

INCENTIVE INVESTMENT JERSEY LTD  
Form SC 13D/A  
March 31, 2003

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 13D/A

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT  
TO RULE 13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO RULE 13d-2(a)

(Amendment No. 1)\*

CENTERPULSE LTD.

-----  
(Name of Issuer)

Registered Shares, par value CHF 30 per share

-----  
(Title of Class of Securities)

Not applicable\*

-----  
(CUSIP Number)

Eric Stupp  
c/o InCentive Capital Ltd.  
Baarrerstrasse 8  
6301 Zug, Switzerland

With a copy to:  
Michael S. Immordino, Esq.  
Latham & Watkins  
99 Bishopsgate  
London EC2M 3XF  
England  
(+44) 207-710-1076

-----  
(Name, Address and Telephone Number of Person Authorized to Receive Notices and  
Communications)

March 20, 2003

-----  
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box.

\* There is no CUSIP Number assigned to the Registered Shares. CUSIP No. 152005104 has been assigned to the American Depositary Shares of Centerpulse Ltd., which are quoted on the New York Stock Exchange under the symbol "CEP".

(Continued on following pages)

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CUSIP No. 152005104 \*

-----  
1. Name of Reporting Person. I.R.S. Identification No. of above person (entities only).

INCENTIVE INVESTMENT (JERSEY) LTD  
-----

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)   
(b)

-----  
3. SEC Use Only  
-----

4. Source of Funds (See Instructions)

WC  
-----

5. Check Box if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

-----  
6. Citizenship or Place of Organization

Jersey, UK  
-----

NUMBER OF	7. Sole Voting Power
SHARES	
BENEFICIALLY	0
OWNED BY	-----
EACH	8. Shared Voting Power
REPORTING	
PERSON	2,237,577
WITH	-----
	9. Sole Dispositive Power
	0
	-----
	10. Shared Dispositive Power
	2,237,577
	-----

11. Aggregate Amount Beneficially Owned by Reporting Person

2,237,577  
-----

12. Check box if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

-----  
13. Percent of Class Represented by Amount in Row (11)

18.9%  
-----

14. Type of Reporting Person (See Instructions)

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IV

\* There is no CUSIP Number assigned to the Registered Shares. CUSIP No. 152005104 has been assigned to the American Depositary Shares of Centerpulse Ltd., which are quoted on the New York Stock Exchange under the symbol "CEP".

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CUSIP No. 152005104 \*

1. Name of Reporting Person I.R.S. Identification No. of above person (entities only).

INCENTIVE CAPITAL LTD

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)

(b)

3. SEC Use Only

4. Source of Funds (See Instructions)

WC

5. Check Box if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

Switzerland

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7. Sole Voting Power
	0
	8. Shared Voting Power
	2,237,577
	9. Sole Dispositive Power
	0
	10. Shared Dispositive Power
	2,237,577

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11. Aggregate Amount Beneficially Owned by Reporting Person

2,237,577

12. Check box if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)

18.9%

14. Type of Reporting Person (See Instructions)

IV

\* There is no CUSIP Number assigned to the Registered Shares. CUSIP No. 152005104 has been assigned to the American Depositary Shares of Centerpulse Ltd., which are quoted on the New York Stock Exchange under the symbol "CEP".

3

CUSIP No. 152005104 \*

1. Name of Reporting Person I.R.S. Identification No. of above person (entities only).

INCENTIVE ASSET MANAGEMENT LTD

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)

(b)

3. SEC Use Only

4. Source of Funds (See Instructions)

WC

5. Check Box if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

Switzerland

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON	7. Sole Voting Power
0	
	8. Shared Voting Power
0	

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WITH -----  
9. Sole Dispositive Power  
0  
-----  
10. Shared Dispositive Power  
2,301,247  
-----

11. Aggregate Amount Beneficially Owned by Reporting Person

2,301,247

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)

19.5%

14. Type of Reporting Person (See Instructions)

IA

\* There is no CUSIP Number assigned to the Registered Shares. CUSIP No. 152005104 has been assigned to the American Depositary Shares of Centerpulse Ltd., which are quoted on the New York Stock Exchange under the symbol "CEP".

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CUSIP No. 152005104 \*

-----  
1. Name of Reporting Person I.R.S. Identification No. of above person (entities only).

MR RENE BRAGINSKY

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)

(b)

3. SEC Use Only

4. Source of Funds (See Instructions)

WC

5. Check Box if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

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Switzerland

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NUMBER OF SHARES	7. Sole Voting Power
BENEFICIALLY OWNED BY	6,203
EACH	-----
REPORTING PERSON	8. Shared Voting Power
WITH	0
	-----
	9. Sole Dispositive Power
	6,203
	-----
	10. Shared Dispositive Power
	2,301,247
	-----

11. Aggregate Amount Beneficially Owned by Reporting Person

2,301,450

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12. Check box if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

---

13. Percent of Class Represented by Amount in Row (11)

19.5%

---

14. Type of Reporting Person (See Instructions)

IN

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\* There is no CUSIP Number assigned to the Registered Shares. CUSIP No. 152005104 has been assigned to the American Depositary Shares of Centerpulse Ltd., which are quoted on the New York Stock Exchange under the symbol "CEP".

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Item 1. Security and Issuer

This Amendment No. 1 to the Statement on Schedule 13D, dated March 28, 2003, with respect to the Registered Shares, par value CHF 30 per share (the "Registered Shares"), of Centerpulse Ltd., a company incorporated with limited liability under the laws of Switzerland (the "Issuer"), hereby amends and supplements the Statement on Schedule 13D (the "Schedule 13D") initially filed on October 15, 2002. The Registered Shares trade on the SWX Swiss Exchange and other European exchanges and American Depositary Shares ("ADSs") for Registered Shares trade on the New York Stock Exchange under the symbol "CEP". Each ADS represents 0.1 Registered Share. The address of the principal executive offices of the Issuer is Andreasstrasse 15, CH-8050 Zurich, Switzerland.

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### Item 2. Identity and Background.

Name of Persons filing this Statement (the "Reporting Persons"):

InCentive Investment (Jersey) Ltd., a Jersey (UK) corporation  
("InCentive Jersey");

InCentive Capital Ltd., a Swiss corporation  
("InCentive Capital");

InCentive Asset Management Ltd., a Swiss corporation  
("InCentive Asset Management"); and

Mr. Rene Braginsky ("Mr. Braginsky")

InCentive Jersey is a corporation organized under the laws of Jersey (UK) and a wholly owned subsidiary of InCentive Capital. The principal business of InCentive Jersey is to invest directly and indirectly in various companies. The business address of InCentive Jersey, which also serves as its principal office, is Lister House, The Parade, St. Helier.

InCentive Capital is a corporation organized under the laws of Switzerland, the principal business of which is to invest, directly and indirectly, in securities of publicly and privately owned companies. InCentive Capital is an investment company listed on the SWX Swiss Exchange. The business address of InCentive Capital, which also serves as its principal office, is Baarerstrasse 8, 6301 Zug, Switzerland.

InCentive Asset Management is a corporation organized under the laws of Switzerland. InCentive Asset Management's sole shareholder is Mr. Braginsky. The principal business of InCentive Asset Management is to manage the assets and investments of various customers, including InCentive Capital. The business address of InCentive Asset Management, which also serves as its principal office, is Toedistrasse 36, 8002 Zurich, Switzerland.

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Mr. Braginsky serves as the Chief Executive Officer and a delegate of the Board of Directors of InCentive Capital. He is also the Chief Executive Officer and a delegate of the Board of Directors of InCentive Asset Management. Mr. Braginsky also serves as a director on the Board of Directors of the Issuer. The business address of Mr. Braginsky is c/o InCentive Asset Management Ltd., Toedistrasse 36, 8002 Zurich, Switzerland. Mr. Braginsky is a citizen of Switzerland.

### Item 3. Source and Amount of Funds or Other Considerations

See Item 5(c) for a description of transactions effected during the past 60 days. Each of the transactions described therein was funded with cash from working capital of InCentive Jersey.

### Item 4. Purpose of the Transaction

On March 20, 2003, Smith & Nephew plc ("Smith") announced its intention to purchase, by way of a share and a cash tender offer, all of the Issuer's publicly held Registered Shares (the "Tender Offer") and entered into an agreement with the Issuer setting forth the terms of the proposed Tender Offer ("Issuer Transaction Agreement"). Smith will effect the Tender Offer through its holding company, Smith & Nephew Group plc ("New Smith"), and the Tender Offer will be launched on the SWX Swiss Exchange.

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On March 20, 2003, InCentive Capital and Smith entered into a transaction agreement (the "InCentive Transaction Agreement") pursuant to which Smith has undertaken to launch, through New Smith, a tender offer for all InCentive Capital's publicly held bearer shares, thereby indirectly acquiring the 18.9% interest in the Registered Shares owned by InCentive Capital (the "InCentive Tender Offer"). The InCentive Tender Offer will be launched on the SWX Swiss Exchange and conditioned upon the completion of the Tender Offer. Pursuant to the terms of the InCentive Transaction Agreement, InCentive Capital has agreed (i) not to tender any Registered Shares held by it to Smith in the Tender Offer and (ii) to exercise or terminate as soon as reasonably practicable but in any event prior to the expiry of the Tender Offer the 683,000 call options held by it or its subsidiaries for 683,000 Registered Shares of the Issuer. Additionally, as part of the transaction, InCentive Capital plans to transfer to it any Registered Shares held by its direct or indirect subsidiaries.

On March 20, 2003, in conjunction with the Tender Offer, the principal shareholders of InCentive Capital, including Mr. Braginsky, who together hold approximately 77% of the outstanding share capital of InCentive Capital, entered into a tender agreement with Smith (the "Tender Agreement"). Under this Tender Agreement, the principal shareholders of InCentive Capital have undertaken, inter alia, to tender each of his or her shares in InCentive Capital to Smith or New Smith in the Tender Offer.

### Item 5. Interest in Securities of the Issuer

(a) - (b) As of the date hereof, the Reporting Persons collectively beneficially own (or are deemed, for purpose of Regulation 13D-G to beneficially own) in the aggregate 2,307,450 Registered Shares, representing 19.5% of the outstanding Registered Shares of the Issuer (based on 11,830,645 Registered Shares, as listed in the commercial register dated January 23, 2003). Included among the Registered Shares so beneficially owned by the Reporting

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Persons are (i) 1,554,577 Registered Shares owned directly by InCentive Jersey and 683,000 additional Registered Shares for which Incentive Jersey has call options, (ii) 63,670 Registered Shares held by entities other than InCentive Jersey or InCentive Capital for which provides investment management services and, as a result of such services, has dispositive power with respect to such Registered Shares and (iii) 6,203 Registered Shares owned directly by Mr. Braginsky.

Pursuant to Instruction C to Schedule 13D of the Securities Exchange Act of 1934, as amended, Schedules B and C to the Schedule 13D have been amended to update information previously reported on Schedule 13D with respect to the interest of the directors and officers of the Reporting Persons in the Securities of the Issuer.

(c) The following table sets forth the transactions effected by the Reporting Persons in Registered Shares in the past 60 days. The transactions were all effected by InCentive Jersey to effect the renewal of pre-existing forward purchases. The amount of Registered Shares to be acquired pursuant to forward purchase contracts during the past 60 days has not changed. The transactions are essentially forward purchases and are effectuated by the rolling over at expiry of certain option contracts in four steps. These four-step transactions include in each case (i) the closing of short puts, (ii) the closing of long calls, (iii) the reopening, or selling, of short puts, and (iv) the reopening, or purchasing, of long put calls.



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Date of transaction	Counter party	Type of transaction	Number of Securities	Type of Securities	Underlying Securities	Strike Price	Price per Security
						CHF	CHF
02/13/2003	UBS	Buy to close	200,000	Put	Registered Shares	200	0.01
02/13/2003	UBS	Sell to close	200,000	Call	Registered Shares	200	49.01
02/12/2003	UBS	Sell to open	200,000	Put	Registered Shares	200	1.12
02/12/2003	UBS	Buy to open	200,000	Call	Registered Shares	200	50.33
02/13/2003	ABN	Buy to close	80,000	Put	Registered Shares	195	0.00
02/13/2003	ABN	Sell to close	80,000	Call	Registered Shares	195	51.00
02/13/2003	ABN	Sell to open	80,000	Put	Registered Shares	195	2.90
02/13/2003	ABN	Buy to open	80,000	Call	Registered Shares	195	54.25
03/14/2003	UBS	Buy to close	200,000	Put	Registered Shares	200	0.01
03/14/2003	UBS	Sell to close	200,000	Call	Registered Shares	200	70.01
03/14/2003	UBS	Sell to open	200,000	Put	Registered Shares	200	0.34
03/14/2003	UBS	Buy to open	200,000	Call	Registered Shares	200	70.50
03/14/2003	ABN	Buy to close	80,000	Put	Registered Shares	195	0.00
03/14/2003	ABN	Sell to close	80,000	Call	Registered Shares	195	75.00
03/14/2003	ABN	Sell to open	80,000	Put	Registered Shares	195	0.45
03/14/2003	ABN	Buy to open	80,000	Call	Registered Shares	195	75.75
03/14/2003	ABN	Buy to close	160,000	Put	Registered Shares	215	0.00
03/18/2003	ABN	Sell to close	160,000	Call	Registered Shares	215	50.00
03/18/2003	ABN	Sell to open	160,000	Put	Registered Shares	215	1.39
03/18/2003	ABN	Buy to open	160,000	Call	Registered Shares	215	51.60
03/18/2003	CS	Buy to close	100,000	Put	Registered Shares	220	0.00
03/18/2003	CS	Sell to close	100,000	Call	Registered Shares	220	45.00
03/18/2003	CS	Sell to open	100,000	Put	Registered Shares	220	0.52
03/18/2003	CS	Buy to open	100,000	Call	Registered Shares	220	45.80

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(d) Not applicable.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with respect to the Securities of the Issuer.

The responses to Items 4 and 5 and of the Schedule 13D are herein incorporated by reference.

Item 7. Materials to be filed as Exhibits.

Exhibit 1 Transaction Agreement dated March 20, 2003, between InCentive Capital AG, Smith & Nephew plc. and Meadowclean Limited regarding a Public Tender Offer to all Shareholders of Incentive

Exhibit 2 Amendment No. 1 dated March 25, 2003 to Transaction Agreement dated March 20, 2003, between InCentive Capital AG, Smith & Nephew plc. and Meadowclean Limited regarding a

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Public Tender Offer to all Shareholders of Incentive

Exhibit 3 Press Release issued by InCentive Capital dated March 20, 2003, entitled "Tender offer for InCentive Capital AG in connection with the combination of Smith & Nephew, plc and Centerpulse AG"

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SIGNATURE

After reasonable inquiry and to the best knowledge and belief of the undersigned, the undersigned certifies that the information set forth in this statement is true, complete and correct.

INCENTIVE INVESTMENT (JERSEY) LTD.

By: /s/ Michael Dee

-----  
Name: Michael Dee  
Title: Chairman

By: /s/ Marc C. Bruppacher

-----  
Name: Dr. Marc C. Bruppacher  
Title: Director

INCENTIVE CAPITAL LTD.

By: /s/ Hans Kaiser

-----  
Name: Hans Kaiser  
Title: Director

By: /s/ Eric Stupp

-----  
Name: Eric Stupp  
Title: Director

INCENTIVE ASSET MANAGEMENT LTD.

By: /s/ Paul Wyler

-----  
Name: Paul Wyler  
Title: Director

By: /s/ Raoul Bloch

-----  
Name: Dr. Raoul Bloch  
Title: Member of management  
board

RENE BRAGINSKY

By: /s/ Rene Braginsky

-----  
Name: Rene Braginsky

Date: March 28, 2003

## EXHIBIT INDEX

Exhibit No -----	Description of Exhibit -----
Exhibit 1	Transaction Agreement dated March 20, 2003, between InCentive Capital AG, Smith & Nephew plc. and Meadowclean Limited regarding a Public Tender Offer to all Shareholders of Incentive
Exhibit 2	Amendment No. 1 dated March 25, 2003 to Transaction Agreement dated March 20, 2003, between InCentive Capital AG, Smith & Nephew plc. and Meadowclean Limited regarding a Public Tender Offer to all Shareholders of Incentive
Exhibit 3	Press Release issued by InCentive Capital dated March 20, 2003, entitled "Tender offer for InCentive Capital AG in connection with the combination of Smith & Nephew, plc and Centerpulse AG"

## SCHEDULE B

The name, position, citizenship, principal occupation and beneficial ownership of Registered Shares of Centerpulse of the directors and executive officers of InCentive Capital are set forth below. The business address of each director and executive officers c/o InCentive Capital Ltd., Baarerstrasse 8, 6301 Zug, Switzerland.

Name -----	Position -----	Citizenship -----	Principal Occupation -----	Ownership of Registered Shares of Centerpulse -----
Karl Otto Pohl	Chairman of the Board of Directors	German	See Schedule A	See Schedule
Rene Braginsky	Member, Chief Executive Officer and delegate of the Board of Directors	Swiss	See Item 2	See Items 3-5
Joel R. Mesznik	Member	American	See Schedule A	See Schedule
Eric Stupp	Member	Swiss	Attorney Bar & Karrer Seefeldstrasse 19 8024 Zurich Switzerland	4 (2)
Hans Kaiser	Member	Swiss	Member InCentive Capital Ltd.	36,284 (3)

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- (2) Mr. Stupp beneficially owns 4 Registered Shares of Centerpulse. Mr. Stupp used personal funds to purchase such Registered Shares. Mr. Stupp has sole voting and dispositive power over such shares. Mr. Stupp intends to tender such Registered Shares in the Tender Offer.
- (3) Mr. Kaiser beneficially owns 36,284 Registered Shares of Centerpulse. Mr. Kaiser used personal funds to purchase 32,284 of such Registered Shares, and Mr. Kaiser has sole voting and dispositive power over such shares. The other 4000 shares beneficially owned by Mr. Kaiser are held by a family member of Mr. Kaiser and information as to the voting and dispositive power over such shares, as well as information as to the funds used to purchase such shares, is currently unavailable. Mr. Kaiser is a party to the Tender Agreement, pursuant to which he has agreed to tender his Registered Shares to Smith and New Smith in connection with the Tender Offer.

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SCHEDULE C

The name, position, citizenship, principal occupation and beneficial ownership of Registered Shares of Centerpulse of the directors and executive officers of InCentive Asset Management are set forth below. The business address of each director and executive officer c/o InCentive Asset Management Ltd., Toedistrasse 36, 8002 Zurich, Switzerland.

Name	Position	Citizenship	Principal Occupation	Ownership of Registered Shares of Centerpulse
Karl Otto Pohl	Chairman	German	See Schedule A	See Schedule A
Rene Braginsky	Member, Chief Executive Officer and delegate of the Board of Directors	Swiss	See Item 2	See Items 3-5
Alexander I. de Beer	Member	Swiss	Attorney de Beer Rechtsanwalte Schlossbergstrasse 22 8702 Zollikon, Switzerland - 0 -	
Paul Wyler	Member	Swiss	Chief Executive Officer Creavent Ltd. Toedistrasse 36 8002 Zurich, Switzerland	1,000 (4)

- (4) Mr. Wyler beneficially owns 1,000 Registered Shares of Centerpulse. Mr. Wyler used personal funds to purchase such Registered Shares. Mr. Wyler has sole voting and dispositive power over such Registered Shares and intends to tender such Registered Shares in the Tender Offer.

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