted net income, and GAAP earnings per diluted share to adjusted earnings per diluted share for the quarters ended June 30, 2012 and 2011 appear in the financial tables in the Press Release.

The Company believes that the presentation of adjusted revenues and the various adjusted EBITDA, adjusted net income and adjusted earnings per diluted share 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 adjusted revenues, adjusted EBITDA, adjusted EBITDA excluding stock-based compensation, adjusted net income and adjusted earnings per diluted share 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 as we implement certain tax planning strategies, provides a supplemental measure of our operating results that facilitates comparability of our 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.

Adjusted revenues, adjusted EBITDA, adjusted EBITDA excluding stock-based compensation, adjusted net income and adjusted earnings per diluted share 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 adjusted revenues that we report reflects the growth in total revenues for the quarter ended June 30, 2012 adjusted for the effects of currency exchange rates on current period revenues. We provide this measure because changes in foreign currency exchange rates can distort our revenue growth 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 have no control over.

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

- Plainsboro, New Jersey manufacturing facility remediation costs. These costs represent expenses associated with remediation and related unplanned idle time and underutilization at the Plainsboro, NJ manufacturing facility. Management excludes this item when evaluating the Company's operating performance because of the infrequent nature and the magnitude of this item.
- Global ERP implementation charges. Systems 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. In addition, with the global ERP project entering the application development phase, more costs of the project will be capitalized and, therefore, are not comparable to earlier periods.
- Facility optimization charges. These charges, which include employee termination and other costs associated with exit or disposal activities, costs related to acquisition integration, costs related to transferring manufacturing and/or distribution activities to different locations, result from rationalizing and enhancing our existing manufacturing, distribution and administrative 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 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 termination charges. Certain employee termination 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 facility consolidations or manufacturing or distribution transfers. 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.

- Discontinued product lines charges. These charges represent charges taken in connection with product lines that the Company discontinues. Management excludes this item when evaluating the Company's operating performance because discontinued products do not provide useful information regarding the Company's prospects for future performance.
- Acquisition-related charges. Acquisition-related charges include 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, and in-process research and development charges when accounting rules require them to be expensed, inventory fair value purchase accounting adjustments, and legal, accounting and other outside consultants expenses directly related to acquisitions. 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 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 and acquisition transactions as well as the level of inventory on hand at the time of acquisition.
- Impairment charges. This represents impairment charges recorded against various intangible assets, including completed or core technology, customer relationships, and tradenames. Such impairments result primarily from management decisions to discontinue or significantly reduce promoting certain product lines or tradenames, the inability to incorporate existing product technologies into product development programs, and other circumstances. Management excludes this item when evaluating the Company's operating performance because of the infrequent and non-cash nature of this activity.
- European entity restructuring charges. These amounts represent charges recorded in operating or non-operating expenses such as levies and fees paid to government authorities, legal, tax, accounting and consulting fees, and foreign currency gains and losses related to intercompany loan agreements incurred directly as a result of reorganizing our European entities and transfers of business assets between these legal entities. Management excludes this item when evaluating the Company's operating performance because 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 legal entity restructuring activities.
- Certain executive compensation charges. This charge related to extending our former Chief Executive Officer's employment agreement. The charge was recognized in the second quarter of 2011 upon the grant of contract stock units that were fully vested at the time of the grant on May 17, 2011. Management excludes this item when evaluating the Company's operating performance because of the infrequent nature of this item.
- Financing charges. These amounts represent expenses incurred in connection with the refinancing of our senior credit facility in the second quarter of 2011. These expenses related to (i) the remaining unamortized balance of previously capitalized issuance costs relating to certain lenders who are no longer parties to our revised senior credit facility and (ii) a portion of the new issuance costs in connection with amending the credit facility. Management excludes this item when evaluating the Company's operating performance because of the infrequent nature of this item.
- 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 nonconvertible 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.
- Intangible asset amortization expense. Management excludes this item when evaluating the Company's operating performance because it is a non-cash 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.

Adjusted revenues, adjusted EBITDA, adjusted EBITDA excluding stock-based compensation, adjusted net income and adjusted earnings per diluted share 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 adjusted revenues for the quarter ended June 30, 2012 and GAAP net income to adjusted EBITDA and adjusted EBITDA excluding stock-based compensation, GAAP net income to adjusted net income, and GAAP earnings per diluted share to adjusted earnings per diluted share used by management for the quarters ended June 30, 2012 and 2011. 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 July 26, 2012 by the Company.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits

99.1 Press release with attachments, dated July 26, 2012, issued by Integra LifeSciences Holdings Corporation

SIGNATURES

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

INTEGRA LIFESCIENCES HOLDINGS CORPORATION

Date: July 26, 2012	By:	/s/ John B. Henneman, III
		John B. Henneman, III
	Title:	Executive Vice President, Finance and Administration, and Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release with attachments, dated July 26, 2012, issued by Integra LifeSciences Holdings Corporation

Exhibit 99.1

News Release

Contacts:

Integra LifeSciences Holdings Corporation

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Integra LifeSciences Reports Second Quarter 2012 Financial Results

Raises 2012 full-year revenue guidance

Plainsboro, New Jersey, July 26, 2012 – Integra LifeSciences Holdings Corporation (NASDAQ: IART) today reported its financial results for the second quarter ending June 30, 2012. Total revenues for the second quarter were $210.2 million, reflecting an increase of $16.8 million, or 9%, over the second quarter of 2011. Excluding the impact of currency exchange rates, revenues increased 10% over the second quarter of 2011.

The Company reported GAAP net income of $8.5 million, or $0.30 per diluted share, for the second quarter of 2012, compared to GAAP net income of $0.7 million, or $0.02 per diluted share, for the second quarter of 2011.

Net income for the second quarter of 2012 computed with the adjustments to GAAP reporting set forth in the attached reconciliation, was $21.1 million, or $0.74 per diluted share, compared to adjusted net income of $21.2 million, or $0.70 per diluted share, in the second quarter of 2011.

“We had a good quarter across all our businesses and are making solid progress against our priorities,” said Peter Arduini, President and Chief Executive Officer. “Revenues, gross margin, and earnings per share all increased both year-over-year and sequentially.”

EBITDA for the second quarter of 2012, computed with the adjustments to GAAP reporting set forth in the attached reconciliation, was $40.6 million, an increase of 7% compared to the second quarter last year. Adjusted EBITDA excluding stock-based compensation for the second quarter of 2012, computed with the adjustments to GAAP reporting set forth in the attached reconciliation, was $42.9 million, an increase of 4% compared to the second quarter last year.

During the quarter, Integra borrowed $155 million on its credit facility to fund the maturity of its 2012 Senior Convertible Notes. Of the $165 million payment at maturity, $30.6 million was classified as accreted interest and therefore classified as an operating use of cash under GAAP. Including that payment, Integra generated $2.3 million in cash flow from operations and invested $14.2 million in capital expenditures during the quarter.

Outlook for 2012

The Company increased its expectations for the full year 2012 revenues to $828—$838 million, at current exchange rates. The Company revised its GAAP earnings per diluted share for the full year of 2012 between $1.34 and $1.43 and reiterated its guidance for adjusted earnings per diluted share of between $2.97 and $3.06.

"The strong revenues in the second quarter make it more likely that we will exceed the high end of our original range for the year," said Jack Henneman, Integra's Chief Financial Officer. "That said, we expect higher expenses than originally planned through the balance of the year, particularly around our major initiatives, so we are not raising our guidance for adjusted earnings per share."

In accordance with our usual practice, expectations for financial performance do not include the impact of acquisitions or other strategic corporate transactions that have not yet closed.

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

Integra has scheduled a conference call for 8:30 AM ET today to discuss financial results for the second 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.

Access to the live call is available by dialing 719-457-2698 and using the passcode 2559486. 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 August 9, 2012 by dialing 719-457-0820 and using the passcode 2559486. The webcast will also be archived on the website.

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Integra LifeSciences, a world leader in medical devices, is dedicated to limiting uncertainty for surgeons, so they can concentrate on providing the best patient care. Integra offers innovative solutions in orthopedics, neurosurgery, spine, reconstructive and general surgery. 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 reflect 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, GAAP and adjusted earnings per diluted share, non-GAAP adjustments such as global enterprise resource planning ("ERP") system implementation charges, acquisition-related 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; global macroeconomic conditions; the effects of inventory reduction initiatives by the Company's instruments distributors; continued weakness in sales outside of the U.S. ; 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 recently launched and planned products; the Company's ability to manufacture sufficient quantities of its products to meet its customers' demand; initiatives launched by the Company's competitors; the Company's ability to secure regulatory approval for products in development; the Company's ability to remediate quality systems 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 recently enacted regulations regarding products containing materials derived from animal sources; difficulties in controlling expenses, including costs to procure and manufacture our products; the impact of changes in management or staff levels; the Company's ability to integrate acquired businesses; the Company's ability to leverage its existing selling organizations and administrative infrastructure; the Company's ability to increase product sales and gross margins, and control non-product costs; 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; fluctuations in foreign currency exchange rates; the amount of our convertible notes and bank borrowings outstanding, 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, 2011 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 adjusted revenues, adjusted earnings before interest, taxes, depreciation and amortization (EBITDA), adjusted EBITDA excluding stock-based compensation, adjusted net income and adjusted earnings per diluted share. Adjusted revenues consist of growth in total revenues excluding the effects of currency exchange rates on the current period's revenues. The various measures of adjusted EBITDA consist of GAAP net income, excluding: (i) depreciation and amortization, (ii) other income (expense), net, (iii) interest income and expense, (iv) income taxes, (v) those operating expenses also excluded from adjusted net income and, as appropriate (vi) stock-based compensation expense. The measure of adjusted net income consists of GAAP net income, excluding: (i) Plainsboro, New Jersey manufacturing facility remediation costs; (ii) global ERP implementation charges; (iii) facility optimization charges; (iv) certain employee termination charges; (v) discontinued product lines charges; (vi) acquisition-related charges; (vii) impairment charges; (viii) European entity restructuring charges; (ix) certain executive compensation charges, (x) financing charges, (xi) convertible debt non-cash interest; (xii) intangible asset amortization expense; and (xiii) income tax impact from adjustments and other items. The adjusted earnings per diluted share measure is calculated by dividing adjusted net income attributable to diluted shares by diluted weighted average shares outstanding. Reconciliations of GAAP revenues to adjusted revenues for the quarter ended June 30, 2012 and GAAP net income to adjusted EBITDA, adjusted EBITDA excluding stock-based compensation and adjusted net income, and GAAP earnings per diluted share to adjusted earnings per diluted share for the quarters ended June 30, 2012 and 2011 appear in the financial tables in this release.

Integra believes that the presentation of adjusted revenues and the various adjusted EBITDA, adjusted net income, and adjusted earnings per diluted share 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. 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 June 30, 2012	Three Months Ended June 30, 2011
Total revenues	$210,170	$193,329
Costs and expenses:		
Cost of goods sold	78,274	72,838
Research and development	13,131	12,709
Selling, general and administrative	96,097	95,732
Intangible asset amortization	4,647	4,050
Total costs and expenses	192,149	185,329
Operating income	18,021	8,000
Interest income	415	127
Interest expense	(7,103)	(6,722)
Other income (expense), net	236	593
Income before income taxes	11,569	1,998
Income tax expense	3,055	1,299
Net income	8,514	699
Diluted net income per share	$ 0.30	$ 0.02
Weighted average common shares outstanding for diluted net income per share	28,609	30,178

Listed below are the items included in GAAP revenues and GAAP net income that management excludes in computing the adjusted financial measures referred to in the text of this press release and further described under Discussion of Adjusted Financial Measures.

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

(In thousands)	Three Months Ended June 30, 2012	2011	Change
U.S. Neurosurgery	$ 42,324	$ 41,316	2%
U.S. Instruments	41,269	37,836	9%
U.S. Extremities	32,048	23,210	38%
U.S. Spine & Other	48,823	43,267	13%
International	45,706	47,700	(4)%
Total Revenue	$210,170	$193,329	9%
Impact of changes in currency exchange rates	$ 2,970	—	
Total revenues excluding the effects of currency exchange rates	$213,140	$193,329	10%

The International segment revenues reflect sales that are actively managed by our International division. This does not constitute all recorded sales outside the U.S., as some Instrument and Private Label product sales in those regions are managed by their respective U.S. divisions. Therefore, from a geographic perspective, Non-U.S. revenue (see below) exceeds that of our International segment.

Worldwide product category revenues are as follows:

(In thousands)	Three Months Ended June 30, 2012	2011	Change
WW Orthopedics*	$ 95,695	$ 81,479	17%
U.S.	80,720	66,238	22%
Non-U.S.	14,975	15,241	(2)%
WW Neurosurgery	67,775	68,174	(1)%
U.S.	42,165	41,227	2%
Non-U.S.	25,610	26,947	(5)%
WW Instruments	46,700	43,676	7%
U.S.	40,598	37,029	10%
Non-U.S.	6,102	6,647	(8)%
Total Revenue	$210,170	$193,329	9%

* The WW Orthopedics revenue category includes segment revenue from U.S. Extremities, U.S. Spine & Other, and International segment revenue related to those product areas.

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

(In thousands)	Three Months Ended June 30, 2012					
Item	Total Amount	COGS(a)	SG&A(b)	Amort.(c)	Interest Exp(Inc)(d)	Tax(e)
Plainsboro, New Jersey manufacturing facility remediation costs	$ 1,770	$ 1,770	$ —	$ —	$ —	$ —
Global ERP implementation charges	3,607	—	3,607	—	—	—
Facility optimization charges	2,984	896	2,088	—	—	—
Acquisition-related charges	1,019	1,019	—	—	—	—
Convertible debt non-cash interest	2,969	—	—	—	2,969	—
Intangible asset amortization expense	6,262	1,615	—	4,647	—	—
Estimated income tax impact from adjustments and other items	6,060	—	—	—	—	6,060
Depreciation expense	6,971					
Stock-based compensation expense	2,285					

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

Three Months Ended June 30, 2011

Item	Total Amount	COGS	SG&A	Amort.	Interest Exp(Inc)	Tax
Global ERP implementation charges	$ 2,932	$ —	$2,932	$ —	$ —	$ —
Facility optimization charges	271	271		—	—	—
Certain employee termination charges	812	—	812	—	—	—
Discontinued product lines charges	3,079	1,191	1,888	—	—	—
Acquisition-related charges	1,620	554	1,066	—	—	—
Impairment charges	2,400	1,500	—	900	—	—
European entity restructuring charges	116	—	116	—	—	—
Certain executive compensation charges	8,379	—	8,379	—	—	—
Financing charges	790	—	—	—	790	—
Convertible debt non-cash interest	1,998	—	—	—	1,998	—
Intangible asset amortization expense*	4,666	1,515	—	3,151	—	—
Estimated income tax impact from adjustments and other items	(6,547)	—	—	—	—	(6,547)
Depreciation expense**	6,246					
Stock-based compensation expense	3,450					

* For the period ending June 30, 2011, “Intangible asset amortization expense” excludes $2,400 already included in “Impairment charges” above.

** For the period ending June 30, 2011, “Depreciation expense” excludes $1,888 already included in “discontinued product line charges”

INTEGRA LIFESCIENCES HOLDINGS CORPORATION
RECONCILIATION OF NON-GAAP ADJUSTMENTS – GAAP NET INCOME TO ADJUSTED EBITDA AND ADJUSTED EBITDA EXCLUDING STOCK BASED COMPENSATION
(UNAUDITED)

(In thousands)	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011
GAAP net income	$ 8,514	$ 699
Non-GAAP adjustments:		
Depreciation and intangible asset amortization expense	13,232	10,204
Other (income) expense, net	(236)	(593)
Interest (income) expense, net	6,688	6,595
Income tax expense	3,055	1,299
Plainsboro, New Jersey manufacturing facility remediation costs	1,770	—
Global ERP implementation charges	3,607	2,932
Facility optimization charges	2,984	271
Certain employee termination charges	—	812
Discontinued product lines charges	—	3,079
Acquisition-related charges	1,019	1,620
Certain executive compensation charges	—	8,379
Impairment charges	—	2,400
European entity restructuring charges	—	116
Total of non-GAAP adjustments	32,119	37,144
Adjusted EBITDA	$40,633	$37,813
Stock-based compensation	2,285	3,450
Adjusted EBITDA excluding stock-based compensation	$42,918	$41,263

INTEGRA LIFESCIENCES HOLDINGS CORPORATION
RECONCILIATION OF NON-GAAP ADJUSTMENTS – GAAP NET INCOME TO MEASURES OF ADJUSTED NET INCOME AND ADJUSTED EARNINGS PER SHARE
(UNAUDITED)

(In thousands, except per share amounts)	Three Months Ended June 30, 2012	2011
GAAP net income	$ 8,514	$ 699
Non-GAAP adjustments:		
Plainsboro, New Jersey manufacturing facility remediation costs	1,770	—
Global ERP implementation charges	3,607	2,932
Facility optimization charges	2,984	271
Certain employee termination charges	—	812
Discontinued product lines charges	—	3,079
Acquisition-related charges	1,019	1,620
Financing charges	—	790
Certain executive compensation charges	—	8,379
Impairment charges	—	2,400
European entity restructuring charges	—	116
Convertible debt non-cash interest	2,969	1,998
Intangible asset amortization expense	6,262	4,666
Estimated income tax impact from adjustments and other items	(6,060)	(6,547)
Total of non-GAAP adjustments	12,551	20,516
Adjusted net income	$21,065	$21,215
Adjusted diluted net income per share	$ 0.74	$ 0.70
Weighted average common shares outstanding for diluted net income per share	28,609	30,178

INTEGRA LIFESCIENCES HOLDINGS CORPORATION
CONDENSED BALANCE SHEET DATA
(UNAUDITED)

(In thousands)	June 30, 2012	December 31, 2011
Cash and cash equivalents	$ 75,470	$ 100,808
Short-term investments	39,315	—
Accounts receivable, net	115,571	118,129
Inventory, net	172,541	171,261
Bank line of credit	321,875	179,688
Convertible securities	194,072	352,576
Stockholders’ equity	507,212	492,638

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

(In thousands, except per share amounts)	Recorded Year to Date June 30, 2012	Projected Year Ended December 31, 2012	
		Low	High
GAAP net income	$ 15,207	$ 38,473	$ 40,973
Non-GAAP adjustments:			
Plainsboro, New Jersey manufacturing facility remediation costs	3,405	4,140	4,140
Global ERP implementation charges	7,276	17,225	17,225
Facility optimization charges	4,620	13,180	13,180
Certain employee termination charges	501	501	501
Discontinued product lines charges	835	835	835
Acquisition-related charges	1,721	3,520	3,520
Impairment charges	141	141	141
Convertible debt non-cash interest	6,497	10,100	10,100
Intangible asset amortization expense	12,662	24,880	24,880
Estimated income tax impact from adjustments and other items	(11,810)	(27,995)	(27,995)
Total of non-GAAP adjustments	25,848	46,527	46,527
Adjusted net income	$ 41,055	$ 85,000	$ 87,500
GAAP diluted net income per share	$ 0.53	$ 1.34	$ 1.43
Non-GAAP adjustments detailed above (per share)	$ 0.91	$ 1.90	$ 1.90
Adjusted diluted net income per share	$ 1.44	$ 2.97	$ 3.06
Weighted average common shares outstanding for diluted net income per share	28,549	28,600	28,600

Items included in GAAP net income guidance and location where each item is expected to be recorded is as follows:

(In thousands)	Projected Year Ended December 31, 2012					
Item	Total Amount	COGS	SG&A	Amort.	Interest Exp(Inc)	Tax
Plainsboro, New Jersey manufacturing facility remediation costs	$ 4,140	$4,140	$ —	$ —	$ —	$ —
Global ERP implementation charges	17,225	—	17,225	—	—	—
Facility optimization charges	13,180	8,787	4,393	—	—	—
Certain employee termination charges	501	—	501	—	—	—
Discontinued product lines charges	835	835	—	—	—	—
Acquisition-related charges	3,520	3,520	—	—	—	—
Impairment charges	141	141	—	—	—	—
Convertible debt non-cash interest	10,100	—	—	—	10,100	—
Intangible asset amortization expense	24,480	6,540	—	18,340	—	—
Estimated income tax impact from adjustments and other items	(27,995)	—	—	—	—	(27,995)

Source: Integra LifeSciences Holdings Corporation