FERRO CORP
Form 424B5
August 14, 2008

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Filed Pursuant To Rule 424(b)(5)
Registration No. 333-149559

CALCULATION OF REGISTRATION FEE

Class of Securities Registered	Maximum Aggregate Offering Price(1)	Registration Fee(2)
6.50% Convertible Senior Notes due 2013	$172,500,000	$6,779.25

(1) Includes $22,500,000 principal amount of the convertible notes that the Underwriters have the option to purchase.

(2) The registration fee is calculated in accordance with Rule 457(r) of the Securities Act of 1933, as amended.

PROSPECTUS SUPPLEMENT (TO PROSPECTUS DATED AUGUST 12, 2008)

$150,000,000

Ferro Corporation

6.50% Convertible Senior Notes due 2013

We are offering $150,000,000 aggregate principal amount of our 6.50% Convertible Senior Notes due 2013. The notes will bear interest at a rate of 6.50% per year. Interest on the notes will be payable on February 15 and August 15 of each year, beginning on February 15, 2009. The notes will mature on August 15, 2013.

Holders may convert their notes at their option under certain circumstances described herein prior to the close of business on the business day immediately preceding the maturity date. The initial base conversion rate for the notes will be 30.9253, equivalent to an initial base conversion price of approximately $32.34 per share of our common stock. If the price of our common stock at the time of determination exceeds the base conversion price, the base conversion rate will be increased by an additional number of shares as described in this prospectus supplement. The base conversion rate will be subject to adjustment in certain events.

Upon conversion of the notes, we will pay cash equal to the lesser of the aggregate principal amount and the conversion value of the notes being converted and shares of our common stock, for the remainder, if any, of our conversion obligation, in each case based on a daily conversion value calculated on a proportionate basis for each trading day in the 20 trading-day conversion reference period, as described in this prospectus supplement.

Upon a make-whole fundamental change, we will increase the applicable conversion rate for a holder who elects to convert its notes in connection with such transaction by a number of additional shares of common stock as described in this prospectus supplement.

You may require us to repurchase all or a portion of your notes upon a fundamental change at a cash repurchase price equal to 100% of the principal amount plus accrued and unpaid interest.

The notes will be unsecured senior obligations, will rank equal in right of payment to any of our existing or future senior debt, and will rank senior to all of our subordinated debt. The notes will effectively rank junior to any of our secured debt to the extent of the value of the assets securing such indebtedness, and will be structurally subordinated to all liabilities of our subsidiaries.

Our common stock is listed on the New York Stock Exchange under the symbol FOE. On August 13, 2008, the closing sale price of our common stock on the New York Stock Exchange was $20.21 per share.

We do not intend to apply for listing of the notes on any securities exchange or for inclusion of the notes in any automated quotation system.

Investing in the notes involves risks. See Risk Factors beginning on page S-13.

	Price to Public(1)	Underwriting Discounts and Commissions	Proceeds to Us
Per Note	100%	2.75%	97.25%
Total	$ 150,000,000	$ 4,125,000	$ 145,875,000

(1) Plus accrued interest, if any, from August 19, 2008

We have granted the underwriters an option to purchase, within a period of 30 days beginning with the date we first issue the notes, up to an additional $22,500,000 aggregate principal amount of notes solely to cover over-allotments.

Neither the Securities and Exchange Commission nor any state securities commission or other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

We expect that the notes will be ready for delivery in book-entry form through The Depository Trust Company on or about August 19, 2008.

Credit Suisse **Citi** **JPMorgan**

KeyBanc Capital Markets **National City Capital Markets**

Fifth Third Securities, Inc. **Morgan Stanley** **Piper Jaffray** **RBS Greenwich Capital**

The date of this prospectus supplement is August 13, 2008

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PROSPECTUS SUPPLEMENT

PROSPECTUS

You should rely only on the information contained in this document or to which we have referred you. We have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to sell these securities. The information in this document may only be accurate on the date of this document.

ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is the prospectus supplement, which describes the specific terms of this offering. The second part is the prospectus, which contains more general information, some of which may not apply to this offering. You should read both this prospectus supplement and the accompanying prospectus, together with the documents identified under the heading Where You Can Find More Information and Incorporation of Certain Documents by Reference on page S-65 of this prospectus supplement. If the information set forth in this prospectus supplement differs in any way from the information set forth in the accompanying prospectus, you should rely on the information set forth in this prospectus supplement.

We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information appearing in this prospectus supplement, the accompanying prospectus or any document incorporated by reference is accurate as of any date other than the date of the applicable document. Our business, financial condition, results of operations and prospects may have changed since that date. Neither this prospectus supplement nor the accompanying prospectus constitutes an offer, or an invitation on our behalf or on behalf of the underwriters, to subscribe for and purchase any of the securities and may not be used for or in connection with an offer or solicitation by anyone, in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.

U.S. Bank National Association, by acceptance of its duties as trustee under the senior indenture or any subordinated indenture with Ferro Corporation, has not reviewed this prospectus supplement, the accompanying prospectus or the registration statement of which they are a part and has made no representation as to the information contained herein including, but not limited to, any representations as to Ferro Corporation, its business or financial condition, or the securities.

Unless otherwise indicated or unless the context otherwise requires, all references in this prospectus supplement or the accompanying prospectus to Ferro, the Company, we, us or our mean Ferro Corporation and its consolidated subsidiaries.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus, Ferro Corporation s filings with the Securities and Exchange Commission (the SEC), including our annual report on Form 10-K for the fiscal year ended December 31, 2007 (the Annual Report), our Annual Report to Stockholders, any quarterly report on Form 10-Q or any current report on Form 8-K of Ferro Corporation (along with any exhibits to such reports as well as any amendments to such reports), our press releases, or any other written or oral statements made by us or on our behalf, may include or incorporate by reference forward-looking statements which reflect our current view, as of the date such forward-looking statement is first made, with respect to future events, prospects, projections or financial performance. The matters discussed in these forward-looking statements are subject to certain risks and uncertainties and other factors that could cause actual results to differ materially from those made, implied or projected in or by such statements. Should any known or unknown risks and uncertainties develop into actual events, these developments could have material adverse effects on our business, financial condition and results of operations. These uncertainties and other factors include, but are not limited to:

- We depend on reliable sources of energy and raw materials, including petroleum-based materials and other supplies, at a reasonable cost, but availability of these materials and supplies could be interrupted and/or the prices charged for them could escalate and adversely affect our sales and profitability.

The markets for our products are highly competitive and subject to intense price competition, and that could adversely affect our sales and earnings performance.

We strive to improve operating margins through sales growth, price increases, productivity gains, improved purchasing techniques and restructuring activities, but we may not achieve the desired improvements.

We sell our products into industries where demand has been unpredictable, cyclical or heavily influenced by consumer spending.

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The global scope of our operations exposes us to risks related to currency conversion and changing economic, social and political conditions around the world.

We have a growing presence in the Asia-Pacific region where it can be difficult for a U.S.-based company, such as Ferro, to compete lawfully with local competitors.

Regulatory authorities in the U.S., European Union and elsewhere are taking a much more aggressive approach to regulating hazardous materials, and those regulations could affect sales of our products.

Our operations are subject to operating hazards and, as a result, to stringent environmental, health and safety regulations, and compliance with those regulations could require us to make significant investments.

We depend on external financial resources, and any interruption in access to capital markets or borrowings could adversely affect our financial condition.

Interest rates on some of our borrowings are variable, and our borrowing costs could be affected adversely by interest rate increases.

Many of our assets are encumbered by liens that have been granted to lenders, and those liens affect our flexibility to dispose of property and businesses.

We are subject to a number of restrictive covenants under our credit facilities, and those covenants could affect our flexibility to fund strategic initiatives.

We have significant deferred tax assets, and our ability to utilize these assets will depend on our future performance.

We are a defendant in several lawsuits that could have an adverse effect on our financial condition and/or financial performance, unless they are successfully resolved.

Our businesses depend on a continuous stream of new products, and failure to introduce new products could affect our sales and profitability.

We are subject to stringent labor and employment laws in certain jurisdictions in which we operate and party to various collective bargaining arrangements, and our relationship with our employees could deteriorate, which could adversely impact our operations.

Employee benefit costs, especially postretirement costs, constitute a significant element of our annual expenses, and funding these costs could adversely affect our financial condition.

Our restructuring initiatives may not provide sufficient cost savings to justify their expense.

We are exposed to intangible asset risk.

We have in the past identified material weaknesses in our internal controls, and the identification of any material weaknesses in the future could affect our ability to ensure timely and reliable financial reports.

We are exposed to risks associated with acts of God, terrorists, and others, as well as fires, explosions, wars, riots, accidents, embargoes, natural disasters, strikes and other work stoppages, quarantines and other governmental actions, and other events or circumstances that are beyond our control.

Additional information regarding these risk factors can be found in our Annual Report, quarterly report on Form 10-Q for the quarter ended June 30, 2008 (the Quarterly Report) and our other filings made with the SEC. The risks and uncertainties identified above are not the only risks we face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial also may adversely affect us.

PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information contained elsewhere, or incorporated by reference, in this prospectus supplement. As a result, it does not contain all of the information that may be important to you or that you should consider before investing in our notes. You should read this entire prospectus supplement and accompanying prospectus, including the Risk Factors sections and the documents incorporated by reference, which are described under Where You Can Find More Information and Incorporation of Certain Documents by Reference in this prospectus supplement.

Our Company

We are a leading global producer of a diverse array of high-value-added performance materials and chemicals sold to a broad range of end-use markets in approximately 30 industries throughout the world. Today, we are a strong international company with a growing presence in key Asian markets, and we generated 57% of our 2007 sales from outside the U.S. We operate approximately 50 manufacturing facilities worldwide with over 6,000 employees and market products to more than 4,000 customers in over 20 countries.

We refer to our products as performance materials and chemicals because we formulate them to perform specific functions in the manufacturing processes and end products of our customers. Our products often are delivered in combination with a high degree of customized technical service. We believe that we maintain leading positions in many of our targeted markets, and our products provide critical performance attributes, yet represent a small fraction of the overall cost of the finished product. Our customer base is well-diversified both geographically and by end-use markets. Our customers benefit from our ability to quickly transfer application experience, product design and sourcing capabilities to provide customized product and processing solutions. Many of our customers, particularly in the appliance and automotive markets, purchase materials from more than one of our business units. Our products are used in many markets, including electronics, alternative energy generation, appliances, automotive, building and renovation, household furnishings, containers, industrial products, pharmaceuticals and telecommunications. Our leading customers include manufacturers of tile, major appliances, construction materials, automobile parts, glass, bottles, vinyl flooring and wall coverings, multi-layer capacitors, solar cells, batteries, and pharmaceuticals. Diversification extends beyond our customers and end markets. Our raw material base is also diverse and generally sourced from multiple suppliers.

We are leveraging our technology to create additional value to our customers through our integrated applications support. Our applications support personnel are involved in our customers material specification and evaluation, product design and manufacturing process characterization in order to help customers optimize the efficient and cost-effective application of our products.

We currently operate our business through the following three business groups: (1) *Inorganic Specialties*, (2) *Organic Specialties*, and (3) *Electronic Materials.*

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The following details the net sales of each group, and the corresponding percentage of total net sales for the year ended December 31, 2007, as well as the principal products and principal end-use markets for each group.

		2007 Net Sales			
Group	**Segment**	**$ in Millions**	**% of Total**	**Principal Products**	**Principal End-Use Markets***
Inorganic Specialties	*Performance Coatings*	$609	28%	Ceramic glaze coatings Ceramic colors Porcelain enamel coatings	Tile for residential and commercial construction Appliances Sanitary ware Cookware
	Color and Glass Performance Materials	$446	20%	Inorganic pigments Glass decorating enamels Specialty glazes Precious metal preparations Forehearth colors	Tableware Glass packaging Paint and plastics Automotive glass Architectural glass Roof tile
Organic Specialties	*Polymer Additives*	$334	15%	Heat and light stabilizers Plasticizers and plastic lubricants	Household furnishings Automotive Industrial Building and renovation Construction
	Specialty Plastics	$262	12%	Filled and reinforced thermoplastics Polyolefin alloys Thermoplastic elastomers/process melt Color concentrates/masterbatch Gelcoats, liquid and paste color dispersions	Appliances Automotive Household furnishings Recreation Industrial Lawn and garden Pool and spa Packaging RVs and trucks
	Fine Chemicals and Pharmaceuticals	$83	4%	High-potency active pharmaceutical ingredients Low endotoxin carbohydrates Large-volume parenterals Food additives Electrolytes and glymes Phosphine derivatives	Pharmaceutical Biotechnology Food Electronics Industrial
Electronic Materials		$470	21%	Conductive pastes and powders Electronic and specialty glasses	Solar energy Electronics Telecommunications

	Ceramic dielectric powders	
	Pastes, powders and tapes for thick film	Computers Automotive
	Surface finishing compounds	Precision optics
		Ophthalmic lenses

* Data based on Ferro s estimates of our customers application markets.

Our Competitive Strengths

Leading Positions in Attractive Niche Markets. We believe that we enjoy leading positions within most of our businesses. We believe that our competitive positions are sustainable due to our leading-edge product portfolio and pipeline, technological leadership, exposure to high-growth niche markets and a loyal customer base. In addition, we have a technical sales and service-oriented business model, the research and development infrastructure required for new product development and close customer interaction and a strong global brand. Many of our products are characterized as specialty products, as they perform specific functions in the manufacturing processes and/or end products of our customers.

Critical Proprietary Technology. We are leveraging our technology to transition toward higher-value-added, performance-related product offerings. Our competitive positions are supported by the following core competencies:

Particle Development and Engineering: synthesis and isolation of particles with specific size distribution and properties;

Color Science and Technology: repeatable creation, matching and characterization of colors for coatings and bulk materials;

Glass Science and Technology: high-temperature inorganic chemistry and glass formation; processing knowledge;

Surface Application Technology: includes coating and decorating technology and surface finishing; and

Formulation Technology: combining materials to create new products with enhanced properties.

We are also actively engaged in our customers advanced product development and manufacturing yield improvement. Our core technical competencies have allowed us not only to develop strong customer relationships, but also to improve our product portfolio by transitioning toward higher-margin businesses.

Significant Geographic, Product and End-Use Market Diversity. We have a diversified portfolio of businesses within which we focus on specific applications and products where we can add value to our customers products and processes. We believe this diversity decreases Ferro s exposure to any one business or end-market and helps protect our business from the negative effects of economic down cycles. Further, we have a balanced geographic exposure with 57% of sales generated from outside the U.S. We have an established and well-invested infrastructure in key Asian markets and are focused on growing our presence in these markets.

The following charts are based on 2007 revenues and illustrate the diversity of the end-markets we serve*, the diversity of our production base and the different sizes of our segments:

* The end-market data is based on our estimate of our customers end-use applications.

Long-term Relationships with Diverse and Stable Customer Base. Our strong focus on technical support, customer service and unique expertise in customized product formulations has created long-term customer relationships.

Our customer base is well diversified both geographically and by end-market. In 2007, no single customer or related group of customers represented more than 10% of net sales. Our ability to develop customized, high-value-added solutions has further helped deepen customer relationships across the globe and we have over 4,000 customers worldwide. Many of them, including makers of major appliances and automobile parts, purchase materials from more than one of our business units. Our products are a small portion of the total cost of our customers products, but they can be critical to the appearance or functionality of those products.

Experienced and Proven Management Team. We have an experienced management team whose members average more than 25 years of industry experience. Our management is firmly committed to transforming Ferro by reducing costs, streamlining operations and reorganizing the product portfolio toward higher-margin businesses. Since becoming the President and Chief Executive Officer of our company in November 2005, James Kirsch, together with other members of our senior management team, has been responsible for introducing several initiatives that have resulted in significant improvement in our profitability and product mix.

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Our Business Strategy

Building on our strengths, we plan to continue our existing strategy to increase revenue and cash flow and improve profitability through:

- Restructuring our manufacturing assets to reduce costs and expenses, particularly in Europe and North America;
- Geographical expansion with facilities in the Asia-Pacific region; and
- Continued focus on core competencies to extend or penetrate markets, deliver growth and increase profitability.

Continue to Pursue Operational Efficiencies. We are focused on our plan to unlock value through rigorous, company-wide operational improvement initiatives. Our management has focused on three principal areas of this strategy: (1) implement a strict set of performance objectives; (2) restructure assets, rationalize our manufacturing footprint and streamline our operations to reduce costs; and (3) revitalize products and adjust market positioning to accelerate growth.

We developed, initiated and continue to implement several restructuring programs across a number of our business segments with the objectives of leveraging our global scale, realigning and lowering our cost structure and optimizing capacity utilization. The programs are primarily focused on Europe and North America. Over the last two years, our management has announced several restructuring programs aimed at reducing costs, streamlining operations and right-sizing the company s manufacturing facilities. These initiatives include the following and should move our company substantially closer to achieving its financial goals:

- In 2006, we announced a multiple-stage European restructuring program and established a goal of $40 million to $50 million in annual cost savings by the end of 2009, with the full benefits to be realized in 2010. The initial phase of restructuring efforts began in July 2006 and targeted our Performance Coatings and Color and Glass Performance Materials segments in our European operations with an annual cost savings goal of $10 million. This restructuring should result in significant manufacturing efficiencies and will contribute to increased production capacity in certain product areas to support our revenue growth. The project consists of a consolidation of our Casiglie, Italy manufacturing operations and administrative functions into our operations in Spain. In addition, we announced a plan to consolidate certain decoration and color manufacturing operations from Frankfurt, Germany with similar operations in Colditz, Germany, with an annual cost savings goal of $4.0 million. We estimate the total termination benefits for the 150 employees affected by this phase of the European restructuring to be approximately $7.8 million to $8.0 million.

- A second restructuring program initiated in 2006 involved our Electronic Materials segment and resulted in the sale of our manufacturing facilities in Niagara Falls, New York in December 2007. As part of the restructuring activities, we redistributed a portion of the production at that facility to other existing Electronic Materials manufacturing facilities and reduced our workforce by 131 employees. These actions are expected to result in annual cost reduction of approximately $7.5 million. We estimate the total restructuring costs of this program to be $18.1 million.

- In September 2007, we announced the second phase of our European manufacturing restructuring with an expected annual cost savings of $18.0 million. This phase includes the closure of a facility in Rotterdam, Netherlands and the consolidation of porcelain enamel frit manufacturing into other European facilities. We anticipate that the Rotterdam facility will cease production in the third quarter of 2008 and that our workforce will be reduced by 84 employees.

In addition to the restructurings, management has increased its focus on operational excellence, utilizing tools such as Lean Manufacturing and Six Sigma to improve efficiencies, improving the effectiveness of our procurement efforts and improving our repair and maintenance procedures. Over the next several years, management believes these initiatives could help to reduce manufacturing costs by approximately $10 million to $12 million.

Focus on Growth Initiatives. We are focused on enhancing Ferro s growth and market positions through product and geographic expansion. We have been moving into adjacent markets, developing new applications and introducing environmentally friendly product alternatives and have been expanding our presence in the emerging markets of Asia-Pacific, Eastern Europe, the Middle East and North Africa.

Recent examples include the development of organic colors and low-lead decorative enamels, the construction of an electronic materials manufacturing facility in Suzhou, China and the commissioning of a world-scale tile color plant in Castellon, Spain that will support expected increased sales in Eastern Europe and North Africa.

Optimize Our Business Portfolio. We assess on an ongoing basis our portfolio of businesses, as well as our financial and capital structure, to ensure that we have sufficient capital and liquidity to meet our strategic objectives. As part of this process, from time to time we evaluate the possible divestiture of businesses that are not critical to our core strategic objectives and, where appropriate, pursue the sale of such businesses. We also evaluate and pursue acquisition opportunities that we believe will enhance our strategic position. We generally announce publicly divestiture and acquisition transactions only when we have entered into definitive agreements relating to those transactions.

Reduce Our Indebtedness. Over time, we intend to reduce our indebtedness and financial leverage. We believe we can achieve this goal by using a significant portion of cash flow, as generated, from operations after required capital expenditures and other payments to reduce our debt. We believe that through the combination of our organic growth opportunities, operational improvement plan and disciplined capital spending, we will generate sufficient cash flow to achieve this goal.

Financing Transaction

On June 20, 2008, we commenced a tender offer to purchase for cash any and all of the $200 million in aggregate principal amount of our outstanding 91/8% Senior Notes due 2009. In connection with the tender offer, we are also soliciting consents to amend the indenture governing such notes to, among other things, eliminate certain of the restrictive covenants and eliminate or modify certain events of default. If less than all of the outstanding principal amount of the 91/8% Senior Notes is tendered and purchased by us in the tender offer (including due to our termination of the tender offer), we expect to redeem any 91/8% Senior Notes that remain outstanding as soon as practicable following the consummation (or termination) of the tender offer, subject to applicable notice requirements. As of August 11, 2008, we had received consents and tenders from $199,887,000 in aggregate principal amount of the 91/8% Senior Notes, representing 99.444% of the notes outstanding. A sufficient number of consents have been given to approve the proposed changes to the indenture.

We expect to use the net proceeds from this offering and available cash, including borrowings under our revolving credit facility, to purchase or redeem all of the $200 million of aggregate principal amount of our 91/8% Senior Notes that are tendered in connection with the tender offer or redemption referred to above, to pay accrued and unpaid interest on all such indebtedness, to pay all premiums and transaction expenses associated therewith and any remainder for general corporate purposes. We collectively refer to the purchase or redemption of any and all of our 91/8% Senior Notes in connection with the tender offer referred to above and this offering as the Financing Transaction. For a more detailed description of these transactions, see Use of Proceeds, Capitalization and Financing Transaction.

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The Offering

With respect to the discussion of the terms of the notes on the cover page, in this summary section and in the section entitled Description of the Notes, the terms we, us, our, Ferro or the Company refer solely to Ferro Corporation. and not to any of its subsidiaries.

Issuer	Ferro Corporation
Notes Offered	$150,000,000 aggregate principal amount of 6.50% Convertible Senior Notes due 2013 ($172,500,000 aggregate principal amount of notes if the underwriters option is exercised in full).
Price	100% of the principal amount plus accrued interest, if any, from August 19, 2008.
Maturity Date	August 15, 2013
Interest	6.50% per annum on the principal amount, payable semi-annually in arrears on February 15 and August 15 of each year, beginning February 15, 2009.
Ranking	The notes are our unsecured, senior obligations and rank: pari passu in right of payment with all of our existing and future senior indebtedness; and senior in right of payment to any future subordinated indebtedness. As of June 30, 2008, we had outstanding approximately $5.7 million of unsecured indebtedness with which the notes would rank equally. The notes will be effectively subordinated to Ferro Corporation s secured indebtedness, including all borrowings under our senior secured credit facility to the extent of the assets securing the senior secured credit facility. After giving effect to the Financing Transaction, as of June 30, 2008, the notes would have been effectively subordinated to approximately $428.5 million of secured indebtedness, which includes capital lease obligations of $7.3 million.
Guarantors	Except as provided under Description of the Notes Future Subsidiary Guarantees, none. Because the notes will not be guaranteed by any of our subsidiaries (except as provided under Description of the Notes Future Subsidiary Guarantees), the notes will be structurally subordinated to all the liabilities of our subsidiaries, including trade payables. As of June 30, 2008, our subsidiaries had approximately $9.1 million of debt and $213.9 million of trade payables and guaranteed debt of approximately $358.2 million under

	our senior credit facility.
Conversion Rights	Under the circumstances discussed below, you will be able to surrender your notes for conversion, in whole or in part, into cash and, if applicable, shares of our common stock at any time on or before the close of business on the business day immediately preceding the maturity date of the notes. Prior to June 15, 2013, you may convert your notes only in the following circumstances: with respect to any calendar quarter commencing after September 30, 2008, if the last reported sale price of our common stock for at least 20 trading days during the period of 30 consecutive trading days ending on the last trading day of the immediately

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	preceding calendar quarter is greater than 130% of the base conversion price on such last trading day; during the five-business-day period following any five-consecutive-trading-day period in which the trading price for $1,000 principal amount of notes was less than 97% of the product of the last reported sale price of our common stock and the applicable conversion rate on such day; or upon the occurrence of specified corporate transactions described under Description of the Notes Conversion Rights Conversion Upon Specified Corporate Transactions. On or after June 15, 2013, notes may be converted until the close of business on the business day preceding maturity without regard to the foregoing conditions.
Conversion Payment	Subject to certain exceptions, we will deliver to holders in respect of each $1,000 principal amount of notes surrendered for conversion cash and shares of common stock, if applicable, in an amount equal to the sum of the daily settlement amounts for each of the 20 consecutive trading days during the applicable cash settlement averaging period. The *daily settlement amount*, for each of the 20 consecutive trading days during a cash settlement averaging period, shall consist of: cash equal to $50 or, if less, the daily conversion value; and to the extent the daily conversion value exceeds $50, a number of shares equal to (A) the difference between the daily conversion value and $50, divided by (B) the applicable stock price of our common stock for such day. The *daily conversion value* means generally, for each of the 20 consecutive trading days during a cash settlement averaging period, the product of (1) the daily conversion rate fraction for such day and (2) the applicable stock price of our common stock on such day. The *daily conversion rate fraction* for each trading day during the relevant cash settlement averaging period will be determined as follows: if the applicable stock price of our common stock on such trading day is less than or equal to the base conversion price, the daily conversion rate fraction for such trading day will be equal to the base conversion rate divided by 20; and if the applicable stock price of our common stock on such trading day is greater than the base conversion price, the daily conversion rate fraction for such trading day will be equal to $1/20^{th}$ of the following:

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	The *cash settlement averaging period* with respect to any note being converted means the 20-consecutive-trading-day period beginning on and including the second trading day after a conversion date, except that with respect to any conversion date that is on or after the 24th scheduled trading day immediately preceding the maturity date, the cash settlement averaging period means the 20 consecutive trading days beginning on and including the 22nd scheduled trading day prior to the maturity date. The initial *base conversion rate* for the notes will be 30.9253, equivalent to an initial *base conversion price* of approximately $32.34 per share of our common stock. The base conversion rate will be subject to adjustment in certain events. The *incremental share factor* is initially 18.5552, subject to the same proportional adjustment as the base conversion rate. You will not receive any additional cash payment, including any accrued but unpaid interest, upon conversion of a note except in circumstances described in Description of the Notes Interest. Instead, interest will be deemed paid by the delivery of the settlement amount to you upon conversion of a note.
Adjustments to Conversion Rate	We will adjust the conversion rate of the notes in the following circumstances: If and only to the extent you elect to convert your notes in connection with a make-whole fundamental change as described in Description of the Notes Conversion of Rights Increase of Applicable Conversion Rate Upon Conversion Upon Make-Whole Fundamental Change, we will increase the applicable conversion rate by a number of additional shares. The number of additional shares will be determined by reference to the table in Description of the Notes Conversion of Rights Increase of Applicable Conversion Rate Upon Conversion Upon Make-Whole Fundamental Change, based on the effective date and the price paid per share of our common stock in such transaction or event. We will adjust the base conversion rate under certain circumstances described below under Description of the Notes Conversion of Rights Conversion Rate Adjustments, including upon the payment of cash dividends in excess of the base dividend amount or distributions of certain other rights to holders of our common stock.
Repurchase at Holder s Option Upon a Fundamental Change	A holder may require us to repurchase some or all of its notes for cash upon the occurrence of a fundamental change at a price equal to 100% of the principal amount of the notes being repurchased, plus accrued and unpaid interest, if any, to but excluding, the date of repurchase.
Sinking Fund	None.

Form and Denomination	The notes will be issued only in denominations of $1,000 and multiples of $1,000. The notes will be represented by one or more global notes, deposited with the trustee as a custodian for The Depository Trust Company, or DTC, and registered in the name of Cede & Co., DTC s nominee. Beneficial interests in the global

	notes will be shown on, and any transfers will be effective only through, records maintained by DTC and its participants.
Use of Proceeds	We estimate that the net proceeds from this offering, after deducting estimated fees and expenses and the underwriter s discount and commission, will be approximately $145.4 million ($167.3 million if the underwriters exercise their option to purchase additional notes in full). We expect to use the proceeds of this offering and available cash, including borrowings under our revolving credit facility, to purchase or redeem all of our outstanding 91/8% Senior Notes due 2009. See Use of Proceeds.
Trustee and Paying Agent	U.S. Bank Trust National Association
Listing and Trading	The notes will not be listed on any securities exchange. Our common stock is listed on the NYSE under the symbol FOE.
Book-entry Form	The notes will be issued in book-entry form and will be represented by permanent global certificates deposited with, or on behalf of, DTC and registered in the name of a nominee of DTC. Beneficial interests in any of the notes will be shown on, and transfers will be effected only through, records maintained by DTC or its nominee and any such interest may not be exchanged for certificated securities, except in limited circumstances.
Absence of a Public Market for the Notes	The notes are new securities, and there is currently no established market for the notes. The underwriters have advised us that they currently intend to make a market in the notes. However, they are not obligated to do so, and may discontinue any market making with respect to the notes without notice. We do not intend to apply for a listing of the notes on any national securities exchange or any automated dealer quotation system. Accordingly, we cannot assure you as to the development or liquidity of any market for the notes. Our common stock is listed on the New York Stock Exchange under the symbol FOE.

Risk Factors

Investment in the notes involves substantial risks. You should carefully consider the information in the Risk Factors section and all other information included in this prospectus before investing in the notes.

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Summary Historical Financial Information

In the table below, we provide you with our summary historical consolidated financial information for the periods and as of the dates presented. The information is only a summary and should be read together with the information set forth under Management s Discussion and Analysis of Financial Condition and Results of Operations and the financial information included in the Annual Report and the Quarterly Report incorporated by reference into this prospectus supplement and the accompanying prospectus. See Where You Can Find More Information and Incorporation of Certain Documents by Reference on page S-65 of this prospectus supplement.

In 2002, we sold our Powder Coatings business unit. On June 30, 2003, we sold our Petroleum Additives business and our Specialty Ceramics business. For all periods presented, we report those businesses as discontinued operations. These divestitures are further discussed in Note 15 to the consolidated financial statements under Item 8 of the Annual Report incorporated by reference into this prospectus supplement and the accompanying prospectus.

	Six Months Ended June 30,		Year Ended December 31,				
				Adjusted(1)	Adjusted(1)	Adjusted(1)	Adjusted(1)
	2008	2007	2007	2006	2005	2004	2003
			(Dollars in thousands)				
tatement of perations Data:							
et sales	$ 1,257,652	$ 1,083,363	$ 2,204,785	$ 2,041,525	$ 1,882,305	$ 1,843,721	$ 1,615,598
ost of sales	1,020,949	869,056	1,788,122	1,625,880	1,495,403	1,456,722	1,243,039
ross profit	236,703	214,307	416,663	415,645	386,902	386,999	372,559
elling, general and dministrative expenses	159,848	163,143	319,065	305,211	310,056	309,967	315,910
npairment charges			128,737				
estructuring charges(2)	13,238	1,863	16,852	23,146	3,677	6,006	0
ther expenses, net	30,013	31,126	61,327	60,847	45,996	37,657	45,258
ncome tax expense enefit)	15,083	7,342	(15,064)	5,349	8,060	4,268	2,106
ncome (loss) from ontinuing operations	18,521	10,833	(94,254)	21,092	19,113	29,101	9,285
Loss) income from scontinued operations, et of tax	16	214	(225)	(472)	(868)	(2,915)	4,412
et income (loss)	18,505	10,619	(94,479)	20,620	18,245	26,186	13,697
tatement of Cash lows Data:							
et cash provided by ontinuing operations	6,709	69,862	144,635	71,630	23,167	63,486	4,576
et cash used for nvesting activities	(33,926)	(28,098)	(62,033)	(68,718)	(35,814)	(19,384)	(49,662
et cash provided by sed for) financing ctivities	28,550	(41,248)	(88,717)	(3,035)	18,137	(51,802)	53,640
ther Financial Data:							
apital expenditures	34,572	30,921	67,634	50,615	42,825	39,054	36,055

epreciation and mortization	38,244	43,992	87,476	79,501	74,823	75,020	76,634
atio of earnings to fixed harges(3)	2.10	1.52		1.36	1.55	1.85	1.25
BITDA(4)	99,091	93,899	37,848	170,369	148,915	150,382	131,131
alance Sheet Data:							
ash and cash quivalents	13,390	17,795	12,025	16,985	17,413	13,939	23,381
Vorking capital	251,607	232,874	196,860	250,395	254,066	219,536	167,180
roperty, plant & quipment, net	534,761	525,335	519,959	526,802	531,139	598,719	616,657
otal assets	1,770,934	1,757,778	1,638,260	1,741,602	1,676,598	1,739,885	1,736,448
otal debt, including urrent portion	570,953	559,184	526,089	592,418	553,723	506,988	537,122
otal shareholders equity	505,416	543,710	476,284	535,051	478,063	530,268	500,953

(1) Fiscal years 2006 and prior have been adjusted for the effects of the changes in accounting principles for inventory costs and for major planned overhauls, as described in Note 1 to the consolidated financial statements under Item 8 of the Annual Report incorporated by reference into this prospectus supplement and the accompanying prospectus.

(2) During 2008, we continued several restructuring programs across a number of our business segments with the objectives of leveraging our global scale, realigning and lowering our cost structure and optimizing capacity utilization. The programs are primarily associated with North America and Europe. In November 2007 and March 2008, we initiated additional restructuring plans for our Performance Coatings and Color and Glass Performance Materials segments. In February 2008, we announced the closing of a Plastics facility in Aldridge, United Kingdom. Restructuring charges of $16.9 million were recorded in 2007, primarily associated with our manufacturing rationalization activities in the Performance Coatings and Color and Glass Performance Materials segments in Europe and our Electronic Materials segment in the United States.

Restructuring charges of $23.1 million in 2006 were primarily related to the same manufacturing rationalization activities. All of the 2005 charges related to severance benefits for employees affected by plant closings or capacity reduction, as well as various personnel in administrative or shared service functions. The charges recorded during 2004 included $3.5 million of severance benefits for employees affected by plant closings or capacity reduction, as well as various personnel in administrative or shared service functions.

(3) The ratio of earnings to fixed charges has been calculated by dividing (1) income before income taxes plus fixed charges by (2) fixed charges. Fixed charges are equal to interest expense (including amortization of deferred financing costs and losses on the sales of accounts receivable under our asset securitization programs), plus the portion of rent expense estimated to represent interest. For the year ended December 31, 2007, earnings were not sufficient to cover fixed charges by $110.0 million, primarily due to non-cash impairment charges of $128.7 million. Accordingly, such ratio is not presented. Costs associated with our asset securitization programs were $3.7 million and $3.3 million for the six months ended June 30, 2008 and 2007, respectively, and $7.0 million, $5.6 million, $3.9 million, $2.4 million and $1.4 million for the years ended December 31, 2007, 2006, 2005, 2004, and 2003, respectively.

(4) EBITDA is defined as net income plus interest expense, income tax expense (benefit) and depreciation and amortization. Interest expense contains the same components described in footnote (2) above. EBITDA is not a recognized term under U.S. GAAP and does not purport to be an alternative to net income (loss) as an indicator of operating performance or to cash flows from operating activities as a measure of liquidity. We believe that, in addition to net income (loss) and cash flows from operating activities, EBITDA is a useful financial performance measurement for assessing operating performance since it provides an additional basis to evaluate our ability to incur and service debt and to fund capital expenditures. Additionally, EBITDA is not intended to be a measure of free cash flow for management s discretionary use, as it does not consider certain cash requirements such as interest payments, tax payments, capital expenditures and debt service requirements.

The amounts shown for EBITDA differ from the amounts calculated under the definition of consolidated EBITDA used in our debt agreements. The definition of EBITDA used in our debt agreements permits further adjustments for certain cash and non-cash (one-time) charges and gains. Consolidated EBITDA is used in our debt agreements, including the notes offered hereby, to determine compliance with financial covenants and our ability to engage in certain activities, such as incurring additional debt and making certain payments.

The amounts shown for EBITDA include the impairment charges and restructuring charges provided in the table and footnotes above for the periods presented and one-time charges (for example, litigation settlement amounts and asset impairments) of $4.0 million and $6.4 million for the six months ended June 30, 2008 and 2007, respectively, and $10.3 million, $5.5 million, $10.5 million, $1.7 million and $0 for the years ended December 31, 2007, 2006, 2005, 2004 and 2003, respectively.

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The following table sets forth a reconciliation of net income (loss) to EBITDA for the periods indicated:

	Six Months Ended June 30, 2008	Six Months Ended June 30, 2007	Year Ended December 31, 2007	Adjusted 2006	Adjusted 2005	Adjusted 2004	Adjusted 2003
	(Dollars in thousands)						
Net income (loss)	$ 18,505	$ 10,619	$ (94,479)	$ 20,620	$ 18,245	$ 26,186	$ 13,697
(Loss) income from discontinued operations, net of tax	16	214	(225)	(472)	(868)	(2,915)	4,412
Income (loss) from continuing operations	18,521	10,833	(94,254)	21,092	19,113	29,101	9,285
Interest expense	27,243	31,732	59,690	64,427	46,919	41,993	43,106
Income tax expense (benefit)	15,083	7,342	(15,064)	5,349	8,060	4,268	2,106
Depreciation and amortization	38,244	43,992	87,476	79,501	74,823	75,020	76,634
EBITDA	99,091	93,899	37,848	170,369	148,915	150,382	131,131

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RISK FACTORS

Investing in our securities involves significant risks. Before you invest in our securities, in addition to the other information contained in this prospectus supplement and in the accompanying prospectus, you should carefully consider the risks and uncertainties identified in our reports to the SEC incorporated by reference into this prospectus supplement and the accompanying prospectus. The risks and uncertainties identified in our SEC reports are not the only risks that we face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial also may adversely affect us. If any known or unknown risks and uncertainties develop into actual events, these developments could have material adverse effects on our financial position, results of operations, and cash flows.

Risks Related to the Notes and Our Common Stock

Our substantial leverage and significant debt service obligations could adversely affect our ability to operate our business and to fulfill our obligations, including under the notes.

We have a significant amount of indebtedness. As of June 30, 2008, assuming completion of the sale of the notes and the repurchase or redemption of all of the outstanding 91/8% Senior Notes, our debt would have been $584.2 million, excluding unused commitments under our revolving loan facility, which would have represented approximately 54% of our total capitalization. We also have off-balance sheet indebtedness associated with our accounts receivable securitization and factoring programs of approximately $116.2 million.

This high level of indebtedness could have important negative consequences to us and you, including:

- we may have difficulty satisfying our obligations with respect to the notes;
- we may have difficulty obtaining financing in the future for working capital, capital expenditures, acquisitions or other purposes;
- we will need to use a substantial portion of our available cash flow to pay interest and principal on our debt, which will reduce the amount of money available to finance our operations and other business activities;
- some of our debt, including our borrowings under our senior credit facility, will have variable rates of interest, which will expose us to the risk of increased interest rates;
- our debt level increases our vulnerability to general economic downturns and adverse industry conditions;
- our debt level could limit our flexibility in planning for, or reacting to, changes in our business and in our industry in general;
- we may not have sufficient funds available, and our debt level may also restrict us from raising the funds necessary, to repurchase all of the notes tendered to us upon the occurrence of a fundamental change, which would constitute an event of default under the notes; and
- our failure to comply with the financial and other restrictive covenants in our debt instruments which, among other things, require us to maintain specified financial ratios and limit our ability to incur debt and sell assets, could result in an event of default that, if not cured or waived, could have a material adverse effect on our

business or prospects.

Despite current indebtedness levels, we may still be able to incur substantially more debt. This could increase the risks associated with our substantial leverage.

We may be able to incur substantial additional indebtedness in the future. Although the credit agreement governing our senior credit facility contains restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and the indebtedness incurred in compliance with these restrictions could be substantial. We have a $300.0 million revolving loan facility which may be drawn at any time. Furthermore, the indenture for the notes allows us to incur additional debt. Any additional borrowings could be senior to the notes. If we incur additional debt above the levels in effect upon the closing of the offering, the risks associated with our substantial leverage would increase. See Capitalization and Description of the Notes.

We have made only limited covenants in the indenture for the notes, and these limited covenants may not protect your investment.

The indenture for the notes does not:

- require us to maintain any financial ratios or specific levels of net worth, revenues, income, cash flows or liquidity and, accordingly, does not protect holders of the notes in the event that we experience significant adverse changes in our financial condition or results of operations;

- limit our subsidiaries ability to incur indebtedness, which would effectively rank senior to the notes;

- limit our ability to incur secured indebtedness or indebtedness that is equal in right of payment to the notes;

- restrict our subsidiaries ability to issue securities that would be senior to the common stock of our subsidiaries held by us;

- restrict our ability to repurchase our securities;

- restrict our ability to pledge our assets or those of our subsidiaries; or

- restrict our ability to make investments or to pay dividends or make other payments in respect of our common stock or other securities ranking junior to the notes.

Furthermore, the indenture for the notes contains only limited protections in the event of a change in control. We could engage in many types of transactions, such as acquisitions, refinancings or recapitalizations, which could substantially affect our capital structure and the value of the notes or our common stock, but may not constitute a fundamental change that permits holders to require us to repurchase their notes. For these reasons, you should not consider the covenants in the indenture or the repurchase features of the notes as a significant factor in evaluating whether to invest in the notes.

The notes are unsecured and effectively junior to the claims of any secured creditors.

The notes are unsecured obligations and will rank equally in right of payment with all of our other existing and future unsecured, unsubordinated obligations. The notes are not secured by any of our assets and are effectively junior to the claims of any secured creditors and to the existing and future liabilities of our subsidiaries. Our obligations under our senior secured credit facility are secured by a pledge by us of 100% of our North American assets, a pledge of 100% of the capital stock of certain of our direct and indirect domestic subsidiaries and a pledge of 65% of the capital stock of our foreign subsidiaries. In addition, we may incur other senior indebtedness, which may be substantial in amount, and which may, in certain circumstances, be secured. Any future claims of secured lenders, including the lenders under our senior secured credit facility, with respect to assets securing their loans will be prior to any claim of the holders of the notes with respect to those assets. As a result, our assets may be insufficient to pay amounts due on your notes.

The notes are not guaranteed (except as provided under Description of the Notes Future Subsidiary Guarantees) and will therefore be structurally junior to the existing and future liabilities of our subsidiaries, and

we may not have access to the cash flow and other assets of our subsidiaries that we may need to make payment on the notes.

Our subsidiaries are separate and distinct legal entities from us. Our subsidiaries have no obligation to pay any amounts due on the notes or to provide us with funds to meet our payment obligations on the notes (except as provided under Description of the Notes Future Subsidiary Guarantees), whether in the form of dividends, distributions, loans or other payments. In addition, any payment of dividends, loans or advances by our subsidiaries could be subject to statutory or contractual restrictions. Payments to us by our subsidiaries will also be contingent upon the subsidiaries earnings and business considerations. Our right to receive any assets of any of our subsidiaries upon their bankruptcy, liquidation or reorganization, and therefore the right of the holders of the notes to participate in those assets, will be effectively subordinated to the claims of that subsidiary s creditors, including trade creditors. In addition, even if we are a creditor of any of our subsidiaries, our rights as a creditor would be subordinate to any security interest in the assets of those subsidiaries and any indebtedness of those subsidiaries senior to that held by us. In addition, because the notes will not be guaranteed by any of our subsidiaries (except as provided under Description of the Notes Future Subsidiary Guarantees), the notes will also be structurally subordinated to all the liabilities of the our subsidiaries, including trade payables. As of June 30, 2008, Ferro Corporation s subsidiaries had approximately $9.1 million of debt and $213.9 million of trade payables. They also guarantee Ferro Corporation s debt of $358.2 million under the senior credit facility and are permitted under the indenture to incur substantial additional indebtedness. Finally, the indenture also permits us to make substantial additional investments in and loans to our subsidiaries. Our subsidiaries generated 63% of our consolidated revenues in the twelve-month period ended June 30, 2008, and held 62% of our consolidated assets as of June 30, 2008.

The conversion rate of the notes may not be adjusted for all dilutive events that may occur.

As described under Description of the Notes Conversion Rate Adjustments, we will adjust the conversion rate of the notes for certain events, including, among others:

- the issuance of stock or certain cash dividends on our common stock;
- the issuance of certain rights or warrants;
- certain subdivisions and combinations of our capital stock;
- the distribution of capital stock, indebtedness or assets; and
- certain tender or exchange offers.

We will not adjust the conversion rate for other events, such as an issuance of common stock for cash or a third-party tender or exchange offer, that may adversely affect the trading price of the notes or our common stock. If we engage in any of these types of transactions, the value of the common stock into which your notes may be convertible may be diluted. An event that adversely affects the value of the notes, but does not result in an adjustment to the conversion rate may occur.

We may not be able to pay interest on the notes or repurchase the notes at the option of the holder upon a fundamental change.

The notes bear each interest at a rate of 6.50% per year. Holders of notes also have the right to require us to repurchase all or a portion of their notes for cash upon the occurrence of a fundamental change. Any of our future debt agreements or securities may contain similar provisions. We may not have sufficient funds to pay interest to the note holders or to make the required repurchase of the notes at the applicable time and, in such circumstances, may not be able to arrange the necessary financing on favorable terms, if at all. In addition, our ability to make the required repurchase upon a fundamental change is currently limited by the terms of our existing senior credit facilities and may be limited by law or the terms of other debt agreements or securities. Our failure to pay interest on the notes or to make the required repurchase, as the case may be, would constitute an event of default under the indenture governing the notes which, in turn, could constitute an event of default under other debt agreements or securities, thereby resulting in their acceleration and required prepayment and thereby further restrict our ability to make such interest payments and repurchases.

Upon conversion of the notes, we will pay an amount in cash that is based upon a conversion reference period, and you may receive less proceeds than expected.

Depending on the value of our common stock during the applicable cash settlement averaging period, we may satisfy some or all of our conversion obligation in cash and the remainder in shares. If we satisfy our conversion obligation in a combination of cash and shares, the number of shares to be delivered will be calculated on a proportionate basis for each day of a 20 trading day cash settlement averaging period. Accordingly, upon conversion of a note, holders may receive less proceeds than expected because the value of our common stock may decline (or not appreciate as much as you may expect) between the conversion date and the day the settlement amount of your notes is determined. In addition, because of the 20 trading day cash settlement averaging period, settlement generally will be delayed until at least the 23rd trading day following the related conversion date. See Description of the Notes Conversion Rights Payment Upon Conversion.

Our failure to convert the notes into cash or a combination of cash and shares upon exercise of a holder s conversion right in accordance with the provisions of the indenture would constitute a default under the indenture. In addition, a default under the indenture could lead to a default under existing and future agreements governing our indebtedness. lf, due to a default, the repayment of related indebtedness is accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay such indebtedness and the notes.

Restricted convertibility of the notes could result in your receiving less than the value of the cash and common stock, if any, into which a note would otherwise be convertible.

Prior to June 15, 2013, the notes are convertible only if specified conditions are met. If these conditions are not met, you will not be able to convert your notes prior to June 15, 2013, and you will not be able to receive the cash and common stock, if any, into which the notes would otherwise be convertible. See Description of the Notes Conversion Rights.

The adjustment to the conversion rate for notes converted in connection with a make-whole fundamental change may not adequately compensate you for any lost value of your notes as a result of such transaction.

If a make-whole fundamental change occurs, under certain circumstances we will increase the applicable conversion rate by a number of additional shares of our common stock for notes converted during a specified period of time following the effective date of such make-whole fundamental change. The adjustment to the applicable conversion rate for notes converted in connection with such make-whole fundamental change may not adequately compensate you for any lost value of your notes as a result of such transaction. In addition, if the price of our common stock in the transaction is greater than $95.00 per share or less than $20.21 per share (in each case, subject to adjustment), no adjustment will be made to the conversion rate. In no event will the total number of shares of common stock added to the conversion rate as a result of such fundamental change exceed 18.5552 per $1,000 principal amount of notes, subject to adjustments in the same manner as the conversion rate as set forth under Description of the Notes Conversion of Rights Conversion Rate Adjustments.

Our obligation to increase the conversion rate in connection with any such fundamental change could be considered a penalty, in which case the enforceability thereof would be subject to general principles of reasonableness of economic remedies.

Provisions of the notes could discourage an acquisition of us by a third party.

Certain provisions of the notes could make it more difficult or more expensive for a third party to acquire us. Upon the occurrence of certain transactions constituting a fundamental change, holders of the notes will have the right, at their option, to require us to repurchase for cash any or all of their notes at a price equal to 100% of the principal amount plus any accrued and unpaid interest. See Description of the Notes Fundamental Change Permits Holders to Require Us to Purchase Notes. We also may be required to issue additional shares of our common stock upon conversion of outstanding notes in the event of certain corporate transactions. See Description of the Notes Conversion Rights Increase of Applicable Conversion Rate Upon Conversion Upon Make-Whole Fundamental Change.

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If you hold notes, you will not be entitled to any rights with respect to our common stock, but you will be subject to all changes made with respect to our common stock.

If you hold notes, you will not be entitled to any rights with respect to our common stock (including, without limitation, voting rights and rights to receive any dividends or other distributions on our common stock, other than extraordinary dividends that our board of directors designates as payable to the holders of the notes), but if you subsequently convert your notes and receive common stock upon such conversion, you will be subject to all changes affecting the common stock. You will have rights with respect to our common stock only if and when we deliver shares of common stock to you upon conversion of your notes and, to a limited extent, under the conversion rate adjustments applicable to the notes. For example, in the event that an amendment is proposed to our articles of incorporation or code of regulations requiring stockholder approval and the record date for determining the stockholders of record entitled to vote on the amendment occurs prior to delivery of common stock to you, you will not be entitled to vote on the amendment, although you will nevertheless be subject to any changes in the powers or rights of our common stock that result from such amendment.

An active trading market for the notes may not develop.

The notes are a new issue of securities with no established trading market and will not be listed on any securities exchange. If an active trading market does not develop or is not maintained, holders of the notes may experience difficulty in reselling, or an inability to sell, the notes. Future trading prices for the notes may be adversely affected by many factors, including changes in our financial performance, changes in the overall market for similar securities and performance or prospects for companies in our industry.

The notes will not be rated.

We do not intend to seek a rating on the notes. However, if one or more rating agencies rates the notes and assigns the notes a rating lower than the rating expected by investors, or reduces its rating in the future, the market price of the notes and our common stock could be reduced.

Our stock price has been volatile historically and may continue to be volatile. The price of our common stock, and therefore the price of the notes, may fluctuate significantly, which may make it difficult for holders to resell the notes or the shares of our common stock issuable upon conversion of the notes when desired or at attractive prices.

The trading price of our common stock has been and may continue to be subject to wide fluctuations. From January 1, 2006 through August 11, 2008, the closing sale price of our common stock on the New York Stock Exchange ranged from $25.99 to $13.65 per share, and the closing sale price on August 13, 2008 was $20.21 per share. Our stock price may fluctuate in response to a number of events and factors, such as quarterly variations in operating results, announcements of technological innovations or new products by us or our competitors, changes in financial estimates and recommendations by securities analysts, the operating and stock price performance of other companies that investors may deem comparable to us, and new reports relating to trends in our markets or general economic conditions.

In addition, the stock market in general, and prices for companies in our industry, have experienced volatility that often has been unrelated to the operating performance of such companies. These broad market and industry fluctuations may adversely affect the price of our common stock, regardless of our operating performance. Because the notes are convertible into shares of our common stock, volatility or depressed prices of our common stock could have a similar effect on the trading price of our notes. Holders who receive common stock upon conversion also will be subject to the risk of volatility and depressed prices of our common stock.

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Sales of a significant number of shares of our common stock in the public markets, or the perception of such sales, could depress the market price of the notes.

Sales of a substantial number of shares of our common stock or other equity-related securities in the public markets could depress the market price of the notes, our common stock, or both, and impair our ability to raise capital through the sale of additional equity securities. We cannot predict the effect that future sales of our common stock or other equity-related securities would have on the market price of our common stock or the value of the notes. The price of our common stock could be affected by possible sales of our common stock by investors who view the notes as a more attractive means of equity participation in our company and by hedging or arbitrage trading activity, which we expect to occur involving our common stock. This hedging or arbitrage could, in turn, affect the market price of the notes.

Conversion of the notes may dilute the ownership interest of existing stockholders, including holders who have previously converted their notes.

To the extent we deliver common stock on some or all of the notes, the ownership interests of existing stockholders may be diluted, including holders who have previously converted their notes. Any sales in the public market of our common stock issuable upon such conversion could adversely affect prevailing market prices of our common stock. In addition, the anticipated conversion of the notes into cash and shares of our common stock could depress the price of our common stock.

You may be deemed to have received a taxable distribution without the receipt of any cash.

The conversion rate of the notes will be adjusted in certain circumstances. Under Section 305(c) of the Internal Revenue Code of 1986 (the Code), adjustments (or failures to make adjustments) that have the effect of increasing your proportionate interest in our assets or earnings may in some circumstances result in a deemed distribution to you. Certain of the conversion rate adjustments with respect to the notes (including, without limitation, adjustments in respect of taxable dividends to holders of our common stock) will result in deemed distributions to the holders of notes even though they have not received any cash or property as a result of such adjustments. In addition, an adjustment to the conversion rate in connection with a make-whole fundamental change may be treated as a deemed distribution. Any deemed distributions will be taxable as a dividend, return of capital or capital gain in accordance with the earnings and profits rules under the Code. If you are a non-U.S. holder (as defined in Certain Material United States Federal Income Tax Considerations), any deemed dividend may be subject to U.S. withholding tax at a 30% rate or such lower rate as may be specified by an applicable treaty. See Certain Material United States Federal Income Tax Considerations.

The U.S. federal income tax consequences of the conversion of the notes into a combination of cash and shares of our common stock are uncertain.

The U.S. federal income tax consequences of the conversion of a note into a combination of cash and shares of our common stock are uncertain, and may result in a taxable transaction. Accordingly, you are urged to consult your tax advisors with respect thereto. A discussion of U.S. federal income tax considerations relevant to ownership of the notes is contained in this prospectus supplement under the heading Certain Material United States Federal Income Tax Considerations.

Under U.S. federal and state fraudulent transfer or conveyance statutes, a court could void the notes or take other actions detrimental to holders of the notes.

The issuance of the notes and any future subsidiary guarantee may be subject to review under United States federal bankruptcy law and comparable provisions of state fraudulent conveyance laws if a bankruptcy or reorganization case or lawsuit is commenced by or on behalf of our unpaid creditors. Under these laws, if a court were to find in such a bankruptcy or reorganization case or lawsuit that, at the time we issued the notes:

- we issued the notes with the intent to delay, hinder or defraud present or future creditors; or

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we received less than reasonably equivalent value or fair consideration for issuing the notes; and at the time we issued the notes: we were insolvent or rendered insolvent by reason of issuing the notes; we were engaged, or about to engage, in a business or transaction for which its remaining unencumbered assets constituted unreasonably small capital to carry on our business; we intended to incur, believed that we would incur or did incur, debts beyond our ability to pay as they mature; or we were a defendant in an action for money damages, or had a judgment for money damages docketed against us if, in either case, after final judgment, the judgment is unsatisfied;

then the court could void the notes, subordinate the notes to our other debt or take other action detrimental to holders of the notes.

The measures of insolvency for purposes of fraudulent transfer laws vary depending upon the law of the jurisdiction that is being applied in any proceeding to determine whether a fraudulent transfer had occurred. We cannot be sure as to the standard that a court would use to determine whether or not we were solvent as of the date we issued the notes, or, regardless of the standard that the court uses, that the issuance of the notes would not be voided or the notes would not be subordinated to our other debt. Additionally, under U.S. federal bankruptcy or applicable state insolvency law, if certain bankruptcy or insolvency proceedings were initiated by or against us within 90 days after any payment by us with respect to the notes, or if we anticipated becoming insolvent at the time of the payment, all or a portion of the payment could be avoided as a preferential transfer and the recipient of the payment could be required to return the payment. Finally, if any of our subsidiaries become a guarantor of the notes, the obligations of any guarantor under its subsidiary guarantee will be limited to the maximum amount that will not result in the obligations of the guarantor under such guarantee constituting a fraudulent conveyance or fraudulent transfer, after giving effect to any other contingent and fixed liabilities of the guarantors.

Risks Related to Our Business

We depend on reliable sources of energy and raw materials, including petroleum-based materials and other supplies at a reasonable cost, but the availability of these materials and supplies could be interrupted and/or their prices could escalate and adversely affect our sales and profitability.

We purchase energy and many raw materials, including petroleum-based materials and other supplies, that we use to manufacture our products. Changes in their availability or price could affect our ability to manufacture enough products to meet customers demands or to manufacture products profitably. We try to maintain multiple sources of raw materials and supplies where practical, but this may not prevent unanticipated changes in their availability or cost. We may not be able to pass cost increases through to our customers. Significant disruptions in availability or cost increases could adversely affect our manufacturing volume or costs, which could negatively affect product sales or profitability of our operations.

The markets for our products are highly competitive and subject to intense price competition, and that could adversely affect our sales and earnings performance.

Our customers typically have multiple suppliers from which to choose. If we are unwilling or unable to provide products at competitive prices, and if other factors, such as product performance and value-added services do not provide an offsetting competitive advantage, customers may reduce, discontinue, or decide not to purchase our products. If we could not secure alternate customers for lost business, our sales and earnings performance could be adversely affected.

We strive to improve operating margins through sales growth, price increases, productivity gains, improved purchasing techniques and restructuring activities, but we may not achieve the desired improvements.

We work to improve operating profit margins through activities such as growing sales to achieve increased economies of scale, increasing prices, improving manufacturing processes, adopting purchasing techniques that lower costs or provide increased cost predictability, and restructuring businesses to realize cost savings. However, these activities depend on a combination of improved product design and engineering, effective manufacturing process control initiatives, cost-effective redistribution of production, and other efforts that may not be as successful as anticipated. The success of sales growth and price increases depends not only on our actions but also the strength of customer demand and competitors pricing responses, which are not fully predictable. Failure to successfully implement actions to improve operating margins could adversely affect our financial performance.

We sell our products into industries where demand has been unpredictable, cyclical or heavily influenced by consumer spending.

We sell our products to a wide variety of customers who supply many different market segments. Many of these market segments, such as building and renovation, major appliances, transportation and electronics, are cyclical or closely tied to consumer demand, which is difficult to predict. Incorrect forecasts of demand or unforeseen reductions in demand can adversely affect costs and profitability due to factors such as underused manufacturing capacity, excess inventory, or working capital needs. These factors can result in lower profitability.

The global scope of our operations exposes us to risks related to currency conversion rates and changing economic, social and political conditions around the world.

More than 50% of our net sales during 2007 were outside of the U.S. In order to support global customers, access regional markets and compete effectively, our operations are located around the world. As a result, our operations have additional complexity from changing economic, social and political conditions in multiple locations and we are subject to risks relating to currency conversion rates. Other risks inherent in international operations include the following:

- new and different legal and regulatory requirements and enforcement mechanisms in local jurisdictions;
- U.S. export licenses may be difficult to obtain and we may be subject to export duties or import quotas or other trade barriers;
- increased costs of, and decreased availability of, transportation or shipping;
- credit risk and financial conditions of local customers and distributors;
- risk of nationalization of private enterprises by foreign governments or restrictions on investments;
- potentially adverse tax consequences, including imposition or increase of withholding and other taxes on remittances and other payments by subsidiaries; and
- local political, economic and social conditions, including the possibility of hyperinflationary conditions and political instability in certain countries.

While we attempt to anticipate these changes and manage our business appropriately in each location where we do business, these changes are often beyond our control and difficult to forecast. The consequences of these risks may have significant adverse effects on our results of operations or financial position.

We have a growing presence in the Asia-Pacific region where it can be difficult for a U.S.-based company, such as Ferro, to compete lawfully with local competitors.

Many of our most promising growth opportunities are in the Asia-Pacific region, especially the People s Republic of China. Although we have been able to compete successfully in those markets to date, local laws and customs can make it difficult for a U.S.-based company to compete on a level playing field with local competitors without engaging in conduct that would be illegal under U.S. law. Our strict policy of observing the highest standards of legal and ethical conduct may cause us to lose some otherwise attractive business opportunities to local competition in the region.

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Regulatory authorities in the U.S., European Union and elsewhere are taking a much more aggressive approach to regulating hazardous materials, and those regulations could affect sales of our products.

Hazardous material legislation and regulations can restrict the sale of products and/or increase the cost of producing them. Some of our products are subject to restrictions under laws or regulations such as California Proposition 65 or the European Union s (EU) hazardous substances directive. The EU REACH registration system became effective June 1, 2007, and requires us to perform toxicity studies of the components of some of our products and to register the information in a central database, increasing the cost of these products. As a result of these hazardous material regulations, customers may avoid purchasing some products in favor of perceived greener, less hazardous or less costly alternatives. This factor could adversely affect our sales and operating profits.

Our operations are subject to operating hazards and, as a result, to stringent environmental, health and safety regulations, and compliance with those regulations could require us to make significant investments.

Our production facilities are subject to hazards associated with the manufacture, handling, storage and transportation of chemical materials and products. These hazards can cause personal injury and loss of life, severe damage to, or destruction of, property and equipment and environmental contamination and other environmental damage and could have an adverse effect on our business, financial condition or results of operations.

We strive to conduct our manufacturing operations in a manner that is safe and in compliance with all applicable environmental, health and safety regulations. Compliance with changing regulations may require us to make significant capital investments, incur training costs, make changes in manufacturing processes or product formulations, or incur costs that could adversely affect our profitability, and violations of these laws could lead to substantial fines and penalties. These costs may not affect competitors in the same way due to differences in product formulations, manufacturing locations or other factors, and we could be at a competitive disadvantage, which might adversely affect financial performance.

We depend on external financial resources, and any interruption in access to capital markets or borrowings could adversely affect our financial condition.

As of December 31, 2007, we had approximately $526.1 million of short-term and long-term debt with varying maturities. These borrowings have allowed us to make investments in growth opportunities and fund working capital requirements. Our continued access to capital markets is essential if we are to meet our current obligations as well as fund our strategic initiatives. An interruption in our access to external financing could adversely affect our business prospects and financial condition. See further information regarding our liquidity in the section Management Discussion and Analysis of Financial Condition and Results of Operations Capital Resources and Liquidity in our Quarterly Report and Annual Report and in the notes to the consolidated financial statements included in these reports, which are incorporated by reference into this prospectus supplement and the accompanying prospectus.

Interest rates on some of our borrowings are variable, and our borrowing costs could be affected adversely by interest rate increases.

Portions of our debt obligations have variable interest rates. Generally, when interest rates rise, our cost of borrowings increases. We estimate, based on the debt obligations outstanding at December 31, 2007, that a one percent increase in interest rates would cause interest expense to increase by approximately $2.6 million annually. Continued interest rate increases could raise the cost of borrowings and adversely affect our financial performance. See further information regarding our interest rates on our debt obligations in Quantitative and Qualitative Disclosures about Market Risk in our Quarterly Report and Annual Report and in the notes to the consolidated financial statements included in these reports, which are incorporated by reference into this prospectus supplement and the accompanying prospectus.

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Many of our assets are encumbered by liens that have been granted to lenders, and those liens affect our flexibility to dispose of property and businesses.

Our debt obligations are secured by substantially all of our assets. These liens could reduce our ability and/or extend the time to dispose of property and businesses, as these liens must be cleared or waived by the lenders prior to any disposition. These security interests are described in more detail in Note 5 to the consolidated financial statements under Item 8 of the Annual Report incorporated by reference into this prospectus supplement and the accompanying prospectus.

We are subject to a number of restrictive covenants under our credit facilities, and those covenants could affect our flexibility to fund strategic initiatives.

Our credit facilities contain a number of restrictive covenants as described in more detail in Note 5 to the consolidated financial statements under Item 8 of the Annual Report incorporated by reference into this prospectus supplement and the accompanying prospectus. These covenants include customary operating restrictions that limit our ability to engage in certain activities, including additional loans and investments; prepayments, redemptions and repurchases of debt; and mergers, acquisitions and asset sales. We are also subject to customary financial covenants including a leverage ratio and a fixed charge coverage ratio. These covenants restrict the amount of our borrowings, reducing our flexibility to fund strategic initiatives. Breaches of these covenants could become defaults under our credit facilities and cause the acceleration of debt payments beyond our ability to pay.

We have significant deferred tax assets, and our ability to utilize these assets will depend on our future performance.

To fully realize the carrying value of our net deferred tax assets, we will have to generate adequate taxable profits in various tax jurisdictions. As of December 31, 2007, we had $102.8 million of net deferred tax assets, after valuation allowances. If we do not generate adequate profits within the time periods required by applicable tax statutes, the carrying value of the tax assets will not be realized. If it becomes unlikely that the carrying value of our net deferred tax assets will be realized, the valuation allowances may need to be increased in our consolidated financial statements, adversely affecting results of operations. Further information on our deferred tax assets is presented in Note 7 to the consolidated financial statements under Item 8 of the Annual Report incorporated by reference into this prospectus supplement and the accompanying prospectus.

We are a defendant in several lawsuits that could have an adverse effect on our financial condition and/or financial performance, unless they are successfully resolved.

We are routinely involved in litigation brought by suppliers, customers, employees, governmental agencies and others. Litigation is an inherently unpredictable process and unanticipated negative outcomes are possible. The most significant pending litigation is described in Item 3 Legal Proceedings of our Quarterly Report and Annual Report, which are incorporated by reference into this prospectus supplement and the accompanying prospectus.

Our businesses depend on a continuous stream of new products, and failure to introduce new products could affect our sales and profitability.

One way that we remain competitive in our markets is by developing and introducing new and improved products on an ongoing basis. Customers continually evaluate our products in comparison to those offered by our competitors. A failure to introduce new products at the right time that are price competitive and that provide the features and performance required by customers could adversely affect our sales, or could require us to compensate by lowering prices. The result could be lower sales and/or lower profitability.

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We are subject to stringent labor and employment laws in certain jurisdictions in which we operate, we are party to various collective bargaining arrangements, and our relationship with our employees could deteriorate, which could adversely impact our operations.

A majority of our full-time employees are employed outside the United States. In certain jurisdictions where we operate, labor and employment laws are relatively stringent and, in many cases, grant significant job protection to certain employees, including rights on termination of employment. In addition, in certain countries where we operate, our employees are members of unions or are represented by a works council as required by law. We are often required to consult and seek the consent or advice of these unions and/or respective works councils. These regulations and laws coupled with the requirement to consult with the relevant unions or works councils could have a significant impact on our flexibility in managing costs and responding to market changes.

Furthermore, with respect to our employees that are subject to collective bargaining arrangements or similar arrangements (approximately 18.2% of our U.S. workforce as of December 31, 2007), there can be no assurance that we will be able to negotiate labor agreements on satisfactory terms or that actions by our employees will not disrupt our business. If these workers were to engage in a strike, work stoppage or other slowdown or if other employees were to become unionized, we could experience a significant disruption of our operations and/or higher ongoing labor costs, which could adversely affect our business, financial condition and results of operations.

Employee benefit costs, especially postretirement costs, constitute a significant element of our annual expenses, and funding these costs could adversely affect our financial condition.

Employee benefit costs are a significant element of our cost structure. Certain expenses, particularly postretirement costs under defined benefit pension plans and healthcare costs for employees and retirees, may increase significantly at a rate that is difficult to forecast and may adversely affect our financial results, financial condition or cash flows.

Our restructuring initiatives may not provide sufficient cost savings to justify their expense.

We have undertaken and may continue to undertake productivity initiatives, including organizational restructurings, to improve performance and generate cost savings. We developed, initiated and continue to implement several restructuring programs across a number of our business segments with the objectives of leveraging our global scale, realigning and lowering our cost structure, and optimizing capacity utilization. The programs are primarily focused on North America and Europe. We can make no assurances that these restructuring initiatives will be completed or beneficial to us. Also, we cannot assure you that any estimated cost savings from such activities will be realized.

We are exposed to intangible asset risk.

We have recorded intangible assets, including goodwill, in connection with business acquisitions. We are required to perform goodwill impairment tests at least on an annual basis and whenever events or circumstances indicate that the carrying value may not be recoverable from estimated future cash flows. As a result of our annual and other periodic evaluations, we may determine that the intangible asset values need to be written down to their fair values, which could result in material charges that could be adverse to our operating results and financial position.

We have in the past identified material weaknesses in our internal controls, and the identification of any material weaknesses in the future could affect our ability to ensure timely and reliable financial reports.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, which is a process designed by our management to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of

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effectiveness to future periods are subject to risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

We conducted an assessment of our internal controls over financial reporting as of December 31, 2007 and concluded that we had a material weakness in those controls. Previously, we had concluded that we had material weaknesses in our internal controls as of December 31, 2004, 2005 and 2006. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that, there is a reasonable possibility that a material misstatement of the company s annual or interim financial statements will not be prevented or detected on a timely basis. As a result of its assessment, management found that we did not maintain effective controls over, and monitoring of, user access rights to our financial application systems. This resulted in an environment where certain personnel could have unmonitored access to financial systems and data beyond that required to perform their individual job responsibilities.

We concluded that these control weaknesses, while they did not result in adjustments to the 2007 annual or interim consolidated financial statements, when aggregated, result in a reasonable possibility that a material misstatement of our annual or interim consolidated financial statements will not be prevented or detected on a timely basis. Accordingly, our management has determined that this condition constituted a material weakness and concluded that our internal control over financial reporting was not effective as of December 31, 2007. We also reported the existence of material weaknesses and the conclusion that our internal controls were not effective as of December 31, 2006, December 31, 2005 and December 31, 2004 as discussed in our Annual Reports on Form 10-K filed with respect to those fiscal years.

During 2007 and 2008 we have continued remediation activities intended to improve our internal controls and procedures; however, there has not been adequate time for us to conclude that the material weakness in our internal control over financial reporting described in our Annual Report has been fully remediated. Therefore, our management has concluded that, as of June 30, 2008, our disclosure controls and procedures were not effective.

Accordingly, while we have taken actions to address these weaknesses, additional measures may be necessary and these measures along with other measures we expect to take to improve our internal controls may not be sufficient to address the issues identified by us or ensure that our internal controls are effective. If we are unable to correct weaknesses in internal controls in a timely manner, our ability to record, process, summarize and report reliable financial information within the time periods specified in the rules and forms of the SEC will be adversely affected. This failure could materially and adversely impact our business, our financial condition and the market value of our securities.

We are exposed to risks associated with acts of God, terrorists and others, as well as fires, explosions, wars, riots, accidents, embargoes, natural disasters, strikes and other work stoppages, quarantines and other governmental actions, and other events or circumstances that are beyond our control.

Ferro Corporation is exposed to risks from various events that are beyond its control, which may have significant effects on its results of operations. While we attempt to mitigate these risks through appropriate insurance, contingency planning and other means, we may not be able to anticipate all risks or to reasonably or cost-effectively manage those risks that we do anticipate. As a result, our results of operations could be adversely affected by circumstances or events in ways that are significant and/or long lasting.

The risks and uncertainties identified above are not the only risks that we face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial also may adversely affect us. If any known or unknown risks and uncertainties develop into actual events, these developments could have material adverse effects on our financial position, results of operations, and cash flows.

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USE OF PROCEEDS

The net proceeds from the sale of the notes, after deducting the underwriting discount and estimated expenses, will be approximately $145.4 million ($167.3 million if the underwriters exercise their option to purchase additional notes in full). We expect to use all of the net proceeds from the sale of the notes and available cash, including borrowings under our revolving credit facility, to purchase or redeem all of our outstanding 91/8% Senior Notes, to pay accrued and unpaid interest on all such indebtedness and to pay all premiums and transaction expenses associated therewith.

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PRICE RANGE OF OUR COMMON STOCK AND DIVIDEND POLICY

Our common stock is listed on the NYSE under the symbol FOE.

The following table shows the quarterly high and low intra-day sales prices and dividends declared per share for our common stock during each quarter of our last two fiscal years and the third quarter fiscal year 2009 through August 13, 2008.

	Price		
	High	Low	Dividends
Fiscal Year Ended December 31, 2006			
First Quarter	$ 20.80	$ 18.60	$ 0.145
Second Quarter	$ 20.78	$ 15.05	$ 0.145
Third Quarter	$ 18.66	$ 13.82	$ 0.145
Fourth Quarter	$ 21.70	$ 16.74	$ 0.145
Fiscal Year Ended December 31, 2007			
First Quarter	$ 22.95	$ 19.30	$ 0.145
Second Quarter	$ 25.48	$ 19.98	$ 0.145
Third Quarter	$ 26.03	$ 17.37	$ 0.145
Fourth Quarter	$ 23.21	$ 19.28	$ 0.145
Fiscal Year Ended December 31, 2008			
First Quarter	$ 20.65	$ 13.77	$ 0.145
Second Quarter	$ 21.10	$ 13.52	$ 0.145
Third Quarter (through August 13, 2008)	$ 24.01	$ 17.28	$

On August 13, 2008, the last reported sale price of our common stock on the NYSE was $20.21 per share. As of June 30, 2008, there were 1,458 holders of record of our common stock.

We intend to continue to declare quarterly dividends on our common stock, however, we cannot make any assurances about the amount of future dividends, since any future dividends depend on our cash flow from operations, earnings, financial condition, capital requirements, and other liquidity matters.

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CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization (1) at June 30, 2008, and (2) at June 30, 2008, as adjusted to reflect the issuance and sale of the notes offered hereby and the purchase or redemption of our 91/8% Senior Notes, as discussed under Use of Proceeds and Financing Transaction. You should read this table together with our audited financial statements contained in our Annual Report and the information presented in the Quarterly Report, incorporated by reference into this prospectus supplement and the accompanying prospectus. See Where You Can Find More Information and Incorporation of Certain Documents by Reference on page S-65 of this prospectus supplement.

	As of June 30, 2008	
	Actual	As Adjusted(1)
	(Dollars in thousands)	
Cash and cash equivalents	$ 13,390	$ 13,390
Long-term debt, including current portion(2):		
9.125% Senior Notes due 2009, net of unamortized discounts	$ 199,818	
6.50% Convertible Senior Notes due 2013 offered hereby(3)		150,000
Revolving credit facility	64,130	126,353
Term loan facility	294,023	294,023
Capital lease obligations	7,258	7,258
Other notes	684	684
Total long-term debt	565,913	578,318
Total shareholders equity(4)	505,416	500,461
Total capitalization	$ 1,071,329	$ 1,078,779

(1) As adjusted balances assume (i) we received net proceeds from the issuance of the notes, (ii) we purchased or redeemed 100% of the principal amount of 91/8% Senior Notes currently outstanding primarily with the proceeds of this offering and paid the associated tender or redemption premium and consent payment as contemplated by the Financing Transaction and accrued and unpaid interest on all such indebtedness from the last interest payment date prior to the purchase or redemption, and (iii) we paid certain legal, accounting and other fees associated with the Financing Transaction from our revolving credit facility.

(2) Excludes off-balance-sheet indebtedness associated with our accounts receivable securitization and factoring programs of approximately $116.2 million.

(3) If the underwriters exercise their option to purchase additional notes, the as-adjusted amount of 6.50% Convertible Senior Notes due 2013 will be increased by as much as $22.5 million. The as-adjusted amount due under our revolving credit facility will be decreased by an equivalent amount, net of expenses.

(4)

The as adjusted amount reflects the tax-affected payment of the tender or redemption premium and related expenses and the payment of accrued and unpaid interest.

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FINANCING TRANSACTION

We expect to use all of the net proceeds from this offering and available cash, including borrowings under our revolving credit facility, to purchase or redeem all of the $200 million of aggregate principal amount of our 91/8% Senior Notes that are tendered in connection with the tender offer or redemption described below, to pay accrued and unpaid interest on all such indebtedness, to pay all premiums and transaction expenses associated therewith and any remainder for general corporate purposes.

On June 20, 2008, we commenced a tender offer to purchase for cash any and all of the $200 million in aggregate principal amount of our outstanding 91/8% Senior Notes, and, in connection therewith, we are also soliciting consents to amend the indenture governing such notes to, among other things, eliminate certain of the restrictive covenants (other than the covenants to pay the principal of, and interest on, the 91/8% Senior Notes when due) and eliminate or modify certain events of default. If less than all of the outstanding principal amount of the 91/8% Senior Notes is tendered and purchased by us in the tender offer (including due to our termination of the tender offer), we expect to redeem any 91/8% Senior Notes that remain outstanding as soon as practicable following the consummation (or termination) of the tender offer, subject to applicable notice requirements.

The tender offer will expire at 5:00 p.m., New York City time, on August 26, 2008 (the Expiration Date), unless extended or terminated earlier by us. Each holder who validly tendered its 91/8% Senior Notes and delivered consents on or prior to 5:00 p.m., New York City time, on July 3, 2008 (the Consent Date) will be entitled to a consent payment, as described below. We reserve the right to terminate, withdraw or amend the tender offer and consent solicitation at any time subject to applicable law. As of August 11, 2008, we had received consents and tenders from $199,887,000 in aggregate principal amount of the 91/8% Senior Notes, representing 99.444% of the notes outstanding. A sufficient number of consents have been given to approve the proposed changes to the indenture.

The total consideration for each $1,000 principal amount of 91/8% Senior Notes validly tendered and not withdrawn prior to the Consent Date, and accepted for purchase pursuant to the tender offer will be determined as specified in the tender offer documents and will be equal to the present value, minus accrued interest, on the applicable payment date for the tender of 91/8% Senior Notes of (i) $1,000 on the maturity date of the 91/8% Senior Notes and (ii) the remaining scheduled interest payments on such 91/8% Senior Notes after the payment date for the tender of 91/8% Senior Notes to January 1, 2009 (the Redemption Date). The consideration will be determined using a basis of a yield to the Redemption Date equal to the sum of (A) the yield on the 4.75% U.S. Treasury note due December 31, 2008 (the Reference Treasury Security), as calculated by Credit Suisse Securities (USA) LLC (Credit Suisse), acting as dealer manager, in accordance with standard market practice, based on the bid side price for the Reference Treasury Security on the price determination date, as described in the tender offer documents, plus (B) a fixed spread of 50 basis points. We will pay accrued and unpaid interest up to, but not including, the applicable payment date. This consideration includes a consent payment of $15.00 per $1,000 principal amount of the 91/8% Senior Notes that will only be payable in respect of 91/8% Senior Notes that are accepted for payment and that were validly tendered with consents delivered and not withdrawn on or prior to the Consent Date.

DESCRIPTION OF THE NOTES

We will issue the notes as a series of debt securities under an indenture, as supplemented by a supplemental indenture, to be dated as of the closing date of this offering between us and U.S. Bank National Association, as trustee. We refer to the indenture and any supplemental indenture collectively as the indenture. The indenture is governed by the Trust Indenture Act of 1939, as amended, or the Trust Indenture Act. The terms of the notes include those stated in the indenture and those made part of the indenture by reference to the Trust Indenture Act. The following description is a summary of the material provisions of the indenture. It does not restate that agreement in its entirety. We urge you to read the indenture because it, and not this description, defines your rights as a holder of the notes.

In this description, the words we, us, our, Ferro or the Company refer only to Ferro Corporation and not to any o subsidiaries.

You may request a copy of the indenture from us. See Where You Can Find More Information and Incorporation of Certain Documents by Reference.

General

We are offering $150,000,000 aggregate principal amount of our 6.50% Convertible Senior Notes due 2013 (or $172,500,000 if the underwriters exercise their option to purchase additional notes in full), which we refer to as the notes. We use the term note in this prospectus supplement to refer to each $1,000 principal amount of notes. The notes will mature on August 15, 2013, subject to earlier conversion or repurchase.

The notes:

- will be issued in denominations of $1,000 and integral multiples of $1,000;
- will be general unsecured, senior obligations of the Company;
- will be *pari passu* in right of payment with all existing and future senior indebtedness of the Company;
- will be represented by one or more registered notes in global form, but in certain circumstances may be represented by notes in certificated form as described below under Book-Entry, Settlement and Clearance ;
- will not be subject to defeasance or any sinking fund provisions;
- will be senior in right of payment to any future subordinated indebtedness of the Company; and
- except as provided below, will not be guaranteed by any of the Company s subsidiaries.

On or prior to the business day immediately preceding the maturity date, subject to certain conditions described herein, the notes may be converted into cash and, if applicable, shares of our common stock as described below under Conversion Rights Payment Upon Conversion. Holders will not receive any separate cash payment for interest, if any, accrued and unpaid to the conversion date (as defined below) except under the circumstances described below under Conversion Rights Conversion Procedures.

The notes will be subject to repurchase by us at the holders option upon the occurrence of a fundamental change, on the terms and at the purchase prices set forth below under Fundamental Change Permits Holders to Require Us to Purchase Notes.

If any interest payment date, maturity date or fundamental change repurchase date (as defined below) falls on a day that is not a business day, then the required payment or delivery will be made on the next succeeding business day with the same force and effect as if made on the date that the payment or delivery was due, and no additional interest will accrue on that payment for the period from and after the interest payment date, maturity date or fundamental change repurchase date, as the case may be, to that next succeeding business day.

We may, without the consent of the holders, issue additional notes under the indenture with the same terms and with the same CUSIP numbers as the notes offered hereby in an unlimited aggregate principal amount; *provided* that no such additional notes will be treated as part of the same series as the notes unless they will be fungible with the notes offered hereby for U.S. federal income tax purposes. We may also from time to time repurchase the notes in open market purchases or negotiated transactions without prior notice to holders.

The registered holder of a note will be treated as the owner of it for all purposes.

The indenture does not limit the amount of debt that may be issued by us or our subsidiaries under the indenture or otherwise. We may issue debt securities of other series from time to time under the indenture.

Other than restrictions described under Fundamental Change Permits Holders to Require Us to Purchase Notes and Consolidation, Merger and Sale of Assets below, and except for the provisions set forth under Conversion Rights Increase of Applicable Conversion Rate Upon Conversion Upon Make-Whole Fundamental Change, the indenture does not contain any covenants or other provisions designed to afford holders of the notes protection in the event of a change of control or highly leveraged transaction involving us or in the event of a decline in our credit rating, including as a result of a takeover, recapitalization, highly leveraged transaction or similar restructuring involving us that could adversely affect the holders of the notes.

Payments on the Notes; Paying Agent and Registrar

We will pay the principal of certificated notes at the office or agency designated by us in the United States. We have initially designated a corporate trust office of U.S. Bank National Association, as the paying agent and registrar of the notes and its agency in New York, New York, as a place where notes may be presented for payment or for registration of transfer. We may, however, change the paying agent or registrar without prior notice to the holders of the notes, and we may act as paying agent or registrar. Interest on certificated notes will be payable (1) to holders holding certificated notes having an aggregate principal amount of $1,000,000 or less of notes by check mailed to the holders of such notes and (2) to holders holding certificated notes having an aggregate principal amount of more than $1,000,000 of notes either by check mailed to each holder or, upon application by a holder to the registrar not later than the relevant record date, by wire transfer in immediately available funds to that holder s account within the United States, which application shall remain in effect until the holder notifies, in writing, the registrar to the contrary.

We will pay principal of and interest on notes in global form registered in the name of or held by DTC or its nominee in immediately available funds to DTC or its nominee, as the case may be, as the registered holder of such global note.

Interest

The notes will bear interest at a rate of 6.50% per year. Interest will accrue from August 19, 2008, and will be payable semi-annually in arrears on February 15 and August 15 of each year, beginning February 15, 2009.

Interest will be paid to the person in whose name a note is registered at the close of business on February 1 or August 1 (each a record date), as the case may be (whether or not a business day), immediately preceding the relevant interest payment date; *provided, however,* if notes are surrendered for conversion after 5:00 p.m., New York City time, on a regular record date but prior to 9:00 a.m., New York City time, on the immediately following interest payment date, holders of such notes at 5:00 p.m., New York City time, on the record date will receive the interest, if any, payable on such notes on the corresponding interest payment date notwithstanding the conversion. Notes, upon surrender for conversion during the period after 5:00 p.m., New York City time, on any regular record date but prior to 9:00 a.m., New York City time, on the immediately following interest payment date, must be accompanied by funds equal to the amount of interest, if any, payable on the notes so converted; *provided* that no such payment need be made:

if we have specified a fundamental change repurchase date that is after a record date and on or prior to the business day immediately following the interest payment date;

to the extent of any overdue interest, if any overdue interest exists at the time of conversion with respect to such note; or

if the notes are surrendered for conversion after 5:00 p.m., New York City time, on the regular record date immediately preceding the maturity date and before 5:00 p.m., New York City time, on the business day immediately preceding the maturity date for the notes.

Interest on the notes will be computed on the basis of a 360-day year composed of twelve 30-day months.

Unless the context requires otherwise, all references to the term interest in this prospectus supplement are deemed to include additional interest, if any, that accrues and is payable in connection with our failure to comply with our reporting obligations under the indenture as set forth below under Events of Default.

Ranking

The notes will be effectively subordinated to all borrowings under the senior credit facility, which are secured by substantially all the assets of the Company, to the extent of the value of such collateral. See Risk Factors The notes are unsecured and effectively junior to the claims of any secured creditors. After giving effect to the Financing Transaction, as of June 30, 2008, the notes would have been effectively subordinated to approximately $428.5 million of secured indebtedness, which includes capital lease obligations of $7.3 million. As of June 30, 2008, we had outstanding approximately $5.7 million of unsecured senior indebtedness with which the notes would rank equally.

Because the notes will not be guaranteed by any of the Company s subsidiaries (except as provided below), the notes will also be structurally subordinated to all the liabilities of the Company s subsidiaries, including trade payables. As of June 30, 2008, our subsidiaries had approximately $9.1 million of debt and $213.9 million of trade payables and guaranteed debt of approximately $358.2 million under our senior credit facility. The indenture does not restrict the ability of the Company s subsidiaries to incur additional indebtedness or the ability of the Company to make substantial investments in its subsidiaries.

In the event of a bankruptcy, liquidation or reorganization of any of the Company s subsidiaries, the Company s subsidiaries will pay the holders of their debt and their trade creditors before these subsidiaries will be able to distribute any of their assets to the Company. The Company s subsidiaries generated 63% of our consolidated revenues in the twelve-month period ended June 30, 2008 and held 62% of our consolidated assets as of June 30, 2008. See Risk Factors The notes are not guaranteed (except as provided under Description of the Notes Future Subsidiary Guarantees) and will therefore be structurally junior to the existing and future liabilities of our subsidiaries, and we may not have access to the cash flow and other assets of our subsidiaries that we may need to make payment on the notes.

Future Subsidiary Guarantees

Our obligations under the notes will not initially be guaranteed by any of our subsidiaries. However, in the event that any of our subsidiaries guarantees or becomes a co-obligor with respect to any indebtedness of Ferro or another subsidiary guarantor for borrowed money other than indebtedness under our senior credit facilities (as defined below) and the notes, such subsidiary will be required to guarantee the notes equally and ratably with such other indebtedness pursuant to a supplement to the indenture.

Senior c*redit facilities* means, one or more debt facilities (including, without limitation, the credit agreement (as defined below)) or commercial paper facilities, in each case, with banks or other institutional lenders providing for up to $765 million of revolving credit loans, term loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables) or letters of credit, in each case, as amended, restated, modified, renewed, refunded, replaced (whether upon or after termination or otherwise) or refinanced (including by means of sales of debt securities to institutional investors) in whole or in part from time to time.

Credit agreement means our Amended and Restated Credit Agreement, dated June 8, 2007, among Ferro, certain of Ferro s subsidiaries, Credit Suisse, as term loan administrative agent, National City Bank, as revolving loan administrative agent and collateral agent, KeyBank National Association, as documentation agent, Citigroup Global Markets, Inc., as syndication agent, and various financial institutions as lenders, providing for up to $665 million of revolving credit and term loan borrowings, including any related notes, guarantees, collateral documents, instruments and agreements executed in connection therewith.

No guarantor may consolidate with or merge with or into (whether or not such guarantor is the surviving person) another person (other than us or another guarantor), whether or not affiliated with such guarantor, unless:

(1) subject to the provisions of the following paragraph, the person formed by or surviving any such consolidation or merger (if other than such guarantor) shall execute a supplement to the indenture providing for a guarantee and deliver an opinion of counsel in accordance with the terms of the indenture; and

(2) immediately after giving effect to such transaction, no default or event of default shall have occurred and be continuing.

In the event of a sale or other disposition (including by way of merger or consolidation) of all or substantially all of the assets or all of the capital stock of any guarantor owned by us our or subsidiaries, then such guarantor will be released and relieved of any obligations under its subsidiary guarantee. In addition, if no events of default have occurred and are continuing and a guarantor ceases to guarantee or be a co-obligor with respect to any indebtedness of us or another subsidiary guarantor for borrowed money, other than indebtedness under our senior credit facilities and the notes, then upon delivery to the trustee of an officers certificate to the foregoing effect, the subsidiary guarantees will be released and the obligations discussed under Future Subsidiary Guarantees will cease to apply, subject to reinstatement if the foregoing release condition is no longer satisfied.

The obligations of any guarantor under its subsidiary guarantee will be limited to the maximum amount that will not result in the obligations of the guarantor under the subsidiary guarantee constituting a fraudulent conveyance or fraudulent transfer under federal or state law, after giving effect to any other contingent and fixed liabilities of the guarantor. See Risk Factors Under U.S. federal and state fraudulent transfer or conveyance statues, a court could void the notes or take other actions detrimental to holders of the notes.

Conversion Rights

General

Subject to the restrictions described below, a holder may convert any outstanding notes into cash and, if applicable, shares of our common stock in accordance with the procedures described below under Payment Upon Conversion.

Prior to June 15, 2013, the notes will be convertible as provided herein only in the circumstances described below under Conversion Upon Satisfaction of Common Stock Price Condition, Conversion Upon Satisfaction of Trading Price Condition or Conversion Upon Specified Corporate Transactions. On or after June 15, 2013, a holder may surrender notes for conversion at any time prior to 5:00 p.m., New York City time, on the business day immediately preceding the maturity date without regard to the foregoing conditions. In addition, if a holder has exercised its right to require us to repurchase its notes, subject to all other restrictions on conversion, such holder may not convert its notes unless it withdraws its repurchase notice prior to 5:00 p.m., New York City time, on the business day immediately preceding such repurchase date.

Our delivery to the holder of the settlement amount (as defined below) together with any cash payment for such holder s fractional shares, will be deemed to satisfy our obligation to pay the principal amount of the notes and to satisfy our obligation to pay accrued and unpaid interest through the conversion date, except as provided above under Interest. As a result, accrued interest is deemed paid in full rather than cancelled, extinguished or forfeited.

Holders of our common shares issued upon conversion, if any, will not be entitled to receive any dividends payable to holders of our common shares as of any record time or date before the applicable conversion date.

Conversion Upon Satisfaction of Common Stock Price Condition

With respect to any calendar quarter commencing after September 30, 2008, a holder may surrender any of its notes for conversion during such calendar quarter (and only during such quarter) if the last reported sale price of our common stock for at least 20 trading days during the period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is greater than 130% of the base conversion price (as defined below) on such last trading day.

Trading day means a day during which trading in our common stock generally occurs on the principal U.S. national or regional securities exchange on which our common stock is listed for trading and during which there is no market disruption event; *provided* that if our common stock is not listed for trading on a U.S. national or regional securities exchange, trading day will mean a business day.

The term *market disruption event* means (1) a failure by the primary exchange or quotation system on which our common stock trades or is quoted to open for trading during its regular trading session or (2) the occurrence or existence on any trading day for our common stock of any suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the stock exchange or otherwise) in our common stock or in any options, contracts or future contracts relating to our common stock for an aggregate period in excess of one half hour.

Conversion Upon Satisfaction of Trading Price Condition

A holder may surrender notes for conversion prior to maturity during the five business-day period following any five consecutive trading-day period in which the trading price per $1,000 principal amount of notes, as determined by the trustee following a request by a holder of notes in accordance with the procedures described below, for each trading day of such five trading-day period was less than 97% of the product of the last reported sale price of our common stock for such trading day and the applicable conversion rate (determined for this purpose in the manner described below).

The trustee shall have no obligation to determine the trading price of the notes for this purpose unless we have requested such determination in writing, and we shall have no obligation to make such request unless a holder of at least $2,000,000 principal amount of notes provides us with reasonable evidence that the trading price of the notes on any date would be less than 97% of the product of the last reported sale price and the applicable conversion rate on such date. At such time, we shall instruct the trustee to determine the trading price of the notes beginning on the next trading day and on each successive trading day until the trading price of the notes is greater than or equal to 97% of the product of the last reported sale price and the applicable conversion rate on such date.

For purposes of the foregoing, if the bid solicitation agent cannot reasonably obtain at least one bid for $5,000,000 aggregate principal amount of the notes from an independent nationally recognized securities dealer, then the trading price of the notes will be deemed to be less than 97% of the product of the last reported sale price of our common stock for such trading day and the applicable conversion rate.

Trading price of the notes on any determination date means the average of the secondary market bid quotations per note obtained by the bid solicitation agent for $5,000,000 aggregate principal amount of the notes at approximately 3:30 p.m., New York City time, on the determination date from three independent nationally recognized securities dealers we select, which may include any of the underwriters; *provided* that if:

three such bids cannot reasonably be obtained by the bid solicitation agent, but two such bids are obtained, then the average of the two bids shall be used, and

only one such bid can reasonably be obtained by the bid solicitation agent, that one bid shall be used.

For purposes of the foregoing, the applicable conversion rate on any day will be (i) if the last reported sale price of our common stock on the trading day immediately preceding such day is less than or equal to the base conversion price, the base conversion rate and (ii) if such last reported sale price of our common stock is greater than the base conversion price, the base conversion rate plus a number of shares equal to the product of (a) the incremental share factor and (b) (1) the difference between such last reported sale price and the base conversion price divided by (2) such last reported sale price. The bid solicitation agent will initially be the trustee. We may change the bid solicitation agent, but the bid solicitation agent may not be an affiliate of ours.

The *last reported sale price* of our common stock on any date means the closing sale price per share (or if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average ask prices) on that date as reported in composite transactions for the principal U.S. national or regional securities exchange on which our common stock is listed for trading. If our common stock is not listed for trading on a U.S. national or regional securities exchange on the relevant date, the last reported sale price will be the last quoted bid price for our common stock in the over-the-counter market on the relevant date as reported by the National Quotation Bureau or similar organization. If our common stock is not so quoted, the last reported sale price will be the average of the mid-point of the last bid and ask prices for our common stock on the relevant date from each of at least three nationally recognized independent investment banking firms selected by us for this purpose.

Conversion Upon Specified Corporate Transactions

If we elect to:

- distribute, to all or substantially all holders of our common stock, rights, warrants or options entitling them to subscribe for or purchase, for a period expiring not more than 45 days from the record date of the distribution, shares of our common stock at a price per share less than the average of the last reported sale price of our common stock for each of the ten trading days immediately preceding the date that such distribution was first publicly announced; or

- distribute, to all or substantially all holders of our common stock, cash or other assets, debt securities or certain rights or warrants to purchase our securities (excluding distributions described in clauses (1) and (2) under Conversion Rate Adjustments), which distribution has a per share value exceeding 15% of the average of the last reported sale price of our common stock for the ten trading days immediately preceding the date that such distribution was first publicly announced,

we must notify the holders of notes and the trustee at least 25 trading days prior to the ex-dividend date for such distribution. Once we have given such notice, holders may surrender their notes for conversion until the earlier of the close of business on the business day prior to the ex-dividend date