
PENSION CHANGE FACT SHEET

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RESEARCH
AT BOSTON COLLEGE

MARCH 2006

COMPANY NAME: Ferro Corporation

U.S. EMPLOYEES: 2,500

TYPE OF PLAN(S): Traditional Defined Benefit — in excess of 1,000 participants affected

DATE ANNOUNCED: February 15, 2006

DATE EFFECTIVE: April 1, 2006

DESCRIPTION OF FREEZE: *Total Freeze*. All salaried and certain hourly employees who participated in the company's (U.S.) defined benefit plan will stop accruing benefits on April 1, 2006.

PLAN SOLVENCY: At year end 2003, defined benefit pension plan obligations were \$430.7 million and plan assets were \$289.6 million.

REPORTED FINANCIAL IMPLICATION: As a result of the freeze, Ferro expects savings of \$30-\$40 million between 2006 and 2011.

NEW ARRANGEMENTS FOR EMPLOYEES: Starting on April 1, 2006, regardless of whether the employee contributes to his 401(k), Ferro Corporation will make annual contributions to employees' 401(k) accounts, varying from 2 percent to 8 percent dependent upon the employee's salary and years of service. Also, Ferro will match employee contributions of up to 5 percent of salary. This company-sponsored plan was established for new employees hired after July 1, 2003.

BACKGROUND: Ferro is a major international producer of performance materials for industry, including coatings and performance chemicals. The Company has operations in 20 countries and reported sales of approximately \$1.8 billion in 2004.

REFERENCES

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SEC Form 10-k/a filed March 19, 2004.