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CENTERPULSE LTD
Form SC 14D9/A
June 24, 2003

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14D-9/A
(RULE 14D-101)

SOLICITATION/RECOMMENDATION STATEMENT
UNDER SECTION 14(D) (4) OF THE
SECURITIES EXCHANGE ACT OF 1934

AMENDMENT NO. 4

CENTERPULSE LTD.
(NAME OF SUBJECT COMPANY)

CENTERPULSE LTD.
(NAME OF PERSON FILING STATEMENT)

REGISTERED SHARES, PAR VALUE CHF 30 PER SHARE, INCLUDING SHARES
REPRESENTED BY AMERICAN DEPOSITARY SHARES
(TITLE AND CLASS OF SECURITIES)

NOT APPLICABLE*
(CUSIP NUMBER OF CLASS OF SECURITIES)

DR. MAX LINK
CHAIRMAN OF THE BOARD OF DIRECTORS
AND CHIEF EXECUTIVE OFFICER
CENTERPULSE LTD.
ANDREASSTRASSE 15
CH-8050, ZURICH
SWITZERLAND
1-306-9696

(NAME, ADDRESS AND TELEPHONE NUMBER OF PERSON AUTHORIZED TO RECEIVE NOTICES AND
COMMUNICATIONS ON BEHALF OF THE PERSON(S) FILING STATEMENT)

COPY TO:
ELLEN J. ODONER, ESQ.
WEIL, GOTSHAL & MANGES LLP
767 FIFTH AVENUE
NEW YORK, NEW YORK 10153
(212) 310-8000

* There is no Cusip Number assigned to the Registered Shares. CUSIP No. 152005104 has been assigned to the American Depositary Shares of Centerpulse Ltd. that are quoted on the New York Stock Exchange under the

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symbol "CEP". CUSIP No. 152005203 has been assigned to the American Depositary Shares of Centerpulse Ltd. that were issued pursuant to a restricted ADR facility and are not publicly traded.

[] CHECK THE BOX IF THE FILING RELATES SOLELY TO PRELIMINARY COMMUNICATIONS MADE BEFORE THE COMMENCEMENT OF A TENDER OFFER.

This constitutes Amendment No. 4 to the Solicitation/Recommendation Statement on Schedule 14D-9 initially filed with the Securities and Exchange Commission on April 25, 2003 (as previously amended, the "Schedule 14D-9") by Centerpulse Ltd., a corporation organized under the laws of Switzerland ("Centerpulse" or the "Company"), relating to the exchange offer by Smith & Nephew Group plc, a corporation organized under the laws of England and Wales ("Smith & Nephew Group"), being made pursuant to the Preliminary Prospectus, dated April 25, 2003, forming a part of Smith & Nephew Group's Registration Statement on Form F-4, filed with the Securities and Exchange Commission by Smith & Nephew Group on April 25, 2003.

The information in the Schedule 14D-9 is hereby expressly incorporated by reference, except as otherwise set forth below. Capitalized terms used, but not otherwise defined, herein shall have the meanings given to them in the Schedule 14D-9.

ITEM 4. THE SOLICITATION OR RECOMMENDATION.

(b) (i) Background of the Exchange Offer; Contacts among Smith & Nephew, Smith & Nephew Group and Centerpulse.

Item 4(b) (i) is hereby amended and supplemented to add the following paragraphs at the end thereof:

"On June 19, 2003, Zimmer commenced its offer for all outstanding Centerpulse Shares and Centerpulse ADSs, at a price per Centerpulse Share and Centerpulse ADS of (1) CHF 120 in cash and 3.68 shares of Zimmer common stock and (2) the US dollar equivalent of CHF 12 in cash and 0.368 of a share of Zimmer common stock, respectively (the "Zimmer Offer"). The Zimmer Offer eliminated a number of conditions contained in the Proposed Zimmer Offer (i.e., relating to due diligence, certain tax liabilities in connection with Centerpulse's spin-off from Sulzer AG and product liability litigation). Later that day, the Company issued a press release stating, inter alia, that the Board will issue a report to Centerpulse shareholders on the Zimmer Offer as soon as it has had an opportunity to study the Zimmer Offer in detail and in accordance with Swiss Takeover Law. In the meantime, the Board advised Centerpulse shareholders that they are not required to take any further action at this point. In the early evening of June 19, 2003, the Board met to review and discuss the Exchange Offer and the Zimmer Offer with representatives of Lehman Brothers, UBS Warburg and Goldman Sachs.

On June 20, 2003, Dr. Max Link, Chairman and Chief Executive Officer of Centerpulse, sent a letter to Centerpulse shareholders stating, inter alia, that in accordance with Swiss Takeover Law, the Board intends to make a report to Centerpulse shareholders on the Zimmer Offer by July 9, 2003, once the Board has had the opportunity to study the Zimmer Offer in detail. The letter also reiterated that Centerpulse shareholders are not required to take any action in the meantime."

ITEM 6. INTEREST IN SECURITIES OF THE SUBJECT COMPANY.

Item 6 is hereby amended and supplemented to add the following paragraphs immediately after the first paragraph thereof:

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"The following table sets forth information regarding the exercise of stock options by the executive officers of Centerpulse listed below:

NAME ----	DATE ----	WEIGHTED AVERAGE EXERCISE ----- PRICE -----
David Floyd	May 23, 2003	\$9.46 per Centerpulse ADS
Steven Hanson	May 22, 2003	\$12.53 per Centerpulse ADS
	May 23, 2003	\$19.02 per Centerpulse ADS
Matthias Moelleney	June 3, 2003	CHF 147 per Centerpulse Share
Beatrice Tschanz	May 30, 2003	CHF 198 per Centerpulse Share
Thomas Zehnder	May 28, 2003	CHF 131 per Centerpulse Share
	May 28, 2003	CHF 76 per Centerpulse Share
	June 3, 2003	CHF 198 per Centerpulse Share

The following table sets forth information regarding the sale of Centerpulse Shares or Centerpulse ADSs, as the case may be, by the executive officers of Centerpulse listed below:

NAME ----	DATE ----	WEIGHTED AVERAGE SALE PRICE -----	NUMBER OF S -----
David Floyd	May 23, 2003	\$26.40 per Centerpulse ADS	17,360 Ce
	May 23, 2003	\$26.30 per Centerpulse ADS	1,000 Cen
Steven Hanson	May 22, 2003	\$25.87 per Centerpulse ADS	19,250 Ce
	May 23, 2003	\$26.75 per Centerpulse ADS	17,500 Ce
Mike McKormick	May 16, 2003	\$22.74 per Centerpulse ADS	3,750 Cen
	May 19, 2003	\$22.37 per Centerpulse ADS	1,680 Cen
Matthias Moelleney	June 3, 2003	CHF 355 per Centerpulse Share	250 Cente
Beatrice Tschanz	May 30, 2003	CHF 350 per Centerpulse Share	1,250 Cent
Thomas Zehnder	May 28, 2003	CHF 340 per Centerpulse Share	1,750 Cent
	June 3, 2003	CHF 355 per Centerpulse Share	1,250 Cent

The information above as to sales has been provided to the Company by the relevant executive officer of Centerpulse."

ITEM 7. PURPOSES OF THE TRANSACTION AND PLANS OR PROPOSALS.

Item 7(a) is hereby amended and supplemented to delete the first paragraph thereof in its entirety and to add the following paragraph as the last paragraph thereof:

"Except as described in the Preliminary Prospectus under the captions "THE TRANSACTION", "THE EXCHANGE OFFER", "SUMMARY OF THE COMBINATION AGREEMENT" and "THE INCENTIVE EXCHANGE OFFER", which information is incorporated by reference in this Statement, and as set forth herein, Centerpulse is not undertaking or engaged in any negotiations in response to the Exchange Offer that relate to: (1) a tender offer or other acquisition of Centerpulse's securities by Centerpulse, any subsidiary of Centerpulse or any other person; (2) an extraordinary transaction, such as a merger, reorganization or liquidation, involving Centerpulse or any subsidiary of Centerpulse; (3) any purchase, sale or transfer of a material amount of assets of Centerpulse or any subsidiary of Centerpulse or (4) any material change in the present dividend rate or policy, or indebtedness or capitalization, of Centerpulse."

ITEM 8. ADDITIONAL INFORMATION.

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A copy of the press release issued by the Company on June 19, 2003 and a copy of the letter of Dr. Link to Centerpulse shareholders, dated June 20, 2003, are attached hereto as Exhibits (a) (13) and (a) (14), respectively.

ITEM 9. MATERIAL TO BE FILED AS EXHIBITS.

The following Exhibits are filed herewith:

- (a) (13) Press release issued by the Company on June 19, 2003.
- (a) (14) Letter of the Chairman and Chief Executive Officer of Centerpulse to Centerpulse Shareholders, dated June 20, 2003.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

CENTERPULSE LTD.

By: /s/ Max Link

MAX LINK
CHAIRMAN AND CHIEF EXECUTIVE OFFICER

By: /s/ Urs Kamber

URS KAMBER
CHIEF FINANCIAL OFFICER

Dated: June 24, 2003