

FERRO CORP
Form SC TO-I/A
August 25, 2010

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

**SCHEDULE TO/A
(RULE 14d-100)
TENDER OFFER STATEMENT UNDER SECTION 14(d)(1) OR 13(e)(1)
OF THE SECURITIES EXCHANGE ACT OF 1934
(Amendment No. 3)**

FERRO CORPORATION

(Name of Subject Company (Issuer) and Filing Person (Offeror))

6.50% Convertible Senior Notes Due 2013

(Title of Class of Securities)

315405AL4

(CUSIP Number of Class of Securities)

Thomas R. Miklich

Vice President and Chief Financial Officer

Ferro Corporation

1000 Lakeside Avenue

Cleveland, Ohio 44114

(216) 641-8580

(Name, Address and Telephone Number of Person

Authorized to Receive Notices and Communications on Behalf of Filing Persons)

Copies to:

Mark H. Duesenberg
Vice President, General Counsel and Secretary
Ferro Corporation
1000 Lakeside Avenue
Cleveland, Ohio 44114
Phone: (216) 641-8580

Christopher M. Kelly
Michael J. Solecki
Jones Day
901 Lakeside Avenue
Cleveland, Ohio 44114
Phone: (216) 586-3939
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CALCULATION OF FILING FEE

Transaction Valuation
\$177,675,000⁽¹⁾

Amount of Filing Fee
\$12,668.23⁽²⁾

- (1) Calculated solely for purposes of determining the amount of the filing fee. Pursuant to

Rule 0-11(b)(1)
of the Securities
Exchange Act
of 1934, the
transaction
valuation was
calculated based
on the purchase
of \$172,500,000
aggregate
principal
amount of the
issuer's 6.50%
Convertible
Senior Notes
due 2013 at the
tender offer
price of \$1,030
per \$1,000
principal
amount of such
Convertible
Notes.

(2) The amount of
the filing fee
was calculated
at a rate of
\$71.30 per
\$1,000,000 of
transaction
value.

Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: \$12,668.23
Form or Registration No.: Schedule TO/A

Filing Party: Ferro Corporation
Date Filed: August 5, 2010

Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

third-party tender offer subject to Rule 14d-1.

issuer tender offer subject to Rule 13e-4.

going-private transaction subject to Rule 13e-3.

amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

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Items 1, 4(a), 7 and 11

Item 12. Exhibits

SIGNATURE

EXHIBIT INDEX

Exhibit (a)(5)(iii)

Exhibit (a)(5)(iv)

AMENDMENT NO. 3 to SCHEDULE TO

This Amendment No. 3 (the Amendment) amends and supplements the Tender Offer Statement on Schedule TO (as it may be amended or supplemented from time to time, the Schedule TO) originally filed with the Securities and Exchange Commission on July 27, 2010 by Ferro Corporation, an Ohio corporation (the Company). The Schedule TO relates to the offer by the Company to purchase any and all of its issued and outstanding 6.50% Convertible Senior Notes due 2013 (the Convertible Notes). The Company s offer is being made upon the terms and subject to the conditions set forth in the Offer to Purchase, dated July 27, 2010, as amended and restated by Supplement No. 1 to the Offer to Purchase dated August 5, 2010 (as it may be amended and restated from time to time, the Offer to Purchase), and in the related Letter of Transmittal, as amended and restated by Amendment No. 2 to the Schedule TO dated August 16, 2010 (as it may be amended and restated from time to time, the Letter of Transmittal, and collectively with the Offer to Purchase, the Offer Documents). Copies of the Offer Documents are attached to this Schedule TO as Exhibits (a)(1)(i), (a)(1)(ii), (a)(1)(iii) and (a)(1)(iv).

The purpose of this Amendment is to amend and supplement the Schedule TO to reflect amendments to the Offer to Purchase related to (i) the satisfaction of the New Notes Condition and the Credit Facility Condition to the Tender Offer and (ii) the extension of the Tender Offer expiration date to August 30, 2010.

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Items 1, 4(a), 7 and 11.

The Offer to Purchase is hereby amended and supplemented as follows:

The Company has extended the Expiration Date for the Tender Offer. The Tender Offer will expire at midnight, New York City time, on August 30, 2010, unless extended or earlier terminated by the Company in its sole discretion (such time and date, as the same may be extended or earlier terminated, the Expiration Date). References to August 23, 2010 are deleted in their entirety and replaced with the following: August 30, 2010 .

The second and third paragraphs under Source and Amount of Funds are deleted in their entirety and replaced with the following:

On August 24, 2010, the Company completed the New Notes Offering by issuing \$250.0 million aggregate principal amount of New Notes. The New Notes are the Company's unsecured, senior obligations, bear interest at 7.875% per annum and mature on August 15, 2018. The net proceeds from the New Notes Offering, after deducting underwriting discounts and commissions and estimated offering expenses, were approximately \$244 million.

On August 24, 2010, the Company entered into the New Credit Agreement with PNC Bank, National Association, as the Administrative Agent, the Collateral Agent and the Issuer, JPMorgan Chase Bank, N.A. and Bank of America, N.A., as the Syndication Agents, and various financial institutions as Lenders. The New Credit Agreement amends and restates the Second Amended and Restated Credit Agreement, dated as of October 26, 2009, as amended. Certain of the Company's U.S. subsidiaries have guaranteed the Company's obligations under the New Credit Agreement and, pursuant to an Amended and Restated Pledge and Security Agreement with PNC Bank, National Association, as Collateral Agent, such obligations are secured by (a) substantially all of the assets of the Company and those U.S. subsidiaries (the primary exception being the receivables sold as part of the Company's asset securitization program) and (b) a pledge of 100% of the stock of most of the Company's U.S. subsidiaries and 65% of the stock of most of the Company's foreign subsidiaries.

The New Credit Agreement has a five-year term and provides for a \$350 million secured revolving line of credit (which may be increased up to \$450 million subject to the Company's pro forma compliance with financial covenants, the Administrative Agent's approval and the Company obtaining commitments for such increase). Up to \$100 million of the revolving line of credit under the New Credit Agreement will be available to certain of the Company's subsidiaries in the form of revolving loans denominated in Euros.

Borrowings under the New Credit Agreement bear interest, at the Company's option, at the London Interbank Offered Rate (LIBOR) or the base (or prime) rate established from time to time by PNC Bank, National Association, in each case plus an applicable margin based on the ratio of (a) the Company's total consolidated debt outstanding at such time to (b) the Company's consolidated EBITDA (as defined in the New Credit Agreement) computed for the period of four consecutive fiscal quarters most recently ended. Interest on base rate loans is payable quarterly, and interest on LIBOR loans is payable at the end of a predetermined Interest Period which may be one, two, three or six months. In addition to interest charges, the Company will pay a quarterly commitment fee ranging from 0.35% 0.50% based on the ratio of (a) the Company's total consolidated debt outstanding at such time to (b) the Company's consolidated EBITDA computed for the period of four consecutive fiscal quarters most recently ended.

The New Credit Agreement contains customary restrictive and financial covenants, including covenants regarding the Company's outstanding indebtedness and maximum leverage and fixed charge coverage

ratios. The New Credit Agreement also contains standard provisions relating to conditions of borrowing. In addition, the New Credit Agreement contains customary events of default, including the non-payment of obligations by the Company and the bankruptcy of the Company. If an event of default occurs, all amounts outstanding under the New Credit Agreement may be accelerated and become immediately due and payable.

The second and third paragraphs under *Conditions of the Tender Offer* are deleted in their entirety and replaced with the following:

New Notes Condition. On August 24, 2010, the Company completed the New Notes Offering. The net proceeds from the New Notes Offering, after deducting underwriting discounts and commissions and estimated offering expenses, were approximately \$244 million. The closing of the New Notes Offering satisfied the New Notes Condition to the Tender Offer.

Credit Facility Condition. On August 24, 2010, the Company entered into the New Credit Facility. The Company's entry into the New Credit Facility satisfied the Credit Facility Condition to the Tender Offer.

Item 12. Exhibits.

Item 12 is hereby amended and supplemented to add the following:

- (a)(5)(iii) Press Release announcing extension of the Tender Offer, dated August 23, 2010.
 - (a)(5)(iv) Press Release announcing the satisfaction of the New Notes Condition and the Credit Facility Condition, dated August 24, 2010.
 - (b)(1) Third Amended and Restated Credit Agreement, dated August 24, 2010, by and among Ferro Corporation, the various financial institutions from time to time party thereto and PNC Bank, National Association, JPMorgan Chase Bank, N.A. and Bank of America, N.A. as agents. (Reference is made to Exhibit 10.1 to Ferro Corporation's Current Report on Form 8-K, filed August 24, 2010 (SEC File No. 001-00584), which Exhibit is incorporated here by reference.)
 - (b)(2) Form of Indenture, by and between the Company and Wilmington Trust FSB. (Reference is made to Exhibit 4.1 to Ferro Corporation's Registration Statement on Form S-3, filed July 27, 2010 (Registration Statement No. 333-168324), which Exhibit is incorporated here by reference.)
 - (b)(3) Form of First Supplemental Indenture, by and between the Company and Wilmington Trust FSB, governing the Company's 7.875% Senior Notes due 2018 (including form of Note). (Reference is made to Exhibit 4.1 to Ferro Corporation's Current Report on Form 8-K, filed August 24, 2010 (SEC File No. 001-00584), which Exhibit is incorporated here by reference.)
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SIGNATURE

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

FERRO CORPORATION

By: /s/ Thomas R. Miklich

Name: Thomas R. Miklich

Title: Vice President and Chief Financial
Officer

Dated: August 24, 2010

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EXHIBIT INDEX

- (a)(1)(i)* Offer to Purchase, dated July 27, 2010.
- (a)(1)(ii)* Form of Letter of Transmittal (including Form W-9).
- (a)(1)(iii)* Supplement No. 1 to Offer to Purchase, dated August 5, 2010.
- (a)(1)(iv)* Amended and Restated Form of Letter of Transmittal (including Form W-9).
- (a)(5)(i)* Press Release, dated July 27, 2010.
- (a)(5)(ii)* Press Release, dated August 5, 2010.
- (a)(5)(iii) Press Release announcing extension of the Tender Offer, dated August 23, 2010.
- (a)(5)(iv) Press Release announcing the satisfaction of the New Notes Condition and the Credit Facility Condition, dated August 24, 2010.
- (b)(1) Third Amended and Restated Credit Agreement, dated August 24, 2010, by and among Ferro Corporation, the various financial institutions from time to time party thereto and PNC Bank, National Association, JPMorgan Chase Bank, N.A. and Bank of America, N.A. as agents. (Reference is made to Exhibit 10.1 to Ferro Corporation's Current Report on Form 8-K, filed August 24, 2010 (SEC File No. 001-00584), which Exhibit is incorporated here by reference.)
- (b)(2) Form of Indenture, by and between the Company and Wilmington Trust FSB. (Reference is made to Exhibit 4.1 to Ferro Corporation's Registration Statement on Form S-3, filed July 27, 2010 (Registration Statement No. 333-168324), which Exhibit is incorporated here by reference.)
- (b)(3) Form of First Supplemental Indenture, by and between the Company and Wilmington Trust FSB, governing the Company's 7.875% Senior Notes due 2018 (including form of Note). (Reference is made to Exhibit 4.1 to Ferro Corporation's Current Report on Form 8-K, filed August 24, 2010 (SEC File No. 001-00584), which Exhibit is incorporated here by reference.)
- (d)(1) Senior Indenture, dated as of March 5, 2008, by and between Ferro Corporation and U.S. Bank National Association. (Reference is made to Exhibit 4.5 to Ferro Corporation's Registration Statement on Form S-3, filed March 5, 2008 (Registration Statement No. 333-149559), which Exhibit is incorporated here by reference.)
- (d)(2) First Supplemental Indenture, dated August 19, 2008, by and between Ferro Corporation and U.S. Bank National Association (with Form of 6.50% Convertible Senior Note due 2013). (Reference is made to Exhibit 4.2 to Ferro Corporation's Current Report on Form 8-K, filed August 19, 2008 (SEC File No. 001-00584), which Exhibit is incorporated here by reference.)
- (d)(3) Ferro Corporation Employee Stock Option Plan. (Reference is made to Exhibit 10.1 to Ferro Corporation's Annual Report on Form 10-K for the year ended December 31, 2006 (SEC File No. 001-00584), which Exhibit is incorporated here by reference.)
- (d)(4)

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Ferro Corporation 2003 Long-Term Incentive Compensation Plan. (Reference is made to Exhibit 10.16 to Ferro Corporation's Annual Report on Form 10-K for the year ended December 31, 2008 (SEC File No. 001-00584), which Exhibit is incorporated here by reference.)

- (d)(5) Form of Terms of Incentive Stock Option Award Grants under the Ferro Corporation 2003 Long-Term Incentive Compensation Plan. (Reference is made to Exhibit 10.17 to Ferro Corporation's Annual Report on Form 10-K for the year ended December 31, 2008 (SEC File No. 001-00584), which Exhibit is incorporated here by reference.)
 - (d)(6) Form of Terms of Performance Share Awards under the Ferro Corporation 2003 Long-Term Incentive Compensation Plan. (Reference is made to Exhibit 10.18 to Ferro Corporation's Annual Report on Form 10-K for the year ended December 31, 2008 (SEC File No. 001-00584), which Exhibit is incorporated here by reference.)
 - (d)(7) Ferro Corporation 2006 Long-Term Incentive Plan (Reference is made to Exhibit 10.01 to Ferro Corporation's Current Report on Form 8-K, filed November 8, 2006 (SEC File No. 001-00584), which Exhibit is incorporated here by reference.)
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- (d)(8) Form of Terms of Incentive Stock Option Award Grants under the Ferro Corporation 2006 Long-Term Incentive Compensation Plan. (Reference is made to Exhibit 10.20 to Ferro Corporation's Annual Report on Form 10-K for the year ended December 31, 2008 (SEC File No. 001-00584), which Exhibit is incorporated here by reference.)
- (d)(9) Form of Terms of Nonstatutory Stock Option Grants under the Ferro Corporation 2006 Long-Term Incentive Compensation Plan. (Reference is made to Exhibit 10.21 to Ferro Corporation's Annual Report on Form 10-K for the year ended December 31, 2008, which Exhibit is incorporated here by reference.)
- (d)(10) Form of Terms of Performance Share Awards under the Ferro Corporation 2006 Long-Term Incentive Compensation Plan. (Reference is made to Exhibit 10.22 to Ferro Corporation's Annual Report on Form 10-K for the year ended December 31, 2008 (SEC File No. 001-00584), which Exhibit is incorporated here by reference.)
- (d)(11) Form of Terms of Restricted Share Awards under the Ferro Corporation 2006 Long-Term Incentive Compensation Plan. (Reference is made to Exhibit 10.23 to Ferro Corporation's Annual Report on Form 10-K for the year ended December 31, 2008 (SEC File No. 001-00584), which Exhibit is incorporated here by reference.)
- (d)(12) Form of Terms of Deferred Stock Unit Awards under the Ferro Corporation 2006 Long-Term Incentive Compensation Plan. (Reference is made to Exhibit 10.24 to Ferro Corporation's Annual Report on Form 10-K for the year ended December 31, 2008 (SEC File No. 001-00584), which Exhibit is incorporated here by reference.)
- (d)(13) Ferro Corporation 2010 Long-Term Incentive Plan (Reference is made to Exhibit 10.1 to Ferro Corporation's Current Report on Form 8-K, filed May 6, 2010 (SEC File No. 001-00584), which Exhibit is incorporated here by reference.)

* Previously filed