

InCentive Capital

Increase of the Public Tender Offer

by

InCentive Capital Ltd, Zug

for all the publicly held

registered Shares of Sulzer Ltd, Winterthur
with a nominal value of CHF 60

On 30 March 2001 InCentive Capital Ltd ("InCentive") published a public tender offer ("Tender Offer") for all publicly held registered shares of Sulzer Ltd ("Sulzer") with a nominal value of CHF 60 each. Pursuant to the initial Tender Offer, Sulzer shareholders who tender their Sulzer shares would have received – in addition to the 2 Sulzer Medica Ltd ("Sulzer Medica") shares, which will be distributed to all Sulzer shareholders out of Sulzer's existing participation in Sulzer Medica (as described in detail in the offer prospectus of 30 March 2001 ("Offer Prospectus")) – at their discretion either of the following (net of bank commissions and federal securities transfer tax) for each Sulzer share:

- 1) CHF 410 in cash; or
- 2) 0.9 InCentive shares,

subject to adjustments and conditions as described in the Offer Prospectus.

Increase of the Offer Price

InCentive hereby increases the offer price. Pursuant to the increased Tender Offer, Sulzer shareholders who tender their Sulzer shares will – in addition to the 2 Sulzer Medica shares, which will be distributed to all Sulzer shareholders out of Sulzer's existing participation in Sulzer Medica – at their discretion now receive either of the following (net of bank commissions and federal securities transfer tax) for each Sulzer share:

- 1) CHF 430 in cash ("Cash Alternative"); or**
- 2) 1.0 InCentive share and 1.0 CVR on InCentive shares as defined below ("Share Alternative").**

For possible adjustments to the offer price and further details please see below.

CVRs

CVRs (Contingent Value Rights) on InCentive shares are securities with the purpose to protect their holders to a certain extent against the potential downside risk in holding InCentive shares. The security grants its holder the right to receive upon exercise a cash payment, if any, in an amount to be determined as described below under "Bear Spread".

The CVRs offered by InCentive will be subject to the following main terms and governed by Swiss law:

Issuer: InCentive Capital Ltd, Zug

Guarantee: The CVRs issued by InCentive will be guaranteed by J.P. Morgan and Deutsche Bank in equal shares.

Expiry Date / 13 December 2002
Exercise Date:

The CVR is European-style.
It is only exercisable on the
Expiry Date.

Relevant InCentive Price: The weighted average of all paid prices for InCentive shares at the SWX Swiss Exchange during the last five trading days prior to the Expiry Date.

Bear Spread: CHF 400 / CHF 300 Payments under the CVR will be made as follows:

- (i) no payment if the Relevant InCentive Price is above CHF 400, or
- (ii) a payment of CHF 100 if the Relevant InCentive Price is below CHF 300, or
- (iii) a payment equal to the difference between CHF 400 and the Relevant InCentive Price if the Relevant InCentive Price is between CHF 300 and CHF 400.

Adjustments: The initial terms of the CVRs will neither be adjusted for the proposed dividend payment of CHF 20 per Sulzer share nor for the proposed decrease of nominal value of CHF 19.95 per InCentive share. Any additional distribution(s) by Sulzer or InCentive prior to the settlement date will trigger an adjustment to the number of CVRs issued and, if necessary, to the related issue terms.

Dividend payments and other distributions by InCentive following the settlement date of the Tender Offer will lead to an adjustment of the Bear Spread.

Exchange Trading: The CVRs will be marketable securities. InCentive will apply for an admission of the CVRs to trading at the SWX Swiss Exchange as from the settlement date of the Tender Offer as defined in section H.5 of the Offer Prospectus.

Taxes: Neither the issuance of the CVR nor the amount paid when the CVR is exercised, is subject to the Swiss Withholding Tax. From an income tax point of view the issuance of the CVR is treated like an additional cash offer in respect of the value of the CVR; for further information please refer to E.2. of the Offer Prospectus.

**Price Adjustment, Taxes,
Other Risks connected
to the Tender Offer**

The gross amount of any distributions (incl. repayments of share capital) per Sulzer share made before the settlement date of the Tender Offer will be deducted from the Cash Alternative, except for the distribution of the 2 Sulzer Medica shares per each Sulzer share.

For Sulzer shareholders opting for the Share Alternative the aforementioned exchange ratio of 1.0 will be adjusted by taking into account any distributions (incl. repayments of share capital), except for the distribution of the 2 Sulzer Medica shares per each Sulzer share, of either Sulzer or InCentive until the settlement date of the Tender Offer. Fractions of shares, if any, will be paid in cash based on the value of the Cash Alternative.

The board of directors of Sulzer has proposed to the Sulzer annual shareholders' meeting of 19 April 2001 a dividend of CHF 20 per Sulzer share. Such dividend, if approved by the Sulzer shareholders' meeting, will be deducted from both the Cash Alternative and the Share Alternative. The board of directors of InCentive has proposed to the InCentive annual shareholders' meeting of 26 April 2001 a decrease of nominal value of CHF 19.95 per InCentive share. Such decrease, if approved by the InCentive shareholders' meeting, will somewhat increase the exchange ratio of the Share Alternative in favour of the Sulzer shareholders.

The exchange ratio of the Share Alternative will **not be adjusted** (i.e., each Sulzer share will be exchanged for 1.0 InCentive share) if (i) both the Sulzer dividend of CHF 20 per Sulzer share and the InCentive decrease of nominal value of CHF 19.95 are approved by and distributed to the respective shareholders before the settlement date of the Tender Offer and (ii) no other distributions are made by either Sulzer or InCentive before the settlement date of the Tender Offer.

	<p>For adjustments to the terms of the CVRs, see above under “CVRs”.</p> <p>Individual shareholders domiciled in Switzerland holding their Sulzer shares as part of their private property should be aware that the income tax treatment of the Cash Alternative is not certain. Special attention should be given to the information under Section E.2 of the Offer Prospectus. All Shareholders should consult professional advisors in order to review their individual tax situation.</p> <p>Shareholders considering the Share Alternative should also carefully read the general risk considerations under Section B.1 and Appendix C of the Offer Prospectus. The CVR is designed to reduce the risk of accepting the Share Alternative. If purchased and held separately of the InCentive shares, each CVR has the characteristics of a derivative financial instrument and has a high risk profile and may result, in the worst-case scenario, in the loss of the investor’s entire investment.</p>
Financing	<p>The financing of the increased Tender Offer is secured by own funds of InCentive as well as through bank financing.</p> <p>The InCentive shares needed for the Share Alternative will be issued by way of a capital increase of InCentive. InCentive’s board of directors has undertaken to initiate all necessary measures to this effect.</p> <p>The CVRs required for the Share Alternative will be issued by InCentive and guaranteed by J.P. Morgan and Deutsche Bank in equal shares.</p> <p>Sulzer Medica shares to be distributed to all Sulzer shareholders will stem from the proposed spin-off of Sulzer’s participation in Sulzer Medica referred to in Section A.4 of the Offer Prospectus.</p>
Supplement to the Report of the Review Body	<p>As Auditors recognized by the Federal Act on Stock Exchanges and Securities Trading (hereinafter the “Stock Exchange Act”) to review public offers, we have reviewed the announcement of the increase of the Tender Offer. As a supplement to our report of 29 March 2001 published in the Offer Prospectus as per 30 March 2001 – which constitutes an integrating part of this report – we consider that:</p> <ul style="list-style-type: none"> • the announcement of the increase of the Tender Offer complies with the Swiss Stock Exchanges Act and Ordinance; • the announcement of the increase of the Tender Offer is complete and accurate; • the recipients of the increased offer are treated equally; • the financing of the increased offer is assured and the necessary funds are available. In addition, InCentive Capital Ltd has taken all necessary measures to create the shares of InCentive Capital Ltd and the Contingent Value Rights described in the announcement of the increase of the Tender Offer required for the offering on the settlement date and to make the shares of Sulzer Medica Ltd available for distribution; • by application of the option pricing model Black and Scholes we estimate the theoretical value of each CVR offered by InCentive to be between CHF 15.20 and CHF 20.27. The estimations have been made assuming a range of volatility of the underlying security between 20.00% and 24.00% and a spot price of the underlying InCentive share of CHF 450. • the effects of the pre-announcement of the public tender offer according to Article 9 of the Ordinance of the Takeover Board on Public Takeover Offers are still complied with. <p>Zurich, 6 April 2001</p> <p style="text-align: right;">Ernst & Young AG</p> <p style="text-align: right;">M. Schneider F.O. Wiedmer Certified Accountant Certified Accountant</p>
Illustrative Timetable	<p>The illustrative timetable of the Tender Offer remains unchanged.</p>
Publication	<p>This amendment of the Tender Offer will be published in German in the “Neue Zürcher Zeitung” and the “Schweizerisches Handelsamtsblatt”, and in French in “Le Temps”. It will also be supplied to Bloomberg and Reuters.</p>
Sales Restrictions	<p>As the original Tender Offer, the increased Tender Offer is subject to sales restrictions, in particular with respect to the United States. The shareholders of Sulzer are asked to refer in this respect to the information on page 2 of the Offer Prospectus.</p>

Reference to the Offer Prospectus

Explicit reference is made to the Offer Prospectus, which forms an integral part with this announcement of the increase of the Tender Offer. Both documents can be obtained free of charge from Lombard Odier & Cie, Zurich branch, COFI, Sihlstrasse 20, P.O. Box, CH-8021 Zurich (Phone: +41-1-214-1336, Fax: +41-1-214-1339; e-mail: cofi.zh.prospectus@lombardodier.com). Subject to the information above relating to the increase of the offer price and all information based on it, the terms and conditions of the Tender Offer as defined in the Offer Prospectus remain unchanged.

In case of inconsistencies between the German, English and French version of this announcement of the increase of the Tender Offer, the German version shall prevail.

Applicable Law and Place of Jurisdiction

The amendment of the Tender Offer and all rights and obligations resulting there from, shall be subject to Swiss law. The Cantonal Court of Zug shall have exclusive jurisdiction.

Identification

	Security no.:	ISIN:	Telekurs/Bloomberg/Reuters:
Registered shares of Sulzer Ltd	237 645	CH 000 237 645 4	SU-N / SUN / SULZn
Registered shares of Sulzer Medica Ltd	654 485	CH 000 654 485 9	SMEN / SMEN / SMENn
Bearer shares of InCentive Ltd	286 089	CH 000 286 089 5	INC / INC / ICVZ.S

Offer Manager

Lombard Odier & Cie

Financial Advisors:

