

Pre-announcement of the Public Tender Offer

by

InCentive Capital Ltd, Zug

(InCentive Capital Ltd reserves the right to launch the public tender offer through a subsidiary it controls, in which case InCentive Capital Ltd would fully guarantee the obligations of its subsidiary.)

for all the publicly held

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

InCentive Capital Ltd, Zug ("InCentive") will launch a public tender offer in accordance with art. 22 et seq. of the Federal Act on Stock Exchanges and Securities Trading for all the publicly held registered shares of Sulzer Ltd, Winterthur ("Sulzer"), presumably on 30 March 2001.

The main terms of the public tender offer are expected to be as follows:

Offer

The offer for each Sulzer registered share with a nominal value of CHF 60 each consists of:

2 registered shares of Sulzer Medica Ltd, Winterthur with a nominal value of CHF 30 each (resulting from the spin-off of Sulzer's participation in Sulzer Medica Ltd and being distributed to all Sulzer shareholders, irrespective of whether or not they accept the tender offer).

In addition, at the option of each Sulzer shareholder, either:

- 1) CHF 410 in cash (net of bank commissions and federal securities transfer tax);
or
- 2) 0.9 bearer shares of InCentive with a nominal value of CHF 20 each.

The gross amount of any distributions (including repayments of share capital) per each Sulzer registered share made before completion of the tender offer (i.e. before the settlement date of the offer) will be deducted from the offer price, except for the distribution of the 2 registered shares of Sulzer Medica Ltd, Winterthur ("Sulzer Medica") per each Sulzer registered share referred to above.

For Sulzer shareholders opting for InCentive bearer shares the aforementioned exchange ratio of 0.9 will be adjusted by taking into account any distributions (incl. repayments of share capital), except for the distribution of the 2 registered shares of Sulzer Medica per each Sulzer registered share referred to above, of Sulzer and InCentive until completion of the tender offer. Fractions of shares will be paid in cash based on the value of the cash alternative.

Offer Period

The offer is expected to be open from 17 April 2001 to 15 May 2001, 4 pm.

InCentive reserves the right – with the approval of the Takeover Board – to extend the offer period beyond 40 trading days and/or an additional acceptance period until the day the general shareholders' meeting of Sulzer is held and the offer conditions are met.

Conditions

The tender offer is expected to be subject to the following conditions:

- a) Deletion of the provisions of the articles of incorporation of Sulzer restricting the transfer of its shares, entry of InCentive with its entire shareholding in the share register of Sulzer and deletion of §18 of the articles of incorporation of Sulzer.
- b) Amendment of §20 of the articles of incorporation of Sulzer to the effect that the board of directors shall be composed of not less than three and not more than five members, removal of the current Sulzer board members (in the event they have not submitted their resignation) and election of at least three new board members proposed by InCentive.
- c) By the end of the offer period and a possible extension period, InCentive directly or indirectly holds more than 67% of the registered shares of Sulzer.
- d) Two registered shares of Sulzer Medica (stemming from the spin-off of the Sulzer Medica participation referred to under "Offer") are distributed to the Sulzer shareholders for each Sulzer registered share as reduction of nominal share capital/dividend in kind.
- e) Sulzer Medica does not distribute until completion of the offer, either directly (e.g. by means of a dividend or repayment of nominal share capital) or indirectly (e.g. by share buy-backs), more than CHF 6 per Sulzer Medica registered share to Sulzer Medica shareholders.
- f) Sulzer does not dispose of, in whole or in part, neither its participation in Sulzer Medica nor the following divisions: Sulzer Pumps, Sulzer Chemtech, Sulzer Infra, Sulzer Textil, Sulzer Services and Equipment, Sulzer Metco, Sulzer Burckhardt, Sulzer Turbo and Turbo-machinery Services (not including the divisions already sold to MAN Aktiengesellschaft). The assets and liabilities of the aforementioned subsidiary respectively divisions of Sulzer are not affected by any overall changes in an amount in excess of CHF 100 m. No financing, financial, capital markets or mergers and acquisitions transactions are effected by Sulzer on the level of the holding, its subsidiaries or its divisions for an amount in excess of CHF 100 m in the aggregate.
- g) Until the date of the pre-announcement no litigation proceedings against Sulzer and its subsidiaries (except Sulzer Medica) have been initiated or threatened in writing which have not been made public and which are neither insured nor provisioned for in the consolidated balance sheet by Sulzer and whose amount in dispute is in excess of CHF 30 m in the aggregate; no such litigation proceedings will be initiated until the date of completion of the tender offer.
- h) InCentive obtains a ruling by the competent tax authorities to the effect that the transactions (i.e. spin-off of Sulzer Medica, completion of the tender offer and subsequent merger of InCentive with Sulzer) will essentially be tax-neutral (i.e. no taxes are incurred in excess of CHF 20 m in the aggregate).
- i) All competent Swiss and foreign authorities approve and/or grant clearance of the acquisition of Sulzer without a party being required to meet any condition or requirement giving rise to expenses and/or loss of income in excess of CHF 20 m in the aggregate. In addition, there are no other orders or directions by any court or other authority prohibiting the completion of the planned transactions (incl. the spin-off of Sulzer Medica, the repayments of nominal share capital and the completion of the tender offer).
- j) InCentive's general shareholders' meeting approves any necessary capital increase of InCentive. InCentive's board of directors has undertaken to initiate all necessary measures to this effect.

InCentive reserves the right to waive some or all of these conditions, either in whole or in part, and to withdraw the tender offer if one or more of the conditions are not met.

U.S. Sales Restrictions

The tender offer will not be made in or into the United States of America. Accordingly, copies of this pre-announcement are not being made and should not be mailed or otherwise distributed or sent in or into or from the United States of America and persons receiving this pre-announcement (including custodians, nominees and trustees) must not distribute or send them into or from the United States of America.

Information	Detailed information on the tender offer is expected to be published on 30 March 2001 in the same media.		
Identification		Securities-no.	ISIN
	Registered share of Sulzer Ltd	237'645	CH0002376454
	Registered share of Sulzer Medica Ltd	654'485	CH0006544859
	Bearer share InCentive Capital Ltd	286'089	CH0002860895
Location/Date	Zurich, 19 February 2001		
By Order	Lombard Odier & Cie		

Financial Advisors:



Lombard Odier & Cie

Deutsche Bank

