

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): March 13, 2005

INTEGRA LIFESCIENCES HOLDINGS CORPORATION
(Exact name of Registrant as specified in its charter)

Delaware (State or other jurisdiction incorporation or organization)	0-26224 (Commission File Number)	51-0317849 (I.R.S. Employer Identification No.)
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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 March 13, 2005, Integra LifeSciences Holdings Corporation issued a press release announcing financial results for the quarter and year ended December 31, 2004. 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.

The information contained in Item 2.02 of this Current Report on Form 8-K (including the press release) 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) 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.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits.

Exhibit Number	Description of Exhibit
99.1	Press release issued March 13, 2005 regarding earnings for the quarter and year ended December 31, 2004

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: March 14, 2005

By: /s/ Stuart M. Essig

Stuart M. Essig
President and Chief Executive Officer

Exhibit Index

Exhibit Number	Description of Exhibit
99.1	Press release issued March 13, 2005 regarding earnings for the quarter and year ended December 31, 2004

Contacts:

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Integra LifeSciences Reports Fourth Quarter and
Full Year 2004 Financial Results

Plainsboro, New Jersey, March 13, 2005 - Integra LifeSciences Holdings Corporation (NASDAQ: IART) today reported its fourth quarter and full year 2004 revenues and earnings. Product revenues in the fourth quarter of 2004 were \$61.8 million, reflecting an increase of \$14.9 million, or 32%, over the fourth quarter of 2003. Product revenues for the full year ended December 31, 2004 increased by \$61.8 million to \$228.5 million, a 37% increase over the prior year.

Excluding recently acquired product lines, fourth quarter 2004 product revenues increased by \$9.2 million, or 20%, over the prior year period, and full year 2004 product revenues increased by \$32.7 million, or 23%, over the prior year.

Total revenues for the quarter increased over the prior year period by \$2.8 million to \$61.8 million. Total revenues for the full year ended December 31, 2004 increased by \$44.2 million to \$229.8 million.

We reported net income of \$9.8 million, or \$0.30 per diluted share, for the fourth quarter of 2004, compared to net income of \$9.2 million, or \$0.28 per diluted share in the fourth quarter of 2003. Net income for the year ended December 31, 2004 was \$17.2 million, or \$0.55 per diluted share, compared to \$26.9 million, or \$0.86 per diluted share, for the year ended December 31, 2003.

"We are very pleased with our performance in the fourth quarter and for the year," said Stuart M. Essig, Integra's President and Chief Executive Officer. "Organic revenue growth exceeded our long-term objective of 18%, and our corporate gross margin continued to build in keeping with our expectations. More importantly, we transformed Integra LifeSciences this year in the area of information technology. Our continuing implementation of an enterprise business system will streamline our ability to grow both organically and through acquisitions and strategic partnerships. We have made good on our ambition to accelerate product development, having launched significant new products in dural regeneration, adhesion prevention, nerve repair, neuromonitoring, cranial reconstruction and shunting for normal pressure hydrocephalus. We continued to cut costs and improve margins through plant consolidations. Finally, we have focused our Reconstructive Surgery sales force on the extremities, with exciting new products in the treatment of wounds and the surgical reconstruction of the foot and ankle."

This quarter, as required by the recently adopted Emerging Issues Task Force (EITF) Issue No. 04-08, The Effect of Contingently Convertible Debt on Diluted Earnings per Share, we treated the unissued shares underlying our contingently convertible notes issued in March 2003 as if such shares were issued and outstanding, using the "if-converted" accounting method, for the purposes of calculating earnings per share. As also required by EITF 04-08, we restated diluted earnings per share for all prior periods back to the issuance of this debt to conform to this new accounting standard.

The adoption of EITF 04-08 reduced earnings per share by \$0.01 for the fourth quarter ended December 31, 2004, and by \$0.02 for both the fourth quarter and year ended December 31, 2003. It had no impact on earnings per share for the full year 2004.

Our revenues for the periods were as follows:

Three
Months
Year Ended
December
31, Ended
December
31, 2004

2003 2004
 2003 ----
 ---- ----

Product Revenue:	
Monitoring products	
\$12,517	
\$11,466	
\$48,217	
\$44,229	
Implants	
19,851	
14,325	
78,418	
53,301	
Instruments	
22,685	
15,422	
77,667	
47,168	
Private label products	
6,709	
5,648	
24,188	
21,997	
<hr/>	
<hr/>	
Total Product Revenue	
61,762	
46,861	
228,490	
166,695	
Other revenue	49
12,164	
1,335	
18,904	
<hr/>	
<hr/>	
Total Revenue	
\$61,811	
\$59,025	
\$229,825	
\$185,599	

Increased sales of our drainage systems and intracranial monitoring products, including our Camino(R) and LICOX(R) monitoring systems, provided most of the year-over-year growth in monitoring product revenues.

Continued strong year-over-year growth in sales of our DuraGen(R) Dural Graft Matrix, DuraGen Plus(TM) Dural Regeneration Matrix, and our CSF management products, and direct selling of the INTEGRA(R) Dermal Regeneration Template and INTEGRA(TM) Bilayer Matrix Wound Dressing accounted for most of the increase in implant product revenues.

Sales of recently acquired product lines contributed \$5.7 million of the year-over-year increase in instrument revenues for the fourth quarter. Increased sales of our JARIT(R) and Ruggles(TM) surgical instrument lines provided the remainder of the growth in instrument product revenues.

The increase in revenues attributable to our remaining private label products, including the Absorbable Collagen Sponge that we supply for use in Medtronic's INFUSE(TM) bone graft product, more than offset the removal of INTEGRA(R) Dermal Regeneration Template revenues from our private label products category.

Changes in foreign currency exchange rates contributed \$0.7 million to our quarterly year-over-year product revenue growth.

Gross margin on product revenues in the fourth quarter of 2004 was 62.4%. Our gross margin was positively affected by changes in the mix of our products sold during the quarter and by the resumption of direct sales of the INTEGRA(R) Dermal Regeneration Template in 2004.

Research and development expense decreased from \$4.8 million in the fourth quarter of 2003 to \$3.6 million in the current period. Selling, general and administrative expense increased by \$0.9 million to \$20.3 million in the fourth quarter of 2004, but decreased as a percentage of product revenues to 33% from 41% in the prior year period. Selling, general and administrative expense in the fourth quarter of 2004 included costs associated with the closing of our distribution facility in New Jersey and the transfer of distribution functions to Nevada, and additional spending on Integra's enterprise business system implementation and Sarbanes-Oxley 404 compliance activities.

We reported net interest income of \$95,000 in the fourth quarter of 2004, as compared to net interest income of \$81,000 in the prior year period. Other income in the fourth quarter of 2004 was \$2.3 million and included a \$1.4 million gain related to the change in the fair value of the foreign exchange collar contract we executed in November 2004 upon agreeing to acquire Newdeal Technologies SA.

Our cash and investments totaled \$196.0 million at December 31, 2004.

We are updating our expectations for total revenues, gross margin and earnings per share for 2005 and providing our initial guidance for 2006. In accordance with our usual practice, our expectations for 2005 and 2006 financial performance do not include the impact of acquisitions or other strategic corporate transactions that have not yet closed.

Total revenues in 2005 are expected to be between \$290 million and \$300 million. Total revenues in 2006 are expected to be between \$345 million and \$355 million. Consolidated gross margin is expected to increase to 64% and 66% of total revenues in 2005 and 2006, respectively. Earnings per diluted share are expected to be within a range of \$1.38 to \$1.42 per share in 2005. Earnings per diluted share are expected to be within a range of \$1.65 to \$1.75 per share in 2006. Our guidance for the first quarter of 2005 is for total revenues in the range of \$65 million to \$68 million and earnings per diluted share of \$0.29 to \$0.31. Our expectation ranges for full year 2005 and 2006 earnings per share do not reflect the impact of expensing stock options beginning July 1, 2005 under the accounting standard recently issued by the Financial Accounting Standards Board (FASB).

We have scheduled a conference call for 9:00 am EST tomorrow, March 14, 2005, to discuss the financial results for the fourth quarter of 2004 and forward-looking financial guidance. The call is open to all listeners and will be followed by a question and answer session. Access to the live call is available by dialing (973) 935-8511 or through a listen-only webcast via a link provided on the home page of Integra's website at www.Integra-LS.com. A replay of the conference call will be accessible starting one hour following the live event. Access to the replay is available through March 28, 2005 by dialing (973) 341-3080 (access code 5630772) or through the webcast accessible on our home page.

Integra LifeSciences Holdings Corporation is a diversified medical technology company that develops, manufactures, and markets medical devices for use in a variety of applications. The primary applications for our products are neuro-trauma and neurosurgery, reconstructive surgery and general surgery. Integra is a leader in applying the principles of biotechnology to medical devices that improve patients' quality of life. Our corporate headquarters are in Plainsboro, New Jersey, and we have research, manufacturing and distribution facilities located throughout the world. We have approximately 1,200 employees. Please visit our website at (<http://www.Integra-LS.com>).

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 future financial performance, including projections for revenues, gross margins, earnings per share and cash flows. Such forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from predicted or expected results. Among other things, our ability to maintain relationships with customers of acquired entities, physicians' willingness to adopt our recently launched and planned products and our ability to secure regulatory approval for products in development may adversely affect our future product revenues; our ability to increase sales and product volumes may adversely affect our future gross margins; our ability to integrate acquired businesses, increase product sales and gross margins, and control non-product costs may affect our earnings per share; and our future net income results and our ability to effectively manage working capital may affect our future cash flows. In addition, the economic, competitive, governmental, technological and other factors identified under the heading "Factors That May Affect Our Future Performance" included in the Business section of Integra's Annual Report on Form 10-K for the year ended December 31, 2003 and information contained in subsequent filings with the Securities and Exchange Commission could affect

actual results.

Regulation G, "Conditions for Use of Non-GAAP Financial Measures," and other provisions of the Securities Exchange Act of 1934, as amended, define and prescribe the conditions for the use of certain non-GAAP financial information. In this news release, we provide "quarterly year-over-year growth in product revenues excluding recently acquired product lines" and "annual year-over-year growth in product revenues excluding recently acquired product lines", which are non-GAAP financial measures. A reconciliation of these non-GAAP financial measures to the most comparable GAAP measures is provided in the tables of financial information contained at the end of this news release.

Non-GAAP financial measures should not be relied upon to the exclusion of GAAP financial measures. Management believes that these non-GAAP financial measures are important supplemental information to investors which reflect an additional way of viewing aspects of our operations that, when viewed with our GAAP results and the accompanying reconciliations, provides a more complete understanding of factors and trends affecting our ongoing business and operations. Management strongly encourages investors to review our financial statements and filed reports in their entirety and to not rely on any single financial measure. Because non-GAAP financial measures are not standardized, it may not be possible to compare these financial measures with other companies' non-GAAP financial measures having the same or similar names.

INTEGRA LIFESCIENCES HOLDINGS CORPORATION
(In thousands, except per share data)
(UNAUDITED)

STATEMENT OF OPERATIONS DATA:

Three Months Ended	December 31, 2004	2003
Product revenue	\$61,762	
Other revenue	49	
Total revenue	61,811	59,025
Cost of product revenue	23,221	20,935
Research and development	3,556	4,772
Selling, general and administrative	20,264	19,354
Amortization	1,139	968
Total costs and expenses	48,180	46,029
Operating income	13,631	12,996
Interest income, net	95	81
Other income, net	2,250	1,962
Income before income taxes	15,976	15,039
Provision for income taxes	6,137	5,867
Net income		

~~\$9,839~~ ~~\$9,172~~
~~=====~~
~~=====~~
Diluted
earnings per
share ~~\$0.30~~
~~\$0.28~~ Diluted
weighted
average
common shares
outstanding
~~34,842~~ ~~34,174~~

INTEGRA LIFESCIENCES HOLDINGS CORPORATION
(In thousands, except per share data)
(UNAUDITED)

STATEMENT OF OPERATIONS DATA:

Year Ended
December 31,
2004 2003 ---
- - - - -

Product
revenue
~~\$228,490~~
~~\$166,695~~
Other revenue
~~1,335~~ ~~18,904~~

— Total
revenue
~~229,825~~
~~185,599~~ Cost

of product
revenue
~~87,299~~ ~~70,598~~

Research and
development
~~14,121~~ ~~12,815~~

Selling,
general and
administrative
~~99,360~~ ~~59,459~~

Amortization
~~4,266~~ ~~3,080~~ —

— Total costs
and expenses
~~205,046~~
~~145,952~~

Operating
income ~~24,779~~
~~39,647~~

Interest
income, net
~~555~~ ~~471~~ Other

income, net
~~2,674~~ ~~3,071~~ —

Income before
income taxes
~~28,008~~ ~~43,189~~

Provision for
income taxes
~~10,811~~ ~~16,328~~

— Net income
~~\$17,197~~
~~\$26,861~~

=====

Diluted
earnings per
share ~~\$0.55~~

~~\$0.86~~ Diluted
weighted
average
common shares

outstanding
~~31,102 33,104~~

INTEGRA LIFESCIENCES HOLDINGS CORPORATION
(In thousands, except per share data)
(UNAUDITED)

CONDENSED BALANCE SHEET DATA:

December 31,	
December 31,	
2004 2003 --	
-- ----	
Cash	
and	
marketable	
securities,	
including	
non-current	
portion	
\$195,982	
\$206,743	
Accounts	
receivable,	
net 46,765	
28,936	
Inventory,	
net 55,947	
41,046 Total	
assets	
456,713	
412,526	
Current	
liabilities	
24,234	
20,618 Long-	
term debt	
118,900	
119,257	
Total	
liabilities	
148,890	
143,996	
Stockholders'	
equity	
307,823	
268,530	

RECONCILIATION OF NON-GAAP FINANCIAL MEASURE TO THE MOST COMPARABLE GAAP MEASURE:

- A. Quarterly year-over-year growth in product revenues excluding recently acquired product lines

Excluding recently acquired product lines, fourth quarter 2004 product revenues increased by \$9.2 million, or 20%, over the prior year period.

Quarter	
Ended	
December	
31,	
Increase	
2004 2003	
\$ % -----	
-- -----	
- -----	
----- (\$	
in	
thousands)	
Total	
product	
revenues,	
as	
reported \$	

~~61,762~~ \$
~~46,861~~
~~\$14,901~~
~~32% Less:~~
~~Product~~
~~revenues~~
~~acquired~~
~~in 2004~~
~~5,240~~
~~5,240~~ N/A
~~Product~~
~~revenues~~
~~acquired~~
~~in 2003~~
~~1,158~~ 721
~~437~~ 61%

Product
 revenues
 excluding
 acquired
 products \$
~~55,355~~ \$
~~46,140~~ \$
~~9,215~~ 20%

B. Annual year-over-year growth in product revenues excluding recently acquired product lines

Excluding recently acquired product lines, full year 2004 product revenues increased by \$32.7 million, or 23%, over the prior year.

Year Ended
 December
 31,
 Increase
 2004 2003
 \$ % -----

 ----- (\$
 in
 thousands)
 Total
 product
 revenues,
 as
 reported
 \$228,490
~~\$166,695~~
~~\$61,795~~
~~37% Less:~~
~~Product~~
~~revenues~~
~~acquired~~
~~in 2004~~
~~13,633~~
~~13,633~~ N/A
~~Product~~
~~revenues~~
~~acquired~~
~~in 2003~~
~~39,897~~
~~24,476~~
~~15,421~~ 63%

~~Product~~
~~revenues~~
~~excluding~~
~~acquired~~
~~products~~
~~\$174,960~~
~~\$142,219~~
~~\$32,741~~
~~23%~~

Source: Integra LifeSciences Holdings Corporation